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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 2024

The board of directors (the “**Board**”) of Wai Chun Group Holdings Limited (the “**Company**”) hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 September 2024 together with the comparative figures for the corresponding period in 2023.

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2024

	Notes	2024 Unaudited HK\$'000	2023 Unaudited HK\$'000
<b>Revenue</b>	4	<b>43,125</b>	152,384
Cost of sales		<u>(42,360)</u>	<u>(151,326)</u>
<b>Gross profit</b>		<b>765</b>	1,058
Other income	5	–	1
Impairment losses on other receivables		–	–
Administrative expenses		(3,795)	(7,068)
Finance costs	6	<u>(13,441)</u>	<u>(12,677)</u>
<b>Loss before tax</b>		<b>(16,471)</b>	(18,686)
Income tax expenses	7	–	–
<b>Loss for the period</b>	8	<u><b>(16,471)</b></u>	<u>(18,686)</u>
<b>Loss for the period attributable to:</b>			
– Owners of the Company		(16,813)	(18,969)
– Non-controlling interests		<u>342</u>	<u>283</u>
		<u><b>(16,471)</b></u>	<u>(18,686)</u>
		<i>HK cents</i>	<i>HK cents</i>
			<i>(Republished)</i>
<b>Loss per share</b>	10		
– Basic and diluted		<u><b>(6.29)</b></u>	<u>(7.09)</u>

\* for identification purpose only

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the six months ended 30 September 2024*

	<b>2024</b>	2023
	<b>Unaudited</b>	Unaudited
	<b>HK\$'000</b>	HK\$'000
<b>Loss for the period</b>	<u>(16,471)</u>	<u>(18,686)</u>
<b>Other comprehensive expense:</b>		
<i>Item that may be reclassified to profit or loss:</i>		
Exchange differences arising on translating foreign operations	<u>(542)</u>	<u>(8,352)</u>
<b>Other comprehensive expense, net of tax</b>	<u>(542)</u>	<u>(8,352)</u>
<b>Total comprehensive expense for the period</b>	<u><u>(17,013)</u></u>	<u><u>(27,038)</u></u>
<b>Total comprehensive expense for the period attributable to:</b>		
– Owners of the Company	<u>(17,307)</u>	<u>(27,471)</u>
– Non-controlling interests	<u>294</u>	<u>433</u>
	<u><u>(17,013)</u></u>	<u><u>(27,038)</u></u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2024

		<b>30 September 2024 Unaudited HK\$'000</b>	31 March 2024 Audited HK\$'000
	<i>Notes</i>		
<b>Non-current assets</b>			
Property, plant and equipment		1	4
Deposits, prepayments and other receivables		<u>59</u>	<u>59</u>
		<u>60</u>	<u>63</u>
<b>Current assets</b>			
Trade receivables	11	7,318	1,279
Other receivables, prepayments and deposits		25,759	30,599
Bank balances and cash		<u>144</u>	<u>127</u>
		<u>33,221</u>	<u>32,005</u>
<b>Current liabilities</b>			
Trade payables	12	18,057	12,627
Other payables and accruals		35,476	32,575
Lease liabilities		1,188	2,050
Convertible bonds		<u>199,547</u>	<u>39,729</u>
		<u>254,268</u>	<u>86,981</u>
<b>Net current liabilities</b>		<u>(221,047)</u>	<u>(54,976)</u>
<b>Total assets less current liabilities</b>		<u>(220,987)</u>	<u>(54,913)</u>

		<b>30 September</b>	31 March
		<b>2024</b>	2024
		<b>Unaudited</b>	Audited
	<i>Note</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Non-current liabilities</b>			
Other payables		<b>3,915</b>	3,915
Loans from ultimate holding company	<i>13</i>	<b>13,450</b>	13,679
Amount due to an ultimate controlling party	<i>13</i>	<b>18,951</b>	18,863
Lease liabilities		–	98
Convertible bonds		–	148,820
		<u><b>36,316</b></u>	<u>185,375</u>
<b>NET LIABILITIES</b>		<u><b>(257,303)</b></u>	<u>(240,288)</u>
<b>Capital and reserves</b>			
Share capital	<i>14</i>	<b>213,912</b>	213,912
Reserves		<u><b>(487,636)</b></u>	<u>(470,327)</u>
Capital deficiency attributable to owners of the Company		<b>(273,724)</b>	(256,415)
Non-controlling interests		<u><b>16,421</b></u>	<u>16,127</u>
<b>CAPITAL DEFICIENCY</b>		<u><b>(257,303)</b></u>	<u>(240,288)</u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 September 2024*

## 1. GENERAL INFORMATION

Wai Chun Group Holdings Limited (the “**Company**”) was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). In the opinion of the directors of the Company, the immediate holding company and ultimate holding company of the Company is Ka Chun Holdings Limited (“**Ka Chun**”) and Wai Chun Investment Fund (“**Wai Chun IF**”), which are private limited companies incorporated in the British Virgin Islands and Cayman Islands respectively. Its ultimate controlling party is Mr. Lam Ching Kui (“**Mr. Lam**”), who was the chairman of the board of directors (the “**Board**”) and an executive director of the Company and resigned on 27 October 2023. 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 Rooms 4001-02, 40/F., China Resources Building, 26 Harbour Road, Wanchai, 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.

## 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**”) and the applicable disclosure required by the Rules Governing the Listing of Securities on the Stock Exchange.

The condensed consolidated financial statements should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2024. The accounting policies and methods of computation used in the preparation of the condensed consolidated financial statements are consistent with those used in the Group’s annual financial statements for the year ended 31 March 2024.

The Group incurred a loss attributable to owners of the Company of approximately HK\$16,813,000 for the six months ended 30 September 2024, and as at 30 September 2024, the Group had net current liabilities of approximately HK\$221,047,000 and net liabilities of approximately HK\$257,303,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. The directors of the Company have prepared the condensed consolidated financial statements on a going concern basis based on the assumptions and measures that:

- (a) As at 30 September 2024, the Company has drawn down loan of approximately HK\$13,450,000 and undrawn loan facilities of approximately HK\$186,550,000 granted by Wai Chun IF, its ultimate holding company. Wai Chun IF will not demand the Company for repayment of such loans nor cancel the undrawn loan facilities until all other liabilities of the Group have been satisfied, and will not demand the repayment earlier than twelve months from the date of approving the condensed consolidated financial statements;

- (b) In addition to the loan facilities granted by Wai Chun IF as stated above, Mr. Lam has also undertaken to provide adequate funds to enable the Group to meet its liabilities and to settle 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. Also, Mr. Lam agreed not to request the Group, whenever necessary, to settle the balance due to him recorded in amount due to an ultimate controlling party amounting to approximately HK\$18,951,000 until all other third parties liabilities of the Group had been satisfied, and will not demand the repayment earlier than twelve months from the date of approving the consolidated financial statements;
- (c) Wai Chun Holdings Group Limited, a related company controlled by Mr. Lam and his spouse, has also agreed not to request the Group, whenever necessary, to settle the balance due recorded in other payables amounting to approximately HK\$3,915,000 until all other third parties liabilities of the Group had been satisfied, and will not demand the repayment earlier than twelve months from the date of approving the condensed consolidated financial statements;
- (d) The convertible bonds with principal amount of HK\$152,000,000 and HK\$23,480,000, both of which with maturity date on 31 August 2025, and the corresponding outstanding coupon interest payables are due to Mr. Lam, an ultimate controlling party of the Company. Mr. Lam agreed not to demand the redemption or repayment upon maturity of these bonds until all other third parties liabilities of the Group had been satisfied;
- (e) The convertible bonds with principal amount of HK\$42,700,000 which with maturity date on 18 January 2025, and the corresponding outstanding interest payables are due to Ka Chun, which is an immediate holding company of the Company. Ka Chun agreed not to demand the redemption or repayment of the bonds until all other third parties liabilities of the Group had been satisfied. Ka Chun also agreed to further negotiate with the Company for the extension of the repayment date of convertible bond with regard to the financial position and liquidity of the Company upon maturity date;
- (f) The Company has planned and is in negotiation with potential investors to raise sufficient funds through fund-raising arrangement; and
- (g) The directors of the Company will continue to implement measures aiming at improving the working capital and cash flows of the Group including closely monitoring general administrative expenses and operating costs.

The directors of the Company have carried out a detailed review of the cash flow forecast of the Group for the twelve-month period from the date of this announcement after 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 date of this announcement, 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 the condensed consolidated financial statements.

As set out in the paragraphs above, 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**

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2024. HKFRSs comprise HKFRSs, Hong Kong Accounting Standards, and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current period and prior year.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and condensed consolidated financial position.

### **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 two operating divisions – sales and integration services, and 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, and design, consultation and production of information system software and management training services
General trading:	Revenue from trading of chemical products

## Segment revenues and results

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

### Six months ended 30 September 2024 (unaudited)

	Sales and integration services <i>HK\$'000</i>	General trading <i>HK\$'000</i>	Total <i>HK\$'000</i>
Recognised at a point in time	<u>21,210</u>	<u>21,915</u>	<u>43,125</u>
Reportable segment revenue from external customers	<u>21,210</u>	<u>21,915</u>	<u>43,125</u>
Reportable segment results	<u>702</u>	<u>(339)</u>	<u>363</u>
Unallocated corporate income			–
Unallocated corporate expenses			(3,393)
Finance costs			<u>(13,441)</u>
Loss before tax			(16,471)
Income tax expense			<u>–</u>
Consolidated loss for the period			<u>(16,471)</u>

### Six months ended 30 September 2023 (unaudited)

	Sales and integration services <i>HK\$'000</i>	General trading <i>HK\$'000</i>	Total <i>HK\$'000</i>
Recognised at a point in time	<u>32,136</u>	<u>120,248</u>	<u>152,384</u>
Reportable segment revenue from external customers	<u>32,136</u>	<u>120,248</u>	<u>152,384</u>
Reportable segment results	<u>577</u>	<u>(287)</u>	<u>290</u>
Unallocated corporate income			1
Unallocated corporate expenses			(6,300)
Finance costs			<u>(12,677)</u>
Loss before tax			(18,686)
Income tax expense			<u>–</u>
Consolidated loss for the period			<u>(18,686)</u>

There was no inter-segment sales for both periods.



## Segment assets and liabilities

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

At 30 September 2024 (unaudited)

	Sales and integration services <i>HK\$'000</i>	General trading <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	26,558	270	26,828
Unallocated assets			<u>6,453</u>
Consolidated total assets			<u><u>33,281</u></u>
Segment liabilities	31,048	8,323	39,371
Unallocated liabilities			<u>251,213</u>
Consolidated total liabilities			<u><u>290,584</u></u>

At 31 March 2024 (audited)

	Sales and integration services <i>HK\$'000</i>	General trading <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	25,939	5,610	31,549
Unallocated assets			<u>519</u>
Consolidated total assets			<u><u>32,068</u></u>
Segment liabilities	16,953	2,637	19,590
Unallocated liabilities			<u>252,766</u>
Consolidated total liabilities			<u><u>272,356</u></u>

## Other information

### Six months ended 30 September 2024 (unaudited)

	Sales and integration services <i>HK\$'000</i>	General trading <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Depreciation on property, plant and equipment	–	–	3	3
Depreciation on right-of-use assets	–	–	–	–
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

### Six months ended 30 September 2023 (unaudited)

	Sales and integration services <i>HK\$'000</i>	General trading <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Depreciation on property, plant and equipment	–	–	105	105
Depreciation on right-of-use assets	–	77	576	653
	<u>–</u>	<u>77</u>	<u>576</u>	<u>653</u>

## Geographical segments

The Group's operations are located in Hong Kong and the PRC. Information about the Group's revenue from external customers is presented based on the location of the operations. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers for the six months ended 30 September		Non-current assets	
	2024 Unaudited <i>HK\$'000</i>	2023 Unaudited <i>HK\$'000</i>	30 September 2024 Unaudited <i>HK\$'000</i>	31 March 2024 Audited <i>HK\$'000</i>
Hong Kong	–	–	56	59
PRC	43,125	152,384	4	4
	<u>43,125</u>	<u>152,386</u>	<u>60</u>	<u>63</u>

**5. OTHER INCOME**

	<b>Six months ended 30 September</b>	
	<b>2024</b>	<b>2023</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
Bank interest income	<u>–</u>	<u>1</u>
	<u><b>–</b></u>	<u><b>1</b></u>

**6. FINANCE COSTS**

	<b>Six months ended 30 September</b>	
	<b>2024</b>	<b>2023</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
Interest on lease liabilities	<b>44</b>	96
Interest on convertible bonds	<b>12,303</b>	11,572
Interests expenses on:		
– amount due to ultimate holding company	<b>380</b>	399
– other payables to related parties	<b>122</b>	161
– amount due to a previous director	<b>592</b>	119
– other payables	<u>–</u>	<u>330</u>
	<u><b>13,441</b></u>	<u><b>12,677</b></u>

## 7. INCOME TAX EXPENSES

	Six months ended 30 September	
	2024	2023
	Unaudited HK\$'000	Unaudited HK\$'000
Current tax – Hong Kong Profits Tax	–	–
Current tax – PRC Enterprise Income Tax	–	–
	<u>–</u>	<u>–</u>
	<u>–</u>	<u>–</u>

Hong Kong profits tax is calculated at the rate of 16.5% on the estimated assessable profit 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 2024 and 2023.

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 had no assessable profit in the PRC for the six months ended 30 September 2024 and 2023.

## 8. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

	Six months ended 30 September	
	2024	2023
	Unaudited HK\$'000	Unaudited HK\$'000
Depreciation on property, plant and equipment	3	105
Depreciation on right-of-use assets	–	653
Staff costs (including directors' emoluments)		
Salaries, bonus and allowances	688	1,982
Retirement benefits scheme contributions ( <i>Note</i> )	71	570

*Note:* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

## 9. INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 September 2024 (six months ended 30 September 2023: Nil).

## 10. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following:

	<b>For the six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	<b>2023</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Loss</b>		
Loss for the period attributable to the owners of the Company for the purpose of calculating basic and diluted loss per share	<u><b>16,813</b></u>	<u>18,969</u>
	<b>'000</b>	<b>'000</b>
		<i>(Republished)</i>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	<u><b>267,390</b></u>	<u>267,390</u>

The weighted average number of ordinary shares for the six months ended 30 September 2024 and 2023 has been adjusted in accordance with the share consolidation completed on 15 November 2023.

Since the conversion of convertible bonds would result in a reduction in the loss per share, no adjustment was made when calculating the diluted loss per share for the six months ended 30 September 2024 and 2023. Therefore, the diluted loss per share is the same as the basic loss per share.

## 11. TRADE RECEIVABLES

According to the contracts entered into with trade customers of sales and integration services, 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 chemical products are within 0-90 days from the date of billing.

	<b>30 September 2024 Unaudited HK\$'000</b>	31 March 2024 Audited HK\$'000
Trade receivables	43,491	37,452
Less: Impairment allowance	<u>(36,173)</u>	<u>(36,173)</u>
	<u><b>7,318</b></u>	<u><b>1,279</b></u>

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

	<b>30 September 2024 Unaudited HK\$'000</b>	31 March 2024 Audited HK\$'000
91-180 days	6,039	–
Over 180 days	<u>1,279</u>	<u>1,279</u>
	<u><b>7,318</b></u>	<u><b>1,279</b></u>

## 12. TRADE 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:

	<b>30 September 2024 Unaudited HK\$'000</b>	31 March 2024 Audited HK\$'000
Over 180 days	<u>625</u>	<u>12,627</u>
	<u><b>625</b></u>	<u><b>12,627</b></u>

**13. AMOUNT DUE TO ULTIMATE CONTROLLING PARTY AND LOAN FROM ULTIMATE HOLDING COMPANY**

The amount is unsecured and carried interest at fixed rate at 6.25% per annum with no fixed repayment terms.

**14. SHARE CAPITAL – ORDINARY SHARES**

	<b>Number of shares '000</b>	<b>Amount equivalent to HK\$'000</b>
<b>Authorised:</b>		
Ordinary shares of HK\$0.8 (2023: HK\$0.1) each At 1 April 2024 and 30 September 2024	<u>1,112,500</u>	<u>8,900,000</u>
Convertible preference shares of HK\$0.8 (2023: HK\$0.1) each At 1 April 2024 and 30 September 2024	<u>137,500</u>	<u>1,100,000</u>
<b>Issued and fully paid:</b>		
Ordinary shares of HK\$0.8 (2023: HK\$0.01) each At 1 April 2024 and 30 September 2024	<u>267,390</u>	<u>213,912</u>

On 10 October 2023, the Company proposed share consolidation on the basis that (i) every eight (8) issued and unissued existing ordinary shares of HK\$0.1 each in the share capital of the Company into one (1) consolidated ordinary share of HK\$0.8; and (ii) every eight (8) unissued existing preference shares of HK\$0.1 each in the share capital of the Company into one (1) consolidated preference share of HK\$0.8 (the “**Share Consolidation**”). The Company also proposed to change the board lot size for trading from 20,000 existing ordinary shares to 10,000 consolidated ordinary shares upon the Share Consolidation becoming effective. The above proposed Share Consolidation was approved at the special general meeting on 13 November 2023. As all the conditions precedent to the Share Consolidation have been fulfilled, the Share Consolidation became effective on 15 November 2023.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Performance

For the six months ended 30 September 2024, the Group recorded total revenue of approximately HK\$43,125,000 (for six months ended 30 September 2023: approximately HK\$152,384,000), representing an decrease of approximately 71.7% as compared with the corresponding period in last year. The Group recorded a decrease of revenue in general trading business from approximately HK\$120,248,000 for the six months ended 30 September 2023 to approximately HK\$21,915,000 for the six months ended 30 September 2024 mainly due to the decrease in demand of chemical product caused by the decline of purchase orders from PRC customers. The Group recorded a decrease of any revenue in sales and integration services business from approximately HK\$32,136,000 for the six months ended 30 September 2023 to approximately HK\$21,210,000 for the six months ended 30 September 2024, mainly because of the cut-off in spending on integration system of the customers. The Group recorded gross profit and gross profit margin of approximately HK\$765,000 (six months ended 30 September 2023: approximately HK\$1,058,000) and approximately 1.8% (six months ended 30 September 2023: approximately 0.7%) respectively for the six months ended 30 September 2024. The Group had been continuously negotiating with current customers for higher gross profit margin for the segment of general trading during the period under review.

The general trading business recorded a segment loss of approximately HK\$339,000 during the six months ended 30 September 2024 (segment loss of approximately HK\$287,000 for the six months ended 30 September 2023). The sales and integration services business recorded a segment profit of approximately HK\$702,000 during for the six months ended 30 September 2024 as compared to approximately HK\$577,000 for the six months ended 30 September 2023. The Group recorded net segment profit of approximately HK\$363,000 for the six months ended 30 September 2024 as compared to the total segment profit of approximately HK\$290,000 for the six months ended 30 September 2023.

Administrative expenses decreased by approximately 46.3% to approximately HK\$3,795,000 for the six months ended 30 September 2024 from approximately HK\$7,068,000 for the corresponding period in last year, which mainly resulted from a huge cut in staff cost for the period. Finance costs increased by approximately 6.0% to approximately HK\$13,441,000 for the six months ended 30 September 2024 from approximately HK\$12,677,000 for the corresponding period in last year. The increase in finance costs was mainly due to the increase in interest expenses on loan from ultimate holding company.

The Group recorded a loss attributable to owners of the Company of approximately HK\$16,813,000 for the six months ended 30 September 2024 (for the six months ended 30 September 2023: approximately HK\$18,969,000).



## **Financial Resources and Liquidity**

Total debts of the Group amounted to approximately HK\$233,136,000 (31 March 2024: approximately HK\$223,239,000), mainly comprising convertible notes of approximately HK\$199,547,000 (31 March 2024: approximately HK\$188,549,000), loans from ultimate holding company of approximately HK\$13,450,000 (31 March 2024: approximately HK\$13,679,000), amount due to a related party of approximately HK\$18,951,000 (31 March 2024: HK\$18,863,000), and lease liabilities of approximately HK\$1,188,000 (31 March 2024: approximately HK\$2,148,000). All the above-mentioned borrowings are denominated in Hong Kong Dollars or Renminbi. Except for borrowings, all of these debt are interest bearing or carried in an interest rate implicit in the lease liabilities. The Group had no assets pledged as at 30 September 2024 (31 March 2024: nil). The net debts (net of cash and cash equivalents) to total assets ratio of the Group is approximately 700.1% (31 March 2024: approximately 695.7%), representing an increase of approximately 0.6% as compared to last financial year end date. The current ratio of the Group was approximately 0.13 times (31 March 2024: approximately 0.37 times) as at 30 September 2024. Cash and cash equivalents were approximately HK\$144,000 (31 March 2024: approximately HK\$127,000) as at 30 September 2024, which are mostly denominated in Hong Kong Dollars or 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 of the Company 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 capitalization when necessary.

## **Business Review and Future Prospects**

The Group is principally engaged in (i) general trading of chemicals; and (ii) sales and services provision of integration services of computer and communication systems, and design, consultation and production of information system software and management training services.

During the period under review, the management continued to devote its effort to enhance the operational efficiency of the sale and integration services segment through stringent project selection and tighter cost control measures, and negotiate new contract(s) for such business segment. On the other hand, the Group continued to enhance customer base and supply chain for its general trading business in respect of trading of chemical and agricultural products.

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 capitalization, when necessary.

## **INTERIM DIVIDEND**

The board resolved not to declare an interim dividend for the six months ended 30 September 2024 (30 September 2023: 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 2024.

## **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 (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 2024.

## **CORPORATE GOVERNANCE**

During the six months ended 30 September 2024, 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 provision C.2.1.

Code provision C.2.1 provides that the roles of the chairman and chief executive officer should be separate 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 during the period under review. Mr. Lam Ka Chun is the chairman and chief executive officer of the Company. He has extensive experience in project management and was 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.

## **AUDIT COMMITTEE**

The Company has established an Audit Committee with written terms of reference in accordance with the Listing Rules. The Audit Committee comprises three independent non-executive Directors, namely, Mr. Wan Bo, Mr. Wang Wei and Ms. Kung Ying Tung. Ms. Kung Ying Tung is the chairlady of the Audit Committee and is appropriately qualified as required under Rule 3.10(2) of the Listing Rules.

The audit committee of the Company (the “**Audit Committee**”) has reviewed the unaudited condensed consolidated interim results of the Group for the six months ended 30 September 2024.

## **PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

The interim results announcement of the Company for the six months ended 30 September 2024 is published on both the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.1013.hk](http://www.1013.hk)). The interim report of the Company for the six months ended 30 September 2024 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.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been halted with effect from 9:00 a.m. on 18 November 2024.

Application has been made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 19 November 2024.

## **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 Ka Chun**  
*Chairman and Chief Executive Officer*

Hong Kong, 18 November 2024

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

*Executive Director:*

Mr. LAM Ka Chun (*Chairman and Chief Executive Officer*)

*Independent Non-executive Directors:*

Dr. WANG Wei

Mr. WAN Bo

Ms. Kung Ying Tung