偉俊集團控股有限公司*

WAI CHUN GROUP HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock code: 1013)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

The board (the "Board") of directors (the "Director(s)") of Wai Chun Group Holdings Limited (the "Company") announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 September 2015 together with the comparative figures for the corresponding period.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2015

	Notes	**2015 Unaudited** ***HK$'000***	2014 Unaudited *HK$'000*
Revenue	3	**58,081**	47,594
Cost of sales		**(45,211)**	(37,344)
Gross profit		**12,870**	10,250
Other income	4	**48**	319
Net realised gain on disposal of held-for-trading investments		**–**	319
Net unrealised gain on held-for-trading investments		**–**	862
Selling and distribution expenses		**(15,762)**	(13,534)
Administrative expenses		**(20,606)**	(14,443)
Finance costs		**(958)**	–
Loss before taxation		**(24,408)**	(16,227)
Taxation	5	**–**	–
Loss for the period	6	**(24,408)**	(16,227)
Loss attributable to:			
– Owners of the Company		**(19,782)**	(12,271)
– Non-controlling interests		**(4,626)**	(3,956)
		(24,408)	(16,227)
Loss per share	8	***HK cents***	*HK cents*
– Basic		**(0.09)**	(0.06)
– Diluted		**(0.09)**	(0.06)

* *for identification purpose only*

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2015

	2015	2014
	Unaudited	Unaudited
	HK$'000	*HK$'000*
Loss for the period	**(24,408)**	(16,227)
Other comprehensive income (expense):		
Items that may be subsequently reclassified to profit or loss:		
Exchange differences arising on translation of foreign operations	**693**	(23)
Other comprehensive income (expense) for the period	**693**	(23)
Total comprehensive expense for the period	**(23,715)**	(16,250)
Total comprehensive expense for the period attributable to:		
– Owners of the Company	**(17,497)**	(12,441)
– Non-controlling interests	**(6,218)**	(3,809)
	(23,715)	(16,250)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2015

	Notes	30.9.2015 Unaudited HK$'000	31.3.2015 Audited HK$'000
Non-current asset			
Property, plant and equipment		**5,833**	10,672
Current assets			
Inventories		**35,185**	32,876
Trade and other receivables, prepayments and deposits	9	**44,720**	34,123
Financial assets at fair value through profit or loss		**–**	1,980
Fixed deposits		**300**	300
Bank balances and cash		**5,227**	3,329
		85,432	72,608
Current liabilities			
Trade and other payables	10	**73,964**	46,704
Tax payable		**–**	163
Amount due to the non-controlling interests of a subsidiary		**31,623**	31,989
Borrowings due within one year		**1,587**	–
		107,174	78,856
Net current liabilities		**(21,742)**	(6,248)
Total assets less current liabilities		**(15,909)**	4,424
Non-current liability			
Loan from ultimate holding company		**4,176**	794
Net (liabilities) assets		**(20,085)**	3,630
Capital and reserves			
Share capital		**213,912**	213,912
Reserves		**(247,867)**	(230,370)
Capital deficiency attributable to owners of the Company		**(33,955)**	(16,458)
Non-controlling interests		**13,870**	20,088
(Capital deficiency) Total equity		**(20,085)**	3,630

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2015

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (HKAS 34) Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Going concern

The Group incurred unaudited loss for the period ended 30 September 2015 of approximately HK$24,408,000 and as of that date, the Group had net current liabilities and net liabilities of approximately HK$21,742,000 and HK$20,085,000 respectively and also the Group's capital deficiency attributable to owners of the Company was approximately HK$33,955,000. These conditions indicate the existence of an uncertainty which may cast doubt about the Group's ability to continue as a going concern.

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 loan facilities 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. The Company has available loan facilities of approximately HK$63,522,000 after the capital injection to its subsidiary, Beijing Hollybridge System Integration Company Limited ("Beijing Hollybridge") funded by Wai Chun Investment Fund on 26 November 2015;

(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.

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

In the current interim period, the Group and the Company has applied, for the first time, the following new interpretation and amendments to HKFRSs issued by the HKICPA that are relevant to the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010–2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011–2013 Cycle

The application of the new interpretation and amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

New and revised HKFRSs issued 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 2012-2014 Cycle[2]
HKFRS 9	Financial Instruments[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	Investment Entities: Applying the Consolidation Exception[2]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[2]
HKFRS 14	Regulatory Deferral Accounts[1]
HKFRS 15	Revenue from Contracts with Customers[3]
Amendments to HKAS 1	Disclosure Initiative[2]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[2]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[2]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[2]

1 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with earlier application permitted
2 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted
3 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted

HKFRS 15 Revenue from Contracts with Customers

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

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.

3. 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 six months ended 30 September 2015 (unaudited)

	Sales and integration services *HK$'000*	**Services income** *HK$'000*	**Securities investments** *HK$'000*	**Total** *HK$'000*
TURNOVER				
External sales	**42,076**	**16,005**	**–**	**58,081**
SEGMENT RESULTS	**(10,841)**	**2,237**	**–**	**(8,604)**
Unallocated corporate income				**48**
Unallocated corporate expenses				**(14,894)**
Finance costs				**(958)**
Loss before taxation				**(24,408)**
Taxation				**–**
Loss for the period				**(24,408)**

For the six months ended 30 September 2014 (unaudited)

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

Segment assets and liabilities

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

At 30 September 2015 (unaudited)

	Sales and integration services *HK$'000*	**Services income** *HK$'000*	**Securities investments** *HK$'000*	**Total** *HK$'000*
Segment assets	**58,298**	**22,176**	**–**	**80,474**
Unallocated assets				**10,791**
Consolidated assets				**91,265**
Segment liabilities	**73,136**	**27,820**	**–**	**100,956**
Unallocated liabilities				**10,394**
Consolidated liabilities				**111,350**

At 31 March 2015 (audited)

	Sales and integration services *HK$'000*	Services income *HK$'000*	Securities investments *HK$'000*	Total *HK$'000*
Segment assets	47,803	17,534	–	65,337
Unallocated assets				17,943
Consolidated assets				83,280
Segment liabilities	56,396	20,687	–	77,083
Unallocated liabilities				2,567
Consolidated liabilities				79,650

Other information

For the six months ended 30 September 2015 (unaudited)

	Sales and integration services *HK$'000*	Services income *HK$'000*	Securities investments *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Additions to property, plant and equipment	**4**	**2**	**–**	**50**	**56**
Depreciation of property, plant and equipment	**121**	**46**	**–**	**4,701**	**4,868**
Allowance for bad and doubtful debts	**485**	**184**	**–**	**–**	**669**

For the six months ended 30 September 2014 (unaudited)

	Sales and integration services *HK$'000*	Services income *HK$'000*	Securities investments *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Additions to property, plant and equipment	107	48	–	–	155
Depreciation of property, plant and equipment	81	37	–	321	439
Allowance for bad and doubtful debts	208	94	–	–	302

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 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**	
	30.9.2015 Unaudited *HK$'000*	31.3.2015 Audited *HK$'000*	**30.9.2015 Unaudited *HK$'000***	31.3.2015 Audited *HK$'000*
Hong Kong	**10,062**	17,176	**50**	3
The PRC, excluding Hong Kong	**81,203**	66,104	**6**	402
	91,265	83,280	**56**	405

4. OTHER INCOME

	For the six months ended 30 September	
	2015 Unaudited *HK$'000*	2014 Unaudited *HK$'000*
Bank interest income	**25**	13
Dividend income from held-for-trading investments	**–**	297
Sundry income	**23**	9
	48	319

5. TAXATION

	For the six months ended 30 September	
	2015	2014
	Unaudited	Unaudited
	HK$'000	*HK$'000*
Taxation in the PRC:		
Current period	**–**	–
Under-provision in prior period	**–**	–
Total income tax recognised in profit and loss	**–**	–

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both periods. No provision for Hong Kong Profits Tax has been provided in the condensed consolidated financial statements as the Company and its subsidiaries in Hong Kong have no assessable profits for the six months ended 30 September 2015 (six months ended 30 September 2014: Nil).

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% (six months ended 30 September 2014: 25%).

No deferred tax asset has been recognised in respect of these tax losses due to the unpredictability of future profit streams of the Group.

6. LOSS FOR THE PERIOD

	For the six months ended 30 September	
	2015	2014
	Unaudited	Unaudited
	HK$'000	*HK$'000*
Loss for the period has been arrived at after charging:		
Allowance for bad and doubtful debts	**669**	–
Depreciation on property, plant and equipment	**4,868**	439
Staff costs (including directors' emoluments)	**15,967**	13,897
Write down of inventories	**1,300**	–
Write back of trade payables	**91**	–

7. INTERIM DIVIDEND

The Board has resolved not to declare the payment of an interim dividend for the six months ended 30 September 2015 (six months ended 30 September 2014: Nil).

8. LOSS PER SHARE

The calculation of the basic loss per share for the six months ended 30 September 2015 was based on the Group's loss attributable to owners of the Company of approximately HK$19,782,000 (six months ended 30 September 2014: approximately HK$12,271,000) and 21,391,162,483 ordinary shares (six months ended 30 September 2014: 21,391,162,483 ordinary shares) in issue at the end of the reporting period.

The amount of diluted loss per share is the same as basic loss per share as there were no dilutive potential ordinary shares for the both periods ended 30 September 2014 and 2015.

9. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

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

	30.9.2015	31.3.2015
	Unaudited	Audited
	HK$'000	*HK$'000*
Trade receivables		
0–30 days	**23,483**	16,881
31–90 days	**12,036**	761
Over 90 days	**2,294**	3,498
	37,813	21,140
Other receivables, prepayments and deposits	**6,907**	12,983
Total	**44,720**	34,123

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

10. TRADE AND OTHER PAYABLES

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

	30.9.2015	31.3.2015
	Unaudited	Audited
	HK$'000	*HK$'000*
Trade payables		
0–90 days	**36,208**	14,235
91–180 days	**3,027**	10,510
Over 180 days	**18,657**	11,566
	57,892	36,311
Other payables		
Receipt in advance	**7,708**	6,850
Accruals and others	**8,364**	3,543
	16,072	10,393
Total	**73,964**	46,704

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

11. COMMITMENTS

(i) Operating lease commitments

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

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

	30.9.2015	31.3.2015
	Unaudited	Audited
	HK$'000	*HK$'000*
Within one year	**1,504**	3,074
In the second to fifth year inclusive	**–**	–
	1,504	3,074

(ii) Capital commitments

	30.9.2015	31.3.2015
	Unaudited	Audited
	HK$'000	*HK$'000*
Contracted but not provided for in the financial statements in respect of property, plant and equipment	**4,288**	4,313
Additional share capital in a subsidiary due and payable within a period of 2 months (2015: 8 months) *(Note)*	**38,613**	40,138

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$38,613,000) 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.

12. EVENT AFTER THE REPORTING PERIOD

On 26 November 2015, the injection of additional share capital amounting to RMB31,620,000 (approximately HK$38,374,000) into Beijing HollyBridge was completed. In view that the Company has been allowed an extension of time for the additional capital injection to 30 November 2015 and the injection was completed on 26 November 2015, Beijing HollyBridge remains to be accounted for as a 51% indirect non-wholly owned subsidiary of the Company at the end of the reporting period and its financial results were consolidated into the financial statements of the Company and its subsidiaries accordingly.

The capital injection is funded by a loan from ultimate holding company of the Company. The loan is unsecured and will bear interest at a prevailing market rate.

SUMMARY OF THE REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following is extracted from the report on review of condensed consolidated financial statements with modification:

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Without qualifying our review conclusion, we draw attention to the section headed "Going Concern" in note 2 to the condensed consolidated financial statements which indicates that, the Group's current liabilities exceeded its current assets by approximately HK$21,742,000 and the Group's capital deficiency attributable to owners of the Company was approximately HK$33,955,000 as at 30 September 2015, and the Group incurred a loss of approximately HK$24,408,000 for the period ended 30 September 2015. In addition, the Group has further borrowed an amount of RMB31,620,000 (approximately HK$38,374,000) from its ultimate holding company for injection of additional share capital into the major subsidiary Beijing HollyBridge on 26 November 2015 as disclosed in note 21 to the condensed 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. Note 2 to the condensed consolidated financial statements also has provided the basis for these condensed consolidated financial statements to be prepared on a going concern basis.

MANAGEMENT DISCUSSION AND ANALYSIS

Interim Results

The board of directors of Wai Chun Group Holdings Limited hereby presents the unaudited consolidated interim results of the Company and its subsidiaries for the six months ended 30 September 2015 together with the comparative figures for the corresponding period in 2014.

For the six months ended 30 September 2015, the Group recorded a turnover of approximately HK$58,081,000 (six months ended 30 September 2014: approximately HK$47,594,000), representing an increase of 22.0% as compared with the corresponding period last year. The Group recorded a gross profit and gross profit margin of approximately HK$12,870,000 and 22.2% respectively for the six months ended 30 September 2015, representing increases of approximately HK$2,620,000 and 0.7% respectively as compared with the gross profit of approximately HK$10,250,000 and the gross margin of 21.5% for the corresponding period last year.

Selling expenses recorded an increase of 16.5% from approximately HK$13,534,000 for the six months ended 30 September 2014 to approximately HK$15,762,000 for the corresponding period this year. Administrative expenses increased by 42.7% from approximately HK$14,443,000 for six months ended 30 September 2014 to approximately HK$20,606,000 for the corresponding period this year.

Loss attributable to owners of the Company amounted to approximately HK$19,782,000, representing an increase of approximately HK$7,511,000 as compared with the loss of approximately HK$12,271,000 for the corresponding period last year.

Business Review and Future Prospects

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. During the six months ended 30 September 2015, service contracts entered into with various customers such as banks, governmental agencies and public transportation companies amounted to approximately HK$107 million.

During the period, the Group recorded loss before taxation of approximately HK$24,408,000 as compared to loss before taxation of approximately HK$16,227,000 for the corresponding period last year. The reasons of the increase in net loss are (i) an increase of approximately HK$4,400,000 in depreciation for the period; and (ii) an increase of approximately HK$2,000,000 in staff costs due to an increase in the number of staff in the administrative, sales and marketing teams in the People's Republic of China. The above-mentioned increase in depreciation is due to leasehold improvement with a carrying amount of approximately HK$8,800,000 at the beginning of the accounting period needs to be amortised fully over the financial year ended 31 March 2016, i.e. its remaining lease term whereas there is no such depreciation for the same period last year.

Looking forward, to turn the Group back to a profitable position, the Company (i) will enhance operational efficiency by removing duplication and bottlenecks through standardisation of work procedures and simplification of operation process and; (ii) will further tighten its budgetary control by vigorously implementing measures for cost and expense control, optimising cost analysis and appraisal mechanism, and constantly strengthening cost management. 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.

The Company has been actively identifying projects with growth potential for acquisition or investment and has been in discussions with various independent third parties for such acquisition or investment. However, the Company was unable to materialise any potential acquisition or investment due to various reasons. Meanwhile, the Company intends to enrich and improve its financial resources by conducting a fund raising exercise. The Company is in preliminary discussion with various agents and will comply with the requirements of the Listing Rules when and as the circumstance required.

Financial Resources and Liquidity

As at 30 September 2015, the Group had net current liabilities of approximately HK$21,742,000 (31 March 2015: approximately HK$6,248,000) and cash and cash equivalents of approximately HK$5,227,000 (31 March 2015: approximately HK$3,329,000). All cash and cash equivalent are denominated in Hong Kong Dollars and Renminbi. The current ratio of the Group was approximately 0.8 (31 March 2015: approximately 0.9) and the Group had external borrowing of approximately HK$1,587,000 (31 March 2015: NIL) and had no assets pledged or any contingent liabilities.

As the Group's businesses are conducted in the PRC, the Group does not expect to be exposed to any material foreign exchange risks.

INTERIM DIVIDEND

The board resolved not to declare an interim dividend for the six months ended 30 September 2015 (30 September 2014: Nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2015.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as the code of conduct regarding securities transactions by the Directors. Following specific enquiries by the Company, all Directors have confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30 September 2015.

CORPORATE GOVERNANCE

During the six months ended 30 September 2015, the Company complied with all the relevant code provisions as set out in the Corporate Governance Code ("CG Code") as set out in Appendix 14 to the Listing Rules except for the deviation from code provisions A.2.1 and A.4.1.

Code provision A.2.1 provides that the roles of the chairman and chief executive officer should be separated and should not be performed by the same individual. The Company does not at present separate the roles of the chairman and chief executive officer. Mr. Lam Ching Kui is the chairman and chief executive officer of the Company. He has extensive experience in project management and securities investments and is responsible for the overall corporate strategies, planning and business development of the Group. The balance of power and authorities are ensured by the operation of the Board which comprises experienced and high caliber individuals with sufficient number thereof being independent non-executive Directors.

Code provision A.4.1 stipulates that non-executive Directors should be appointed for a specific term and subject to re-election. The Company has not fixed the term of appointment of Mr. Ko Ming Tung, Edward as the independent non-executive Director, however, all independent non-executive Directors are subject to retirement by rotation at least once every three years and re-election at the annual general meeting of the Company pursuant to the Company's bye-laws. As such, the Board considers that sufficient measures have been taken to ensure the Company's corporate governance practices are no less exacting those in the CG Code.

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") in accordance with the requirements of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The terms of reference of the Audit Committee is currently made available on the Stock Exchange's website and the Company's website.

The Audit Committee is mainly responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of such auditor; reviewing the interim and annual reports and accounts of the Group; and overseeing the Company's financial reporting system (including the adequacy of resources, qualifications and experience of staff in charge of the Company's financial reporting function and their training arrangement and budget) and the internal control procedures.

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. To Yan Ming, Edmond (chairman), Mr. Ko Ming Tung, Edward and Mr. Shaw Lut, Leonardo. The Audit Committee has reviewed the unaudited interim financial results of the Group for the six months ended 30 September 2015. The Group's external auditor, HLM CPA Limited, has carried out a review of the unaudited interim financial statements in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The interim results announcement of the Company for the six months ended 30 September 2015 is published on both the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the website of the Company (www.1013.hk). The interim report of the Company for the six months ended 30 September 2015 containing all the information as required in Appendix 16 to the Listing Rules will be dispatched to shareholders and published on the above websites in due course.

APPRECIATION

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

By Order of the Board
Wai Chun Group Holdings Limited
Lam Ching Kui
Chairman and Chief Executive Officer

Hong Kong, 26 November 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