



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

(Incorporated in Bermuda with limited liability)
(Stock Code: 1013)

2014
Interim Report

* for identification purpose only

Contents

	Page
Corporate Information	2
Management Discussion and Analysis	4
Other Information	7
Independent Review Report	12
Condensed Consolidated Statement of Profit or Loss	15
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	16
Condensed Consolidated Statement of Financial Position	17
Condensed Consolidated Statement of Changes in Equity	18
Condensed Consolidated Statement of Cash Flows	19
Notes to the Condensed Consolidated Financial Statements	20

Corporate Information

BOARD OF DIRECTORS

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

AUTHORISED REPRESENTATIVES

Lam Ching Kui
Tong Chi Cheong

COMPANY SECRETARY

Tong Chi Cheong

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)*
Lam Ching Kui
Ko Ming Tung, Edward
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 2
18 Harcourt Road
Admiralty
Hong Kong

Corporate Information

AUDITOR

HLM CPA Limited
Certified Public Accountants
Room 305
Arion Commercial Centre
2-12 Queen's Road West
Hong Kong

SHARE REGISTRAR IN HONG KONG

Union Registrars Limited
A18/F, Asia Orient Tower
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

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.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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.

Other Information

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

As at 30 September 2014, the interests and short positions of the Directors and chief executive in the shares, underlying shares and debentures 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 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:

Interests in shares of the Company

Name of Director	Nature of Interest	Long position/ Short position	Number of ordinary shares	Approximate percentage of shareholding in the Company
Mr. Lam Ching Kui	Interest of controlled corporations	Long position	15,400,000,000 (Note)	71.99%

Note: Mr. Lam Ching Kui is deemed to be interested in these 15,400,000,000 shares of the Company held by Ka Chun Holdings Limited (formerly known as Wai Chun Ventures Limited) which is wholly-owned by Wai Chun Investment Fund which, in return, wholly-owned by Mr. Lam Ching Kui.

Save as disclosed above, as at 30 September 2014, none of the Directors or chief executive of the Company or their respective associates 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.

Other Information

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS/OTHER PERSONS RECORDED IN THE REGISTER KEPT UNDER SECTION 336 OF THE SFO

As at 30 September 2014, the interests or short positions of every person, other than Directors or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO, were set out as follows:

Name of Shareholder	Nature of interest	Long position/ Short position	Number of ordinary shares	Approximate percentage of shareholding in the Company
Ka Chun Holdings Limited	Beneficial owner	Long position	15,400,000,000	71.99%
Wai Chun Investment Fund	Interests of controlled corporation	Long position	15,400,000,000 (Note)	71.99%

Note: These 15,400,000,000 shares of the Company are held by Ka Chun Holdings Limited, which is wholly-owned by Wai Chun Investment Fund. Therefore, Wai Chun Investment Fund is deemed to be interested in these 15,400,000,000 shares pursuant to the SFO.

Save as disclosed above, no other parties were recorded in the register of the Company required to be kept under section 336 of the SFO as having interests or short positions in the shares or underlying shares of the Company as at 30 September 2014.

Other Information

SHARE OPTIONS

On 20 August 2008, the Company issued 20,000,000,000 options (the "Option(s)") to Ka Chun Holdings Limited to subscribe for 20,000,000,000 ordinary shares of the Company of HK\$0.01 each. The Options were issued at a consideration of HK\$20,000,000 and exercisable in whole or in part at any time during the period from (and including) 20 August 2008 ("Issue Date") up to (and including) the third business day immediately preceding the fifth anniversary of the Issue Date (i.e. 15 August 2013) at an exercise price of HK\$0.01 per share. During the six months ended 30 September 2013, 5,000,000,000 Options were exercised and 15,000,000,000 Options were lapsed. There were no outstanding options as at 30 September 2014.

EMPLOYEES

As at 30 September 2014, the Group had a total of 165 employees, the majority of whom are situated in the PRC. Competitive remuneration packages including discretionary bonuses shall be offered to the employees based on their 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 executive Director(s) and senior management pursuant to its terms of reference. No Director, or any of his associates, and executive, is involved in dealing his own remuneration.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the six months ended 30 September 2014, was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of shares in, or debt securities, including debentures, of the Company or any other body corporate.

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.

Other Information

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.

Other Information

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.

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

Independent Review Report

恒健會計師行有限公司

HLM CPA LIMITED

Certified Public Accountants

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2-12 Queen's Road West, Hong Kong.
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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 Bermuda with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Wai Chun Group Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 15 to 42, which comprise the condensed consolidated statement of financial position as at 30 September 2014 and the related condensed consolidated statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months 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 the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34"), issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34.

Independent Review Report

Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, 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 person for the contents of this 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 these condensed consolidated financial statements 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.

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.

Independent Review Report

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.

HLM CPA Limited

Certified Public Accountants

Ho Pak Tat

Practising Certificate Number: P05215

Hong Kong

27 November 2014

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		(37,344)	(35,588)
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		-	(685)
Loss before taxation		(16,227)	(19,810)
Taxation	5	-	(252)
Loss for the period	6	(16,227)	(20,062)
Loss attributable to:			
Owners of the Company		(12,271)	(16,895)
Non-controlling interests		(3,956)	(3,167)
		(16,227)	(20,062)
Loss per share	8	HK cents	HK cents
Basic		(0.06)	(0.17)
Diluted		(0.06)	(0.17)

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	(16,227)	(20,062)
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	(23)	225
Other comprehensive (expense) income for the period	(23)	225
Total comprehensive expense for the period	(16,250)	(19,837)
Total comprehensive expense for the period attributable to:		
Owners of the Company	(12,441)	(17,105)
Non-controlling interests	(3,809)	(2,732)
	(16,250)	(19,837)

Condensed Consolidated Statement of Financial Position

At 30 September 2014

	Notes	30.9.2014 Unaudited HK\$'000	31.3.2014 Audited HK\$'000
Non-current asset			
Property, plant and equipment	9	15,265	15,547
Current assets			
Inventories	10	26,639	25,286
Trade and other receivables, prepayments and deposits	11	30,177	29,618
Financial assets at fair value through profit or loss	12	10,419	8,488
Tax recoverable		121	120
Fixed deposits		300	300
Bank balances and cash		5,022	14,197
		72,678	78,009
Current liabilities			
Trade and other payables	13	35,601	26,327
Amount due to the non-controlling interests of a subsidiary	14	30,266	28,903
		65,867	55,230
Net current assets		6,811	22,779
Net assets		22,076	38,326
Capital and reserves			
Share capital	16	213,912	213,912
Reserves		(213,202)	(200,761)
Equity attributable to owners of the Company		710	13,151
Non-controlling interests	17	21,366	25,175
Total equity		22,076	38,326

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2014

	Attributable to owners of the Company								
	Share capital	Share premium	Convertible	Share	Translation reserve	Accumulated losses	Total	Non-controlling interests	Total
			preference shares	option reserve					
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2014 (audited)	213,912	5,000	-	-	(5,429)	(200,332)	13,151	25,175	38,326
Loss for the period	-	-	-	-	-	(12,271)	(12,271)	(3,956)	(16,227)
Other comprehensive (expenses) income for the period	-	-	-	-	(170)	-	(170)	147	(23)
Total comprehensive expenses for the period	-	-	-	-	(170)	(12,271)	(12,441)	(3,809)	(16,250)
At 30 September 2014 (unaudited)	213,912	5,000	-	-	(5,599)	(212,603)	710	21,366	22,076
At 1 April 2013 (audited)	53,912	-	110,000	20,000	(5,670)	(176,185)	2,057	36,820	38,877
Loss for the period	-	-	-	-	-	(16,895)	(16,895)	(3,167)	(20,062)
Other comprehensive (expenses) income for the period	-	-	-	-	(210)	-	(210)	435	225
Total comprehensive expenses for the period	-	-	-	-	(210)	(16,895)	(17,105)	(2,732)	(19,837)
Shares issued upon exercise of share options	50,000	5,000	-	(5,000)	-	-	50,000	-	50,000
Share options lapsed	-	-	-	(15,000)	-	15,000	-	-	-
Shares issued upon conversion of convertible preference shares	110,000	-	(110,000)	-	-	-	-	-	-
At 30 September 2013 (unaudited)	213,912	5,000	-	-	(5,880)	(178,080)	34,952	34,088	69,040

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2014

	2014 Unaudited HK\$'000	2013 Unaudited HK\$'000
Net cash used in operating activities	(9,833)	(17,845)
Net cash (used in) generated from investing activities	(596)	6,543
Net cash generated from financing activities	1,260	29,165
Net (decrease) increase in cash and cash equivalents	(9,169)	17,863
Effect of foreign exchange rate changes	(6)	471
Cash and cash equivalents at the beginning of the period	14,497	4,923
Cash and cash equivalents at the end of the period	5,322	23,257
Analysis of the balances of cash and cash equivalents		
Fixed deposits	300	300
Bank balances and cash	5,022	22,957
	5,322	23,257

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2014

1. GENERAL INFORMATION AND BASIS OF PREPARATION

Wai Chun Group Holdings Limited (“the Company”) was incorporated in 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 Company is an investment holding company. The address of the registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and principal place of business is 13/F., Admiralty Centre 2, 18 Harcourt Road, Admiralty, Hong Kong.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“HK\$”) which is the same as the functional currency of the Company and 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 (the “Listing Rules”) and with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), under the historical cost convention, except for the 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 unaudited 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 2014 annual financial statements. The unaudited condensed consolidated 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 2014

1. GENERAL INFORMATION AND BASIS OF PREPARATION *(Continued)*

Going concern

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.

Basis of consolidation

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.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2014

1. GENERAL INFORMATION AND BASIS OF PREPARATION *(Continued)*

Basis of consolidation *(Continued)*

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2014

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

(Continued)

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2014

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

(Continued)

- 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.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2014

3. SEGMENT INFORMATION *(Continued)*

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.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2014

3. SEGMENT INFORMATION (Continued)

Segment revenues and results (Continued)

For the six months ended 30 September 2014 (unaudited)

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

For the six months ended 30 September 2013 (unaudited)

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2014

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 2014 (unaudited)

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

At 31 March 2014 (audited)

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2014

3. SEGMENT INFORMATION (Continued)

Other information

For the six months ended 30 September 2014 (unaudited)

	Sales and integration services HK\$'000	Services income HK\$'000	Securities investments HK\$'000	Unallocated HK\$'000	Total HK\$'000
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

For the six months ended 30 September 2013 (unaudited)

	Sales and integration services HK\$'000	Services income HK\$'000	Securities investments HK\$'000	Unallocated HK\$'000	Total HK\$'000
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

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").

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2014

3. SEGMENT INFORMATION (Continued)

Geographical segments (Continued)

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 HK\$'000	31.3.2014 Audited HK\$'000	30.9.2014 Unaudited HK\$'000	31.3.2014 Audited HK\$'000
Hong Kong	31,570	40,249	-	1,200
The PRC, excluding Hong Kong	56,373	53,307	155	700
	87,943	93,556	155	1,900

4. OTHER INCOME

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2014

5. TAXATION

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

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.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2014

6. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

	For the six months ended 30 September	
	2014 Unaudited HK\$'000	2013 Unaudited 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

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).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2014

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 Unaudited '000	2013 Unaudited '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
Weighted average number of ordinary shares	21,391,163	10,068,758

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. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2014, the Group acquired items of property, plant and equipment with a cost of approximately HK\$155,000 (six months ended 30 September 2013: approximately HK\$1,155,000).

During the period, the Group had written off a cost of HK\$Nil (six months ended 30 September 2013: approximately HK\$41,000) of property, plant and equipment.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2014

10. INVENTORIES

	30.9.2014 Unaudited HK\$'000	31.3.2014 Audited HK\$'000
Work in progress	20,620	18,677
Other consumables	6,019	6,609
	26,639	25,286

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

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2014

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30.9.2014 Unaudited HK\$'000	31.3.2014 Audited HK\$'000
Equity securities listed in Hong Kong, held for trading investments (Note i)	7,909	8,488
Wealth management product, designated as at fair value through profit or loss ("FVTPL") (Note ii)	2,510	-
Total	10,419	8,488

Notes:

- (i) The fair values of the above listed securities are determined based on the quoted market closing bid prices available on the Hong Kong Stock Exchange.
- (ii) Wealth management product was issued by a reputable bank in the PRC. The fair value of the wealth management product has been determined based on the quoted price from bank at the reporting date. All wealth management product was disposed in October 2014 at a consideration of RMB1,991,000 (approximately HK\$2,512,000).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2014

13. 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 Unaudited HK\$'000	31.3.2014 Audited HK\$'000
Trade payables		
0-90 days	17,787	15,822
91-180 days	3,414	135
Over 180 days	10,832	7,127
	32,033	23,084
Other payables	3,568	3,243
Total trade and other payables	35,601	26,327

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

14. AMOUNT DUE TO THE NON-CONTROLLING INTERESTS OF A SUBSIDIARY

The amount is unsecured, interest-free and repayment on demand.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2014

15. 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	
	2014 Unaudited HK\$'000	2013 Unaudited HK\$'000
Rental expenses paid to:		
Ms. Chan Oi Mo (Note i)	1,800	1,800
Wai Chun Holdings Group Limited (Note ii)	1,594	1,594
	3,394	3,394
Interest expense paid to:		
Wai Chun Investment Fund (Note iii)	–	685

Notes:

- (i) Ms. Chan Oi Mo is the spouse of Mr. Lam Ching Kui, a director of the Company.
- (ii) Wai Chun Holdings Group Limited is owned as to 50% by Mr. Lam Ching Kui, a director of the Company, and as to 50% by Ms. Chan Oi Mo, the spouse of Mr. Lam Ching Kui.
- (iii) Wai Chun Investment Fund is the ultimate holding company of the Company.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2014

15. RELATED PARTIES TRANSACTIONS AND BALANCES

(Continued)

Key management personnel compensation

	For the six months ended 30 September	
	2014 Unaudited HK\$'000	2013 Unaudited HK\$'000
Directors' fee	240	240
Basic salaries, other allowance and benefit in kind	1,200	1,200
Retirement benefits scheme contributions	9	8
	1,449	1,448

Save as disclosed in the condensed consolidated financial statements, there were no other significant related party transactions.

16. SHARE CAPITAL

	Number of shares '000	Share capital HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 each at 1 April 2013, 31 March 2014 and 30 September 2014	89,000,000	890,000
Convertible preference shares of HK\$0.01 each at 1 April 2013, 31 March 2014 and 30 September 2014	11,000,000	110,000

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2014

16. SHARE CAPITAL (Continued)

	Number of shares '000	Share capital HK\$'000
Issued and fully paid:		
Ordinary shares of HK\$0.01 each at 1 April 2013	5,391,163	53,912
Exercise of share options (Note a)	5,000,000	50,000
Conversion of convertible preference shares (Note b)	11,000,000	110,000
	<hr/>	<hr/>
Ordinary shares of HK\$0.01 each at 31 March 2014 and 30 September 2014	21,391,163	213,912
	<hr/>	<hr/>
Convertible preference shares of HK\$0.01 each at 1 April 2013	11,000,000	110,000
Conversion of convertible preference shares (Note b)	(11,000,000)	(110,000)
	<hr/>	<hr/>
Convertible preference shares of HK\$0.01 each at 31 March 2014 and 30 September 2014	-	-

- (a) During the six months ended 30 September 2013, 5,000,000,000 share options were exercised into 5,000,000,000 new shares of HK\$0.01 each.
- (b) The convertible preference shares were issued at a total consideration of HK\$110,000,000 on 20 August 2008. The convertible preference shares are convertible in whole or in part at any time for a period of five years commencing 20 August 2008 at a conversion price of HK\$0.01 per share.

During the six months ended 30 September 2013, holders of convertible preference shares converted a total of 11,000,000,000 convertible preference shares into 11,000,000,000 ordinary shares of HK\$0.01 each of the Company. All of the convertible preference shares were converted before maturity date during the period.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2014

17. NON-CONTROLLING INTERESTS

	30.9.2014 Unaudited HK\$'000	31.3.2014 Audited HK\$'000
Balance at beginning of the period/year	25,175	36,820
Share of loss for the period/year	(3,956)	(11,742)
Exchange realignment	147	97
Balance at end of the period/year	21,366	25,175

18. COMMITMENTS

(i) Operating lease commitments

Operating lease payments represent rentals payable by the Group for certain of its office premises in Hong Kong and the PRC. Leases and rentals are negotiated and fixed respectively for an average term of two years.

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

	30.9.2014 Unaudited HK\$'000	31.3.2014 Audited HK\$'000
Within one year	4,389	4,399
In the second to fifth years, inclusive	266	1,860
	4,655	6,259

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2014

18. COMMITMENTS (Continued)

(ii) Capital commitments

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

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.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2014

19. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation techniques and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2014

19. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique and key inputs
	30.9.2014 Unaudited HK\$'000	31.3.2014 Audited HK\$'000		
Financial assets at FVTPL				
Held-for-trading non-derivative financial assets	7,909	8,488	Level 1	Quoted prices in an active market
Financial assets designated at FVTPL	2,510	-	Level 1	Quoted prices in an active market

At the end of the reporting period, the Group had no Level 2 or 3 fair value measurements financial instruments.

There were no transfers into or out of Level 1 during the period.

Except the financial assets that are measured at fair value on a recurring basis, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.