偉俊集團控股有限公司*

WAI CHUN GROUP HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock code: 1013)

ANNOUNCEMENT OF THE ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2009

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 referred to as the "Group") for the year ended 31 March 2009, together with the comparative figure for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2009

	Notes	**2009** *HK$'000*	**2008** *HK$'000*
Turnover	*5*	152,859	65,605
Cost of sales		(134,592)	(57,620)
Gross profit		18,267	7,985
Other operating income	*6*	38,043	2,540
Selling and distribution expenses		(521)	(330)
Administrative expenses		(18,144)	(9,338)
Other operating expenses		(13,556)	(22,696)
Profit/(Loss) from operations	*7*	24,089	(21,839)
Share of results of associates		(1,110)	(1,636)
Finance costs	*8*	–	(4,218)
Profit/(Loss) before taxation		22,979	(27,693)
Taxation	*9*	(373)	(81)
Profit/(Loss) for the year		22,606	(27,774)
Attributable to:			
Equity holders of the Company		22,606	(27,774)
Earnings/(Loss) per share			
Basic	*10*	0.59 cents	(2.00) cents
Diluted		0.10 cents	N/A

CONSOLIDATED BALANCE SHEET

As at 31 March 2009

	Notes	**2009**	**2008**
		HK$'000	*HK$'000*
Non-current assets			
Property, plant and equipment		641	7
Goodwill		–	–
Interests in associates		–	2,532
		641	2,539
Current assets			
Inventories		20,140	36,254
Trade and other receivables, prepayments and deposits	*11*	20,246	50,611
Amount due from a related company		918	–
Financial assets at fair value through profit or loss		8,890	–
Fixed deposits – secured		300	–
Fixed deposits – unsecured		72,913	–
Bank balances and cash		10,911	6,909
		134,318	93,774
Current liabilities			
Trade and other payables	*12*	49,751	147,434
Amount due to a related company		1,476	–
Amount due to an associate		–	167
Tax payable		234	2,719
Borrowings		–	42,582
Convertible bonds		–	14,040
		51,461	206,942
Net current assets/(liabilities)		82,857	(113,168)
Total assets less current liabilities		83,498	(110,629)
Capital and Reserves			
Share capital	*13*	53,912	139,116
Reserves		29,586	(249,745)
Equity/(Capital deficiency) attributable to equity holders of the Company		83,498	(110,629)
Total equity/(Capital deficiency)		83,498	(110,629)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Wai Chun Group Holdings Limited (Formerly known as "Wai Chun Group Limited" and "Plus 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"). The shares of the Company have been suspended for trading on the Stock Exchange since 17 December 2004. Following the completion of the Company's restructuring agreement on 20 August 2008, trading of the Company's shares on the Stock Exchange was resumed on 25 August 2008.

The principal activity of the Company is investment holding.

2. WITHDRAWAL OF WINDING-UP PETITIONS AND DISCHARGE OF PROVISIONAL LIQUIDATORS

On 15 November 2006, Lolliman Finance Limited ("Lolliman") petitioned for the winding up of the Company. The Company, as guarantor, is required to repay the outstanding loan owed by Holy (Hong Kong) Universal Limited ("Holy HK"), an indirect wholly-owned subsidiary of the Company. Upon the application of Lolliman, Messrs. Liu Yiu Keung Stephen and Robert Armor Morris, both of Ernst & Young Transactions Limited, were appointed as the Provisional Liquidators of the Company on 17 May 2007 by the High Court of Hong Kong Court of First Instance (the "Hong Kong Court") so as to preserve the assets of the Group, to consider and review all restructuring proposals to maximise the recovery of the creditors and shareholders of the Company.

The Court orders for the withdrawal of the winding-up petitions and the discharge of the Provisional Liquidators of the Company were granted on 5 August 2008 by the High Court and on 8 August 2008 by the Supreme Court of Bermuda. Following completion of the Company's Restructuring Agreement (as defined in hereinafter), trading in the shares of the Company on the Stock Exchange was resumed on 25 August 2008.

3. RESTRUCTURING AGREEMENT

The following are the summary of the Debt Restructuring Agreement and the Subscription Agreement as set out in the announcement made by the Company dated 3 April 2008.

(i) The Capital Restructuring

Under the Capital Restructuring, the share capital of the Company was restructured in the following manner:

(a) Capital Reduction and share premium reduction

The par value of every issued and unissued share was reduced from HK$0.10 to HK$0.01 and the resulting in the reduction of the issued share capital of the Company from HK$139,116,248 by HK$125,204,623 to HK$13,911,625 which gave rise to a credit of HK$125,204,623 on the basis of 1,391,162,483 shares in issue.

As a result of the reduction of the amount of HK$0.09 from each issued share, the entire amount standing to the credit of share premium account of the Company was transferred to the contributed surplus account of the Company.

(b) Set off of accumulated losses and subdivision of shares

The total credits of HK$508,321,623 arising from the Capital Reduction and share premium reduction were credited to the contributed surplus account of the Company. On the basis of the balance of the contributed surplus account of the Company of approximately HK$107,992,000, the contributed surplus account of the Company was increased to HK$616,313,623 after such proposed transfer. Such contributed surplus was applied to set off against most of the Company's accumulated losses as at 31 March 2007 of approximately HK$675,935,000. The contributed surplus account was reduced to nil after setting off against the accumulated losses of the Company, which will have a remaining deficit of HK$59,621,377.

Upon the capital reduction took effect, each of the authorized but unissued shares in the share capital of the Company subdivide into 10 New shares.

(c) Authorized Share Capital increase

The Company's authorized share capital of the Company was increased from HK$300,000,000 to HK$1,000,000,000 by the creation of an additional 70,000,000,000 new shares.

This was achieved by a re-designation of 11,000,000,000 new shares into 11,000,000,000 convertible preference shares.

(ii) The Debt Restructuring

A majority of the number of creditors representing more than 50% in number and not less than 75% in value of each of the relevant classes of creditors present and voting either in person or by proxy have voted in favour of the Scheme at the meeting of the creditors, the Scheme has been sanctioned by the Court.

(iii) Subscription of subscription shares, convertible preference shares and options.

Under the terms of the subscription agreement, Wai Chun Ventures Limited has agreed to subscribe for the subscription shares, the convertible preference shares and the options in the following manner:

i) as to HK$40 million for the subscription of 4,000,000,000 subscription shares at the subscription price of HK$0.01 each;

ii) as to HK$110 million for the subscription of 11,000,000,000 convertible preference shares at the subscription price of HK$0.01 each; and

iii) as to HK$20 million for the subscription of 20,000,000,000 share options at the subscription price of HK$0.001 each.

4. BASIS OF PREPARATION

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

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

In the current year, the Group has applied the following amendment and interpretations ("New HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are or have become effective.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction

The adoption of the new HKFRSs had no material effect on how the results and the financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior year adjustment has been required.

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

HKFRSs (Amendments)	Improvements to HKFRSs[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKAS 1 (Revised)	Presentation of Financial Statements[3]
HKAS 23 (Revised)	Borrowing Costs[3]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[4]
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[3]
HKAS 39 (Amendment)	Eligible Hedged Items[4]
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in Subsidiary, Jointly Controlled Entity or Associate[3]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[3]
HKFRS 3 (Revised)	Business Combination[4]
HKFRS 7 (Amendments)	Improving Disclosures about Financial Instruments[3]
HKFRS 8	Operating Segments[3]
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded Derivatives[5]
HK(IFRIC) – Int 13	Customer Loyalty Programmes[6]
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate[3]
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation[7]
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners[4]
HK(IFRIC) – Int 18	Transfer of Assets from Customers[8]

[1] Effective for annual periods beginning on or after 1 January 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009
[2] Effective for annual periods beginning on or after 1 January 2009, 1 July 2009 and 1 January 2010, as appropriate
[3] Effective for annual periods beginning on or after 1 January 2009
[4] Effective for annual periods beginning on or after 1 July 2009
[5] Effective for annual periods ending on or after 30 June 2009
[6] Effective for annual periods beginning on or after 1 July 2008
[7] Effective for annual periods ending on or after 1 October 2008
[8] Effective for transfers on or after 1 July 2009

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

5. TURNOVER AND SEGMENT INFORMATION

Turnover represents the net amounts received and receivable for goods sold and services provided by the Group to outside customers during the year. Details are summarised as follows:

	2009	**2008**
	HK$'000	*HK$'000*
Turnover		
Sales and integration services	131,246	54,154
Services income	20,666	8,075
Contract income	947	3,376
	152,859	65,605

Business segments

For management purposes, the Group is currently organised into three operating divisions-sales and integration services, services income and contract income. 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 service, provision of integration services of computer and communication systems
Services income	–	income from design, consultation, production of information system software and management training services
Contract income	–	income in connection with the sale of communication systems equipment for intelligent buildings and provision of installation services

Segment information about the business is presented below:

For the year ended 31 March 2009

Consolidated Income Statement

	Sales and integration services *HK$'000*	**Services income** *HK$'000*	**Contract income** *HK$'000*	**Consolidated** *HK$'000*
TURNOVER				
External sales	131,246	20,666	947	152,859
SEGMENT RESULTS	(4,528)	7,583	505	3,560
Unallocated corporate income				31,733
Unallocated corporate expenses				(11,204)
Profit from operations				24,089
Share of results of associates				(1,110)
Finance costs				–
Profit before taxation				22,979
Taxation				(373)
Profit for the year				22,606

Other information

	Sales and integration services *HK$'000*	**Services income** *HK$'000*	**Contract income** *HK$'000*	**Others** *HK$'000*	**Consolidated** *HK$'000*
Capital additions	37	6	–	650	693
Depreciation	1	–	–	57	58
Provision for bad and doubtful debts	8,285	1,304	60	–	9,649

As at 31 March 2009

Consolidated Balance Sheet

	Sales and integration services HK$'000	Services income HK$'000	Contract income HK$'000	Consolidated HK$'000
ASSETS				
Segment assets	19,338	3,045	140	22,523
Unallocated corporate assets				112,436
Consolidated total assets				134,959
LIABILITIES				
Segment liabilities	38,770	6,105	280	45,155
Unallocated corporate liabilities				6,306
Consolidated total liabilities				51,461

For the year ended 31 March 2008

Consolidated Income Statement

	Sales and integration services HK$'000	Services income HK$'000	Contract income HK$'000	Consolidated HK$'000
TURNOVER				
External sales	54,154	8,075	3,376	65,605
SEGMENT RESULTS	(5,857)	(1,395)	1,148	(6,104)
Unallocated corporate income				6,132
Unallocated corporate expenses				(21,867)
Loss from operations				(21,839)
Share of results of associates				(1,636)
Finance costs				(4,218)
Loss before taxation				(27,693)
Taxation				(81)
Loss for the year				(27,774)

Other information

	Sales and integration services HK$'000	Services income HK$'000	Contract income HK$'000	Others HK$'000	Consolidated HK$'000
Capital additions	7	1	1	–	9
Depreciation	68	19	4	–	91
Allowance for amounts due from related companies	–	–	–	50	50
Allowance for amount due from a director	–	–	–	30	30
Impairment loss on goodwill	9,212	1,374	574	–	11,160
Provision for bad and doubtful debts	4,031	609	251	–	4,891

As at 31 March 2008

Consolidated Balance Sheet

	Sales and integration services HK$'000	Services income HK$'000	Contract income HK$'000	Consolidated HK$'000
ASSETS				
Segment assets	70,362	8,478	4,386	83,226
Unallocated corporate assets				13,087
Consolidated total assets				96,313
LIABILITIES				
Segment liabilities	93,141	18,063	5,806	117,010
Unallocated corporate liabilities				89,932
Consolidated total liabilities				206,942

Geographical segments

No geographical segment analysis is provided as substantially all of the Group's turnover 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**	
	2009	**2008**	**2009**	**2008**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Hong Kong	107,769	39,497	650	–
PRC, excluding Hong Kong	27,190	56,816	43	9
	134,959	96,313	693	9

6. OTHER OPERATING INCOME

Other operating income comprises:

	THE GROUP	
	2009	**2008**
	HK$'000	*HK$'000*
Bank interest income	738	48
Dividend income from financial assets at fair value through profit and loss	20	82
Gain on debt restructuring	28,363	–
Gain on disposal of property, plant and equipment	–	1,403
Gain on disposal of an associate	6,042	–
Other operating income	231	127
Realised gain on financial assets at fair value through profit and loss	–	880
Unrealised gain on financial assets at fair value through profit or loss	2,649	–
	38,043	2,540

7. PROFIT/(LOSS) FROM OPERATIONS

	THE GROUP 2009 *HK$'000*	2008 *HK$'000*
Profit/(Loss) from operations has been arrived after charging:		
Allowance for amounts due from related companies	–	50
Allowance for amount due from a director	–	30
Auditors' remuneration	500	400
Depreciation of property, plant and equipment	58	91
Impairment loss on goodwill	–	11,160
Staff costs (including directors' emoluments)		
– salaries and allowance	7,957	5,058
– staff quarter	18	–
– provident fund contributions	37	48
Exchange loss	–	63
Provision for bad and doubtful debts	9,649	4,891

8. FINANCE COSTS

	THE GROUP 2009 *HK$'000*	2008 *HK$'000*
Interest on convertible bonds	–	276
Interest on borrowings wholly repayable within five years	–	3,624
Other interests	–	318
	–	4,218

9. TAXATION

	THE GROUP 2009 *HK$'000*	2008 *HK$'000*
Taxation in the PRC:		
– current year	373	81

No Hong Kong Profits Tax has been provided in the consolidated financial statements as there was no assessable profit for the year (2008: Nil).

The provision for the PRC income tax is calculated at 25% (2008: 15%) of the estimated assessable profits in accordance with the relevant income tax rules and regulations of the PRC.

The charge for the year can be reconciled to the profit/(loss) per the consolidated income statement as follows:

	2009	2008
	HK$'000	*HK$'000*
Profit/(Loss) before taxation	22,979	(27,693)
Tax at the applicable income tax rate	3,792	(4,569)
Tax effect of expenses not deductible for tax purposes	5,905	6,630
Tax effect of income not taxable for tax purposes	(9,735)	(1,941)
Tax effect of temporary difference	(80)	–
Tax effect of tax losses not recognised	118	–
Utilisation of tax losses	–	(120)
Effect of PRC taxation	373	81
Taxation charge	373	81

10. EARNINGS/(LOSS) PER SHARE

The calculation of the basic earnings/(loss) per share for year ended 31 March 2009 is based on the net profit attributable to shareholders of HK$22,606,000 (Net loss attributable to shareholders for year ended 31 March 2008: HK$27,774,000) and on weighted average number of ordinary shares in issue during the year of 3,839,249,915 (2008: 1,391,162,483) shares.

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

Diluted earnings per share for year ended 31 March 2009 was calculated based on the net profit attributable to shareholders of HK$22,606,000 and on the adjusted weighted average number of 22,811,927,510 shares which was the weighted average number of shares in issue during the year used in the computation of basic earnings per share plus the weighted average number of 18,972,677,595 shares deemed to be issued at no consideration if all outstanding options and preference shares had been exercised.

Diluted loss per share for year 2008 has not been presented as there was no potential dilutive ordinary share outstanding in the year 2008.

11. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

According to the contracts entered into with trade customers, an average of 90% of the contract revenue is normally repayable within 90 days from the date of receipt of customers' acceptance, whereas the remaining 10% of trade receivables represent retentions held by customers which are normally due one year after project completed. The following is an aging analysis of trade receivables included in trade and other receivables at the balance sheet date:

	2009	**2008**
	HK$'000	*HK$'000*
Trade receivables	36,645	26,279
Less: Provision for bad and doubtful debts	(26,993)	(17,344)
	9,652	8,935
Other debtors, prepayments and deposits	10,594	41,676
Total trade and other receivables, prepayments and deposits	20,246	50,611

The following is an aged analysis of trade receivables net of allowance for doubtful debts at the balance sheet date:

	2009	**2008**
	HK$'000	*HK$'000*
0-30 days	1,075	856
31-90 days	1,548	1,671
Over 90 days	7,029	6,408
Total	9,652	8,935

Movement in provision for bad and doubtful debts of trade receivables:

	2009	**2008**
	HK$'000	*HK$'000*
At 1 April	17,344	12,453
Provision for bad and doubtful debts	9,649	4,891
At 31 March	26,993	17,344

The fair value of the Group's trade and other receivables, prepayments and deposits at 31 March 2009 and 2008 approximates to the corresponding carrying amount.

12. TRADE AND OTHER PAYABLES

The following is an aging analysis of trade payables included in trade and other payables at the balance sheet date:

	THE GROUP	
	2009	**2008**
	HK$'000	*HK$'000*
Trade payables:		
0-90 days	1,438	2,985
91-180 days	3,926	8,167
Over 180 days	19,545	28,418
	24,909	39,570
Other payables	24,842	107,864
Total trade and other payables	49,751	147,434

The Group's trade and other payables at 31 March 2009 approximate to its fair value.

13. SHARE CAPITAL

	Number of shares	**Share capital**
	'000	*HK$'000*
Authorised:		
Ordinary shares of HK$0.10 each at 1 April 2008	3,000,000	300,000
Reduction of par value from HK$0.10 to HK$0.01	27,000,000	–
Increase in authorized share capital during the year	70,000,000	700,000
Ordinary shares of HK$0.01 at 31 March 2009	100,000,000	1,000,000
Issued and fully paid:		
Ordinary shares of HK$0.10 each at 1 April 2008	1,391,163	139,116
Reduction of par value from HK$0.10 to HK$0.01	–	(125,204)
New issue of share capital	4,000,000	40,000
Ordinary shares of HK$0.01 at 31 March 2009	5,391,163	53,912
Issued and fully paid convertible preference shares		
At 1 April 2008	–	–
Issue of convertible preference shares through the Subscription	11,000,000	110,000
Convertible preference shares of HK$0.01 at 31 March 2009	11,000,000	110,000

FINAL DIVIDEND

The Board does not recommend the payment of any dividend.

MANAGEMENT DISCUSSION AND ANALYSIS

Restructuring

On 17 December 2004, trading in the shares of the Company on the Main Board of the Stock Exchange was suspended at the request of the Company. On 15 November 2006, the Company had received an unexpected winding-up petition filed by Lolliman Finance Limited ("Lolliman") against the Company. Upon the application of Lolliman, Mr. Liu Yiu Keung Stephen and Mr. Robert Armor Morris, both of Ernst & Young Transactions Limited, had been appointed by the Court of First Instance of the High Court of The Hong Kong Special Administrative Region (the "High Court") as joint and several provisional liquidators of the Company (the "Provisional Liquidators") on 17 May 2007. On 5 July 2007, the Company, acting by the Provisional Liquidators, had entered into the head of agreement with the investor, who had funded the initial application costs and restructuring expenses and had undertaken in principal to provide the fund to the Company to assist with the Proposed Restructuring.

On 3 April 2008, the Company announced a restructuring plan of the Group, involving capital reorganization, debt restructuring, subscription of shares and preference shares.

In August 2008, upon the successful implementation of the restructuring plan, the court orders for the withdrawal of the winding-up petitions and the discharge of the Provisional Liquidators of the Company were granted on 5 August 2008 by the High Court and on 8 August 2008 by the Supreme Court of Bermuda. Details of the Restructuring are set out in note 3 to the financial statements.

On 25 August 2008, trading in the shares of the Company on the Stock Exchange was resumed. The fact that it was able to do so, in spite of the global market turmoil, reflected on the commitment to the Group by the new Board and executive management team working in tandem with a group of dedicated professional advisors.

Change of Company Name

By a special resolution passed on 23 June 2008, the name of the Company was changed from "Plus Holdings Limited普納集團有限公司" to "Wai Chun Group Limited偉俊集團有限公司" with effect from 28 August 2008.

By a special resolution passed on 17 November 2008, the name of the Company was further changed from "Wai Chun Group Limited偉俊集團有限公司" to "Wai Chun Group Holdings Limited偉俊集團控股有限公司" with effect from 19 November 2008.

Financial Performance

The Group's revenue for the year ended 31 March 2009 amounted to approximately HK$152,859,000 (2008: HK$65,605,000), representing an increase of approximately 133% over last year. The Group's audited consolidated net profit attributable to the shareholders was approximately HK$22,606,000 for the Year (2008: net loss of approximately HK$27,774,000). Profit per share was HK$0.59 cents.

Gross margin generated for the financial ended 31 March 2009 amounted to HK18,267,000 (12%), compared with HK$7,985,000 (12%) in the preceding financial year. With the waiver of trade creditors and other payables as approved by Hong Kong and Bermuda Court and Creditors Meeting amounted to approximately HK$28.3 million, the Group recorded profit after tax attributable to equity holders for the year ended 31 March 2009 of approximately HK$22.6 million, comparing the loss after tax of approximately HK$27.8 million last year.

The Group is currently organized into three operating divisions, namely sales and integration services, services income and contract income. The increase in turnover was primarily due to the increase in revenue from sales and integration services. Sales and integration services represents income from the provision of integration services of computer and communication systems. For the year ended 31 March 2009, the Group recorded revenue from sales and integration services amounted to approximately HK$131 million. This represented a significant increase from approximately HK$54 million in same period last year. However, the net profit generated from this segment was not satisfactory as expected. In fact, it recorded an operating segment loss of approximately HK$4.5 million for the year ended 31 March 2009, which was a slight improvement from the operating segment loss of approximately HK$5.8 million in the same period last year.

Revenue generated form services income was contributed to the satisfactory result of the Group for the Year. Service income represents income derived from design, consultation, production of information system software and management training services. For the year ended 31 March 2009, the Group recorded revenue and segment profits from service income amounted to approximately HK$21 million and HK$7.6 million respectively. This represented a significant improvement from approximately HK$8.1 million and segment loss of HK$1.4 million respectively in the same period last year.

Business Review and Prospects

The Company is an investment holding company and has been, via its major operating subsidiaries, principally engaged in (i) network and system integration by manufacturing of software and provision of solutions and related services; (ii) trading of communication products; (iii) provision of financial services; (iv) investment holdings; and (v) provision of telecommunications infrastructure solution service. Following the completion of group restructuring on 20 August 2008, the Group has started a new page for focusing its existing business. 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. During the year ended 31 March 2009, Beijing HollyBridge has entered into business contracts with various customers such as banks, governmental agencies, public transportation companies and internationally well-known computer network companies of approximately RMB103 million.

The new management stepped in and took over the Company from the provisional liquidators on 22 August 2008. Since then, the management had devoted all its effort to enhance the operational efficiency of the subsidiary which is engaged in the provision of IT solutions and related services. Looking forward, the Management will devote its effort to turn around the Group back to the position with operating profit. 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.

Liquidity and Financial Resources

As at 31 March 2009, the total assets of the Group amounted to approximately HK$134,959,000 (2008: HK$96,313,000) which were financed by total liabilities and shareholders' equity of HK$51,461,000 (2008: HK$206,942,000) and HK$83,498,000 (2008: shareholders' deficit of HK$110,629,000) respectively.

The Group's current assets and current liabilities were approximately HK$134,318,000 (2008: HK$93,774,000) and HK$51,461,000 (2008: HK$206,942,000) respectively. The Group's current ratio, which equals current assets divided by current liabilities, was 2.61 (2008: 0.45)

The Group has maintained a sound financial position. As at 31 March 2009, the Group had cash and bank balances amounted to approximately HK$84 million (2008: HK$6.9 million) and had no other borrowings (2008: short term and long term borrowing of approximately HK$42.6 million).

As at 31 March 2009, there was no capital commitment outstanding.

Exposure to Foreign Exchange

The revenue and bank deposit of the Group are mainly denominated in Renminbi and Hong Kong Dollars. The operating costs are mainly denominated in Hong Kong dollars and Renminbi. Therefore, the Group is not exposed to any material foreign currency exchange risk. The Group does not therefore engage in hedging contracts.

CAPITAL STRUCTURE

Upon the completion of group restructuring on 20 August 2008, the Company increased its authorized share capital of the Company from HK$300,000,000 divided into 3,000,000,000 shares at HK$0.10 each into HK$1,000,000,000 divided into 100,000,000,000 shares at HK$0.01 each. Before the group restructuring, the number of issued ordinary shares of the Company was 1,391,162,483 at HK$0.10 each. Pursuant to the group restructuring, the issued share capital of the Company was reduced by cancelling the paid up capital to the extent of HK$0.09 each on each issued share of par value HK$0.10 in the share capital of Company such that the nominal value of all issued shares was reduced from HK$0.10 to HK$0.01 each.

Pursuant to the group restructuring, the Company issued 4,000,000,000 ordinary shares at HK$0.01 each, 11,000,000,000 convertible preference shares at HK$0.01 each and 20,000,000,000 shares options at HK$0.001 each. The proceeds in the amounts of HK$170 million were mainly used for settlement of outstanding debts and restructuring costs in accordance with the Hong Kong and Bermuda Court Scheme and the remaining balance were used working capital for the Group. As of the date of the completion of group restructuring, the number of issued ordinary shares of the Company was at 5,391,162,483 of HK$0.01 each.

PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

As at 31 March 2009, the Group pledged bank deposits of HK$300,000 to a bank to secure banking facilities granted to the Group.

As at 31 March 2009, the Group did not have any material contingent liabilities.

EMPLOYMENT AND REMUNERATION POLICIES

As at 31 March 2009, the Group had approximately 68 (2008: 50) employees. Total staff cost (including directors' emoluments) incurred during the year amounted to approximately HK$8.01 million (2008: approximately HK$5.11 million). The Group has maintained a policy to ensure that the pay levels of its employees are competitive and employees are rewarded on a performance related basis with the general framework of the Group's salary and bonus system.

No new share options were granted during the current year and all share options was lapsed during the year and therefore, the total outstanding share options granted to certain directors and employees amounted to zero as at 31 March 2009 (2008: HK$44,519,000).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company, as at the date of this report, there is sufficient public float of not less than 25% of the Company's issued share as required under the Listing Rules.

COMPLIANCE WITH THE "CODE ON CORPORATE GOVERNANCE PRACTICES"

For the period from 1 April 2008 to 24 August 2008

The Company's code on corporate governance practices was adopted by reference to the provisions of the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). However, due to the prolonged suspension of trading in the shares of the Company on the Stock Exchange and the severe financial difficulties of the Group before resumption of trading which took place on 25 August 2008, the Board is unable to comment as to whether the Company had complies with the CG Code during the period from 1 April 2008 to 24 August 2008.

For the period from 25 August 2008 to 31 March 2009 (the "CG Report Period")

The Company has restored its corporate governance practices immediate after resumption of trading and complied with the CG Code throughout the CG Report Period except for the following deviations from the CG Code:

1. CG Code A2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. There is no separation of the role of chairman and chief executive officer of the Company during CG Report Period. The Board is of the view that vesting the roles of chairman and chief executive officer in Mr. Lam Ching Kui provides the Group with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as execution of long term business strategies, especially during the period of implementation of the reorganization plan. The Board considers this structure will not impair the balance of power as there is a strong independent element in the composition of the Board with half of Board's member is independent. On 15 July 2009, Mr. Guo Qing Hua, the executive director of the Company, has been appointed as the chief executive officer of the Company in compliance with the requirement of the CG Code.

2. CG Code A4.1 stipulates that the 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 and Dr. Tang Tin Sek as the independent non-executive director, however, all independent non-executive directors are subject to retirement by rotation at least once every three years and re-election at the annual general meeting of the Company pursuant the Company's bye-laws. As such, the Board considers that sufficient measures have been taken to ensure the Company's corporate governance practices are no less exacting those in the CG Code.

3. CG Code E1.2 stipulates that the chairman of the Board should attend annual general meeting of the Company. The chairman did not attend and chair the 2008 annual general meeting as he has had a separate business meeting which must be attended by him on the date that the annual general meeting was held.

The current corporate governance practice of the Company will be reviewed and updated in a timely manner in order to comply with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

Trading in the shares of the Company was suspended from 17 December 2004 to 24 August 2008(both days inclusive) and the Board is of the opinion that the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules was not applicable during the period from 17 December 2004 to 24 August 2008.

The Company has re-adopted the Model Code on 25 August 2008. Having made specific enquiry of all Directors of the Company, the Directors confirmed that they had complied with the required standards set out in the Model Code throughout the period from 25 August 2008 to 31 March 2009.

AUDIT COMMITTEE

The Audit Committee comprises the three Independent Non-Executive Directors namely Mr. Shaw Lut, Leonardo, Mr. Ko Ming Tung Edward, Dr. Tang Tin Sek. The duties of the Audit Committee include the review of the independence of the Auditors, the audit plan and process and the Group's financial statements in accordance with its terms of reference which is substantially the same as the CG Code.

The Group's results and financial statements for the year ended 31 March 2009 have been reviewed by the Audit Committee.

PUBLICATION OF INFORMATION

The results announcement is required to be published on the website of The Hong Kong Exchanges and Clearing Limited ("HKEx") at www.hkex.com.hk under "Latest Listed Company Information" and the Company at www.1013.hk under "Statutory Announcements" respectively. The annual report of the Company for the year ended 31 March 2009 will be dispatched to the shareholders around 29 July 2009 and will publish on the websites of the HKEx's and the Company's websites accordingly.

By Order of the Board
Wai Chun Group Holdings Limited
Lam Ching Kui
Chairman

Hong Kong, 23 July 2009

* *for identification purpose only*

As at the date of this announcement, the Board comprises Mr. Lam Ching Kui (Chairman), Mr. Guo Qing Hua as the executive directors; Mr. Ko Ming Tung Edward, Dr. Tang Tin Sek and Mr. Shaw Lut Leonardo as the independent non-executive directors.