偉俊集團控股有限公司 *

Wai Chun Group Holdings Limited

(incorporated in Bermuda with limited liability)
(Stock code: 1013)

2011 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 2011.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2011

	Notes	**2011** *HK$'000*	2010 *HK$'000*
Turnover	*2*	**88,876**	83,206
Cost of sales		**(75,233)**	(70,467)
Gross profit		**13,643**	12,739
Other income	*3*	**3,285**	475
Net realised gain on disposal of available-for-sale investments		**5,319**	–
Net loss arising on revaluation of available-for-sale investments		**(778)**	–
Net realised (loss) gain on disposal of held for trading investments		**(1,330)**	234
Net unrealised (loss) gain on held for trading investments		**(150)**	4,050
Selling and distribution expenses		**(9,948)**	(3,045)
Administrative expenses		**(25,082)**	(38,725)
Finance costs		**(80)**	–
Loss before taxation		**(15,121)**	(24,272)
Taxation	*4*	**–**	–
Loss for the year	*5*	**(15,121)**	(24,272)
Loss attributable to:			
– Shareholders of the Company		**(15,121)**	(24,272)
Dividend		**–**	–
Loss per share	*6*	**HK cents**	HK cents
– Basic		**(0.28)**	(0.45)
– Diluted		**(0.28)**	(0.45)

* *for identification purpose only*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2011

	Notes	2011 HK$'000	2010 HK$'000
Non-current assets			
Property, plant and equipment		**13,274**	2,078
Intangible asset		**454**	509
Available-for-sale investments		**23,936**	48,885
		37,664	51,472
Current assets			
Inventories		**30,658**	6,584
Trade and other receivables, prepayments and deposits	7	**19,822**	32,502
Amount due from a related company		**900**	2,039
Held for trading investments		**1,630**	12,940
Fixed deposits		**300**	300
Bank balances and cash		**11,775**	9,332
		65,085	63,697
Current liabilities			
Trade and other payables	8	**59,408**	49,534
Amount due to the ultimate holding company		**2,700**	–
		62,108	49,534
Net current assets		**2,977**	14,163
Net assets		**40,641**	65,635
Capital and reserves			
Share capital		**53,912**	53,912
Reserves		**(13,271)**	11,723
Total equity		**40,641**	65,635

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

The following new and revised standards and interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") have been applied by the Group in the current year and have affected the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements. The impact of the application of the new and revised standards and interpretations is discussed below.

Application of new and revised standards and interpretations

In the current year, the Group has applied the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA.

HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 32 (Amendments)	Classification of Rights Issues
HKAS 39 (Amendments)	Eligible Hedged Items
HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HK – Interpretation ("Int") 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners

The Group applies HKFRS 3 (Revised) Business Combinations prospectively to business combinations for which the acquisition date is on or after 1 April 2010. The requirements in HKAS 27 (Revised) Consolidated and Separate Financial Statements in relation to accounting for changes in ownership interests in a subsidiary after control is obtained and for loss of control of a subsidiary are also applied prospectively by the Group on or after 1 April 2010.

HKAS 27 (Revised) and consequential amendments to HKAS 21 The Effects of Changes in Foreign Exchange Rates have been adopted (annual periods beginning on or after 1 July 2009). The revisions to HKAS 27 principally affect the accounting for transactions or events that result in a change in the Group's interests in its subsidiaries.

The adoption of HKAS 27 (Revised) has no material effect on the accounting for the Group's disposal in the current period of its entire interests in Chun Tai (BVI) Limited, Chun Tai Novelty Company Limited, Chun Tai Printing Limited, Zhongshan Modern Color Printing and Packaging Products Factory Company Limited, Full Hope Enterprises Limited, Telecom Plus Technology Limited, Allnet Company Limited, Telecom Plus Investment Limited, Plus Investment & Management Consulting Company and Up Hill Investments Limited.

Results of the Group in future periods may be affected by future transactions for which HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to the other HKFRSs are applicable.

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

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010[1]
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosure for First-time Adopters[2]
HKFRS 1 (Amendment)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[4]
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets[4]
HKFRS 9	Financial Instruments[6]
HKAS 12 (Amendment)	Deferred Tax: Recovery of Underlying Asset[5]
HKAS 24 (Revised)	Related Party Disclosures[3]
HK (IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement[3]
HK (IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments[2]

1 Effective for annual periods beginning on or after 1 July 2010 or 1 January 2011, as appropriate.
2 Effective for annual periods beginning on or after 1 July 2010.
3 Effective for annual periods beginning on or after 1 January 2011.
4 Effective for annual periods beginning on or after 1 July 2011.
5 Effective for annual periods beginning on or after 1 January 2012.
6 Effective for annual periods beginning on or after 1 January 2013.

HKFRS 9 "Financial instruments" (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 "Financial instruments" (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 "Financial instruments: Recognition and measurement" are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for accounting periods beginning on or after 1 January 2013, with earlier application permitted.

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

2. TURNOVER AND SEGMENT INFORMATION

The reportable segments have been identified on the basis of internal management reports prepared in accordance with accounting policies conform to HKFRSs, that are regularly reviewed by the executive directors of the Company, being the Chief Operating Decision Maker (the "CODM") of the Group.

Business Segment

The CODM regularly review revenue and operating results derived from three operating divisions – sales and integration service, services income and 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 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
Contract income:	Income in connection with the sale of communication systems equipment for intelligent buildings and provision of installation services

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 2011

	Sales and integration services *HK$'000*	**Services income** *HK$'000*	**Contract income** *HK$'000*	**Total** *HK$'000*
TURNOVER				
External sales	**78,115**	**10,722**	**39**	**88,876**
SEGMENT RESULTS	**(1,367)**	**418**	**(1)**	**(950)**
Unallocated corporate income				**8,604**
Unallocated corporate expenses				**(22,695)**
Finance costs				**(80)**
Loss before taxation				**(15,121)**
Taxation				**–**
Loss for the year				**(15,121)**

For the year ended 31 March 2010

	Sales and integration services *HK$'000*	Services income *HK$'000*	Contract income *HK$'000*	Total *HK$'000*
TURNOVER				
External sales	64,604	18,201	401	83,206
SEGMENT RESULTS	(8,647)	1,732	2	(6,913)
Unallocated corporate income				4,444
Unallocated corporate expenses				(21,803)
Finance costs				–
Loss before taxation				(24,272)
Taxation				–
Loss for the year				(24,272)

Segment assets and liabilities

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

At 31 March 2011

	Sales and integration services ***HK$'000***	**Services income** ***HK$'000***	**Contract income** ***HK$'000***	**Total** ***HK$'000***
Segment assets	**39,854**	**5,470**	**20**	**45,344**
Unallocated assets				**57,405**
Consolidated assets				**102,749**
Segment liabilities	**50,249**	**6,897**	**25**	**57,171**
Unallocated liabilities				**4,937**
Consolidated liabilities				**62,108**

At 31 March 2010

	Sales and integration services *HK$'000*	Services income *HK$'000*	Contract income *HK$'000*	Total *HK$'000*
Segment assets	29,691	8,365	184	38,240
Unallocated assets				76,929
Consolidated assets				115,169
Segment liabilities	34,634	9,758	215	44,607
Unallocated liabilities				4,927
Consolidated liabilities				49,534

Other information

For the year ended 31 March 2011

	Sales and integration services ***HK$'000***	**Services income** ***HK$'000***	**Contract income** ***HK$'000***	**Others** ***HK$'000***	**Total** ***HK$'000***
Amortisation of intangible asset	**–**	**–**	**–**	**55**	**55**
Additions to property, plant and equipment	**71**	**10**	**–**	**11,836**	**11,917**
Depreciation of property, plant and equipment	**37**	**5**	**–**	**212**	**254**
Over-provision of allowance for bad and doubtful debts	**1,875**	**257**	**1**	**–**	**2,133**

For the year ended 31 March 2010

	Sales and integration services *HK$'000*	Services income *HK$'000*	Contract income *HK$'000*	Others *HK$'000*	Total *HK$'000*
Amortisation of intangible asset	–	–	–	41	41
Additions to property, plant and equipment	57	16	1	1,565	1,639
Depreciation of property, plant and equipment	18	5	1	179	203
Allowance for bad and doubtful debts	1,370	386	9	–	1,765

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**	
	31.3.2011	31.3.2010	**31.3.2011**	31.3.2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**55,542**	73,740	**2,144**	1,565
PRC, excluding Hong Kong	**47,207**	41,429	**9,773**	74
	102,749	115,169	**11,917**	1,639

Information on major customers

Included in turnover arising from sales and integration services of HK$78,115,000 (2010: HK$64,604,000) are turnover of approximately HK$66,975,000 (2010: HK$59,610,000) which arose from sales to the Group's three (2010: three) major customers and each customers accounted for more than 10% of the Group's total turnover.

3. OTHER INCOME

	2011	2010
	HK$'000	*HK$'000*
Bank interest income	**31**	64
Dividend income from held for trading investments	**255**	70
Dividend income from available-for-sale investments	**485**	39
Over-provision of allowance for bad and doubtful debts	**2,133**	–
Sundry income	**381**	302
	3,285	475

4. TAXATION

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% (2010: 25%).

There is no tax charge as there is no assessable profits in any of the jurisdiction where the Group operates.

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

	2011	2010
	HK$'000	*HK$'000*
Loss before taxation	**(15,121)**	(24,272)
Tax at the applicable income tax rate of 16.5%	**(2,495)**	(4,005)
Tax effect of expenses not deductible for tax purpose	**10,158**	3,784
Tax effect of income not taxable for tax purpose	**(8,404)**	(735)
Tax effect of deductible temporary differences not recognised	**(124)**	(15)
Tax effect of tax losses not recognised	**865**	971
Taxation for the year	**–**	–

At 31 March 2011, the Group has unused tax losses of approximately HK$13,316,000 (2010: approximately HK$8,073,000) 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.

5. LOSS FOR THE YEAR

	2011	2010
	HK$'000	*HK$'000*
Loss for the year has been arrived at after charging:		
Auditors' remuneration	**500**	500
Amortisation of intangible asset	**55**	41
Depreciation on property, plant and equipment	**254**	203
Loss on disposal of property, plant and equipment	**392**	1
Staff costs (including directors' emoluments)		
– salaries and allowance	**9,536**	11,699
– director's quarter	**94**	186
– provident fund contributions	**91**	118
Provision for allowance for bad and doubtful debts	**–**	1,765
And after crediting:		
Interest income	**31**	64
Over-provision of allowance for bad and doubtful debts	**2,133**	–

6. 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$15,121,000 (2010: approximately HK$24,272,000) and the number of ordinary shares of 5,391,162,483 (2010: 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 convertible share options.

The calculation of diluted loss per share for the year ended 31 March 2011 and 31 March 2010 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.

7. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

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

	2011	2010
	HK$'000	*HK$'000*
Trade receivables	**34,186**	48,753
Less: Allowance for bad and doubtful debts	**(26,625)**	(28,758)
	7,561	19,995
Other receivables, prepayments and deposits	**12,261**	12,507
Total trade and other receivables, prepayments and deposits	**19,822**	32,502

The following is an aging analysis of trade receivables net of allowance for bad and doubtful debts at the end of the reporting period:

	2011	2010
	HK$'000	*HK$'000*
0-30 days	**2,833**	3,914
31-90 days	**–**	5,749
Over 90 days	**4,728**	10,332
Total	**7,561**	19,995

8. TRADE AND OTHER PAYABLES

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

	2011	2010
	HK$'000	*HK$'000*
Trade payables		
0-90 days	**24,475**	1,504
91-180 days	**–**	8,815
Over 180 days	**31,963**	20,286
	56,438	30,605
Other payables	**2,970**	18,929
Total trade and other payables	**59,408**	49,534

FINANCIAL REVIEW

Financial Performance

For the year ended 31 March 2011, the Group recorded a turnover of HK$88,876,000, representing a slight increase of 6.8% when compared to 2010. 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$13,643,000 representing an increase of 7% compared to 2010. The gross profit margin maintained stable at around 15% when compared to 2010. Selling and distribution expenses significantly increased 2.3 times when compared to 2010, which is mainly due to the expansion of business by increasing staff members of sales and marketing team.

Listed investments contributed a gain of HK$3,061,000 to the results of the Group during the year, of which a gain on disposal of listed investments contributed HK$3,989,000 and mark-to-market adjustment recorded a loss of HK$1,682,000 in which HK$904,000 was transferred from a gain in investment revaluation reserve and HK$778,000 was recognized in consolidated income statement. Other income increased significantly which is mainly attributable to the over-provision of allowance for bad and doubtful debts of HK2,133,000.

The Group recorded a loss attributable to shareholders of the Company of HK$15,121,000 this year, a significant decrease from the loss of HK$24,272,000 recorded in 2010.

Financial Resources and Position

As at 31 March 2011, the Group did not have any external borrowings. Cash and cash equivalents amounted to HK$12,075,000 as at 31 March 2011 which are mostly denominated in Hong Kong Dollars and Renminbi. As the Group's businesses are conducted in the PRC, therefore 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 2011. At the end of the year, the current ratio of Group is 1.05.

The Board has resolved not to recommend the payment of a final dividend for the year ended 31 March 2011.

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; and (v) 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 2011, service contracts entered into with various customers such as banks, governmental agencies and public transportation companies amounted to approximately RMB124 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

Change of Executive Director and Chief Executive Officer

Mr. Guo Qing Hua ("Mr. Guo") resigned as an Executive Director and the Chief Executive Officer of the Company due to his desire to devote more time to his family which resides in the China and Mr. Lu Jun Wu ("Mr. Lu") has been appointed as an Executive Director and the Chief Executive Officer both effect from 20 June 2011 with the Announcement dated on 20 June 2011.

Employees

As at 31 March 2011, the Group had a total of 108 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 2011.

Corporate Governance

During the year ended 31 March 2011, 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 for the following deviations from the Code:

1. Code A4.1 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.

2. 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 2010 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.

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 2011.

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 2011, in conjunction with the Group's external auditor, Messrs. HLM & Co. Certified Public Accountants.

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 28 July 2011.

Appreciation

On behalf of the Board, I would like to take this opportunity to express my gratitude to all the staff and management team for their contribution during the 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

Hong Kong, 27 June 2011

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

Executive Directors:
LAM Ching Kui *(Chairman)*
LU Jun Wu *(Chief Executive Officer)*

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