



2024

Interim Report

WAI HUNG GROUP HOLDINGS LIMITED

偉鴻集團控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock code: 3321

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Li Kam Hung
(Chairman and Chief Executive Officer)
Mr. Yu Ming Ho
Mr. Yau Yan Ming Raymond

Non-executive Director

Mr. Li Chun Ho

Independent Non-executive Directors

Ms. Rita Botelho dos Santos
Mr. Wu Chou Kit
Mr. Lam Chi Wing

AUDIT COMMITTEE

Ms. Rita Botelho dos Santos *(Chairman)*
Mr. Wu Chou Kit
Mr. Lam Chi Wing

REMUNERATION COMMITTEE

Mr. Lam Chi Wing *(Chairman)*
Mr. Yu Ming Ho
Mr. Wu Chou Kit

NOMINATION COMMITTEE

Mr. Li Kam Hung *(Chairman)*
Mr. Wu Chou Kit
Mr. Lam Chi Wing

AUTHORISED REPRESENTATIVES

Mr. Li Kam Hung
Mr. Lam Wai Kei

COMPANY SECRETARY

Mr. Wong Sze Lok
(appointed on 8 February 2024)
Mr. Lam Wai Kei
(resigned on 8 February 2024)

AUDITOR

Global Link CPA Limited
(Registered Public Interest Entity Auditor)

REGISTERED OFFICE

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN MACAU

Alameda Dr. Carlos d'Assumpcao
No. 258 Praca Kin Heng Long
16 Andar G-H, Macau

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 13, 24th Floor
Honour Industrial Centre
6 Sun Yip Street
Chai Wan, 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
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANK

Luso International Banking Ltd.
The Macau Chinese Bank Limited

LEGAL ADVISER

As to Hong Kong Laws
Hastings & Co.

STOCK CODE

3321
(listed on the Main Board of The Stock
Exchange of Hong Kong Limited)

WEBSITE

whh.com.hk

MANAGEMENT DISCUSSION AND ANALYSIS

The board (the **“Board”**) of directors (the **“Directors”**) of Wai Hung Group Holdings Limited (the **“Company”**) is pleased to present the unaudited consolidated results of the Company and its subsidiaries (collectively the **“Group”**) for the six months ended 30 June 2024 (the **“Reporting Period”**), together with the comparative figures for the corresponding period in 2023.

BUSINESS REVIEW AND PROSPECTS

The Group is a contractor providing fitting-out services; and repair and maintenance service in Macau and Hong Kong. The Group’s fitting-out services primarily cover refitting works for existing buildings and extend to casinos, retail areas, hotels, restaurants, commercial properties and residential properties. We primarily focus on providing fitting-out services for the commercial segment, in particular facilities located within integrated resorts in Macau.

The Group undertook projects as both main contractor and subcontractor. The majority of its revenue was derived from projects in which we were engaged as main contractor by major licensed casino gaming operators and property owners in Macau. To a lesser extent, the Group was also engaged as subcontractor by other fitting-out contractors in Macau.

The Group has also established continuous business relationship with major licensed casino gaming operators and other fitting-out contractors in Macau. Majority of the customers are group companies of the licensed casino gaming operators and other fitting-out contractors in Macau, and the share of their respective holding companies are listed on the Stock Exchange. The Group believes that its experienced management team with profound industry knowledge, its ability to maintain long-term business relationship with its major customers and a stable pool of suppliers and subcontractors have contributed to its success.

From 2020 through the beginning of 2024, the Group operations were negatively impacted by the COVID-19 Pandemic and post-pandemic. With the gradual easing of the COVID-19 pandemic after three years and the reopening of borders around the world, including Macau, the number of people traveling to and from Macau has been increasing, leading to a rapid recovery of the tourism industry. Our business clients, casino gaming operators, are greatly benefited from the elimination of travel restrictions. The Group believes various casino-related projects will be available for tendering compared to past years and the Group will continue to bid these projects so as to gradually returning to a sound financial performance.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the six months ended 30 June 2023 and 2024, total revenue amounted to approximately MOP58.4 million and MOP6.1 million, of which revenue generated from providing fitting-out services constituted approximately 99.8% and 100% of total revenue, respectively.

For the six months ended 30 June 2024, the Group recorded loss for the period of approximately MOP58.6 million (2023: approximately MOP8.0 million). During the six months ended 30 June 2024, the Group completed 14 fitting-out projects and was awarded 22 fitting-out projects, all of which are based in Macau.

Revenue

Revenue decreased by approximately MOP52.3 million or 89.5% from approximately MOP58.4 million for the six months ended 30 June 2023 to approximately MOP6.1 million for the six months ended 30 June 2024.

Direct costs

The total amount of subcontracting fees, materials costs and direct labour costs decreased by approximately MOP50.5 million or 89.5% from approximately MOP56.4 million for the six months ended 30 June 2023 to approximately MOP5.9 million for the six months ended 30 June 2024. The decrease of direct costs were in line with the changes in revenue.

Gross profit and gross profit margin

The gross profit of the Group for the six months ended 30 June 2024 amounted to approximately MOP0.2 million, as compared to a gross profit of approximately MOP2.0 million for the six months ended 30 June 2023. The gross profit margin of the Group for six months ended 30 June 2024 was approximately 2.9% (2023: 3.5%).

The period-to-period decrease in gross profit margin was mainly attributable to the project with lower profit margin recognised during the period.

MANAGEMENT DISCUSSION AND ANALYSIS

Other income and other gains, net

Other income and other gains, net of the Group for the six months ended 30 June 2024 amounted to approximately MOP1,000, representing a decrease of MOP200,000 or 99.5% as compared to other income and other gains, net of approximately MOP201,000 for the six months ended 30 June 2023. Other income and other gains, net mainly consisted of bank interest income.

Impairment losses

The total amount of provision for impairment loss allowance on financial assets and contract assets amounted to approximately MOP42.8 million for the six months ended 30 June 2024, representing an increase of approximately MOP43.2 million as compared to the reversal of impairment loss of approximately MOP0.4 million for the six months ended 30 June 2023. Such increase was attributable to a debtor who was ordered to be wound up by the High Court of Hong Kong and the Provisional Liquidator was appointed during the period.

Administrative expenses

Administrative expenses amounted to approximately MOP7.2 million and MOP14.4 million for the six months ended 30 June 2023 and 2024, respectively, which accounted for approximately 12.3% and 235.4% of the total revenue during the respective periods. The largest item under administrative expenses was administrative staff costs, which amounted to approximately MOP3.5 million and MOP8.2 million for the six months ended 30 June 2023 and 2024, respectively, which accounted for approximately 48.6% and 56.9% of the total administrative expenses during the respective periods.

Increase in administrative expenses was also mainly attributable to the increase in administrative staff costs by approximately MOP4.7 million from approximately MOP3.5 million for the six months ended 30 June 2023 to approximately MOP8.2 million for the six months ended 30 June 2024.

The remaining balance of administrative expenses mainly consisted of office expenses, depreciation and general expenses.

MANAGEMENT DISCUSSION AND ANALYSIS

Finance costs

For the six months ended 30 June 2023 and 2024, finance costs amounted to approximately MOP2.5 million and MOP1.5 million, respectively. Finance costs decreased by approximately MOP1.0 million, which was primarily due to a decrease in our average outstanding bank borrowings during the six months ended 30 June 2024.

Income tax expenses

For the six months ended 30 June 2024, no tax expenses was recognised by the Group.

For the six months ended 30 June 2023, the Group recorded income tax expenses approximately MOP970,000.

Loss for the period

The loss for the six months ended 30 June 2024 amounted to approximately MOP58.6 million, compared to approximately MOP8.0 million for the six months ended 30 June 2023, representing an increase of approximately MOP50.6 million or 630.2%. Such increase was mainly due to the combined effect of the aforementioned items.

CORPORATE FINANCE AND RISK MANAGEMENT

Liquidity, financial and capital resources

Cash position

As at 30 June 2024, the pledged bank deposits and bank and cash equivalents balance of the Group amounted to approximately MOP17.3 million in aggregate (31 December 2023: approximately MOP19.8 million), representing a decrease of approximately 12.4% as compared to that as at 31 December 2023. As at 30 June 2024, pledged bank deposits of approximately MOP15.3 million (31 December 2023: MOP15.3 million) are pledged to secure banking facilities of the Group (including bank loans and overdraft).

MANAGEMENT DISCUSSION AND ANALYSIS

Borrowings and charges on the Group's assets

As at 30 June 2024, the Group had bank borrowings and bank overdrafts of approximately MOP64.5 million (31 December 2023: MOP62.7 million). The bank borrowings are repayable within one year.

As at 30 June 2024, bank borrowings and other bank facilities including performance guarantee by the Group were secured by: (i) the pledged bank deposits of MOP15.3 million (31 December 2023: MOP15.3 million); and (ii) a corporate guarantee by the Company.

Gearing ratio

As at 30 June 2024, the gearing ratio (calculated by dividing total debts which include payables incurred not in the ordinary course of business excluding amounts due to related parties with total equity as at the end of the respective period) was approximately 86.7% (31 December 2023: approximately 1,768.0%).

Treasury policies

The Group has adopted a prudent treasury management policy to (i) manage the Group's funds ensuring that there is no material shortfall in cash which may cause interruption to the Group's obligations arising from daily business needs; (ii) maintain sufficient level of funds to settle the Group's commitment as and when they fall due; (iii) maintain adequate liquidity to cover the Group's operation cash flow, project expenditures and administrative expenses; and (iv) maintain the relevant financing costs at a reasonable level.

Currency risk

The Group entities collect most of the revenue and incur most of the expenditures in their respective functional currencies. The Group is exposed to currency risk primarily through sales proceeds received from customers that are denominated in a currency other than the group entities' functional currency. The currencies giving rise to this risk are primarily HK\$.

The Group currently does not have a foreign currency hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

MANAGEMENT DISCUSSION AND ANALYSIS

Capital structure

Authorised share capital

As at 30 June 2024, the authorised share capital of the Company was HK\$10,000,000 divided into 1,000,000,000 shares (the “**Shares**”) of HK\$0.01 each.

Issued share capital

As at 30 June 2024, the number of Shares in issue was 504,650,000 Shares of HK\$0.01 each (31 December 2023: 504,650,000 Shares).

Capital commitments

As at 30 June 2024, the Group had no material capital commitments (31 December 2023: Nil).

Contingent liabilities

As at 30 June 2024, the Group had no significant contingent liabilities or outstanding litigation.

Material acquisitions and disposals of subsidiaries and associated companies

During the six months ended 30 June 2024, the Group did not have any material acquisition and disposals of subsidiaries and affiliated companies.

Significant investments held

As at 30 June 2024, the Group had no significant investments.

Future plans for material investments

Save as disclosed above, the Group did not have any future plan for material investments as at 30 June 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2024, the Group had 34 employees (30 June 2023: 67). Total staff costs (including Directors' emoluments) were approximately MOP8.2 million for the six months ended 30 June 2024, as compared to approximately MOP3.5 million for the six months ended 30 June 2023. Such increase was mainly attributable to the increase in number of employees.

The remuneration packages the Group offer to employees include salary and discretionary bonuses. In general, the Group determines employees' salaries based on each employee's qualifications, position and seniority. The Group has designed an annual review system to assess the performance of its employees, which forms the basis of determining salary raises, bonuses and promotions. The Group also operates the Share Option Scheme (as defined hereafter), pursuant to which options to subscribe for Shares may be granted to the Directors and employees of the Group. The Group will also provide various training to its employees and sponsor its employees to attend various training courses, such as those on occupational health and safety in relation to its work.

EVENTS AFTER THE REPORTING DATE

Reference is made to the announcement of the Company dated 28 August 2024. On 19 August 2024, the Company was informed that Mr. Li Kam Hung ("**Mr. Li**"), an executive Director and the chairman of the Company, and Mr. Yu Ming Ho ("**Mr. Yu**"), an executive Director, were arrested by the Independent Commission Against Corruption (the "**ICAC**") for investigation and were under investigation by the Securities and Futures Commission (the "**SFC**"), in connection with an offence or offences suspected, inter alia, to have been committed under the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong) (the "**POBO**") and the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Mr. Li and Mr. Yu were released on bail on 20 August 2024 and no charges have been laid against them. Duties of Mr. Li as an executive Director and chairman of the Company and Mr. Yu as an executive Director have been suspended since 19 August 2024 until further notice to cooperate with the investigation of the ICAC and the SFC when necessary. The Board is of the view that the abovementioned arrest/investigation have not caused any material adverse impact to the Group and its daily business and operation.

Save as disclosed in this report, there were no major event subsequent to period ended 30 June 2024 and up to the date of this report.

INTERIM DIVIDEND

The Board takes into account the Group's overall results of operation, financial position and capital requirements, among other factors, in considering the declaration of dividends. The Board does not recommend payment of any interim dividend in respect of the six months ended 30 June 2024.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2024, the interests and short positions of each Director and chief executive of the Company in the Shares, underlying shares and 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 the Model Code were as follows:

The Company

Name of Director	Capacity	Number of Shares held/ interested ⁽¹⁾	Approximate percentage of the total issued Shares
Li Kam Hung (“ Mr. Li ”)	Interest in a controlled corporation ⁽²⁾	214,093,000 Shares (L)	42.42%

Notes:

- (1) The letter “L” denotes the Director’s long position in the Shares.
- (2) The Company was held as to approximately 66.9% by Copious Astute Limited (“**Copious Astute**”). Copious Astute is held as to 100% by Mr. Li.

OTHER INFORMATION

Associated corporation

Name of Director	Name of associated corporation	Capacity	Number of Shares held/ interested ⁽¹⁾	Approximate percentage of the total issued Shares
Mr. Li	Copious Astute	Beneficial owner	150,000 share (L)	100%

Note:

(1) The letter “L” denotes the Director’s long position in the Shares.

Save as disclosed above, as at 30 June 2024, none of the Directors and chief executive of the Company had any 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) which are 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 the Model Code.

SHARE OPTION SCHEME

On 18 March 2019, a share option scheme (the “**Share Option Scheme**”) was approved and adopted by the Shareholders, under which, options may be granted to any eligible persons (as defined in the Share Option Scheme) to subscribe for Shares subject to the terms and conditions stipulated in the Share Option Scheme. The Company has adopted the Share Option Scheme as an incentive to Directors and eligible employees.

Subject to the terms of the Share Option Scheme, the Board may, at its discretion, invite any “Eligible Persons” to take up option(s) (“**Option(s)**”) to subscribe for Shares granted pursuant to the Share Option Scheme at a price calculated as discussed below. Upon acceptance of the Option, the Eligible Person shall pay HK\$1.00 to the Company by way of consideration for the grant. The Option will be offered for acceptance for a period of 28 days from the date on which the Option is granted. “Eligible Persons” means any full-time or part-time employee of the Company or any member of the Group, including any executive Directors, non-executive Directors and independent non-executive Directors, suppliers, customers, agents, advisors and consultants of the Group who, in the sole opinion of the Board, will contribute or have contributed to the Group.

OTHER INFORMATION

Any grant of Options must not be made after inside information has come to our knowledge until such inside information has been announced in accordance with the requirements of the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarter-year period or any other interim period (whether or not required under the Listing Rules), and (ii) the deadline for the Company to publish an announcement of its results for any year, half-year, quarter-year period or any interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement, no Option may be granted. The period during which no Option may be granted will cover any period of delay in the publication of results announcement. Our Directors may not grant any Option to an Eligible Person who is our Director during the periods or times in which directors of the listed issuer are prohibited from dealing in shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

The total number of Shares issued and to be issued upon exercise of the Options granted to a Participant under the Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding Options) in any 12-month period must not exceed 1% of the Shares in issue from time to time. Any further grant of options in excess of this 1% limit shall be subject to issuance of a circular by the Company and approved by the Shareholders in accordance with the Listing Rules.

The subscription price for the Shares subject to Options will be a price determined by the Board and notified to each Participant and shall be the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the Options, which must be a trading day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant of the Options; and (iii) the nominal value of a Share.

The total number of Shares which may be issued upon the exercise of all Options to be granted under the Share Option Scheme and any other share option schemes of the Company must not, in aggregate, exceed 50,000,000 Shares, which represents 9.91% of the Shares in issue as at the date of this report (the "**Scheme Mandate Limit**") provided that the Options lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company will not be counted for the purpose of calculating the Scheme Mandate Limit.

OTHER INFORMATION

Subject to the approval of Shareholders in general meeting, the Company may refresh the Scheme Mandate Limit to the extent that the total number of Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and any other share option schemes of the Company under the Scheme Mandate Limit as refreshed must not exceed 10% of the Shares in issue as at the date of such Shareholders' approval provided that Options previously granted under the Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled, exercised or lapsed in accordance with the terms thereof) will not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed. In relation to the Shareholders' approval referred to in this paragraph, the Company shall send a circular to our Shareholders containing our information required by the Listing Rules.

Subject to the approval of Shareholders in general meeting, the Company may also grant Options beyond the Scheme Mandate Limit provided that Options in excess of the Scheme Mandate Limit are granted only to the Eligible Persons specifically identified by the Company before such Shareholders' approval is sought. In relation to the Shareholders' approval referred to in this paragraph, the Company shall send a circular to its Shareholders containing a generic description of the identified Eligible Persons, the number and terms of the Options to be granted, the purpose of granting Options to the identified Eligible Persons, an explanation as to how the terms of such Options serve the intended purpose and such other information required by the Listing Rules.

Notwithstanding the foregoing, the Company may not grant any Options if the number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company exceeds 30% of the Shares in issue from time to time.

The Share Option Scheme will be valid and effective for a period of 10 years commencing on 23 April 2019 and remains in force until 22 April 2029, after which period no further Options may be granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects and Options granted during the life of the Share Option Scheme may continue to be exercisable in accordance with their terms of issue.

An Option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Board to each Participant provided that the period within which the Option must be exercised shall not be more than 10 years from the date of the grant of Option. The exercise of an Option may be subject to the administration of the Board whose decision as to all matters arising from or in relation to the Share Option Scheme or its interpretation or effect shall be final and binding on all parties to the Share Option Scheme.

OTHER INFORMATION

No share option has been granted by the Company under the Share Option Scheme since its adoption up to 30 June 2024. As at 31 December 2023 and 30 June 2024, there were no outstanding Options under the Share Option Scheme.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

According to the register kept by the Company under Section 336 of the SFO and information available to the Directors, the corporations or persons (other than a Director or chief executive of the Company) had interests of 5% or more in the Shares or underlying Shares as at 30 June 2024 which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO were as follows:

Name of Shareholder	Capacity	Number of Shares held/ interested ⁽¹⁾	Total interests ⁽¹⁾	Approximate percentage of the total issued Shares
Copious Astute Limited	Beneficial owner ⁽²⁾	214,093,000 Shares (L)	214,093,000 Shares (L)	42.42%
Ms. Ng Suk Fun	Interest of spouse ⁽³⁾	214,093,000 Shares (L)	214,093,000 Shares (L)	42.42%
Fresh Phoenix Limited	Beneficial owner ⁽⁴⁾	39,885,000 Shares (L)	39,885,000 Shares (L)	7.99%
Mr. Leong Lap Kun ("Mr. Leong")	Interest of controlled corporation ⁽⁴⁾⁽⁵⁾	39,940,000 Shares (L)	39,940,000 Shares (L)	7.98%
Mr. Hung Sai Yeung	Beneficial owner ⁽⁶⁾	30,000 Shares (L)	25,715,000 Shares (L)	5.14%
	Interest of controlled corporation ⁽⁶⁾	22,512,500 Shares (L)		
	Interest of spouse ⁽⁶⁾	3,172,500 Shares (L)		
Ms. Yiu Li Ngor	Beneficial owner ⁽⁷⁾	3,172,500 Shares (L)	25,715,000 Shares (L)	5.14%
	Interest of spouse ⁽⁷⁾	22,542,500 Shares (L)		

OTHER INFORMATION

Notes:

- (1) The letter “L” denotes the entity/person’s long position in the Shares.
- (2) Our Company is owned as to approximately 42.42% by Copious Astute Limited, which is in turn wholly owned by Mr. Li. Under the SFO, Mr. Li is deemed to be interested in all the Shares which are registered in the name of Copious Astute Limited.
- (3) Ms. Ng Suk Fun is the spouse of Mr. Li. Under the SFO, Ms. Ng Suk Fun is deemed to be interested in the same number of Shares in which Mr. Li is interested.
- (4) Our Company is owned as to approximately 7.99% by Fresh Phoenix Limited, which is in turn wholly owned by Mr. Leong. Under the SFO, Mr. Leong is deemed to be interested in all the Shares which are registered in the name of Fresh Phoenix Limited.
- (5) Our Company is owned as to approximately 0.01% by Shining Holding Limited, which is in turn wholly owned by Mr. Leong. Under the SFO, Mr. Leong is deemed to be interested in all the Shares which are registered in the name of Shining Holding Limited.
- (6) Mr. Hung Sai Yeung (“**Mr. Hung**”) was deemed to be interested in 25,715,000 Shares, of which (i) 30,000 Shares were held by himself; (ii) 22,512,500 Shares were registered in the name of Greenfield Resources Group Limited (“**Greenfield Resources**”), a corporation controlled as to 50% by Mr. Hung; and (iii) 3,172,500 Shares were held by his spouse, Ms. Yiu Li Ngor.
- (7) Ms. Yiu Li Ngor (“**Ms. Yiu**”) was deemed to be interested in 25,715,000 Shares, of which (i) 3,172,500 Shares were held by herself; (ii) 22,512,500 Shares were held by Greenfield Resources (a corporation controlled as to 50% by her spouse, Mr. Hung); and (iii) 30,000 Shares were held by Mr. Hung.

Save as disclosed above, as at 30 June 2024, no other person (other than a Director or chief executive of the Company) had registered an interest or short position in the Shares, underlying Shares and debentures of the Company which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

None of the Company or any of its subsidiaries had purchased, sold or redeemed any of its listed securities during the Reporting Period.

CORPORATE GOVERNANCE

The Company is committed to maintain high standards of corporate governance to protect the interests of its Shareholders and to enhance corporate value and accountability. The Company has adopted the code provisions and, where applicable, the recommended best practices set out in the Corporate Governance Code (“**CG Code**”) set out in Appendix C1 to the Rules Governing the Listing of securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The Company complies with the CG Code set out in Appendix C1 to the Listing Rules with the exception for Code Provision C.2.1, which requires the roles of chairman and chief executive officer be different individuals. Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. However, the Company does not have a separate chairman and chief executive officer and Mr. Li Kam Hung currently performs these two roles. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring the consistent leadership within the Group and enables more effective and efficient overall strategic planning of the Group. Besides, with three independent non-executive Directors out of a total of nine Directors in the Board, there will be sufficient independent voice within the Board to protect the interests of the Company and the Shareholders as a whole. Therefore, the Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. Our Board will continue to review and consider splitting the roles of chairman of the Board and chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

OTHER INFORMATION

CHANGES IN DIRECTORS' INFORMATION UNDER RULE 13.51B (1) OF THE LISTING RULES

Pursuant to the disclosure requirement under Rule 13.51B (1) of the Listing Rules, the changes in information of the Directors for the Reporting Period and up to the date of this report are set out as below:

Name of Director	Details of changes
Mr. Lam Chi Wing	<p>Appointed as an independent non-executive director, a member of each of nomination committee, remuneration committee and audit committee of TOMO Holdings Limited (stock code: 6928) with effect from 2 January 2024.</p> <p>Appointed as an independent non-executive director, the chairman of the nomination committee and a member of each of the remuneration committee and the audit committee of Carry Wealth Holdings Limited (stock code: 643) with effect from 3 January 2024.</p>

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B (1) of the Listing Rules.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries with all the Directors, each of the Directors has confirmed that he/she has complied with the Model Code during the Reporting Period.

DIVIDEND

The Board takes into account the Group's overall results of operation, financial position and capital requirements, among other factors, in considering the declaration of dividends. The Board does not recommend payment of any dividend in respect of the six months ended 30 June 2024.

OTHER INFORMATION

AUDIT COMMITTEE

The audit committee of the Company, comprising three independent non-executive Directors, namely Ms. Rita Botelho dos Santos, Mr. Lam Chi Wing and Mr. Wu Chou Kit, has reviewed with the management the unaudited interim results for the six months ended 30 June 2024, accounting principles and practices adopted by the Group and discussed internal controls, risk management and financial reporting matters including a review of the unaudited interim financial information.

On behalf of the Board

Li Kam Hung

Chairman

Hong Kong, 30 August 2024

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 MOP'000 (Unaudited)	2023 MOP'000 (Unaudited)
Revenue	2	6,126	58,445
Direct costs		(5,948)	(56,409)
Gross profit		178	2,036
Other income and other gains, net		1	201
Provision for/(reversal of) impairment loss allowance on financial assets and contract assets		(42,801)	384
Administrative expenses		(14,422)	(7,216)
Finance costs		(1,538)	(2,458)
Loss before tax	3	(58,582)	(7,053)
Income tax expense	4	–	(970)
Loss for the period		(58,582)	(8,023)
Other comprehensive income			
Item that may be subsequently reclassified to profit and loss:			
Exchange differences arising on translation of foreign operation		20	17
Loss and total comprehensive expense for the period		(58,562)	(8,006)
Loss per share			
Basic (MOP cents)	5	(11.6)	(1.6)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Notes	30 June 2024 MOP'000 (Unaudited)	31 December 2023 MOP'000 (Audited)
Non-current assets			
Property and equipment	6	1,222	1,407
Right-of-use assets	7	46	95
Deposits		–	23
		1,268	1,525
Current assets			
Trade receivables	8	45,656	95,098
Other receivables, deposits and prepayments	9	31,734	31,740
Contract assets		18,301	20,409
Amount due from a related party		23	23
Pledged bank deposits	10	15,263	15,263
Bank balances and cash	10	2,061	4,523
		113,038	167,056
Current liabilities			
Trade and other payables and accruals	11	86,020	83,073
Contract liabilities		14,182	14,182
Tax payable		23,977	24,437
Bank borrowings	12	57,970	56,466
Bank overdrafts	10	6,553	6,209
Lease liabilities		49	97
		188,751	184,464
Net current liabilities		(75,713)	(17,408)
Net liabilities		(74,445)	(15,883)
Capital and reserves			
Share capital	14	5,198	5,198
Reserves		(79,643)	(21,081)
Total deficit		(74,445)	(15,883)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

Attributable to owners of the Company

	Share capital MOP'000	Share premium MOP'000	Legal reserve MOP'000	Other reserve MOP'000	Statutory surplus reserve MOP'000	Translation reserve MOP'000	Accumulated losses MOP'000	Total MOP'000
At 1 January 2024 (audited)	5,198	264,634	500	(75,121)	143	(788)	(210,449)	(15,883)
Loss for the period	-	-	-	-	-	-	(58,582)	(58,582)
Other comprehensive income for the period	-	-	-	-	-	20	-	20
Total comprehensive expense for the period	-	-	-	-	-	20	(58,582)	(58,562)
At 30 June 2024 (unaudited)	5,198	264,634	500	(75,121)	143	(768)	(269,031)	(74,445)

Attributable to owners of the Company

	Share capital MOP'000	Share premium MOP'000	Legal reserve MOP'000	Other reserve MOP'000	Statutory surplus reserve MOP'000	Translation reserve MOP'000	Accumulated losses MOP'000	Total MOP'000
At 1 January 2023 (audited)	5,198	264,634	500	(75,121)	143	(137)	(182,663)	12,554
Loss for the period	-	-	-	-	-	-	(8,023)	(8,023)
Other comprehensive income for the period	-	-	-	-	-	17	-	17
Total comprehensive expense for the period	-	-	-	-	-	17	(8,023)	(8,006)
At 30 June 2023 (unaudited)	5,198	264,634	500	(75,121)	143	(120)	(190,686)	4,548

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 MOP'000 (Unaudited)	2023 MOP'000 (Unaudited)
OPERATING ACTIVITIES		
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	(3,231)	999
INVESTING ACTIVITIES		
Purchases of property and equipment	–	(14)
Bank interest received	1	124
Placement of pledged bank deposits	–	(108)
Withdrawal of pledged bank deposits	–	348
NET CASH GENERATED FROM INVESTING ACTIVITIES	1	350
FINANCING ACTIVITIES		
New bank borrowings raised	3,702	7,754
Repayment of bank borrowings	(1,854)	(8,533)
Repayment of lease liabilities	(48)	(278)
Interest paid	(1,040)	(2,458)
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	760	(3,515)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,470)	(2,166)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	4,523	4,739
EFFECT OF FOREIGN EXCHANGE RATE CHANGE	8	17
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD represented by bank balances and cash	2,061	2,590

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

1. BASIS OF PREPARATION

Wai Hung Group Holdings Limited (the “**Company**”) was incorporated as an exempted company in the Cayman Islands on 9 April 2018. The address is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the principal place of business in Hong Kong is Unit 13, 24th Floor, Honour Industrial Centre, 6 Sun Yip Street, Chai Wan, Hong Kong.

The principal activity of the Company is investment holding. The principal activities of the Company and its subsidiaries (collectively the “**Group**”) are providing fitting-out services and repair and maintenance services in Macau.

The interim financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (HKAS) 34, Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants (HKICPA).

The interim financial information has been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements. Details of any changes in accounting policies are set out in note 1 (later part of this note).

The preparation of interim financial information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2023 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRSs.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

1. BASIS OF PREPARATION (CONTINUED)

The financial information relating to the financial year ended 31 December 2023 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

The accounting policies, basis of presentation and methods of computation used in preparing the interim financial report are consistent with those followed in preparing the Groups' annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the new or amended HKFRSs and HKASs which are first effective or available for early adoption for accounting periods beginning on or after 1 January 2024 as set out below.

The following new or amended HKFRSs and HKASs are adopted for the financial year beginning 1 January 2024, but have no material effect on the Group's reported results and financial position for the current and prior accounting periods.

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-Current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Hong Kong Interpretation 5 (Revised)	Revised Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term loan that contains a Repayment on Demand Clause

The Group has not early adopted any other new or amended HKFRSs and HKASs that are not yet effective for the current accounting period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

2. REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable from the provision of fitting-out and repair and maintenance service by the Group to external customers. The Group's revenue is mainly derived from provision of fitting-out services and repair and maintenance services in Macau.

Revenue

Timing of revenue recognition and category of revenue

	Six months ended 30 June	
	2024	2023
	MOP'000	MOP'000
	(Unaudited)	(Unaudited)
Recognised over time and short-term contracts: – provision of fitting-out services	6,126	58,337
Recognised over time and long-term contracts: – provision of repair and maintenance services	–	108
	6,126	58,445

The customers of the Group are mainly hotel and casino operators in Macau. All of the Group's provision of fitting-out services and repair and maintenance services are made directly with the customers. Contracts with the Group's customers are mainly fixed-price contracts.

Segment information

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the "CODM"), being the executive Directors of the Company, in order for the CODM to allocate resources and to assess performance. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

2. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information (Continued)

Specifically, the Group's reportable and operating segments under HKFRS 8 "Operating Segments" are as follows:

- (a) fitting-out services; and
- (b) repair and maintenance services.

The CODM makes decisions according to the operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Segment revenue and results

Six months ended 30 June 2024 (Unaudited)

	Fitting-out services MOP'000	Repair and maintenance services MOP'000	Total MOP'000
Segment revenue	6,126	–	6,126
Segment results	(42,623)	–	(42,623)
Other income and other gains, net			1
Administrative expense			(14,422)
Finance costs			(1,538)
Loss before tax			(58,582)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

2. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information (Continued)

Segment revenue and results (Continued)

Six months ended 30 June 2023 (Unaudited)

	Fitting-out services MOP'000	Repair and maintenance services MOP'000	Total MOP'000
Segment revenue	58,337	108	58,445
Segment results	2,412	8	2,420
Other income and other gains, net			201
Administrative expense			(7,216)
Finance costs			(2,458)
Loss before tax			(7,053)

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies. Segment results mainly represented profit earned by each segment, excluding other income, other losses, administrative expenses and finance costs.

3. LOSS BEFORE TAX

	Six months ended 30 June	
	2024	2023
	MOP'000	MOP'000
	(Unaudited)	(Unaudited)
Loss before tax has been arrived at after charging:		
Auditor's remuneration	50	633
Depreciation on right-of-use assets and depreciation on property and equipment	234	510

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

4. INCOME TAX EXPENSE

	Six months ended 30 June	
	2024	2023
	MOP'000	MOP'000
	(Unaudited)	(Unaudited)
Current Tax:		
Macau Complementary Income Tax	–	970

No provision for Macau Complementary Income Tax is provided for the period ended 30 June 2024 as the Group do not have assessable profits for the period ended. For the period ended 30 June 2023, Macau Complementary Income Tax is calculated at 12% of the estimated assessable profits exceeding MOP600,000.

No provision for Enterprise Income Tax of the PRC and Hong Kong Profits Tax has been made as the Group did not have any assessable profits subject to tax in the PRC and Hong Kong for the periods ended 30 June 2024 and 2023.

5. LOSS PER SHARE

The calculation of basic loss per share is based on the following data:

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
Loss:		
Loss for the purpose of calculating basic loss per share (loss for the period) (MOP'000)	(58,582)	(8,023)
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	504,650,000	504,650,000

No diluted loss per share for both periods was presented as there were no potential ordinary shares in issue during both periods.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

6. PROPERTY AND EQUIPMENT

During the six months ended 30 June 2024, there are no additions and disposal in the property, plant and equipment are recorded (2023: Nil). The depreciation of property, plant and equipment was approximately MOP185,000 during the six months ended 30 June 2024 (2023: MOP235,000).

7. RIGHT-OF-USE ASSETS

During the six months ended 30 June 2024, there are no additions and derecognition of right-of-use assets (2023: Nil). The depreciation of right-of-use assets was approximately MOP49,000 during the six months ended 30 June 2024 (2023: MOP275,000).

8. TRADE RECEIVABLES

The Group grants credit terms of 30 days to its customers from the date of invoices on progress payments of contract works. An ageing analysis of the trade receivables presented based on the invoice date which is approximately one month after the related revenue being recognised, at the end of each reporting period is as follows:

	30 June 2024 MOP'000 (Unaudited)	31 December 2023 MOP'000 (Audited)
0–30 days	1,283	2,995
31–60 days	353	595
61–90 days	494	316
91–365 days	58,402	62,306
Over 365 days	57,735	61,050
	118,267	127,262
Less: Impairment loss allowance	(72,611)	(32,164)
	45,656	95,098

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

9. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 June 2024 MOP'000 (Unaudited)	31 December 2023 MOP'000 (Audited)
Rental deposits	431	431
Deposits paid for tenders	41,879	41,879
Prepayments to sub-contractors	930	930
Other receivables	2,261	2,290
	45,501	45,530
Less: Impairment loss allowance	(13,767)	(13,767)
Total	31,734	31,763
Classified as non-current assets	–	23
Classified as current assets	31,734	31,740
Total	31,734	31,763

10. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH/BANK OVERDRAFTS

Pledged bank deposits as at 30 June 2024 are pledged to secure the bank overdrafts and bank borrowings of the Group which carry interest at prevailing market rate of 0.01% (31 December 2023: 0.01%) per annum.

As at 30 June 2024, bank balances and cash comprise of cash held and short-term bank deposits with an original maturity of three months or less which carry interest at prevailing market rate of 0.01% (31 December 2023: 0.01%) per annum.

As at 30 June 2024, bank overdrafts carry interest at market rate of 5.58% (31 December 2023: 5.58%) per annum.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

11. TRADE AND OTHER PAYABLES AND ACCRUALS

	30 June 2024 MOP'000 (Unaudited)	31 December 2023 MOP'000 (Audited)
Trade payables	12,213	25,298
Retention payables	36,209	36,209
Accruals and other payables	14,903	18,594
Amount due to a director (Note)	22,695	2,972
	86,020	83,073

Note: Amount represented the amount due to Mr. Li, an executive director of the Company, which was unsecured, interest-free and repayable on demand.

The credit period granted to the Group by subcontractors/suppliers normally being 0–30 days. The following is an ageing analysis of trade payables based on the invoice date at the end of each reporting period:

	30 June 2024 MOP'000 (Unaudited)	31 December 2023 MOP'000 (Audited)
0–30 days	212	2,704
31–60 days	2,352	1,244
61–90 days	526	13
Over 90 days	9,123	21,337
	12,213	25,298

Retention payables to subcontractors are interest-free and payable at the end of the defects liability period of individual contracts (i.e. one year after completion of respective project). All retention payables are expected to be settled within one year based on the expiry date of the defects liability period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

12. BANK BORROWINGS

	30 June 2024 MOP'000	31 December 2023 MOP'000
Secured bank borrowings repayable within one year	57,970	56,466

The bank borrowings are at floating rate which carry interest at MOP and HK\$ prime lending rate plus/minus a spread. The effective interest rate on the Group's bank borrowings was 6% per annum as at 30 June 2024 (31 December 2023: 6%).

The bank borrowings and other bank facilities including performance guarantee by the Group are secured by the pledged bank deposits of MOP15,263,000 as at 30 June 2024 and 31 December 2023.

During the period ended 30 June 2024, in respect of bank borrowings and overdrafts with a carrying amount of approximately MOP50,530,000 as at 30 June 2024, the Group was default in repayment. Thus, the relevant bank borrowings become immediately due and payable should the lenders exercise their rights under the bank loan agreement. The Directors of the Company commenced to discuss the terms of the borrowings with the relevant banks. Up to the date of approval for issuance of the consolidated financial statements, the negotiations are still in progress.

13. DIVIDENDS

The Directors did not recommend the payment of a dividend by the Company for the six months ended 30 June 2024. No dividend was declared or paid by the Company during the six months ended 30 June 2023 to its equity shareholders.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

14. SHARE CAPITAL

Details of the Company's shares are disclosed as follows:

	Number of shares	Amount	
		MOP	MOP'000
Ordinary shares of HK\$0.01 each			
Authorised:			
At 30 June 2023 and 30 June 2024	1,000,000,000	10,300,000	10,300
Issued and fully paid:			
At 30 June 2023 and 30 June 2024	504,650,000	5,197,895	5,198

15. REVIEW OF INTERIM FINANCIAL REPORT

The unaudited interim financial report for the six months ended 30 June 2024 has been reviewed by the Audit Committee with no disagreement.