

偉俊集團控股有限公司*
Wai Chun Group Holdings Limited

(incorporated in Bermuda with limited liability)

Stock code: 1013



2011
Interim Report

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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Lam Ching Kui (*Chairman*)
Lu Jun Wu (*Chief Executive Officer*)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ko Ming Tung, Edward
Shaw Lut, Leonardo
To Yan Ming, Edmond

AUTHORISED REPRESENTATIVES

Lam Ching Kui
Lu Jun Wu

COMPANY SECRETARY

Lee Lai Wa
MPA, BA (Hons), CPA (HK), FCCA, ACIS, ACS

AUDIT COMMITTEE

To Yan Ming, Edmond (*Chairman*)
Ko Ming Tung, Edward
Shaw Lut, Leonardo

REMUNERATION COMMITTEE

Ko Ming Tung, Edward (*Chairman*)
Lam Ching Kui
Shaw Lut, Leonardo
To Yan Ming, Edmond

NOMINATION COMMITTEE

Shaw Lut, Leonardo (*Chairman*)
Ko Ming Tung, Edward
Lam Ching Kui
To Yan Ming, Edmond

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

13/F, Admiralty Centre, Tower II,
18 Harcourt Road,
Admiralty, Hong Kong

AUDITOR

HLM & Co.
Certified Public Accountants
Room 305
Arion Commercial Centre
2-12 Queen's Road West
Hong Kong

REGISTRAR IN HONG KONG

Union Registrars Limited
18th Floor
Fook Lee Commercial Centre
Town Place
33 Lockhart Road
Wanchai
Hong Kong

PRINCIPAL BANKER

Hang Seng Bank Limited
Standard Chartered Bank (Hong Kong)
Limited

STOCK CODE

1013

COMPANY WEBSITE

www.1013.hk

FINANCIAL REVIEW

FINANCIAL PERFORMANCE

For the six months ended 30 September 2011, the Group recorded a turnover of HK\$61,344,000, representing an increase of 26.3% when compared to 2010. The increase in turnover is attributable to a significant increase in the value of contracts entered into during the period. Gross profit increased to HK\$9,497,000 representing an increase of 55.9% compared to 2010. Gross profit margin increased from 12.5% recorded in 2010 to 15.5% this period.

Securities investments recorded a loss of HK\$10,728,000 during the period, of which mainly from mark-to-market adjustment recorded a loss of HK\$10,488,000 while loss on disposal of securities investments recorded HK\$355,000 to the results of the Group. Other income decreased significantly from HK\$8,072,000 to HK\$547,000 which is mainly attributable to the one-off gain on the write back of over-provided purchases made in previous years of HK\$6,667,000 in 2010.

The Group recorded a loss attributable to shareholders of the Company of HK\$17,942,000 for the six months ended 30 September 2011.

FINANCIAL RESOURCES AND POSITION

As at 30 September 2011, the Group did not have any external borrowings. Cash and cash equivalents amounted to HK\$5,571,000 as at 30 September 2011 which are mostly denominated in Hong Kong Dollars and Renminbi. As the Group's businesses are conducted in the PRC, therefore the Group does not expect to be exposed to any material foreign exchange risks.

The Group had no assets pledged or any material contingent liabilities as at 30 September 2011. The Group ended the period with a current ratio of 1.17 times.

The Board has resolved not to recommend the payment of an interim dividend for the six months ended 30 September 2011.

BUSINESS REVIEW

The Group is principally engaged in (i) network and system integration by the production of software and provision of solutions and related services; (ii) trading of communication products; (iii) provision of financial services; (iv) investment holdings; (v) securities investments and (vi) provision of telecommunications infrastructure solution services. Through the operations of Beijing HollyBridge System Integration Co., Limited ("Beijing HollyBridge"), the major subsidiary of the Group, the Group has provided one stop solution, including hardware and system modification for the customers. The management continued to devote its effort to enhance the operational efficiency of Beijing HollyBridge, and during the six months ended 30 September 2011, service contracts entered into with various customers such as banks, governmental agencies and public transportation companies amounted to approximately RMB45 million.

Looking forward, the Management will devote its effort to enhance operational efficiency, reduce overheads and to turn the Group back to a profitable position. In addition, the Group is monitoring closely the latest trends and the development of the global economy and to take advantage of all business opportunities.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my gratitude to all the staff and management team for their contribution during the period. I would also like to express my appreciation to the continuous support of our shareholders and investors.

On behalf of the Board

Lam Ching Kui

Chairman

Hong Kong, 29 November 2011

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2011, the interests and short positions of the Directors and chief executive in the shares of the Company (the "Shares") and underlying shares of the Company or any of, its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), which were required pursuant to: (a) divisions 7 to 9 of Part XV of the SFO, to be notified to the Company and the Stock Exchange; (b) section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (c) the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") to be notified to the Company and the Stock Exchange, were as follows:

Long positions

Name of Director	Capacity	Number of Shares Held	Approximate percentage of shareholding
Lam Ching Kui	Interests of controlled corporations	35,000,000,000 (Note 1)	649.21% (Note 2)

Notes:

1. The 35,000,000,000 Shares are held by Wai Chun Ventures Limited which represents the aggregate of (i) 4,000,000,000 Shares (ii) HK\$110,000,000 convertible preference shares giving rise to an interest in 11,000,000,000 underlying Shares and (iii) 20,000,000,000 options for subscribing 20,000,000,000 Shares. Mr. Lam Ching Kui is the beneficial owner of Wai Chun Investment Fund which wholly owns Wai Chun Ventures Limited.
2. Based on the issued share capital of the Company of 5,391,162,483 Shares as at 30 September 2011, the 4,000,000,000 Shares and 11,000,000,000 underlying Shares under the HK\$110,000,000 convertible preference shares and 20,000,000,000 Shares under the 20,000,000,000 options held by Wai Chun Ventures Limited represents 74.20% and 204.03% and 370.98% of the existing issued share capital of the Company respectively.

OTHER INFORMATION

Save as disclosed above, as at 30 September 2011, none of the Directors 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 the Model Code.

Directors' rights to acquire shares

At no time during the period was the Company or any of its subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate, and none of the Directors, or any of their spouses or children under the age of 18, was granted any right to subscribe for equity or debt securities of the Company, nor had exercised any such right.

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2011, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of Directors, the following shareholders (other than the Directors or chief executives of the Company as disclosed above) had notified the Company of relevant interests and short positions in the issued share capital of the Company:

Name of Shareholder	Capacity	Number of Shares Held	Approximate percentage of shareholding
Wai Chun Ventures Limited	Beneficial owner	35,000,000,000 (Note 1)	649.21% (Note 2)
Wai Chun Investment Fund	Interests of controlled corporations	35,000,000,000 (Note 1)	649.21% (Note 2)

OTHER INFORMATION

Notes:

1. The 35,000,000,000 Shares are held by Wai Chun Ventures Limited which represents the aggregate of (i) 4,000,000,000 Shares (ii) HK\$110,000,000 convertible preference shares giving rise to an interest in 11,000,000,000 underlying Shares and (iii) 20,000,000,000 options for subscribing 20,000,000,000 Shares. Mr. Lam Ching Kui is the beneficial owner of Wai Chun Investment Fund which wholly owns Wai Chun Ventures Limited.
2. Based on the issued share capital of the Company of 5,391,162,483 Shares as at 30 September 2011, the 4,000,000,000 Shares and 11,000,000,000 underlying Shares under the HK\$110,000,000 convertible preference shares and 20,000,000,000 Shares under the 20,000,000,000 options held by Wai Chun Ventures Limited represents 74.20% and 204.03% and 370.98% of the existing issued share capital of the Company respectively.

Save for the shareholders as disclosed herein, the Directors are not aware of any persons who, as at 30 September 2011, were entitled to exercise or control the exercise of 5% or more of the voting power at general meetings of the Company and were also, as a practicable matter, able to direct or influence the management of the Company.

Short positions in shares and underlying shares in the Company

As at 30 September 2011, the Company had not been notified of any short positions being held by any substantial shareholder in the Shares or underlying Shares of the Company.

Other persons

As at 30 September 2011, the Company had not been notified of any interests or short positions being held by any person (other than the Directors and chief executives and the substantial shareholders as disclosed above) in the share capital of the Company that was required to be disclosed under Division 2 and 3 of Part XV of the SFO and the Listing Rules.

OTHER INFORMATION

Share option scheme

Pursuant to a share option scheme adopted by the shareholders of the Company on 22 January 2001 (the "SOS"), the Company may, at their discretion, invite full-time employees of the Group, including Directors of the Company and its subsidiaries to take up options to subscribe for Shares.

As at 30 September 2011, no share option was granted under the SOS and no share option was lapsed or cancelled during the period. The SOS was expired in the year ended 31 March 2011.

EMPLOYEES

As at 30 September 2011, the Group had a total of 86 employees, the majority of whom are situated in the PRC. In addition to offering competitive remuneration packages to employee discretionary bonuses and share options may also be granted to eligible employees based on individual performance.

The Group also encourages its employees to pursue a balanced life and provides a good working environment for its employees to maximise their potential and contribution to the Group.

The remuneration committee of the Company, having regard to the Company's operating results, individual performance and comparable market statistics, decides the emoluments of the Directors. No Director, or any of his associates, and executive, is involved in dealing his own remuneration.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the period ended 30 September 2011.

OTHER INFORMATION

CORPORATE GOVERNANCE

During the six months ended 30 September 2011, the Company had complied with the code provisions as set out in the Code on Corporate Governance Practices in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") except that:

- (i) Code A4.1 stipulates that non-executive directors should be appointed for a specific term and subject to re-election. The Company has not fixed the term of appointment of Mr. Ko Ming Tung, Edward as the Independent Non-executive Director, however, all Independent Non-executive Directors are subject to retirement by rotation at least once every three years and re-election at the annual general meeting of the Company pursuant the Company's bye-laws. As such, the Board considers that sufficient measures have been taken to ensure the Company's corporate governance practices are no less exacting those in the Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules (the "Model Code") as the code of conduct regarding securities transactions by the Directors. All directors have confirmed, following specific enquiries by the Company that they have complied with the required standards set out in the Model Code throughout the six months ended 30 September 2011.

AUDIT COMMITTEE

The Company has an audit committee (the "Audit Committee") which was established in accordance with the requirements of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls.

An Audit Committee meeting was held on 29 November 2011 to review the unaudited interim financial report for six months ended 30 September 2011. HLM & Co., the Group's external auditor, has carried out a review of the unaudited interim financial report for the six months ended 30 September 2011 in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

OTHER INFORMATION

SUBSEQUENT EVENT

Continuing Connected Transactions

The Tenancy Agreement was entered into between Wai Chun Holdings Group Limited, as landlord and Wai Chun Strategic Investment Limited, a wholly owned subsidiary of the Company, as tenant on 31 October 2011 in relation to the premises of right portion of 13/F., Admiralty Centre, Tower II, 18 Harcourt Road, Hong Kong. The term of the Tenancy Agreement commences from 1 November 2011 and expiring on 31 October 2013, both days inclusive, with a rental of HK\$265,675 per calendar month (equivalent to HK\$3,188,100 per annum), exclusive of management fee, rates and all other outgoing charges per calendar month. Details of the Tenancy Agreement, please refer to the announcement of the Company dated 31 October 2011.

Change of Head Office and Principal Place of Business in Hong Kong

The head office and principal place of business in Hong Kong of the Company have been changed to 13th Floor, Admiralty Centre, Tower II, 18 Harcourt Road, Hong Kong with effect from 1 November 2011.

INDEPENDENT REVIEW REPORT

恒健會計師行
HLM & Co.
Certified Public Accountants

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TO THE SHAREHOLDERS OF WAI CHUN GROUP HOLDINGS LIMITED

偉俊集團控股有限公司

(Incorporated in the Bermuda with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 13 to 40, which comprise the condensed consolidated statement of financial position of Wai Chun Group Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 30 September 2011 and the related condensed consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with Hong Kong Accounting Standard ("HKAS") 34: Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34.

Our responsibility is to express a conclusion on the interim financial information based on our review, and to report our conclusion solely to you, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other period for the contents of this report.

INDEPENDENT REVIEW REPORT

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on this interim financial information.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

HLM & Co.

Certified Public Accountants

Hong Kong,

29 November 2011

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2011

	Notes	2011 Unaudited HK\$'000	2010 Unaudited HK\$'000
Turnover	3	61,344	48,561
Cost of sales		(51,847)	(42,469)
Gross profit		9,497	6,092
Other income	4	547	8,072
Gain on disposal of subsidiaries	5	—	—
Net unrealised loss on held for trading investments		(10,488)	(170)
Net realised loss on disposal of held for trading investments		(355)	(1,330)
Selling and distribution expenses		(6,158)	(4,537)
Administrative expenses		(10,780)	(13,507)
Finance costs		(82)	(20)
Loss before taxation		(17,819)	(5,400)
Taxation	6	(123)	(699)
Loss for the period	7	(17,942)	(6,099)
Loss attributable to:			
Shareholders of the Company		(17,942)	(6,099)
Interim dividend	8	—	—
Loss per share	9	HK cents	HK cents
Basic		(0.33)	(0.11)
Diluted		(0.33)	(0.11)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2011

	2011 Unaudited HK\$'000	2010 Unaudited HK\$'000
Loss for the period	(17,942)	(6,099)
Other comprehensive expenses:		
Exchange differences arising on translation	(291)	(575)
Loss arising on revaluation of available-for-sale investments	—	(2,397)
Other comprehensive expenses for the period	(291)	(2,972)
Total comprehensive expenses for the period	(18,233)	(9,071)
Total comprehensive expenses for the period attributable to:		
Shareholders of the Company	(18,233)	(9,071)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2011

	Notes	30.9.2011 Unaudited HK\$'000	31.3.2011 Audited HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	12,834	13,274
Intangible asset	11	426	454
Available-for-sale investments	12	—	23,936
		13,260	37,664
CURRENT ASSETS			
Inventories	13	17,951	30,658
Trade and other receivables, prepayments and deposits	14	26,634	19,822
Amount due from a related company	17	—	900
Held for trading investments	15	11,917	1,630
Fixed deposits		300	300
Bank balances and cash		5,571	11,775
		62,373	65,085
CURRENT LIABILITIES			
Trade and other payables	16	49,311	59,408
Amount due to the ultimate holding company	17	3,914	2,700
		53,225	62,108
NET CURRENT ASSETS			
		9,148	2,977
NET ASSETS			
		22,408	40,641
CAPITAL AND RESERVES			
Share capital	18	53,912	53,912
Reserves		(31,504)	(13,271)
TOTAL EQUITY			
		22,408	40,641

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2011

	Share capital	Convertible preference shares	Convertible share option reserve	Investment revaluation reserve	Translation reserve	Accumulated losses	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2011 (audited)	53,912	110,000	20,000	—	(5,003)	(138,268)	40,641
Loss for the period	—	—	—	—	—	(17,942)	(17,942)
Other comprehensive expense for the period	—	—	—	—	(291)	—	(291)
Total comprehensive expense for the period	—	—	—	—	(291)	(17,942)	(18,233)
At 30 September 2011 (unaudited)	53,912	110,000	20,000	—	(5,294)	(156,210)	22,408
At 1 April 2010 (audited)	53,912	110,000	20,000	8,334	(3,464)	(123,147)	65,635
Loss for the period	—	—	—	—	—	(6,099)	(6,099)
Other comprehensive expense for the period	—	—	—	(2,397)	(575)	—	(2,972)
Total comprehensive expense for the period	—	—	—	(2,397)	(575)	(6,099)	(9,071)
At 30 September 2010 (unaudited)	53,912	110,000	20,000	5,937	(4,039)	(129,246)	56,564

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2011

	2011 Unaudited HK\$'000	2010 Unaudited HK\$'000
Net cash used in operating activities	(8,363)	(8,481)
Net cash generated from investing activities	3,108	5,694
Net decrease in cash and cash equivalents	(5,255)	(2,787)
Cash and cash equivalents at the beginning of the period	12,075	9,632
Effect of foreign exchange rate changes	(949)	(725)
Cash and cash equivalents at the end of the period	5,871	6,120
Analysis of the balances of cash and cash equivalents		
Fixed deposits	300	300
Bank balances and cash	5,571	5,820
	5,871	6,120

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2011

1. BASIS OF PREPARATION

The Company was incorporated in the Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). In the opinion of the directors, its ultimate holding company is Wai Chun Investment Fund, a private limited company incorporated in the Cayman Islands.

The condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements set out in Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), under the historical cost convention, except for certain properties and financial instruments, which are measured at fair values or revalued amounts, as appropriate.

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

This interim financial report 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 2011 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2011

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

The accounting policies and method of computation used in preparing the unaudited condensed consolidated interim financial statements are consistent with those used in the audited financial statements for the year ended 31 March 2011 except as described below.

For the current interim period, the Group has applied the following new standards, amendments and interpretations (the “new HKFRSs”) issued by HKICPA, which are or have become effective. The adoption of the new HKFRSs has no material effects on how the results and financial position for the current or prior accounting periods are prepared and presented.

HKFRSs (Amendments)	Improvements to HKFRSs 2010
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters
HKAS 24 (Revised)	Related Party Disclosures
HK (IFRIC) — Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement
HK(IFRIC) — Int 19	Extinguishing Financial Liabilities with Equity Instruments

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2011

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

The Group has not early applied the following new HKFRSs that have been issued but are not yet effective.

HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters ¹
HKFRS 7 (Amendments)	Disclosure — Transfers of Financial Assets ¹
HKFRS 9	Financial Instruments ⁴
HKFRS 10	Consolidated Financial Statements ⁴
HKFRS 11	Joint Arrangements ⁴
HKFRS 12	Disclosures of Interests in Other Entities ⁴
HKFRS 13	Fair Value Measurement ⁴
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income ³
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Asset ²
HKAS 19 (as revised in 2011)	Employee Benefits ⁴
HKAS 27 (as revised in 2011)	Separate Financial Statement ⁴
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Venture ⁴
HK (IFRIC) — Int 20	Stripping Costs in the Production Phase of a Surface Mine ⁴

¹ Effective for annual periods beginning on or after 1 July 2011

² Effective for annual periods beginning on or after 1 January 2012

³ Effective for annual periods beginning on or after 1 July 2012

⁴ Effective for annual periods beginning on or after 1 January 2013

HKFRS 9 Financial Instruments introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of the HKAS 39 Financial Instruments: Recognition and Measurement to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application for HKFRS 9 might affect the classification and measurement of the Group's financial assets.

The directors of the Group anticipate that the application for the other new and revised Standards, Amendments and Interpretations will have no material impact on the financial performance and financial position of the Group.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2011

3. SEGMENT INFORMATION

The reportable segments have been identified on the basis of internal management reports prepared in accordance with accounting policies conform to HKFRSs, that are regularly reviewed by the executive directors of the Company, being the chief operating decision maker (the "CODM") of the Group.

Business Segment

The CODM regularly review revenue and operating results derived from four operating divisions – sales and integration service, services income, contract income and securities investments. These divisions are the basis on which the Group reports its primary segment information. Principal activities are as follows:

Sales and integration services:	Income from sales and services provision of integration services of computer and communication systems
Services income:	Income from design, consultation and production of information system software and management training services
Contract income:	Income in connection with the sale of communication systems equipment for intelligent buildings and provision of installation services
Securities investments:	Listed securities in held for trading investments

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2011

3. SEGMENT INFORMATION *(Continued)*

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segments.

Six months ended 30 September 2011 (unaudited)

	Sales and integration services HK\$'000	Services income HK\$'000	Contract income HK\$'000	Securities investments HK\$'000	Total HK\$'000
TURNOVER					
External sales	49,740	11,604	—	—	61,344
SEGMENT RESULTS					
	(1,367)	2,140	—	(10,728)	(9,955)
Unallocated corporate income					432
Unallocated corporate expenses					(8,214)
Finance costs					(82)
Loss before taxation					(17,819)
Taxation					(123)
Loss for the period					(17,942)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2011

3. SEGMENT INFORMATION *(Continued)*

Segment revenues and results *(Continued)*

Six months ended 30 September 2010 (unaudited)

	Sales and integration services HK\$'000	Services income HK\$'000	Contract income HK\$'000	Securities investments HK\$'000	Total HK\$'000
TURNOVER					
External sales	40,695	6,061	1,805	—	48,561
SEGMENT RESULTS					
	(782)	94	(145)	(780)	(1,613)
Unallocated corporate income					7,352
Unallocated corporate expenses					(11,119)
Finance costs					(20)
Loss before taxation					(5,400)
Taxation					(699)
Loss for the period					(6,099)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2011

3. SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments.

At 30 September 2011 (unaudited)

	Sales and integration services HK\$'000	Services income HK\$'000	Contract income HK\$'000	Securities investments HK\$'000	Total HK\$'000
Segment assets	30,672	7,156	—	11,917	49,745
Unallocated assets					25,888
Consolidated assets					75,633
Segment liabilities	38,008	8,867	—	—	46,875
Unallocated liabilities					6,350
Consolidated liabilities					53,225

At 31 March 2011 (audited)

	Sales and integration services HK\$'000	Services income HK\$'000	Contract income HK\$'000	Securities investments HK\$'000	Total HK\$'000
Segment assets	39,854	5,470	20	25,566	70,910
Unallocated assets					31,839
Consolidated assets					102,749
Segment liabilities	50,249	6,897	25	—	57,171
Unallocated liabilities					4,937
Consolidated liabilities					62,108

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2011

3. SEGMENT INFORMATION *(Continued)*

Other information

At 30 September 2011 (unaudited)

	Sales and integration services HK\$'000	Services income HK\$'000	Contract income HK\$'000	Securities investments HK\$'000	Unallocated HK\$'000	Total HK\$'000
Additions to non-current assets	66	16	—	—	176	258
Depreciation and amortisation	28	7	—	—	259	294

At 31 March 2011 (audited)

	Sales and integration services HK\$'000	Services income HK\$'000	Contract income HK\$'000	Securities investments HK\$'000	Unallocated HK\$'000	Total HK\$'000
Additions to non-current assets	71	10	—	19,080	11,836	30,997
Depreciation and amortisation	37	5	—	—	267	309

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2011

3. SEGMENT INFORMATION *(Continued)*

Geographical segments

The Group's operations are located in Hong Kong (country of domicile) and the People's Republic of China (the "PRC").

The following is an analysis of the Group's revenue from external customers and non-current assets by geographical location:

	Revenue from external customers for the six months ended 30 September		Non-current assets	
	2011 Unaudited HK'000	2010 Unaudited HK'000	30.9.2011 Unaudited HK'000	31.3.2011 Audited HK'000
Hong Kong	—	—	2,437	26,578
PRC, excluding Hong Kong	61,344	48,561	10,823	11,086
	61,344	48,561	13,260	37,664

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2011

4. OTHER INCOME

	For the six months ended 30 September	
	2011 Unaudited HK\$'000	2010 Unaudited HK\$'000
Bank interest income	9	9
Dividend income from held for trading investments	115	720
Written back of over-provided purchases in previous years	—	6,667
Over-provision for bad and doubtful debts	260	—
Sundry income	163	676
	547	8,072

5. GAIN ON DISPOSAL OF SUBSIDIARIES

On 30 September 2010, the Group disposed of its entire interests in Chun Tai (BVI) Limited, Chun Tai Novelty Company Limited, Chun Tai Printing Limited, Zhongshan Modern Color Printing and Packaging Products Factory Company Limited, Full Hope Enterprises Limited, Telecom Plus Technology Limited, Allnet Company Limited, Telecom Plus Investment Limited, Plus Investment & Management Consulting Company and Up Hill Investments Limited. The total consideration was settled in cash approximately HK\$19. The gain on disposal of subsidiaries was approximately HK\$19.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2011

6. TAXATION

	For the six months ended 30 September	
	2011 Unaudited HK\$'000	2010 Unaudited HK\$'000
Taxation in the PRC:		
Current period	123	699

No Hong Kong Profits Tax has been provided in the consolidated financial statements as the Group does not have any assessable profits for the six months ended 30 September 2011 (six months ended 30 September 2010: Nil).

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% (2010: 25%). Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profits streams.

7. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

	For the six months ended 30 September	
	2011 Unaudited HK\$'000	2010 Unaudited HK\$'000
Amortisation of intangible asset	27	27
Depreciation on property, plant and equipment	267	117
Staff costs (including directors' emoluments)	7,015	5,933

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2011

8. INTERIM DIVIDEND

The Board resolved not to declare the payment of an interim dividend for the six months ended 30 September 2011 (six months ended 30 September 2010: Nil).

9. LOSS PER SHARE

The calculation of the basic loss per share was based on the Group's loss attributable to shareholders of the Company of approximately HK\$17,942,000 (2010: approximately HK\$6,099,000) and the number of ordinary shares of 5,391,162,483 (2010: 5,391,162,483) in issue at the end of the reporting period.

Diluted loss per share is calculated by adjusting the number of ordinary shares outstanding due to the effect of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: convertible preference shares and convertible share options.

The calculation of diluted loss per share for the six months ended 30 September 2011 and 2010 does not assume the conversion of the convertible preference shares and the exercise of the share options since their exercise would result in a decrease in loss per share.

10. MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2011, the Group acquired items of property, plant and equipment with a cost of approximately HK\$258,000 (six months ended 30 September 2010: approximately HK\$4,844,000).

During the period, the Group had written off a cost of approximately HK\$9,000 (2010: Nil) of property, plant and equipment with no carrying amount.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2011

11. INTANGIBLE ASSET

Vehicle license with a cost of HK\$550,000 is amortised on a straight-line basis over 10 years.

12. AVAILABLE-FOR-SALE INVESTMENTS

	30.9.2011 Unaudited HK\$'000	31.3.2011 Audited HK\$'000
LISTED INVESTMENTS		
Equity shares, listed in Hong Kong	—	23,936

Equity securities amounting to approximately HK\$10,971,000 were transferred from available-for-sale investments to held for trading investments in the reporting period.

13. INVENTORIES

	30.9.2011 Unaudited HK\$'000	31.3.2011 Audited HK\$'000
Work in progress	14,657	27,650
Other consumables	3,294	3,008
	17,951	30,658

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2011

14. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

According to the contracts entered into with trade customers, the contracts revenue is collected within 90 days from the date of receipt of customers' acceptance of the completion of each project. Over 90 days trade receivables represent retentions held by customers which are normally due one year after completion of the project. The following is an aging analysis of trade receivables included in trade and other receivables at the end of the reporting period.

	30.9.2011 Unaudited HK\$'000	31.3.2011 Audited HK\$'000
Trade receivables		
0-30 days	8,921	2,833
31-90 days	5,403	—
Over 90 days	1,776	4,728
	16,100	7,561
Other receivables, prepayments and deposits	10,534	12,261
Total trade and other receivables, prepayments and deposits	26,634	19,822

The directors consider that the carrying amount of trade and other receivables approximates their fair value.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2011

15. HELD FOR TRADING INVESTMENTS

Held for trading investments comprise:

	30.9.2011 Unaudited HK\$'000	31.3.2011 Audited HK\$'000
Equity securities listed in Hong Kong, at fair value	11,917	1,630

The fair values of the above listed securities are determined based on the quoted market closing prices available on the Stock Exchange. Equity securities amounting to approximately HK\$10,971,000 were transferred from available-for-sale investments to held for trading investments in the reporting period.

16. TRADE AND OTHER PAYABLES

The following is an aging analysis of trade payables included in trade and other payables at the end of the reporting period:

	30.9.2011 Unaudited HK\$'000	31.3.2011 Audited HK\$'000
Trade payables		
0-90 days	12,032	24,475
91-180 days	72	—
Over 180 days	33,828	31,963
	45,932	56,438
Other payables	3,379	2,970
Total trade and other payables	49,311	59,408

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2011

17. RELATED PARTIES TRANSACTIONS AND BALANCES

During the period, the Group had the following transactions with related parties in the normal course of business:

	For the six months ended 30 September	
	2011 Unaudited HK\$'000	2010 Unaudited HK\$'000
Rental expenses paid to:		
Ms. Chan Oi Mo (Note i)	1,800	1,800
Loan interest expense paid to:		
Wai Chun Investment Fund (Note ii)	82	—
Wai Chun Mining Industry Group Company Limited (Note iii)	—	19
Administrative service fees paid to:		
Wai Chun Mining Industry Group Company Limited (Note iii)	—	600

Notes:

- (i) Ms. Chan Oi Mo is the wife of Mr. Lam Ching Kui, a director of the Company.
- (ii) Wai Chun Investment Fund is the ultimate holding company of the Company.
- (iii) Mr. Lam Ching Kui, a director of the Company, is also a director and ultimate controlling shareholder of Wai Chun Mining Industry Group Company Limited.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2011

17. RELATED PARTIES TRANSACTIONS AND BALANCES

(Continued)

	30.9.2011 Unaudited HK\$'000	31.3.2011 Audited HK\$'000
Amount due from a related party		
Wai Chun Mining Industry Group Company Limited	—	900
Amount due to the ultimate holding company		
Wai Chun Investment Fund	3,914	2,700

Mr. Lam Ching Kui, a director of the Company, is also the director and beneficial shareholder of the related companies, i.e. Wai Chun Investment Fund and Wai Chun Mining Industry Group Company Limited.

The amounts due are unsecured, interest-bearing and repayable on demand.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2011

18. SHARE CAPITAL

	Number of shares ‘000	Share capital HK\$‘000
Authorised		
Ordinary shares of HK\$ 0.01 each at 1 April 2010, 31 March 2011 and 30 September 2011	100,000,000	1,000,000
Issued and fully paid:		
Ordinary shares of HK\$ 0.01 each at 1 April 2010, 31 March 2011 and 30 September 2011	5,391,163	53,912
Issued and fully paid convertible preference shares:		
Convertible preference shares of HK\$ 0.01 each at 1 April 2010, 31 March 2011 and 30 September 2011	11,000,000	110,000

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2011

18. SHARE CAPITAL *(Continued)*

- a) The convertible preference shares were issued at a total consideration of HK\$ 110,000,000. Their rights, privileges and restrictions are set out below:

Maturity Date: Five years from the date of issue, 20 August 2008, of the relevant Convertible Preference Shares.

Conversion period: During the period beginning on the date of the Date of Issue and ending at close of business in Hong Kong on the fifth anniversary of the Date of Issue (the "Maturity Date") (both dates inclusive), each holder of Convertible Preference Shares shall have the right at any time and from time to time to convert all or part (any conversion in part being in amounts or integral multiples of 2,000 Ordinary Shares or such other number as many for the time being a board lot of Ordinary Shares on The Stock Exchange of Hong Kong Limited or such other stock exchange which in the opinion of the board of the Company is the principal stock exchange on which the Ordinary Shares are listed or traded) of his holding of such Convertible Preferences Shares into fully paid Ordinary Shares (subject as provided below) in accordance with the conversion price set out in paragraph below).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2011

18. SHARE CAPITAL *(Continued)*

a) *(Continued)*

Conversion of the Convertible Preferences Shares may be effected in such manner as the board of Directors shall from time to time determine (subject to the applicable laws and regulations). The company shall have the right to defer the issue and allotment of the Ordinary Shares arising under the exercise of the conversion rights attaching to the Convertible Preference Shares or mandatory conversion of the outstanding Convertible Preferences Shares to a date falling ninety days after conversion or such longer period as the board of Directors may consider appropriate and necessary in the event of a conversion will result in the failure by the Company to comply with the level of public float as prescribed under the Listing Rules from time to time. The Company shall be entitled to defer the issue and allotment of the Ordinary Shares until the proposal by the holder of the Convertible Preference Shares to restore the public float is implemented to its satisfaction.

Conversion price:

One Convertible Preference Share shall be convertible into one Ordinary Share at the par value of an Ordinary Share, subject to adjustments in the customary manner such as share consolidations, share subdivisions, capitalisation issues, capital distributions, right issues and issues of other securities for cash or otherwise.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2011

18. SHARE CAPITAL *(Continued)*

a) *(Continued)*

- | | | |
|---------------------------------------|------|--|
| Rights to income, capital and voting: | i) | The Convertible Preference Shares shall carry the right to receive income and dividend. |
| | ii) | On a return of capital on liquidation, the assets of the Company available for distribution among the members shall be applied in repaying the holders of the Convertible Preference Shares and the issued value thereof (being the par value of HK\$0.01 per Convertible Preference Shares). The Convertible Preference Shares shall rank for return of capital on liquidation in priority to all other shares in the capital of the Company for the time being in issue. |
| | iii) | Holder(s) of Convertible Preference Shares shall not be entitled to vote at general meeting of the holders of the Ordinary Share. |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2011

18. SHARE CAPITAL *(Continued)*

a) *(Continued)*

Transferability: The Convertible Preference Shares are freely transferable provided that the Convertible Preference Shares cannot be transferred to connected persons of the Company (within the meaning of the Listing Rules). Once a conversion notice is served by the holder of the Convertible Preference Shares, the Convertible Preference Shares subject to the conversion notice shall not be transferable except where such conversion will result in the Company failing to comply with the public float requirement, in which case, the holder of the Convertible Preference Shares may still transfer the Convertible Preference Shares subject to the conversion notice.

b) The liability component of the Preference Shares recognised in the statement of financial position is calculated as follows:

	HK\$'000
Proceeds from issue of the Convertible Preference Shares	110,000
Equity component at date of issue	(110,000)
Liability component at 1 April 2010, 31 March 2011 and 30 September 2011	—

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2011

19. SHARE OPTIONS

Wai Chun Ventures Limited Option

On 20 August 2008, the Company issued 20,000,000,000 options to Wai Chun Ventures Limited to subscribe for 20,000,000,000 ordinary shares of the Company at HK\$0.01 each (the "Option"). The Option is exercisable in whole or in part at any time for a period of five years commencing 20 August 2008 at an exercise price of HK\$0.01 per share. The Option was issued at a consideration of HK\$20,000,000.

20. COMMITMENTS

(i) Operating Lease Commitments

The Group has leased offices, car parks and some residential units for staff quarter under operating lease arrangements, with leases negotiated for terms ranging from one to two years.

The Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	30.9.2011 Unaudited HK\$'000	31.3.2011 Audited HK\$'000
Within one year	1,569	1,506
In the second to fifth years, inclusive	—	—

(ii) Capital commitments

	30.9.2011 Unaudited HK\$'000	31.3.2011 Audited HK\$'000
Contracted but not provided for in the financial statements in respect of property, plant and equipment	3,420	3,984

21. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to current period's presentation.