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偉俊集團控股有限公司*

Wai Chun Group Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock code: 1013)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

The board (the “Board”) of directors (the “Director(s)”) of Wai Chun Group Holdings Limited (the “Company”) announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 September 2014 together with the comparative figures for the corresponding period.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2014

	Notes	2014 Unaudited HK\$'000	2013 Unaudited HK\$'000
Turnover	3	47,594	43,586
Cost of sales		<u>(37,344)</u>	<u>(35,588)</u>
Gross profit		10,250	7,998
Other income	4	319	551
Net realised gain (loss) on disposal of held-for-trading investments		319	(1,661)
Net unrealised gain (loss) on held-for-trading investments		862	(741)
Selling and distribution expenses		(13,534)	(9,283)
Administrative expenses		(14,443)	(15,989)
Finance costs		<u>–</u>	<u>(685)</u>
Loss before taxation		(16,227)	(19,810)
Taxation	5	<u>–</u>	<u>(252)</u>
Loss for the period	6	<u>(16,227)</u>	<u>(20,062)</u>

* for identification purpose only

		2014	2013
	<i>Notes</i>	Unaudited	Unaudited
		<i>HK\$'000</i>	<i>HK\$'000</i>
Loss attributable to:			
Owners of the Company		(12,271)	(16,895)
Non-controlling interests		<u>(3,956)</u>	<u>(3,167)</u>
		<u>(16,227)</u>	<u>(20,062)</u>
Loss per share			
	<i>8</i>	<i>HK cents</i>	<i>HK cents</i>
Basic		<u>(0.06)</u>	<u>(0.17)</u>
Diluted		<u>(0.06)</u>	<u>(0.17)</u>

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2014

	2014 Unaudited HK\$'000	2013 Unaudited HK\$'000
Loss for the period	<u>(16,227)</u>	<u>(20,062)</u>
Other comprehensive (expense) income: <i>Items that have been reclassified or may be subsequently reclassified to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	<u>(23)</u>	<u>225</u>
Other comprehensive (expense) income for the period	<u>(23)</u>	<u>225</u>
Total comprehensive expense for the period	<u>(16,250)</u>	<u>(19,837)</u>
Total comprehensive expense for the period attributable to:		
Owners of the Company	<u>(12,441)</u>	<u>(17,105)</u>
Non-controlling interests	<u>(3,809)</u>	<u>(2,732)</u>
	<u>(16,250)</u>	<u>(19,837)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2014

		30.9.2014	31.3.2014
		Unaudited	Audited
	<i>Notes</i>	HK\$'000	HK\$'000
Non-current asset			
Property, plant and equipment		<u>15,265</u>	<u>15,547</u>
Current assets			
Inventories		26,639	25,286
Trade and other receivables, prepayments and deposits	9	30,177	29,618
Financial assets at fair value through profit or loss		10,419	8,488
Tax recoverable		121	120
Fixed deposits		300	300
Bank balances and cash		<u>5,022</u>	<u>14,197</u>
		<u>72,678</u>	<u>78,009</u>
Current liabilities			
Trade and other payables	10	35,601	26,327
Amount due to the non-controlling interests of a subsidiary		<u>30,266</u>	<u>28,903</u>
		<u>65,867</u>	<u>55,230</u>
Net current assets		<u>6,811</u>	<u>22,779</u>
Net assets		<u><u>22,076</u></u>	<u><u>38,326</u></u>
Capital and reserves			
Share capital		213,912	213,912
Reserves		<u>(213,202)</u>	<u>(200,761)</u>
Equity attributable to owners of the Company		710	13,151
Non-controlling interests		<u>21,366</u>	<u>25,175</u>
Total equity		<u><u>22,076</u></u>	<u><u>38,326</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2014

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Group incurred unaudited loss for the period ended 30 September 2014 of approximately HK\$16,227,000 and as of that date, the Group recorded a decrease in unaudited net current assets to approximately HK\$6,811,000 and the equity attributable to owners of the Company to approximately HK\$710,000. These conditions indicate the existence of an uncertainty which may cast doubt about the Group’s ability to continue as a going concern.

Its ultimate holding company, Wai Chun Investment Fund, has confirmed to provide continuous financial support to the Group.

The directors consider the Group has adequate working capital to meet its financial obligation as and when they fall due. Accordingly, the directors of the Group are of the opinion that it is appropriate to prepare these consolidated financial statements on a going concern basis.

On 17 January 2013, the 49% non-controlling shareholder of a Company’s major subsidiary Beijing HollyBridge System Integration Company Limited (the “Beijing HollyBridge”) injected additional share capital into Beijing HollyBridge amounting to RMB30,380,000 (approximately HK\$38,310,000) being the amount attributable to the percentage of share capital held by it. The Group is required to inject the additional share capital of RMB31,620,000 (approximately HK\$39,875,000) on a pro rata basis into Beijing HollyBridge within two years without having to dilute its shareholding and profit sharing ratio in Beijing HollyBridge.

On 15 November 2014, Beijing Haidian District Commission of Commerce agreed and approved the amended clause about the extension of the additional share capital injection on or before 30 November 2015 in the Memorandum and Articles of Association. The directors have represented that they had agreed to inject the additional share capital on or before 30 November 2015. The consolidated financial statements have been prepared on the basis that such capital injection will be made on or before 30 November 2015 and, accordingly, there are no changes of shareholding percentage and profit sharing ratio in Beijing HollyBridge. If the Group fails to inject the additional share capital in Beijing HollyBridge within the prescribed period, the Group’s interest in Beijing HollyBridge will be diluted and will constitute a deemed disposal of a subsidiary in the Group. The Group’s interest in Beijing HollyBridge shall be accounted for as investment in an associate upon and after completion of the deemed disposal. As a result, the consolidated financial statements will have to be restated accordingly.

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

In the current interim period, the Group has applied, for the first time, the following amendments to the HKFRSs issued by the HKICPA.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities
Amendments to HKAS 32	Offsetting financial assets and financial liabilities
Amendments to HKAS 36	Recoverable amount disclosures of non-financial assets
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting
HK(IFRIC) – Int 21	Levies

The application of the above new interpretation and amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective:

Amendments to HKFRSs	Annual improvements to HKFRSs 2010-2012 Cycle ²
Amendments to HKFRSs	Annual improvements to HKFRSs 2011-2013 Cycle ¹
Amendments to HKFRSs	Annual improvements to HKFRSs 2012-2014 Cycle ⁴
Amendments to HKFRS 9 and HKFRS 7	Mandatory effective date of HKFRS 9 and transition disclosures ²
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture ⁴
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations ⁴
HKFRS 9	Financial instruments ⁶
HKFRS 14	Regulatory deferral accounts ³
HKFRS 15	Revenue from contracts with customers ⁵
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation ⁴
Amendments to HKAS 16 and HKAS 41	Agriculture: bearer plants ⁴
Amendments to HKAS 19	Defined benefit plans: employee contributions ¹
Amendments to HKAS 27	Equity method in separate financial statements ⁴

¹ Effective for annual periods beginning on or after 1 July 2014

² Effective for annual periods beginning on or after 1 July 2014, with limited exceptions

³ Effective for first annual HKFRS financial statements beginning on or after 1 January 2016

⁴ Effective for annual periods beginning on or after 1 January 2016

⁵ Effective for annual periods beginning on or after 1 January 2017

⁶ Effective for annual periods beginning on or after 1 January 2018

The directors of the Group anticipate that the application for the new and revised standards, amendments and interpretations will have no material impact on the financial performance and financial position of the Group.

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 three operating divisions – sales and integration service, services 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 |
| Securities investments: | Listed securities in held-for-trading investments |

Segment revenues and results

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

For the six months ended 30 September 2014 (unaudited)

	Sales and integration services <i>HK\$'000</i>	Services income <i>HK\$'000</i>	Securities investments <i>HK\$'000</i>	Total <i>HK\$'000</i>
TURNOVER				
External sales	<u>32,830</u>	<u>14,764</u>	<u>–</u>	<u>47,594</u>
SEGMENT RESULTS	<u>(9,152)</u>	<u>1,056</u>	<u>1,478</u>	<u>(6,618)</u>
Unallocated corporate income				23
Unallocated corporate expenses				<u>(9,632)</u>
Loss before taxation				(16,227)
Taxation				<u>–</u>
Loss for the period				<u><u>(16,227)</u></u>

For the six months ended 30 September 2013 (unaudited)

	Sales and integration services <i>HK\$'000</i>	Services income <i>HK\$'000</i>	Securities investments <i>HK\$'000</i>	Total <i>HK\$'000</i>
TURNOVER				
External sales	<u>28,741</u>	<u>14,845</u>	<u>–</u>	<u>43,586</u>
SEGMENT RESULTS	<u>(6,574)</u>	<u>333</u>	<u>(1,882)</u>	<u>(8,123)</u>
Unallocated corporate income				31
Unallocated corporate expenses				(11,033)
Finance costs				<u>(685)</u>
Loss before taxation				(19,810)
Taxation				<u>(252)</u>
Loss for the period				<u><u>(20,062)</u></u>

Segment assets and liabilities

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

At 30 September 2014 (unaudited)

	Sales and integration services <i>HK\$'000</i>	Services income <i>HK\$'000</i>	Securities investments <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	38,300	17,224	7,909	63,433
Unallocated assets				<u>24,510</u>
Consolidated assets				<u><u>87,943</u></u>
Segment liabilities	44,178	19,868	–	64,046
Unallocated liabilities				<u>1,821</u>
Consolidated liabilities				<u><u>65,867</u></u>

At 31 March 2014 (audited)

	Sales and integration services <i>HK\$'000</i>	Services income <i>HK\$'000</i>	Securities investments <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	37,546	14,904	8,488	60,938
Unallocated assets				<u>32,618</u>
Consolidated assets				<u><u>93,556</u></u>
Segment liabilities	37,849	15,025	–	52,874
Unallocated liabilities				<u>2,356</u>
Consolidated liabilities				<u><u>55,230</u></u>

Other information

For the six months ended 30 September 2014 (unaudited)

	Sales and integration services <i>HK\$'000</i>	Services income <i>HK\$'000</i>	Securities investments <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Additions to property, plant and equipment	107	48	–	–	155
Depreciation of property, plant and equipment	81	37	–	321	439
Allowance for bad and doubtful debts	208	94	–	–	302
	<u>208</u>	<u>94</u>	<u>–</u>	<u>–</u>	<u>302</u>

For the six months ended 30 September 2013 (unaudited)

	Sales and integration services <i>HK\$'000</i>	Services income <i>HK\$'000</i>	Securities investments <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Additions to property, plant and equipment	49	25	–	1,081	1,155
Depreciation of property, plant and equipment	26	13	–	331	370
Property, plant and equipment written off	–	–	–	1	1
	<u>–</u>	<u>–</u>	<u>–</u>	<u>1</u>	<u>1</u>

Geographical segments

No geographical segment analysis on turnover is provided as substantially all of the Group's revenue and contribution to results were derived from the People's Republic of China (the "PRC").

The following is an analysis of the carrying amount of segment assets and additions to property, plant and equipment analysed by the geographical area in which the assets are located.

	Carrying amount of segment assets		Additions to property, plant and equipment	
	30.9.2014 Unaudited <i>HK\$'000</i>	31.3.2014 Audited <i>HK\$'000</i>	30.9.2014 Unaudited <i>HK\$'000</i>	31.3.2014 Audited <i>HK\$'000</i>
Hong Kong	31,570	40,249	–	1,200
The PRC, excluding Hong Kong	56,373	53,307	155	700
	<u>87,943</u>	<u>93,556</u>	<u>155</u>	<u>1,900</u>

4. OTHER INCOME

	For the six months ended 30 September	
	2014	2013
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Bank interest income	13	8
Dividend income from held-for-trading investments	297	520
Sundry income	9	23
	<u>319</u>	<u>551</u>

5. TAXATION

	For the six months ended 30 September	
	2014	2013
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Taxation in the PRC:		
Current period	–	–
Under-provision in prior period	–	252
	<u>–</u>	<u>252</u>

No provision for Hong Kong Profits Tax has been provided in the condensed consolidated financial statements as the Company and its subsidiaries in Hong Kong have no assessable profits for the six months ended 30 September 2014 (six months ended 30 September 2013: Nil).

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% (six months ended 30 September 2013: 25%).

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

6. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

	For the six months ended 30 September	
	2014	2013
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Depreciation of property, plant and equipment	439	370
Property, plant and equipment written off	–	1
Staff costs (including directors' emoluments)	13,897	10,409
	<u>13,897</u>	<u>10,409</u>

7. INTERIM DIVIDEND

The Board has resolved not to declare the payment of an interim dividend for the six months ended 30 September 2014 (six months ended 30 September 2013: Nil).

8. LOSS PER SHARE

The calculation of the basic loss per share for the six months ended 30 September 2014 was based on the Group's loss attributable to owners of the Company of approximately HK\$12,271,000 (six months ended 30 September 2013: approximately HK\$16,895,000) and the weighted average number of ordinary shares of 21,391,162,483 (six months ended 30 September 2013: 10,068,758,111) in issue at the end of the reporting period, calculated as follows:

	For the six months ended 30 September	
	2014	2013
	Unaudited	Unaudited
	'000	'000
Issued ordinary shares at 1 April	21,391,163	5,391,163
Effect of share options exercised	–	1,345,355
Effect of conversion of convertible preference shares	–	3,332,240
	<u>21,391,163</u>	<u>10,068,758</u>

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 September 2014 and 2013 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those periods.

9. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

According to the contracts entered into with trade customers, an average of the contracts revenue is normally collected within 90 days from the date of receipt of customers' acceptance, whereas the remaining 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:

	30.9.2014	31.3.2014
	Unaudited	Audited
	HK\$'000	HK\$'000
Trade receivables		
0-30 days	13,348	24,704
31-90 days	5,753	–
Over 90 days	5,489	660
	<u>24,590</u>	<u>25,364</u>
Other receivables, prepayments and deposits	5,587	4,254
	<u>30,177</u>	<u>29,618</u>

The Directors consider that the carrying amount of trade and other receivables, prepayments and deposits approximates their fair value.

10. 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:

	30.9.2014	31.3.2014
	Unaudited	Audited
	HK\$'000	HK\$'000
Trade payables		
0-90 days	17,787	15,822
91-180 days	3,414	135
Over 180 days	10,832	7,127
	<u>32,033</u>	<u>23,084</u>
Other payables	3,568	3,243
	<u>35,601</u>	<u>26,327</u>

The average credit period on purchases is ranged from 60 to 180 days.

11. CAPITAL COMMITMENTS

	30.9.2014	31.3.2014
	Unaudited	Audited
	HK\$'000	HK\$'000
Contracted but not provided for in the financial statements in respect of property, plant and equipment	<u>4,313</u>	<u>4,312</u>
Additional share capital in a subsidiary due and payable within a period of 14 months (31 March 2014: 9 months) (<i>Note</i>)	<u>39,875</u>	<u>39,735</u>

Note:

On 17 January 2013, the 49% non-controlling shareholder of a Company's major subsidiary Beijing HollyBridge injected additional share capital into Beijing HollyBridge amounting to RMB30,380,000 (approximately HK\$38,310,000) being the amount attributable to the percentage of share capital held by it. Holy (Hong Kong) Universal Limited, a wholly owned subsidiary of the Company, is allowed to inject the additional share capital of amount RMB31,620,000 (approximately HK\$39,875,000) in Beijing HollyBridge, its 51% owned subsidiary, within two years from December 2012, according to the renewed Memorandum and Articles of Association and Capital Verification Report.

On 15 November 2014, Beijing Haidian District Commission of Commerce agreed and approved the amended clause about the extension of the additional share capital injection on or before 30 November 2015 in the Memorandum and Articles of Association.

SUMMARY OF THE REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following is the extraction from the report on review of condensed consolidated financial statements with modification:

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Without qualifying our review conclusion, we draw attention to note 18(ii) in the condensed consolidated financial statements which indicates that the Group is required to inject the additional share capital of amount RMB31,620,000 (approximately HK\$39,875,000) into major subsidiary Beijing HollyBridge System Integration Company Limited (the “Beijing HollyBridge”) on or before 30 November 2015. The Directors have represented that they had agreed to inject the additional share capital. The consolidated financial statements have been prepared on the basis that such capital injection will be made in coming year and, accordingly, there are no changes of shareholding percentage and profit sharing ratio in Beijing HollyBridge. If the Group fails to inject the additional share capital in Beijing HollyBridge on or before the prescribed date, the Group’s interest in Beijing HollyBridge will be diluted and will constitute a deemed disposal of a subsidiary in the Group. The Group’s interest in Beijing HollyBridge shall be accounted for as investment in an associate upon and after completion of the deemed disposal. As a result, the consolidated financial statements will have to be restated accordingly.

MANAGEMENT DISCUSSION AND ANALYSIS

Interim Results

The board of directors of Wai Chun Group Holdings Limited hereby presents the unaudited consolidated interim results of the Company and its subsidiaries for the six months ended 30 September 2014 together with the comparative figures for the corresponding period in 2013.

For the six months ended 30 September 2014, the Group recorded a turnover of approximately HK\$47,594,000 (six months ended 30 September 2013: approximately HK\$43,586,000), representing an increase of 9.2% as compared with the corresponding period last year. The Group recorded a gross profit and gross profit margin of approximately HK\$10,250,000 and 21.5% respectively for the six months ended 30 September 2014, representing increases of approximately HK\$2,252,000 and 3.1% respectively as compared with the gross profit of approximately HK\$7,998,000 and the gross margin of 18.4% for the corresponding period last year.

Selling expenses recorded an increase of 45.8% from approximately HK\$9,283,000 for the six months ended 30 September 2013 to approximately HK\$13,534,000 for the corresponding period this year. Administrative expenses decreased by 9.7% from approximately HK\$15,989,000 for six months ended 30 September 2013 to approximately HK\$14,443,000 for the corresponding period this year.

Loss attributable to owners of the Company amounted to approximately HK\$12,271,000, representing a decrease of approximately HK\$4,624,000 as compared with the loss of approximately HK\$16,895,000 for the corresponding period last year.

Business Review and Future Prospects

During the period under review, the Group continued to engage in the production of software and provision of solutions and related services, trading of communication products, provision of telecommunications infrastructure solution services, investment holdings and securities investments. Through the operations of Beijing HollyBridge System Integration Company Limited, the major subsidiary of the Group, the Group provides one stop solutions, including hardware and system modification for its customers.

During the period, the Group recorded loss before taxation of approximately HK\$16,227,000 as compared to loss before taxation of approximately HK\$19,810,000 for the corresponding period last year. The improved operating performance mainly reflects: (i) an increase in gross profit margin of the service income segment and a decrease in administrative expenses due to better cost control during the period; and (ii) a turnaround in profit of the securities investments segment. These were partly offset by an increase in selling and distribution expenses of approximately HK\$4,251,000 which was mainly attributable to the expansion of business in the People's Republic of China by increasing staff members of sales and marketing teams and by continuously enhancing its sales and marketing office.

For the securities investments of the Group, the Group recorded a net realised gain on disposal of held-for-trading investments of approximately HK\$319,000 (six months ended 30 September 2013: net realised loss of HK\$1,661,000). A net unrealised gain of approximately HK\$862,000 was also recorded during the period, representing an increase of approximately HK\$1,603,000 while compared to a net unrealised loss of approximately HK\$741,000 of the corresponding period last year. The Group will continue to adopt a cautious and conservative strategy for securities investments.

Looking forward, the Management will devote its effort by enhancing operational efficiency, reducing overheads and increasing manpower in sales and marketing teams 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.

Financial Resources and Liquidity

As at 30 September 2014, the Group had net current assets of approximately HK\$6,811,000 (31 March 2014: net current assets of approximately HK\$22,779,000) and cash and cash equivalents of approximately HK\$5,022,000 (31 March 2014: approximately HK\$14,197,000). All cash and cash equivalent are denominated in Hong Kong Dollars and Renminbi. The current ratio of the Group was approximately 1.1 (31 March 2014: approximately 1.4) and the Group did not have any external borrowing and had no assets pledged or any contingent liabilities.

As the Group's businesses are conducted in the PRC, the Group does not expect to be exposed to any material foreign exchange risks.

INTERIM DIVIDEND

The board resolved not to declare an interim dividend for the six months ended 30 September 2014 (30 September 2013: Nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2014.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) set out in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) as the code of conduct regarding securities transactions by the Directors. Following specific enquiries by the Company, all Directors have confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30 September 2014.

CORPORATE GOVERNANCE

During the six months ended 30 September 2014, the Company complied with all the relevant code provisions as set out in the Corporate Governance Code (“CG Code”) as set out in Appendix 14 to the Listing Rules except for the deviation from code provisions A.2.1 and A.4.1.

Code provision A.2.1 provides that the roles of the chairman and chief executive officer should be separated and should not be performed by the same individual. The Company does not at present separate the roles of the chairman and chief executive officer. Mr. Lam Ching Kui is the chairman and chief executive officer of the Company. He has extensive experience in project management and securities investments and is responsible for the overall corporate strategies, planning and business development of the Group. The balance of power and authorities are ensured by the operation of the Board which comprises experienced and high caliber individuals with sufficient number thereof being independent non-executive Directors.

Code provision A.4.1 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 to 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 CG Code.

AUDIT COMMITTEE

The Company established an audit committee (the “Audit Committee”) 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. The terms of reference of the Audit Committee is currently made available on the Stock Exchange’s website and the Company’s website. The Audit Committee is mainly responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of such auditor; reviewing the interim and annual reports and accounts of the Group; and overseeing

the Company's financial reporting system (including the adequacy of resources, qualifications and experience of staff in charge of the Company's financial reporting function and their training arrangement and budget) and the internal control procedures.

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. To Yan Ming, Edmond (chairman), Mr. Ko Ming Tung, Edward and Mr. Shaw Lut, Leonardo. The Audit Committee has reviewed the unaudited interim financial results of the Group for the six months ended 30 September 2014. The Group's external auditor, HLM CPA Limited, has carried out a review of the unaudited interim financial statements 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 Hong Kong Institute of Certified Public Accountants.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The interim results announcement of the Company for the six months ended 30 September 2014 is published on both the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the website of the Company (www.1013.hk). The interim report of the Company for the six months ended 30 September 2014 containing all the information as required in Appendix 16 to the Listing Rules will be dispatched to shareholders and published on the above websites in due course.

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.

By Order of the Board
Wai Chun Group Holdings Limited
Lam Ching Kui
Chairman and Chief Executive Officer

Hong Kong, 27 November 2014

As at the date of this announcement, the Board comprises:

Executive Director:
LAM Ching Kui (*Chairman and Chief Executive Officer*)

Independent Non-executive Directors:
KO Ming Tung, Edward
SHAW Lut, Leonardo
TO Yan Ming, Edmond