

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



偉俊集團控股有限公司*
Wai Chun Group Holdings Limited

(incorporated in Bermuda with limited liability)

(Stock code: 1013)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

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 2018 together with the comparative figures for the corresponding period.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2018

	Notes	2018 Unaudited HK\$'000	2017 Unaudited HK\$'000
Revenue	4	109,880	43,222
Cost of sales		(108,496)	(40,300)
Gross profit		1,384	2,922
Other income	5	282	103
Other gains and losses		(2,478)	(599)
Selling and distribution expenses		(19)	(2,520)
Administrative expenses		(11,433)	(14,413)
Finance costs	6	(3,606)	(3,443)
Loss before taxation		(15,870)	(17,950)
Taxation	7	–	–
Loss for the period	8	(15,870)	(17,950)
Loss attributable to:			
– Owners of the Company		(13,657)	(14,521)
– Non-controlling interests		(2,213)	(3,429)
		(15,870)	(17,950)
Loss per share	10	HK cents	HK cents
– Basic		(0.06)	(0.07)
– Diluted		(0.06)	(0.07)

* for identification purpose only

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2018

	2018 Unaudited HK\$'000	2017 Unaudited HK\$'000
Loss for the period	<u>(15,870)</u>	<u>(17,950)</u>
Other comprehensive income (expense):		
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	<u>2,965</u>	<u>(1,571)</u>
Other comprehensive income (expense), net of tax	<u>2,965</u>	<u>(1,571)</u>
Total comprehensive expense for the period	<u><u>(12,905)</u></u>	<u><u>(19,521)</u></u>
Total comprehensive expense for the period attributable to:		
– Owners of the Company	(12,786)	(15,523)
– Non-controlling interests	<u>(119)</u>	<u>(3,998)</u>
	<u><u>(12,905)</u></u>	<u><u>(19,521)</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2018

		30 September 2018 Unaudited HK\$'000	31 March 2018 Audited HK\$'000
	Notes		
Non-current asset			
Property, plant and equipment		3,168	3,591
Current assets			
Inventories		5,019	9,204
Trade and other receivables, prepayments and deposits	11	73,678	81,944
Fixed deposits		300	300
Bank balances and cash		35,794	37,638
		114,791	129,086
Current liabilities			
Trade and other payables	12	77,302	80,681
Tax payable		61	61
Borrowings	13	62,317	39,016
Contract liabilities		4,225	—
Amount due to a director		233	11,170
Amount due to the non-controlling interests of a subsidiary		33,433	35,973
		177,571	166,901
Net current liabilities		(62,780)	(37,815)
Total assets less current liabilities		(59,612)	(34,224)
Non-current liability			
Loans from ultimate holding company		97,430	108,696
Net liabilities		(157,042)	(142,920)
Capital and reserves			
Share capital		213,912	213,912
Reserves		(364,952)	(351,545)
Capital deficiency attributable to owners of the Company		(151,040)	(137,633)
Non-controlling interests		(6,002)	(5,287)
Capital deficiency		(157,042)	(142,920)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2018

1. GENERAL INFORMATION

The Company was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). In the opinion of the directors of the Company, the ultimate holding company of the Company is Supreme Union Holdings Limited (“**Supreme Union**”), which is a private limited company incorporated in the British Virgin Islands. Its ultimate controlling party is Mr. Lam Ching Kui (“**Mr. Lam**”), who is the chairman of the Board of Directors and an executive director of the Company. The immediate holding company of the Company is Ka Chun Holdings Limited. The address of registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business is 13/F., Admiralty Centre 2, 18 Harcourt Road, Admiralty, Hong Kong.

The Company is an investment holding company.

The condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company. In addition, the functional currencies of certain group entities that operate outside Hong Kong are determined based on the currency of the primary economic environment in which the group entities operate.

The condensed consolidated financial statements were approved for issue by the Board of Directors on 28 November 2018.

2. BASIS OF PREPARATION

The 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**”).

The condensed consolidated financial statements have been prepared in accordance with the same accounting policies in the Group’s audited financial statements for the year ended 31 March 2018, except for the accounting policy changes that are expected to be reflected in the audited financial statements for the year ending 31 March 2019. Details of any changes in accounting policies are set out in note 3.

The preparation of the condensed consolidated financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim result announcement contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2018 annual financial statements. The condensed consolidated financial statements and notes thereon do not include all of the information required for full set financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”). They shall be read in conjunction with the Group’s audited financial statements for the year ended 31 March 2018.

In preparing the condensed consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group notwithstanding that the Group's total liabilities exceeded its total assets by approximately HK\$157,042,000 and capital deficiency attributable to owners of the Company amounted to approximately HK\$151,040,000 as at 30 September 2018, and the Group incurred a loss attributable to owners of the Company of approximately HK\$13,657,000 for the six months ended 30 September 2018.

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) As at 30 September 2018, the Company has drawn down loans of approximately HK\$97,430,043 and undrawn loan facilities of approximately HK\$92,569,957 granted by its ultimate holding company, Supreme Union, which are provided on a subordinated basis. Supreme Union will not demand the Company for repayment of such loans until all other liabilities of the Group had been satisfied;
- (ii) In addition to the loan facilities granted by Supreme Union as stated above, the ultimate controlling party has also undertaken to provide adequate funds to enable the Group to meet its liabilities and to pay financial obligations to third parties as and when they fall due so that the Group can continue as a going concern and carry on its business without a significant curtailment of operations for the twelve months from the date of approving the condensed consolidated financial statements;
- (iii) The directors will strengthen and implement measures aiming at improving the working capital and cash flows of the Group including closely monitoring the general administrative expenses and operating costs; and
- (iv) The directors will consider to improve the financial position of the Group and to enlarge the capital base of the Company by conducting fund raising exercises such as share placement or loan capitalisation when necessary.

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 reporting date, and accordingly, are satisfied that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amount, to provide for future liabilities which might arise and to reclassify non-current assets and liabilities to current assets and liabilities respectively. The effects of these potential adjustments have not been reflected in these condensed consolidated financial statements.

The Group intends to pursue strategic acquisitions that can enable the Company to capture new business opportunities in the People's Republic of China (the "PRC") market and to strengthen the revenue and profit fundamentals. The Company has been actively identifying projects with growth potential for acquisitions or investments and has engaged in discussions with various parties for such acquisitions or investments.

3. PRINCIPAL ACCOUNTING POLICIES

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

Other than changes in accounting policies resulting from application of the new and revised HKFRSs, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2018 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2018.

In the current interim period, the Group has applied, for the first time, the following new and revised HKFRSs issued by the HKICPA, which are mandatory effective for the annual period beginning on or after 1 April 2018 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK (IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

The new and revised HKFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which results in changes in accounting policies, amounts reported and/or disclosures as described below.

3.1 Impact and changes in accounting policies of application on HKFRS 9 Financial Instruments

In the current period, the Group has applied HKFRS 9 Financial Instruments and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirement for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses ("ECL") for financial assets and 3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment) retrospectively to instruments that have not been derecognised as at 1 April 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. The difference between carrying amounts as at 31 March 2018 and the carrying amounts as at 1 April 2018 are recognised in the opening accumulated losses and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 "Financial Instruments: Recognition and Measurement".

3.1.1. Key changes in accounting policies resulting from application of HKFRS 9

Classification and measurement of financial instruments

Trade receivables arising from contracts with customers are initially measured in accordance with HKFRS 15.

All recognised financial assets that are within the scope of HKFRS 9 are subsequently measured at amortised cost or fair value.

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (“FVTOCI”):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss (“FVTPL”).

Impairment under ECL model

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade and other receivables and bank balances and cash). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment is done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables without significant financing component. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

As at 1 April 2018, the Directors reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of HKFRS 9. The results of assessment and the impact thereof are detailed in Note 3.1.2.

3.1.2. Summary of effects arising from initial application of HKFRS 9

The following table below explains the original measurement categories under HKAS 39 and the new measurement categories under HKFRS 9 for each class of the Group's financial assets as at 1 April 2018.

	Original classification under HKAS 39	New classification under HKFRS 9	Closing balance at 31 March 2018 under HKAS 39 HK\$'000	Remeasurement under HKFRS 9 through reserves HK\$'000	Opening balance at 1 April 2018 HKFRS 9 HK\$'000
Financial assets					
Trade receivables	Loan and receivables	Amortised cost	28,226	(1,217)	27,009
Deposits and other receivables	Loan and receivables	Amortised cost	7,077	–	7,077
Bank balances and cash	Loan and receivables	Amortised cost	35,148	–	35,148
Total financial assets			<u>70,451</u>	<u>(1,217)</u>	<u>69,234</u>

The table below illustrates the classification and measurement (including impairment) of financial assets subject to ECL under HKFRS 9 and HKAS 39 at the date of initial application, 1 April 2018.

		Trade receivables HK\$'000	Accumulated losses attributable to owners of the Company HK\$'000	Non- controlling interests HK\$'000
Closing balance at 31				
March 2018 – HKAS 39		28,226	(368,550)	(5,287)
Effect arising from initial application of HKFRS 9: Remeasurement				
Impairment under ECL model	<i>Note</i>	<u>(1,217)</u>	<u>(621)</u>	<u>(596)</u>
Opening balance at 1 April 2018		<u>27,009</u>	<u>(369,171)</u>	<u>(5,883)</u>

Note: Impairment under ECL model

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables. To measure the ECL, trade receivables are assessed individually for debtors with significant balances and collectively using a provision matrix for the remaining balances, which is grouped based on shared credit risk characteristics and the historical observed default rates adjusted for forward-looking estimates that is available without undue costs or effort.

Loss allowances for other financial assets at amortised cost mainly comprise of other receivables, are measured on 12-month ECL basis and there had been no significant increase in credit risk since initial recognition.

3.2 Impacts and changes in accounting policies of application on HKFRS 15 Revenue from Contracts with Customers

The Group has applied HKFRS 15 for the first time in the current interim period. HKFRS 15 superseded HKAS 18 Revenue, HKAS 11 Construction Contracts and the related interpretations.

Revenue from contracts with customers primarily consist of the following sources:

- Sales and services provision of integration services of computer and communication systems
- Services income from design, consultation and production of information system software and management training services
- General trading of mobiles and electronic components and chemicals

3.2.1 Key changes in accounting policies resulting from application of HKFRS 15

HKFRS 15 introduces a 5-step approach when recognising revenue:

- 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, the Group 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.

A performance obligation represents a good and service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group’s right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group’s unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group’s obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

3.2.2 Effect arising from initial application of HKFRS 15

“Receipts in advance from customers” in relation to deposits or payments received in advance for sales and services provision of integration services of computer and communication systems, and general trading, which was previously included in “Other payables and accruals” has been reclassified as “Contract liabilities”.

The following adjustments were made to the amounts recognised in the condensed consolidated statement of financial position at 1 April 2018. Line items that were not affected by the changes have not been included.

	Carrying amounts previously reported at 31 March 2018 HK\$'000	Reclassification HK\$'000	Carrying amounts under HKFRS 15 at 1 April 2018 HK\$'000
Current liabilities			
Other payables	42,237	(5,981)	36,256
Contract liabilities	–	5,981	5,981

The following tables summarise the impacts of applying HKFRS 15 on the Group’s condensed consolidated statement of financial position as at 30 September 2018 for each of the line items affected. Line items that were not affected by the changes have not been included.

	As reported HK\$'000	Adjustments HK\$'000	Amounts without application of HKFRS 15 HK\$'000
Current liabilities			
Other payables	39,290	4,225	43,515
Contract liabilities	4,225	(4,225)	–

At the date of initial application, the Group has assessed that the application of HKFRS 15 does not have a material impact on the timing and amounts of revenue recognised in the respective reporting periods.

Except as described above, the application of other amendments to HKFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

New and amendments to HKFRSs issued but not yet effective

The Group has not applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 16	Leases ¹
HKFRS 17	Insurance Contracts ²
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement ¹
Amendments to HKAS 28	Long-term Interests in Associates and Join Ventures ¹
HK (IFRIC) – Int 23	Uncertainty over Income Tax Treatments ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle ¹

¹ Effective for annual periods beginning on or after 1 January 2019

² Effective for annual periods beginning on or after 1 January 2021

³ Effective date to be determined.

The Directors of the Company do not anticipate that the application of these new and amendments to HKFRSs will have any material impact on the condensed consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

The reportable segments have been identified on the basis of internal management reports prepared in accordance with accounting policies in conformity with HKFRSs, that are regularly reviewed by the executive director 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 segments

The CODM regularly reviews revenue and operating results derived from three operating divisions – sales and integration services, services income, general trading. 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
General trading	Revenue from trading of mobiles and electronic components and chemicals

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segments.

Six months ended 30 September 2018 (unaudited)

	Sales and integration services <i>HK\$'000</i>	Services income <i>HK\$'000</i>	General trading <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue				
External sales	<u>11,695</u>	<u>2,117</u>	<u>96,068</u>	<u>109,880</u>
Segment results	<u>(3,708)</u>	<u>218</u>	<u>(260)</u>	<u>(3,750)</u>
Unallocated corporate income				282
Unallocated corporate expenses				(8,796)
Finance costs				<u>(3,606)</u>
Loss before taxation				(15,870)
Taxation				<u>—</u>
Loss for the period				<u>(15,870)</u>

Six months ended 30 September 2017 (unaudited)

	Sales and integration services <i>HK\$'000</i>	Services income <i>HK\$'000</i>	General trading <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue				
External sales	<u>8,879</u>	<u>4,754</u>	<u>29,589</u>	<u>43,222</u>
Segment results	<u>(4,210)</u>	<u>(1,548)</u>	<u>124</u>	<u>(5,634)</u>
Unallocated corporate income				103
Unallocated corporate expenses				(8,976)
Finance costs				<u>(3,443)</u>
Loss before taxation				(17,950)
Taxation				<u>—</u>
Loss for the period				<u>(17,950)</u>

Revenue reported above represents revenue generated from external customers. There was no inter-segment sales for both periods.

Segment assets and liabilities

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

At 30 September 2018 (unaudited)

	Sales and integration services <i>HK\$'000</i>	Services income <i>HK\$'000</i>	General trading <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	13,492	2,571	98,717	114,780
Unallocated assets				3,179
Consolidated assets				117,959
Segment liabilities	59,825	6,234	80,817	146,876
Unallocated liabilities				128,125
Consolidated liabilities				275,001

At 31 March 2018 (audited)

	Sales and integration services <i>HK\$'000</i>	Services income <i>HK\$'000</i>	General trading <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	17,276	23,489	13,945	54,710
Unallocated assets				77,967
Consolidated assets				132,677
Segment liabilities	32,127	43,679	13,285	89,091
Unallocated liabilities				186,506
Consolidated liabilities				275,597

Other information

Six months ended 30 September 2018 (unaudited)

	Sales and integration services <i>HK\$'000</i>	Services income <i>HK\$'000</i>	General trading <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Depreciation of property, plant and equipment	3	1	18	395	417
Allowance for bad and doubtful debts	2,744	231	–	–	2,975
Reversal of impairment loss of other receivables	(465)	(40)	–	–	(505)

Six months ended 30 September 2017 (unaudited)

	Sales and integration services <i>HK\$'000</i>	Services income <i>HK\$'000</i>	General trading <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Depreciation of property, plant and equipment	56	30	–	62	148
Allowance for bad and doubtful debts	699	374	–	–	1,073
Impairment loss of other receivables	220	118	–	–	338

Geographical segments

In presenting geographical information, revenue is based on the geographical location of the external customers.

Six months ended 30 September 2018 (unaudited)

	Hong Kong <i>HK\$'000</i>	The PRC <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue	19,464	90,416	109,880

Six months ended 30 September 2017 (unaudited)

	Hong Kong <i>HK\$'000</i>	The PRC <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue	<u>29,589</u>	<u>13,633</u>	<u>43,222</u>

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 September 2018 Unaudited <i>HK'000</i>	31 March 2018 Audited <i>HK'000</i>	30 September 2018 Unaudited <i>HK'000</i>	31 March 2018 Audited <i>HK'000</i>
Hong Kong	4,777	42,498	–	3,401
The PRC, excluding Hong Kong	<u>113,182</u>	<u>90,179</u>	<u>–</u>	<u>–</u>
	<u>117,959</u>	<u>132,677</u>	<u>–</u>	<u>3,401</u>

5. OTHER INCOME

	Six months ended 30 September	
	2018 Unaudited <i>HK\$'000</i>	2017 Unaudited <i>HK\$'000</i>
Bank interest income	7	20
Sundry income	115	83
Other interest income	<u>160</u>	<u>–</u>
	<u>282</u>	<u>103</u>

6. FINANCE COSTS

	Six months ended 30 September	
	2018 Unaudited <i>HK\$'000</i>	2017 Unaudited <i>HK\$'000</i>
Interests paid/payable to:		
– ultimate holding company	2,911	2,119
– the non-controlling interests of a subsidiary	681	656
– independent third parties	<u>14</u>	<u>668</u>
	<u>3,606</u>	<u>3,443</u>

7. TAXATION

	Six months ended 30 September	
	2018	2017
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Current tax – PRC Enterprise Income Tax	–	–
Current tax – Hong Kong Profits Tax	–	–
	<u>–</u>	<u>–</u>
	<u>–</u>	<u>–</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both periods. No provision for Hong Kong Profits Tax had been made as the Group had no assessable profits in Hong Kong for the six months ended 30 September 2018 and 2017.

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for both periods. No provision for PRC Enterprise Income Tax had been made as the Group did not generate any assessable profits in the PRC for the six months ended 30 September 2018 and 2017.

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

8. LOSS FOR THE PERIOD

	Six months ended 30 September	
	2018	2017
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Loss for the period has been arrived at after charging:		
Allowance for bad and doubtful debts	2,975	1,073
Depreciation on property, plant and equipment	417	148
Staff costs (including directors' emoluments)	2,199	3,792
Impairment loss of other receivables	–	338
And after crediting:		
Bank interest income	7	20
Reversal of impairment loss of other receivables	505	–
	<u>7</u>	<u>–</u>

9. DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 September 2018 (six months ended 30 September 2017: Nil).

10. LOSS PER SHARE

Basic loss per share

The calculation of the basic loss per share for the six months ended 30 September 2018 was based on the Group's loss attributable to owners of the Company of approximately HK\$13,657,000 (six months ended 30 September 2017: approximately HK\$14,521,000) and 21,391,162,483 ordinary shares (six months ended 30 September 2017: 21,391,162,483 ordinary shares) in issue at the end of the reporting period.

Diluted loss per share

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

The Company has dilutive potential ordinary shares which is share options. No adjustment was made in calculating diluted loss per share for the six months ended 30 September 2018 and 2017 as the exercise of share options would result in decrease in loss per share. Accordingly, the diluted loss per share is same as the basic loss per share for the six months ended 30 September 2018 and 2017.

11. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

According to the contracts entered into with trade customers of sales and integration service/service income, on average the contracts revenue is normally collected within 90 days from the date of receipt of customers' acceptance/date of rendering services, except for certain contracts with longer implementation schedules where the credit period may extend beyond 90 days, or may be extended for major or specific customers. The credit terms granted to trade customers in respect of sales of mobiles and electronic components and chemicals are due within 30-90 days from the date of billing.

	30 September 2018 Unaudited HK\$'000	31 March 2018 Audited HK\$'000
Trade receivables	66,919	74,955
Less: Allowance for bad and doubtful debts	(46,921)	(46,729)
	19,998	28,226
Other receivables	13,097	6,420
Prepayments	39,926	46,641
Deposits	657	657
	53,680	53,718
Total	73,678	81,944

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

	30 September 2018 Unaudited HK\$'000	31 March 2018 Audited HK\$'000
Trade receivables		
0-90 days	17,573	26,240
91-180 days	2,106	1,962
Over 180 days	319	24
	19,998	28,226

The Group assessed credit impaired balances individually. In addition, for non-credit impaired balances, the Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL, trade receivables are assessed individually for debtors with significant balances and collectively using a provision matrix for the remaining balances, which is grouped based on shared credit risk characteristics and the historical observed default rates adjusted for forward-looking estimates that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

Allowance for impairment

The movement in the allowance for impairment in respect of trade receivables and other financial assets during the six months ended 30 September 2018 was as follows:

	<i>HK\$'000</i>
Balance at 1 April 2018 (<i>note i</i>)	47,946
Net remeasurement of loss allowance	2,975
Exchange of foreign currency exchange differences	(4,000)
Balance at 30 September 2018	46,921

Movements in the allowance for bad and doubtful debts:

	30 September 2018 Unaudited HK\$'000	31 March 2018 Audited HK\$'000
Balance at beginning of the period/year (<i>note i</i>)	47,946	35,941
Allowance recognised on receivables	2,975	9,476
Exchange of foreign currency exchange differences	(4,000)	1,312
Balance at end of the period/year	46,921	46,729

Note:

- (i) The Group has initially applied HKFRS 9 at 1 April 2018. Under the transition method chosen, comparative information is not restated.

As at 30 September 2018, trade receivables of approximately HK\$2,425,000 (31 March 2018: approximately HK\$1,986,000) were past due but not impaired. These relate to a number of independent debtors for whom there is no recent history of default and/or a substantial portion of the carrying amount is subsequently settled. The Group does not hold any collateral as security over these debtors. The aging analysis of the trade receivables which are past due but not impaired is as follows:

	30 September 2018 Unaudited HK\$'000	31 March 2018 Audited HK\$'000
0-90 days	2,106	1,962
91-180 days	319	24
Over 180 days	–	–
	2,425	1,986

The directors consider that the carrying amounts of trade and other receivables, prepayments and deposits approximate their fair values.

12. TRADE AND OTHER PAYABLES

The following is an aging analysis of trade payables, presented based on the date of goods delivered/the period of service rendered/date of invoices:

	30 September 2018 Unaudited HK\$'000	31 March 2018 Audited HK\$'000
Trade payables (<i>note i</i>)		
0-90 days	17,499	15,262
91-180 days	1,886	2,849
Over 180 days	18,628	20,333
	<u>38,013</u>	<u>38,444</u>
Other payables		
Receipt in advance	–	5,981
Accruals and others	39,289	36,256
	<u>39,289</u>	<u>42,237</u>
Total	<u>77,302</u>	<u>80,681</u>

Note:

- (i) At 30 September 2018, trade payables of RMB8,464,000 (approximately HK\$9,648,000) involved lawsuit filed against a major subsidiary of the Company, Beijing HollyBridge System Integration Company Limited (“**Beijing HollyBridge**”). Please refer to note 15 (ii).

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

The directors consider the carrying amounts of trade and other payables approximate to their fair values.

13. BORROWINGS

	30 September 2018 Unaudited HK\$'000	31 March 2018 Audited HK\$'000
Interest-bearing borrowing (<i>note i</i>)	480	39,016
Interest-free borrowing (<i>note ii</i>)	61,837	—
	<u>62,317</u>	<u>39,016</u>

Notes:

- (i) The amount is unsecured, repayable within one year and bearing interest at fixed interest rates.
- (ii) The amount is unsecured and repayable within one month. Subsequent to 30 September 2018, the loans are fully settled.

14. COMMITMENTS

Operating lease commitments

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which falls due as follows:

	30 September 2018 Unaudited HK\$'000	31 March 2018 Audited HK\$'000
Within one year	4,775	4,725
In the second to fifth years, inclusive	296	2,076
	<u>5,071</u>	<u>6,801</u>

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.

15. LITIGATION AND CONTINGENT LIABILITIES

(i) **RMB24,000,000 amount due to non-controlling interest of Beijing HollyBridge**

The non-controlling shareholder of Beijing HollyBridge (the “**Non-controlling Shareholder**”) had advanced RMB24,000,000 (approximately HK\$27,356,000) to Beijing HollyBridge during the period from June 2013 to February 2015. The amount due has been recognised as liability in the condensed consolidated financial statements at the relevant time. The amount due is unsecured, repayable on demand and bearing interest at prevailing interest rate since 1 April 2014.

According to the civil claim filed with the Haidian District People’s Court of Beijing by the Non-controlling Shareholder (as plaintiff), it was claimed that Beijing HollyBridge failed to repay the amount due when it was demanded by the Non-controlling Shareholder.

On 17 April 2017, Haidian District People’s Court of Beijing issued a ruling of the above civil claim that the Company should repay the principal amount of borrowings of RMB24,000,000 to Non-controlling Shareholder. Beijing HollyBridge applied for an appeal to Beijing First Intermediate People’s Court on 15 May 2017. According to the judgement of the Beijing First Intermediate People’s Court dated on 31 October 2017, the appeal was repudiated and repayment of the borrowings was ordered. Further to the judgement, Haidian District People’s Court of Beijing issued an execution judgement which provided the conclusion of the execution procedure of the above mentioned case in accordance with the law of the PRC.

The directors of the Company consider that no provision is required as the principal, interest and related legal costs incurred during the year have already been recorded as liability in the note 18 to the condensed consolidated financial statements. Since the aforementioned case has been wholly concluded, the directors of the Company believe that additional interest and legal costs are unlikely to be incurred. As such, no provision for additional liabilities in this respect has been made in the condensed consolidated financial statements.

(ii) **Litigations/Mediations with suppliers**

As at 30 September 2018, there are trade payables in the amount of RMB8,464,000 (approximately HK\$9,648,000) of Beijing HollyBridge claimed by certain suppliers for overdue settlement together with penalty charge/legal fee of RMB1,284,000 (approximately HK\$1,464,000).

At 30 September 2018, there are bank balances of Beijing HollyBridge amounting to RMB1,415,000 (approximately HK\$1,613,000) frozen by the court pursuant to the aforesaid suppliers’ claims.

The directors of the Company are of the view that the litigations/mediations have no significant impact on the Group’s financial position and its operating result for the six months ended 30 September 2018 as all the above payable amounts have already been recorded in the condensed consolidated financial statements as at 30 September 2018.

(iii) Deposit refund of RMB5,817,000

During the year ended 31 March 2017, an arbitral claim against a subsidiary of the Company, Holy (Hong Kong) Universal Limited (the “**Holy (Hong Kong)**”) was filed for refund of a management deposit of RMB5,817,000 (approximately HK\$6,630,000) by the Non-controlling Shareholder. The deposit originated from a management agreement made between Holy (Hong Kong), Non-controlling Shareholder and other parties. On the same day when the management agreement was signed, the rights and obligations of the deposit was transferred to an independent third party (the “**Assignee**”) according to legal rights assignment (the “**Assignment Agreement**”) entered into between Holy (Hong Kong) and Assignee. According to the Assignment Agreement, the Assignee would take custody of the deposit and is liable for the repayment of deposit on demand on completion of the obligations under the management agreement. The Assignee has not made the payment as required and as a result Holy (Hong Kong)’s 51% of the equity interests in Beijing Hollybridge has been frozen. In the opinion of the directors of the Company, in case when the Assignee defaults to repay, Holy (Hong Kong) may be obligated to make the deposit refund and able to take legal action against the Assignee.

Having sought advices from PRC legal counsel, the frozen equity interest by the court will have no effect of Beijing Hollybridge’s operations, decision making and distribution of profit. The directors of the Company believe that the above contingent liabilities are unlikely to materialise and no provision for liabilities in this respect has been made in the condensed consolidated financial statements.

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.

The accompanying condensed consolidated financial statements for the six months ended 30 September 2018 have been prepared assuming that the Group will continue as a going concern. We draw attention to note 2 to the condensed consolidated financial statements which indicate that, the Group’s total liabilities exceeded its total assets by approximately HK\$157,042,000 and the Group’s capital deficiency attributable to owners of the Company was approximately HK\$151,040,000 as at 30 September 2018 and the Group incurred a loss attributable to owners of the Company of approximately HK\$13,657,000 for the six months ended 30 September 2018. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group’s ability to continue as a going concern. As explained in note 2 to the condensed consolidated financial statements, these condensed consolidated financial statements have been prepared on a going concern basis.

We also draw attention to note 15 to the condensed consolidated financial statements which describes the uncertainty related to the outcome of the lawsuit filed against the Group. Our review conclusion is not qualified in respect of these matters.

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 2018 together with the comparative figures for the corresponding period in 2017.

For the six months ended 30 September 2018, the Group recorded a turnover of approximately HK\$109,880,000 (six months ended 30 September 2017: approximately HK\$43,222,000), representing an increase of 154.2% as compared with the corresponding period last year. The growth in turnover was attributable to an increase in the sales of the general trading business. The Group recorded a gross profit and gross profit margin of approximately HK\$1,384,000 and 1.3% respectively for the six months ended 30 September 2018, representing a decrease of approximately HK\$1,538,000 and a decrease of 5.5% respectively as compared with the gross profit of approximately HK\$2,922,000 and the gross margin of 6.8% for the corresponding period last year. The decrease in gross margin was due to the low gross profit margin of the general trading business, despite the gross profit margin on services income was similar to that of the same period last year.

Administrative expenses decreased by 21% to approximately HK\$11,433,000 for the six months ended 30 September 2018 from approximately HK\$14,413,000 for the corresponding period last year.

Loss attributable to owners of the Company amounted to approximately HK\$13,657,000, representing a decrease of approximately HK\$864,000 or 5.95% as compared with the loss of approximately HK\$14,521,000 for the corresponding period last year.

Business Review and Future Prospects

The Group is principally engaged in (i) general trading; (ii) network and system integration by the production of software and provision of solutions and related services; (iii) investment holdings; and (iv) the provision of telecommunications infrastructure solution services.

During the period under review, the management continued to devote its effort to enhance the operational efficiency of the services income segment and general trading segment through stringent project selection and tighter cost control measures. As a result, the business of design, consultation and production of information system software recorded segment profits of approximately HK\$218,000 (six months ended 30 September 2017: Segment loss of approximately HK\$1,548,000).

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. Meanwhile, the Company intends to enrich and improve its financial resources by conducting fund raising exercises such as share placement or loan capitalisation, when necessary.

Financial Resources and Liquidity

Total debts of the Group amounted to approximately HK\$193,413,000 (31 March 2018: approximately HK\$194,855,000), comprising loans from ultimate holding company of approximately HK\$97,430,000 (31 March 2018: approximately HK\$108,696,000), amounts due to the non-controlling interests of a subsidiary of approximately HK\$33,433,000 (31 March 2018: approximately HK\$35,973,000), amount due to a director of approximately HK\$233,000 (31 March 2018: approximately HK\$11,170,000) and other borrowing of approximately HK\$62,317,000 (31 March 2018: approximately HK\$39,016,000). All the above-mentioned borrowings are denominated in Hong Kong Dollars and Renminbi. All of these borrowings are interest bearing. The Group had no assets pledged as at 30 September 2018. The net debts (net of cash and cash equivalents) to total assets ratio of the Group is approximately 134.7% (31 March 2018: approximately 120.4%), representing an increase of approximately 14.3% as compared to last financial year end date. The current ratio of the Group was approximately 0.65 (31 March 2018: approximately 0.77). Cash and cash equivalents of approximately HK\$34,481,000 (31 March 2018: approximately HK\$35,148,000) which are mostly denominated in Hong Kong Dollars and Renminbi. As the Group's businesses are conducted in the PRC, the Group does not expect to be exposed to any material foreign exchange risks.

In view of the liquidity issues of the Group, the directors will consider to improve the financial position of the Group and to enlarge the capital base of the Company by conducting fund raising exercises such as share placement or loan capitalisation when necessary.

Litigation and Contingent Liabilities

During the period and up to the date of this announcement, the Group has been involved in certain legal proceedings of material importance. Details of the litigations and contingent liabilities are set out in note 15 to the condensed consolidated financial statements.

For the litigations referred in note 15(i) & (ii), the directors are of the view that they have no significant impact on the Group's financial position and its operating result for the period ended 30 September 2018 as all the above amounts have already been recorded in the condensed consolidated financial statements as at 30 September 2018. Moreover, the Company shall utilise the shareholder's loan facilities or exercise other methods to obtaining financing to the Group, including but not limited to share placement or loan capitalisation when necessary.

For the arbitral claim of deposit refund of RMB5,817,000 (approximately HK\$6,630,000) as stated in note 15(iii), as the rights and obligation of the deposit was transferred to an independent third party, having sought legal advices, the directors believe that above contingent liabilities are unlikely to materialise and no provision for liabilities in this respect has been made in the condensed consolidated financial statements accordingly.

INTERIM DIVIDEND

The board resolved not to declare an interim dividend for the six months ended 30 September 2018 (30 September 2017: 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 2018.

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 2018.

CORPORATE GOVERNANCE

During the six months ended 30 September 2018, 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 Professor Ho Kin Chung, B.B.S., J.P. The Audit Committee has reviewed the unaudited interim financial results of the Group for the six months ended 30 September 2018. 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 2018 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 2018 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, 28 November 2018

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

TO Yan Ming, Edmond

Professor Ho Kin Chung, B.B.S., J.P.