

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



偉俊集團控股有限公司*
WAI CHUN GROUP HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock code: 1013)

2015 ANNUAL RESULTS ANNOUNCEMENT

The board of directors (the “Board”) of Wai Chun Group Holdings Limited (the “Company”) presents the audited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 March 2015.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2015

	<i>Notes</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Turnover	4	152,469	139,438
Cost of sales		<u>(122,766)</u>	<u>(118,370)</u>
Gross profit		29,703	21,068
Other income	5	426	781
Other gains or losses		(423)	(4,611)
Selling and distribution expenses		(26,569)	(26,723)
Administrative expenses		(35,842)	(40,586)
Finance costs		(1,635)	(685)
Loss before taxation		(34,340)	(50,756)
Taxation	6	(283)	(133)
Loss for the year	7	<u>(34,623)</u>	<u>(50,889)</u>
Loss attributable to:			
– Shareholders of the Company		(29,113)	(39,147)
– Non-controlling interests		(5,510)	(11,742)
		<u>(34,623)</u>	<u>(50,889)</u>
Loss per share	8	<i>HK cents</i>	<i>HK cents</i>
– Basic		<u>(0.14)</u>	<u>(0.25)</u>
– Diluted		<u>(0.14)</u>	<u>(0.25)</u>

* For identification purposes only

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2015

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Loss for the year	<u>(34,623)</u>	<u>(50,889)</u>
Other comprehensive (expense) income:		
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	<u>(73)</u>	<u>338</u>
Other comprehensive (expense) income for the year	<u>(73)</u>	<u>338</u>
Total comprehensive expense for the year	<u><u>(34,696)</u></u>	<u><u>(50,551)</u></u>
Total comprehensive expenses attributable to:		
– Shareholders of the Company	(29,609)	(38,906)
– Non-controlling interests	<u>(5,087)</u>	<u>(11,645)</u>
	<u><u>(34,696)</u></u>	<u><u>(50,551)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2015

	<i>Notes</i>	2015 HK\$'000	2014 <i>HK\$'000</i>
Non-current asset			
Property, plant and equipment		<u>10,672</u>	<u>15,547</u>
Current assets			
Inventories		32,876	25,286
Trade and other receivables, prepayments and deposits	9	34,123	29,618
Financial assets at fair value through profit or loss		1,980	8,488
Tax recoverable		–	120
Fixed deposits		300	300
Bank balances and cash		<u>3,329</u>	<u>14,197</u>
		<u>72,608</u>	<u>78,009</u>
Current liabilities			
Trade and other payables	10	46,704	26,327
Tax payable		163	–
Amount due to the non-controlling interests of a subsidiary		<u>31,989</u>	<u>28,903</u>
		<u>78,856</u>	<u>55,230</u>
Net current (liabilities) assets		<u>(6,248)</u>	<u>22,779</u>
Total assets less current liabilities		<u>4,424</u>	<u>38,326</u>
Non-current liability			
Loan from the ultimate holding company		<u>794</u>	<u>–</u>
Net assets		<u><u>3,630</u></u>	<u><u>38,326</u></u>
Capital and reserves			
Share capital		213,912	213,912
Reserves		<u>(230,370)</u>	<u>(200,761)</u>
(Capital deficiency) equity attributable to shareholders of the Company		(16,458)	13,151
Non-controlling interests		<u>20,088</u>	<u>25,175</u>
Total equity		<u><u>3,630</u></u>	<u><u>38,326</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

1. GENERAL

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, which is a private limited company incorporated in the Cayman Islands and controlled by Mr. Lam Ching Kui, an executive director of the Company.

The consolidated financial statements are presented in Hong Kong dollars, which is also the functional currency of the Company.

2. 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 financial instruments that are measured at fair values at the end of each reporting period.

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 amounted to RMB30,380,000 (approximately HK\$38,564,000) being the amount attributable to the percentage of share capital held by it. The Group is also required to inject its share of additional share capital of RMB31,620,000 (approximately HK\$40,138,000) 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 regarding the extension of the additional share capital injection to 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 its share of 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 and the Group will be left without a core business. As a result, the consolidated financial statements will have to be restated accordingly.

Going concern

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group notwithstanding that:

- the Group’s current liabilities exceeded its current assets by approximately HK\$6,248,000, the Group’s capital deficiency attributable to shareholders of the Company was approximately HK\$16,458,000 as at 31 March 2015, and the Group incurred a loss of approximately HK\$34,623,000 for the year ended 31 March 2015; and
- the Group is required to inject additional share capital of amount RMB31,620,000 (approximately HK\$40,138,000) into the major subsidiary Beijing HollyBridge on or before 30 November 2015.

The directors of the Company are satisfied that the Group will have sufficient financial resources to meet its financial obligations as they fall due for the foreseeable future, after taking into consideration of the followings:

- (i) The Company has available loan facilities of approximately HK\$76,000,000 from its ultimate holding company, Wai Chun Investment Fund, which is provided on a subordinated basis, i.e. Wai Chun Investment Fund will not demand the Company for repayment of such loans until all other liabilities of the Group had been satisfied;
- (ii) In addition to the loan facilities stated above, Wai Chun Investment Fund has also undertaken to provide adequate funds to enable the Group to meet in full its financial obligations when they fall due in the foreseeable future;
- (iii) The Directors will continue to implement measures aiming at improving the working capital and cash flows of the Group including closely monitoring the general administrative expenses and operating costs.

The directors have carried out a detailed review of the cash flow forecast of the Group for the next twelve months from the reporting date taking into account the impact of above measures, the directors of the Company believe that the Group will have sufficient cash resources to satisfy its future working capital and other financing requirements as and when they fall due in the next twelve months from the reporting date, and accordingly, are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

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

3.1 New and revised HKFRSs affecting amounts reported and/or disclosures in the financial statements

In the current year, the Group has applied the following new and revised HKFRSs issued by the HKICPA.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendment to HKFRS 2 included in Annual Improvements 2010-2012 Cycle	Definition of Vesting Condition ¹
Amendment to HKFRS 3 included in Annual Improvements 2010-2012 Cycle	Accounting for Contingent Consideration in a Business Combination ¹
Amendment to HKFRS 13 included in Annual Improvements 2010-2012 Cycle	Short-term Receivables and Payables
Amendment to HKFRS 1 included in Annual Improvements 2011-2013 Cycle	Meaning of Effective HKFRSs
Amendments to HKAS 32	Financial Instruments: Presentation –
Amendments to HKAS 36	Offsetting Financial Assets and Financial Liabilities
	Impairment of Assets –
	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Financial Instruments: Recognition and Measurement –
	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) – Int 21	Levies

¹ Effective from 1 July 2014

The application of the new and revised HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3.2 New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following new and revised HKFRSs 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 HKFRS 9	Annual Improvements to HKFRSs 2012-2014 cycle ⁴
Amendments to HKFRS 10 and HKAS 28	Financial Instruments ⁶
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKFRS 11	Investment Entities: Applying the Consolidation Exception ⁴
HKFRS 14	Accounting for Acquisitions of Interests in Joint Operations ⁴
HKFRS 15	Regulatory Deferral Accounts ³
Amendments to HKAS 1	Revenue from Contracts with Customers ⁵
Amendments to HKAS 16 and HKAS 38	Disclosure Initiative ⁴
Amendments to HKAS 16 and HKAS 41	Clarification of Acceptable Methods of Depreciation and Amortisation ⁴
Amendments to HKAS 19	Agriculture: Bearer Plants ⁴
Amendments to HKAS 27	Defined Benefit Plans: Employee Contributions ¹
	Equity Method in Separate Financial Statements ⁴

¹ Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.

² Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application is permitted.

³ Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with earlier application permitted.

⁴ Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

⁵ Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

⁶ Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

The directors of the Company anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until a detailed review has been completed.

The directors of the Company do not anticipate that the application of the other new and revised HKFRSs will have a material impact on the consolidated financial statements 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. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments 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 2015

	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>111,550</u>	<u>40,919</u>	–	<u>152,469</u>
SEGMENT RESULTS	<u>(15,834)</u>	<u>6,358</u>	<u>2,795</u>	<u>(6,681)</u>
Unallocated corporate income				131
Unallocated corporate expenses				(26,155)
Finance costs				<u>(1,635)</u>
Loss before taxation				(34,340)
Taxation				<u>(283)</u>
Loss for the year				<u><u>(34,623)</u></u>

For the year ended 31 March 2014

	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>99,815</u>	<u>39,623</u>	–	<u>139,438</u>
SEGMENT RESULTS	<u>(24,771)</u>	<u>681</u>	<u>(2,361)</u>	<u>(26,451)</u>
Unallocated corporate income				261
Unallocated corporate expenses				(23,881)
Finance costs				<u>(685)</u>
Loss before taxation				(50,756)
Taxation				<u>(133)</u>
Loss for the year				<u><u>(50,889)</u></u>

Segment assets and liabilities

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

At 31 March 2015

	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	47,803	17,534	–	65,337
Unallocated assets				<u>17,943</u>
Consolidated assets				<u>83,280</u>
Segment liabilities	56,396	20,687	–	77,083
Unallocated liabilities				<u>2,567</u>
Consolidated liabilities				<u>79,650</u>

At 31 March 2014

	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>93,556</u>
Segment liabilities	37,849	15,025	–	52,874
Unallocated liabilities				<u>2,356</u>
Consolidated liabilities				<u>55,230</u>

Other information

For the year ended 31 March 2015

	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	294	108	–	3	405
Depreciation of property, plant and equipment	199	73	–	5,013	5,285
Allowance for bad and doubtful debts	<u>2,138</u>	<u>785</u>	<u>–</u>	<u>–</u>	<u>2,923</u>

For the year ended 31 March 2014

	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	501	199	–	1,200	1,900
Depreciation of property, plant and equipment	90	36	–	661	787
Allowance for bad and doubtful debts	<u>1,237</u>	<u>491</u>	<u>–</u>	<u>–</u>	<u>1,728</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	
	31.3.2015 <i>HK\$'000</i>	31.3.2014 <i>HK\$'000</i>	31.3.2015 <i>HK\$'000</i>	31.3.2014 <i>HK\$'000</i>
Hong Kong	17,176	40,249	3	1,200
The PRC, excluding Hong Kong	<u>66,104</u>	<u>53,307</u>	<u>402</u>	<u>700</u>
	<u>83,280</u>	<u>93,556</u>	<u>405</u>	<u>1,900</u>

Information on major customers

Included in turnover arising from sales and integration services and service income of HK\$152,469,000 (2014: HK\$139,438,000) are turnover of approximately HK\$102,866,000 (2014: HK\$99,832,000) which arose from sales to the Group's three (2014: three) major customers and each customers accounted for more than 10% of the Group's total turnover.

Turnover from major customers, each of whom amounted to 10% or more of the Group's total turnover, is set out below:

	2015		2014	
	<i>Turnover</i>	<i>Percentage of</i>	<i>Turnover</i>	<i>Percentage of</i>
	<i>HK\$'000</i>	<i>turnover</i>	<i>HK\$'000</i>	<i>turnover</i>
Customer A	63,635	42%	68,640	49%
Customer B	19,203	13%	16,592	12%
Customer C	20,028	13%	14,600	10%

No other single customers contributed 10% or more to the Group's turnover for both 2015 and 2014.

5. OTHER INCOME

	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Bank interest income	106	23
Dividend income from held-for-trading investments	296	520
Sundry income	24	238
	<u>426</u>	<u>781</u>

6. TAXATION

	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current tax:		
Hong Kong	–	–
PRC Enterprise Income Tax	283	133
	<u>283</u>	<u>133</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years. No provision for Hong Kong Profits Tax had been made as the Group did not generate any assessable profits in Hong Kong for both years.

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for both years.

7. LOSS FOR THE YEAR

	2015 HK\$'000	2014 HK\$'000
Loss for the year has been arrived at after charging:		
Auditor's remuneration	500	500
Allowance for bad and doubtful debts	2,923	1,728
Depreciation on property, plant and equipment	5,285	787
Loss on disposal of property, plant and equipment	–	1
Staff costs (including directors' emoluments)		
– salaries and allowance	32,405	24,910
– retirements benefits scheme contributions	2,662	1,956
	<u>35,067</u>	<u>26,866</u>
And after crediting:		
Bank interest income	106	23
Gain on disposal of property, plant and equipment	<u>1</u>	<u>–</u>

8. LOSS PER SHARE

(a) Basic loss per share

The calculation of the basic loss per share for the year ended 31 March 2015 was based on the Group's loss attributable to shareholders of the Company of approximately HK\$29,113,000 (2014: approximately HK\$39,147,000) and 21,391,162,483 ordinary shares (2014: weighted average number of 15,714,450,154 shares) in issue at the end of the reporting period, calculated as follows:

	2015 '000	2014 '000
Issued ordinary shares at 1 April	21,391,162	5,391,163
Effect of share options exercised	–	3,167,671
Effect of conversion of convertible preference shares	–	7,155,616
	<u>21,391,162</u>	<u>15,714,450</u>
Number/weighted average number of ordinary shares	<u>21,391,162</u>	<u>15,714,450</u>

(b) Diluted loss per share

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding due to the effect of all dilutive potential ordinary shares and the Group's loss attributable to shareholders of the Company.

For the year ended 31 March 2015, there is no potential dilutive ordinary share held by the Company.

For the year ended 31 March 2014, convertible preference shares were converted fully and share options were exercised or lapsed.

The amount of diluted loss per share is the same as basic loss per share as there was no dilutive potential ordinary shares for both the years ended 31 March 2014 and 2015.

9. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

According to the contracts entered into with trade customers, the contracts revenue is normally collected within 90 days from the date of receipt of customers' acceptance.

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade receivables	52,798	54,099
<i>Less:</i> Allowance for bad and doubtful debts	<u>(31,658)</u>	<u>(28,735)</u>
	<u>21,140</u>	<u>25,364</u>
Other receivables	3,200	2,252
Prepayments	8,692	936
Deposits	<u>1,091</u>	<u>1,066</u>
	<u>12,983</u>	<u>4,254</u>
Total	<u><u>34,123</u></u>	<u><u>29,618</u></u>

Other receivables, prepayments and deposits mainly consist of approximately HK\$116,000 for the deposit for leasehold improvements, approximately HK\$1,091,000 for the rental and utility deposit of offices in Hong Kong and the PRC, approximately HK\$923,000 for the tender guarantee of integration services contracts, approximately HK\$657,000 for the cash advances to staff for business purpose in the PRC office and approximately HK\$8,028,000 for the prepayment of purchase from suppliers.

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:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
0-30 days	16,881	24,704
31-90 days	761	–
Over 90 days	<u>3,498</u>	<u>660</u>
	<u><u>21,140</u></u>	<u><u>25,364</u></u>

Movements in the allowance for bad and doubtful debts:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Balance at beginning of the year	28,735	27,007
Allowance recognised on receivables	<u>2,923</u>	<u>1,728</u>
Balance at end of the year	<u><u>31,658</u></u>	<u><u>28,735</u></u>

There is no trade receivables that are past due but not impaired for both years ended of 2015 and 2014.

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

10. TRADE AND OTHER PAYABLES

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade payables		
0-90 days	14,235	8,307
91-180 days	10,510	135
Over 180 days	11,566	7,127
	<u>36,311</u>	<u>15,569</u>
Other payables		
Receipt in advance	6,850	7,515
Accruals and others	3,543	3,243
	<u>10,393</u>	<u>10,758</u>
Total	<u><u>46,704</u></u>	<u><u>26,327</u></u>

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

11. CAPITAL COMMITMENTS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
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 8 months (2014: 9 months) (<i>Note</i>)	<u>40,138</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\$38,564,000) 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, was allowed to inject its share of additional share capital of amount RMB31,620,000 (approximately HK\$40,138,000) in Beijing HollyBridge 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 regarding the extension of the additional share capital injection to on or before 30 November 2015 in the Memorandum and Articles of Association.

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 2015.

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 2015, 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 major subsidiary, Beijing HollyBridge System Integration Company Limited (the "Beijing HollyBridge"), injected additional share capital into Beijing HollyBridge amounted to RMB30,380,000 (approximately HK\$38,564,000) being the amount attributable to the percentage of share capital held by it. The Group is also required to inject its share of additional share capital of RMB31,620,000 (approximately HK\$40,138,000) 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 regarding the extension of the additional share capital injection to 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 and the Group will be left without a core business. As a result, the consolidated financial statements will have to be restated accordingly.

Without qualifying our opinion, we draw attention to note 2 to the consolidated financial statements which indicates that, the Group's current liabilities exceeded its current assets by approximately HK\$6,248,000, the Group's capital deficiency attributable to shareholders of the Company was approximately HK\$16,458,000 as at 31 March 2015, and the Group incurred a loss of approximately HK\$34,623,000 for the year ended 31 March 2015. In addition, the Group is required to inject its share of additional share capital of amount RMB31,620,000 (approximately HK\$40,138,000) into the major subsidiary Beijing HollyBridge on or before 30 November 2015 as disclosed in note 29 to the consolidated financial statements. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. As explained in note 2 to the consolidated financial statements, these consolidated financial statements have been prepared on a going concern basis.

FINANCIAL REVIEW

Financial Performance

For the year ended 31 March 2015, the Group recorded a turnover of approximately HK152,469,000 (2014: approximately HK\$139,438,000) representing an increase of approximately 9.3% when compared to 2014. 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 approximately HK\$29,703,000 (2014: approximately HK\$21,068,000) representing an increase of approximately 41.0% compared to 2014. The gross profit margin increased from approximately 15.1% in 2014 to approximately 19.5% this year. Administrative expenses decreased by approximately HK\$4,744,000 when compared to 2014, which is mainly due to tighter cost control in 2015.

Listed securities investments recorded a gain of approximately HK\$2,499,000 (2014: loss of approximately HK\$2,882,000) during the year, of which mainly the disposal of listed securities investments recorded a gain of approximately HK\$2,499,000 (2014: loss of approximately HK\$1,582,000) to the results of the Group and no mark-to-market adjustment was recorded during the year (2014: loss of approximately HK\$1,300,000).

The Group recorded a loss attributable to shareholders of the Company of approximately HK\$29,113,000 (2014: approximately HK\$39,147,000) for the year.

Financial Resources and Position

Total debts of the Group amounted to approximately HK\$32,783,000 (2014: approximately HK\$28,903,000), comprising loan from the ultimate holding company of approximately HK\$794,000 (2014: HK\$Nil) and amount due to the non-controlling interest of a subsidiary of approximately HK\$31,989,000 (2014: approximately HK\$28,903,000). All the above-mentioned borrowings are denominated in Hong Kong Dollars and Renminbi. All of these borrowings are interest bearing. The net debts (net of cash and cash equivalents) to total assets ratio of the Group is approximately 35.0% (2014: approximately 15.4%), representing an increase of approximately 19.6% as compared to 2014. Cash and cash equivalents amounted to approximately HK\$3,329,000 (2014: approximately HK\$14,197,000) as at 31 March 2015 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 2015. At the end of the year, the current ratio of the Group is approximately 0.92 (2014: approximately 1.41).

The Board has resolved not to recommend the payment of a final dividend for the year ended 31 March 2015 (2014: 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 2015, service contracts entered into with various customers such as banks, governmental agencies and public transportation companies amounted to approximately RMB145 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 2015, the Group had a total of 162 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 2015.

Corporate Governance

During the year ended 31 March 2015, the Company complied with the code provisions as set out in the Code on Corporate Governance Practices in Appendix 14 (the “CG 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 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.

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 2015.

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 2015, 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 2015 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 2015.

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
Wai Chun Group Holdings Limited
LAM Ching Kui
Chairman and Chief Executive Officer

Hong Kong, 24 June 2015

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