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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)

2013 ANNUAL RESULTS ANNOUNCEMENT

The board of directors (the “**Board**”) of Wai Chun Group Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 March 2013.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2013

	Notes	2013 HK\$'000	2012 HK\$'000
Turnover	4	143,329	140,590
Cost of sales		<u>(121,704)</u>	<u>(121,995)</u>
Gross profit		21,625	18,595
Other income	5	8,389	598
Net realised gain (loss) on disposal of held-for-trading investments		38	(295)
Net unrealised gain (loss) on held-for-trading investments		3,365	(6,708)
Selling and distribution expenses		(15,630)	(13,732)
Administrative expenses		(27,921)	(25,094)
Finance costs		<u>(1,244)</u>	<u>(485)</u>
Loss before taxation		(11,378)	(27,121)
Taxation	6	<u>(437)</u>	<u>(129)</u>
Loss for the year	7	<u>(11,815)</u>	<u>(27,250)</u>
Loss attributable to:			
— Shareholders of the Company		(10,942)	(26,975)
— Non-controlling interests		<u>(873)</u>	<u>(275)</u>
		<u>(11,815)</u>	<u>(27,250)</u>
Loss per share	8	HK cents	HK cents
— Basic		<u>(0.20)</u>	<u>(0.50)</u>
— Diluted		<u>(0.20)</u>	<u>(0.50)</u>

* for identification purpose only

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2013

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Loss for the year	<u>(11,815)</u>	<u>(27,250)</u>
Other comprehensive expenses:		
Exchange differences arising on translation of foreign operations	<u>(91)</u>	<u>(488)</u>
Other comprehensive expenses for the year	<u>(91)</u>	<u>(488)</u>
Total comprehensive expenses for the year	<u><u>(11,906)</u></u>	<u><u>(27,738)</u></u>
Total comprehensive expenses attributable to:		
— Shareholders of the Company	(11,121)	(27,463)
— Non-controlling interests	<u>(785)</u>	<u>(275)</u>
	<u><u>(11,906)</u></u>	<u><u>(27,738)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2013

	<i>Notes</i>	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Non-current asset			
Property, plant and equipment		<u>14,440</u>	<u>13,821</u>
Current assets			
Inventories		21,664	24,887
Trade and other receivables, prepayments and deposits	9	45,971	16,149
Held-for-trading investments		18,918	15,615
Fixed deposits		300	300
Bank balances and cash		<u>4,623</u>	<u>23,749</u>
		<u>91,476</u>	<u>80,700</u>
Current liabilities			
Trade and other payables	10	38,488	66,359
Tax payable		<u>134</u>	<u>—</u>
		<u>38,622</u>	<u>66,359</u>
Net current assets		<u>52,854</u>	<u>14,341</u>
Total assets less current liabilities		<u>67,294</u>	<u>28,162</u>
Non-current liability			
Loan from the ultimate holding company		<u>28,417</u>	<u>15,259</u>
Net assets		<u><u>38,877</u></u>	<u><u>12,903</u></u>
Capital and reserves			
Share capital		53,912	53,912
Reserves		<u>(51,855)</u>	<u>(40,734)</u>
Equity attributable to shareholders of the Company		2,057	13,178
Non-controlling interests		<u>36,820</u>	<u>(275)</u>
Total equity		<u><u>38,877</u></u>	<u><u>12,903</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2013

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at fair values.

2. BASIS OF CONSOLIDATION

On 17 January 2013, the 49% non-controlling shareholder of a Company’s subsidiary Beijing HollyBridge System Integration Company Limited (the “Beijing HollyBridge”) injected additional share capital into Beijing HollyBridge amounting to RMB30,380,000 (approximately HK\$37,880,000) being the amount attributable to the percentage of share capital held by it. The Group is required to inject the additional share capital of amount RMB31,620,000 (approximately HK\$39,525,000) on a pro rata basis into Beijing HollyBridge within two years without having to dilute its shareholding and profit sharing ratio in Beijing HollyBridge. The Directors have represented that they had agreed to inject the additional share capital within two years. The consolidated financial statements have been prepared on the basis that such capital injection will be made within two years 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, Beijing HollyBridge shall cease to be accounted for as a subsidiary and the consolidated financial statements will have to be restated accordingly.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the following new and revised standards, amendments and interpretations (the “new and revised HKFRSs”) issued by the HKICPA which are effective for the Group’s financial year beginning on 1 April 2012.

Amendments to HKFRS 1	Severe hyperinflation and removal of fixed dates for first-time adopters
Amendments to HKFRS 7	Financial instruments: Disclosures – Transfers of financial assets
Amendments to HKAS 12	Deferred tax: Recovery of underlying assets

The application of the new and revised HKFRSs in the current year has no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

New and revised HKFRSs in issue but not yet effective

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 2009-2011 cycle ²
Amendments to HKFRS 1	Government loans ²
Amendments to HKFRS 7	Disclosures – Offsetting financial assets and financial liabilities ²
Amendments to HKFRS 7 and HKFRS 9	Mandatory effective date of HKFRS 9 and transition disclosures ⁴
HKFRS 9	Financial instruments ⁴
HKFRS 10	Consolidated financial statements ²
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities – transition guidance ²
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities ³
HKFRS 11	Joint arrangements ²
HKFRS 12	Disclosures of interests in other entities ²
HKFRS 13	Fair value measurement ²
Amendments to HKAS 1	Presentation of items of other comprehensive income ¹
HKAS 19 (as revised in 2011)	Employee benefits ²
HKAS 27 (as revised in 2011)	Separate financial statements ²
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures ²
Amendments to HKAS 32	Offsetting financial assets and financial liabilities ³
HK(IFRIC) — INT 20	Stripping costs in the production phase of a surface mine ²

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

² Effective for annual periods beginning on or after 1 January 2013

³ Effective for annual periods beginning on or after 1 January 2014

⁴ Effective for annual periods beginning on or after 1 January 2015

The directors of the Company anticipate that the application of these new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

4. TURNOVER AND SEGMENT INFORMATION

The reportable segments have been identified on the basis of internal management reports prepared in accordance with accounting policies in conformity with 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 services, 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 year ended 31 March 2013

	Sales and integration services	Services income	Securities investments	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
TURNOVER				
External sales	<u>108,190</u>	<u>35,139</u>	<u>—</u>	<u>143,329</u>
SEGMENT RESULTS	<u>(9,111)</u>	<u>7,575</u>	<u>3,818</u>	<u>2,282</u>
Unallocated corporate income				7,648
Unallocated corporate expenses				(20,064)
Finance costs				<u>(1,244)</u>
Loss before taxation				(11,378)
Taxation				<u>(437)</u>
Loss for the year				<u><u>(11,815)</u></u>

For the year ended 31 March 2012

	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>116,971</u>	<u>23,619</u>	<u>—</u>	<u>140,590</u>
SEGMENT RESULTS	<u>(9,398)</u>	<u>7,892</u>	<u>(6,892)</u>	<u>(8,398)</u>
Unallocated corporate income				487
Unallocated corporate expenses				(18,725)
Finance costs				<u>(485)</u>
Loss before taxation				(27,121)
Taxation				<u>(129)</u>
Loss for the year				<u><u>(27,250)</u></u>
Segment assets and liabilities				

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

At 31 March 2013

	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	44,968	14,605	18,918	78,491
Unallocated assets				<u>27,425</u>
Consolidated assets				<u><u>105,916</u></u>
Segment liabilities	27,452	8,916	—	36,368
Unallocated liabilities				<u>30,671</u>
Consolidated liabilities				<u><u>67,039</u></u>

At 31 March 2012

	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	42,661	8,615	15,615	66,891
Unallocated assets				<u>27,630</u>
Consolidated assets				<u><u>94,521</u></u>
Segment liabilities	53,304	10,764	—	64,068
Unallocated liabilities				<u>17,550</u>
Consolidated liabilities				<u><u>81,618</u></u>

Other information

For the year ended 31 March 2013

	Sales and integration services <i>HK\$'000</i>	Services income <i>HK\$'000</i>	Securities investments <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Amortisation of intangible asset	—	—	—	—	—
Additions to property, plant and equipment	19	6	—	1,316	1,341
Depreciation of property, plant and equipment	54	18	—	651	723
Over-provision of allowance for bad and doubtful debts	<u>(246)</u>	<u>(80)</u>	<u>—</u>	<u>—</u>	<u>(326)</u>

For the year ended 31 March 2012

	Sales and integration services <i>HK\$'000</i>	Services income <i>HK\$'000</i>	Securities investments <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Amortisation of intangible asset	—	—	—	37	37
Additions to property, plant and equipment	80	16	—	1,070	1,166
Depreciation of property, plant and equipment	63	13	—	548	624
Allowance for bad and doubtful debts	<u>589</u>	<u>119</u>	<u>—</u>	<u>—</u>	<u>708</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	
	31.3.2013 HK\$'000	31.3.2012 HK\$'000	31.3.2013 HK\$'000	31.3.2012 HK\$'000
Hong Kong	45,487	41,688	1,316	1,069
PRC, excluding Hong Kong	60,429	52,833	25	97
	<u>105,916</u>	<u>94,521</u>	<u>1,341</u>	<u>1,166</u>

Information on major customers

Included in turnover arising from sales and integration services of HK\$108,190,000 (2012: HK\$116,971,000) are turnover of approximately HK\$92,399,000 (2012: HK\$93,516,000) which arose from sales to the Group's three (2012: two) major customers and each customers accounted for more than 10% of the Group's total turnover.

5. OTHER INCOME

	2013 HK\$'000	2012 HK\$'000
Bank interest income	23	25
Compensation income (<i>Note</i>)	7,454	—
Consultancy income	—	141
Dividend income from held-for-trading investments	415	111
Gain on disposal of intangible asset	—	255
Gain on disposal of property, plant and equipment	1	—
Over-provision of allowance for bad and doubtful debts	326	—
Sundry income	170	66
	<u>8,389</u>	<u>598</u>

Note:

During the year, the Company has received the compensation income related to guarantee amount paid and vehicle lost case in previous years.

6. TAXATION

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Current tax:		
Hong Kong	—	—
PRC Enterprise Income Tax	<u>176</u>	<u>5</u>
	<u>176</u>	<u>5</u>
Under-provision in prior year:		
Hong Kong	—	—
PRC Enterprise Income Tax	<u>261</u>	<u>124</u>
	<u>261</u>	<u>124</u>
Total income tax recognised in profit and loss	<u><u>437</u></u>	<u><u>129</u></u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% (2012: 25%).

The taxation for the years can be reconciled to the loss before taxation per the consolidated income statement as follows:

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Loss before taxation	<u>(11,378)</u>	<u>(27,121)</u>
Tax at the applicable income tax rate of 16.5%	(1,877)	(4,475)
Tax effect of expenses not deductible for tax purpose	3,609	4,299
Tax effect of income not taxable for tax purpose	(3,562)	(728)
Tax effect of deductible temporary differences not recognised	54	19
Tax effect of tax losses not recognised	1,892	888
Effect of different tax rates of subsidiaries operating in other jurisdiction	60	2
Under-provision for previous year in PRC	<u>261</u>	<u>124</u>
Taxation for the year	<u><u>437</u></u>	<u><u>129</u></u>

At 31 March 2013, the Group has unused tax losses of approximately HK\$30,145,000 (2012: approximately HK\$18,680,000) available to offset against future profits. No deferred tax asset has been recognised in respect of these tax losses due to the unpredictability of future profit streams of the Group.

7. LOSS FOR THE YEAR

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Loss for the year has been arrived at after charging:		
Auditor's remuneration	500	500
Amortisation of intangible asset	—	37
Depreciation on property, plant and equipment	723	624
Allowance for bad and doubtful debts	—	708
Staff costs (including directors' emoluments)		
— salaries and allowance	19,116	16,521
— director's quarter	—	22
— retirements benefits scheme contributions	1,734	1,316
	<u> </u>	<u> </u>
And after crediting:		
Bank interest income	23	25
Gain on disposal of intangible asset	—	255
Gain on disposal of property, plant and equipment	1	—
Over-provision of allowance for bad and doubtful debts	326	—
	<u> </u>	<u> </u>

8. LOSS PER SHARE

The calculation of basic loss per share was based on the Group's loss attributable to shareholders of the Company of approximately HK\$10,942,000 (2012: approximately HK\$26,975,000) and the number of ordinary shares of 5,391,162,483 (2012: 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 share options.

The calculation of diluted loss per share for the year ended 31 March 2013 and 31 March 2012 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.

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.

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Trade receivables	47,955	32,452
<i>Less:</i> Allowance for bad and doubtful debts	(27,007)	(27,333)
	20,948	5,119
Other receivables, prepayments and deposits	25,023	11,030
Total trade and other receivables, prepayments and deposits	45,971	16,149

Other receivables, prepayments and deposits mainly consist of approximately HK\$567,000 for the deposit for leasehold improvements, approximately HK\$531,000 for the rental and utility deposit of offices in Hong Kong and the PRC, approximately HK\$861,000 for the tender guarantee of integration services contracts, approximately HK\$1,400,000 for the cash advances to staff for business purpose in the PRC office, approximately HK\$1,600,000 for the purchase from suppliers and approximately HK\$18,600,000 paid in 2013, being deposit paid for the advanced integration information system development in Beijing HollyBridge to fulfill the additional requirement maintaining the qualification of approved system integrators of the information technology business for financial institutions in the PRC.

The following is an aging analysis of trade receivables presented based on the date of receipt of customers' acceptance net of allowance for bad and doubtful debts:

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
0-30 days	20,719	3,799
31-90 days	229	55
Over 90 days	—	1,265
Total	20,948	5,119

Movements in the allowance for bad and doubtful debts:

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Balance at beginning of the year	27,333	26,625
Allowance recognised on receivables	—	708
Over-provision of previous years	(326)	—
Balance at end of the year	27,007	27,333

The aging analysis of trade receivables that are past due but not impaired as follows:

	2013 HK\$'000	2012 <i>HK\$'000</i>
0-30 days	—	1,173
31-90 days	—	—
91-180 days	—	92
	<u>—</u>	<u>92</u>
Total	<u>—</u>	<u>1,265</u>

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

10. TRADE AND OTHER PAYABLES

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

	2013 HK\$'000	2012 <i>HK\$'000</i>
Trade payables		
0-90 days	20,920	39,513
91-180 days	3,588	1,449
Over 180 days	6,897	21,890
	<u>31,405</u>	<u>62,852</u>
Other payables	7,083	3,507
	<u>7,083</u>	<u>3,507</u>
Total trade and other payables	<u>38,488</u>	<u>66,359</u>

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

11. CAPITAL COMMITMENTS

	2013 HK\$'000	2012 <i>HK\$'000</i>
Contracted but not provided in the financial statements in respect of property, plant and equipment	4,210	3,702
	<u>4,210</u>	<u>3,702</u>
Additional share capital in a subsidiary due and payable within a period of 21 months (<i>Note</i>)	39,525	—
	<u>39,525</u>	<u>—</u>

Note:

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\$39,525,000) in Beijing HollyBridge within two years according to the renewed Memorandum and Articles of Association and Capital Verification Report.

EXTRACTS FROM INDEPENDENT AUDITOR'S REPORT

The following is an extract of the independent auditor's report on the Group's consolidated financial statements for the year ended 31 March 2013.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the Group's state of affairs as at 31 March 2013, and of its loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Emphasis of Matter

On 17 January 2013, the 49% non-controlling shareholder of a Company's subsidiary Beijing HollyBridge System Integration Company Limited (the "Beijing HollyBridge") injected additional share capital into Beijing HollyBridge amounting to RMB30,380,000 (approximately HK\$37,880,000) being the amount attributable to the percentage of share capital held by it. The Group is required to inject the additional share capital of amount RMB31,620,000 (approximately HK\$39,525,000) on a pro rata basis into Beijing HollyBridge within two years without having to dilute its shareholding and profit sharing ratio in Beijing HollyBridge. The Directors have represented that they had agreed to inject the additional share capital within two years. The consolidated financial statements have been prepared on the basis that such capital injection will be made within two years 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, Beijing HollyBridge shall cease to be accounted for as a subsidiary and the consolidated financial statements will have to be restated accordingly.

FINANCIAL REVIEW

Financial Performance

For the year ended 31 March 2013, the Group recorded a turnover of HK\$143,329,000 (2012: HK\$140,590,000) representing an increase of 1.9% when compared to 2012. The increase in turnover is attributable to an increase in the sales and integration services contracts during the year. In line with the increase in turnover, gross profit increased to HK\$21,625,000 (2012: HK\$18,595,000) representing an increase of 16.3% compared to 2012. The gross profit margin increased from 13.2% in 2012 to 15.1% this year. Selling and distribution expenses increased by 13.8% when compared to 2012, which is mainly due to the expansion of business by increasing staff members of sales and marketing teams.

Listed securities investments recorded a gain of HK\$3,403,000 (2012: loss of HK\$7,003,000) during the year, of which mainly mark-to-market adjustment recorded a gain of HK\$3,365,000 (2012: loss of HK\$6,708,000) and disposal of listed securities investments recorded a gain of HK\$38,000 (2012: loss of HK\$295,000) to the results of the Group. Other income increased from HK\$598,000 to HK\$8,389,000 which is mainly attributable to a HK\$7,454,000 compensation income received during the year related to guarantee amount paid and vehicle lost case in previous years.

The Group recorded a loss attributable to shareholders of the Company of HK\$10,942,000 (2012: HK\$26,975,000) for the year.

Financial Resources and Position

As at 31 March 2013, the Group did not have any external borrowings. Cash and cash equivalents amounted to HK\$4,623,000 (2012: HK\$23,749,000) as at 31 March 2013 which are mostly denominated in Hong Kong Dollars and Renminbi. As the Group's businesses are conducted in the PRC, 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 31 March 2013. At the end of the year, the current ratio of the Group is 2.37 (2012: 1.22).

The Board has resolved not to recommend the payment of a final dividend for the year ended 31 March 2013 (2012: Nil).

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 year ended 31 March 2013, service contracts entered into with various customers such as banks, governmental agencies and public transportation companies amounted to approximately RMB116 million.

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.

OTHER INFORMATION

Employees

As at 31 March 2013, the Group had a total of 95 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 lifestyle 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 in 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 year ended 31 March 2013.

Corporate Governance

During the year ended 31 March 2013, the Company complied with the code provisions as set out in the Code on Corporate Governance Practices in Appendix 14 (the "Code") of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") except code provision A.2.1 and A.4.1.

Under code provision A.2.1, 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 is ensured by the operation of the Board which comprised of experienced and high caliber individuals with sufficient number thereof being independent non-executive directors.

Code 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 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 year ended 31 March 2013.

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.

A meeting of the Audit Committee was held to review the Group’s audited consolidated financial statements for the year ended 31 March 2013, in conjunction with the Group’s external auditor, HLM CPA Limited.

Scope of work of HLM CPA Limited

The figures in respect of the preliminary announcement of the Group’s results for the year ended 31 March 2013 have been agreed by the Group’s auditors, HLM CPA Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by HLM CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by HLM CPA Limited on the preliminary announcement.

Annual General Meeting

For details of the annual general meeting, please refer to the Notice of Annual General Meeting which is expected to be published on or around 31 July 2013.

Appreciation

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

By Order of the Board
LAM Ching Kui
Chairman and Chief Executive Officer

Hong Kong, 28 June 2013

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