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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)

2025 ANNUAL RESULTS ANNOUNCEMENT

The board of directors (the “**Board**”) of Wai Chun Group Holdings Limited (the “**Company**”) hereby announce the audited consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 March 2025, together with comparative figures for the previous year, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2025

| | Notes | 2025 HK\$'000 | 2024 HK\$'000 |
|--|-------|------------------------|------------------------|
| Revenue | 4 | 266,338 | 273,889 |
| Cost of sales | | <u>(264,185)</u> | <u>(272,336)</u> |
| Gross profit | | 2,153 | 1,553 |
| Other income | | 59 | 37 |
| Other gains, net | | 23,411 | 2,032 |
| Reversal of impairment losses on trade and other receivables under expected credit loss model, net | | 1,372 | 2,099 |
| Administrative expenses | | (9,111) | (15,785) |
| Finance costs | | (28,183) | (26,408) |
| Loss before tax | | (10,299) | (36,472) |
| Income tax expense | 5 | <u>—</u> | <u>(2)</u> |
| Loss for the year | 6 | <u>(10,299)</u> | <u>(36,474)</u> |
| (Loss)/profit for the year attributable to: | | | |
| – Owners of the Company | | (10,326) | (36,531) |
| – Non-controlling interests | | <u>27</u> | <u>57</u> |
| | | <u>(10,299)</u> | <u>(36,474)</u> |
| | | HK cents | HK cents |
| Loss per share | 8 | | |
| – Basic and diluted | | <u>(3.86)</u> | <u>(13.66)</u> |

* for identification purpose only

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Loss for the year | (10,299) | (36,474) |
| Other comprehensive expense, net of tax | | |
| <i>Item that may be subsequently reclassified to profit or loss:</i> | | |
| Exchange differences on translation of financial statements of foreign operations | <u>(178)</u> | <u>(1,357)</u> |
| Total comprehensive expense for the year | <u>(10,477)</u> | <u>(37,831)</u> |
| Total comprehensive (expense)/income for the year attributable to: | | |
| – Owners of the Company | (10,532) | (38,027) |
| – Non-controlling interests | <u>55</u> | <u>196</u> |
| | <u>(10,477)</u> | <u>(37,831)</u> |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

| | <i>Notes</i> | 2025 HK\$'000 | 2024 <i>HK\$'000</i> |
|---|--------------|--------------------------------|-------------------------|
| Non-current assets | | | |
| Property, plant and equipment | | 4 | 4 |
| Right-of-use-assets | | – | – |
| Deposits | 9 | – | 59 |
| | | 4 | 63 |
| Current assets | | | |
| Trade and other receivables, prepayments and deposits | 9 | 43,847 | 31,878 |
| Bank balances and cash | | 11,009 | 127 |
| | | 54,856 | 32,005 |
| Current liabilities | | | |
| Trade and other payables | 10 | 65,268 | 45,202 |
| Lease liabilities | | 287 | 2,050 |
| Loans from ultimate holding company | | 26,122 | – |
| Loans from ultimate controlling party | | 22,227 | – |
| Convertible bonds | | – | 39,729 |
| | | 113,904 | 86,981 |
| Net current liabilities | | (59,048) | (54,976) |
| Total assets less current liabilities | | (59,044) | (54,913) |

| | <i>Notes</i> | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---|--------------|---------------------------------------|-------------------------|
| Non-current liabilities | | | |
| Other payables | 10 | 4,185 | 3,915 |
| Loans from ultimate holding company | | – | 13,679 |
| Amount due to ultimate controlling party | | – | 18,863 |
| Lease liabilities | | – | 98 |
| Convertible bonds | | <u>140,444</u> | <u>148,820</u> |
| | | <u>144,629</u> | <u>185,375</u> |
| Net liabilities | | <u>(203,673)</u> | <u>(240,288)</u> |
| Capital and reserves | | | |
| Share capital | 11 | 2,674 | 213,912 |
| Reserves | | <u>(222,529)</u> | <u>(470,327)</u> |
| Capital deficiency attributable to owners of the Company | | (219,855) | (256,415) |
| Non-controlling interests | | <u>16,182</u> | <u>16,127</u> |
| Capital deficiency | | <u>(203,673)</u> | <u>(240,288)</u> |

NOTES

For the year ended 31 March 2025

1. GENERAL

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, immediate holding company of the Company and the ultimate controlling party of the Company are Wai Chun Investment Fund (“**Wai Chun IF**”), which is a private limited company incorporated in the Cayman Islands, Ka Chun Holdings Limited (“**Ka Chun**”), which is a private limited company incorporated in the British Virgin Islands and Mr. Lam Ching Kui (“**Mr. Lam**”), respectively. Mr. Lam is the father of Mr. Lam Ka Chun (“**Mr. Lam KC**”), who is appointed as chairman of the board of directors and an executive director of the Company 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 4001-2, 40th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company. In addition, the functional currency 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. GOING CONCERN BASIS

The Group incurred a loss of approximately HK\$10,299,000 for the year ended 31 March 2025 and, as at 31 March 2025, the Group had net current liabilities and net liabilities of approximately HK\$59,048,000 and HK\$203,673,000, respectively. These events or 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 consolidated financial statements on a going concern basis on the assumptions and measures that:

- (i) As at 31 March 2025, the amounts due to Wai Chun IF, Mr. Lam and Mr. Lam KC comprise the followings:

| | <i>Notes</i> | <i>HK\$’000</i> |
|---|--------------|-----------------|
| Convertible bond coupon interest payables | (a) | 19,765 |
| Interest on overdue convertible bond coupon payable | (b) | 3,831 |
| Advance from a director | | 10,715 |
| Loans from ultimate holding company | (c) | 26,122 |
| Loans from ultimate controlling party | (d) | 22,227 |
| Convertible bonds – liability component | (e) | 140,444 |
| | | <u>223,104</u> |

- (a) The bondholders agreed not to demand the repayment of the outstanding bond coupon interest payable until all other third-party liabilities of the Group have been satisfied;
 - (b) The bondholders agreed not to demand the repayment of the outstanding overdue interest on convertible bond coupon payable until all other third-party liabilities of the Group have been satisfied;
 - (c) Subsequent to the reporting period, the Company issued convertible bonds which were settled by loans from ultimate holding company of approximately HK\$26,000,000;
 - (d) Subsequent to the reporting period, the Company issued convertible bonds which were settled by amount due to ultimate controlling party of approximately HK\$19,000,000; and
 - (e) During the year ended 31 March 2025, the existing convertible bonds were renegotiated and modified with the bondholders. The maturity dates of these existing convertible bonds were extended to 31 December 2027, and the bondholders agreed not to demand repayment upon maturity until all other third-party liabilities of the Group have been satisfied.
- (ii) Mr. Lam has 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, ensuring 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 approval of the consolidated financial statements.
 - (iii) 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 trade and other payables amounting to approximately HK\$4,185,000 until all other third parties liabilities of the Group had been satisfied, and will not demand the repayment within twelve months after the date of approval of the consolidated financial statements;
 - (iv) The Company has planned and is in negotiation with potential investors to raise sufficient funds through fund-raising arrangement; and
 - (v) The executive director 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 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 approval of the consolidated financial statements, and accordingly, are satisfied that it is appropriate to prepare the 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 non-current liabilities to current assets and current liabilities respectively. The effects of these potential adjustments have not been reflected in the 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. ADOPTION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

3.1 Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

The Group has applied the following amendments to HKFRS Accounting Standards, which the collective term includes all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations ("Int") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2024, for the preparation of the consolidated financial statements:

| | |
|---------------------------------------|---|
| Amendments to HKAS 1 | Classification of Liabilities as Current or Non-current |
| Amendments to HKAS 1 | Non-current Liabilities with Covenants |
| Amendments to HKFRS 16 | Lease Liability in a Sale and Leaseback |
| Hong Kong Int 5 ("HK Int 5")(Revised) | Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause |
| Amendments to HKAS 7 and HKFRS 7 | Supplier Finance Arrangements |

Except for as described below, the application of the amendments to HKFRS Accounting Standards in the current year had no material impact on the Group's financial position and performance for the current and prior year and/or the disclosures set out in the consolidated financial statements.

Amendments to HKAS 1 "Classification of Liabilities as Current or Non-current" and Amendments to HKAS 1 "Non-current Liabilities with Covenants" (collectively the "HKAS 1 Amendments")

As a result of the adoption of the HKAS 1 Amendments, the Group changed its accounting policy for the classification of borrowings as below:

"Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the end of the reporting period do not affect the classification."

This new policy did not result in a change in the classification of the Group's borrowings. The Group did not make retrospective adjustments as a result of adopting the HKAS 1 Amendments.

3.2 New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not applied any new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective for the financial year beginning 1 April 2024. The new and amendments to HKFRS Accounting Standards include the following which may be relevant to the Group.

| | Effective for accounting periods beginning on or after |
|---|---|
| Amendments to HKAS 21 and HKFRS 1 – Lack of Exchangeability | 1 January 2025 |
| Amendments to HKFRS 9 and HKFRS 7 – Classification and Measurement of Financial Instruments | 1 January 2026 |
| Amendments to HKFRS 9 and HKFRS 7 – Contract Referencing Nature-dependent Electricity | 1 January 2026 |
| Annual Improvements to HKFRS Accounting Standards – Volume 11 | 1 January 2026 |
| HKFRS 18 – Presentation and Disclosure in Financial Statements | 1 January 2027 |
| Amendments to HK Int 5 – Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause | 1 January 2027 |
| Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | To be determined by the HKICPA |

The Group is in the process of making an assessment of what the impact of these new and amendments to HKFRS Accounting Standards are expected to be in the period of initial application. Except for below, the other amendments to HKFRS Accounting Standards are unlikely to have a significant impact on the consolidated financial statements.

HKFRS 18 “Presentation and Disclosure in Financial Statements”

HKFRS 18 will replace HKAS 1 “Presentation of financial statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information.

The directors of the Company are currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the 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 HKFRS Accounting Standards, that are regularly reviewed by the executive director of the Company, being the Chief Operating Decision Maker (the “CODM”) of the Group, for the purposes of resource allocation and assessment of segment performance. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Segment results represented profit earned/loss incurred by each segment without allocation of certain reversal/losses on other receivables under ECL model and certain other central unallocated other income, other gains, net, administrative expenses and finance costs.

Operating segment

The CODM regularly reviews revenue and operating results derived from two operating segments – sales and integration services and general trading. These segments 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 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 chemicals

(A) *Segment revenue and results*

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

For the year ended 31 March 2025

| | Sales and integration services HK\$'000 | General trading HK\$'000 | Total HK\$'000 |
|--|--|---|---------------------------|
| SEGMENT REVENUE | | | |
| Revenue from external customers recognised at a point in time in accordance with HKFRS 15 | <u>63,389</u> | <u>202,949</u> | <u>266,338</u> |
| SEGMENT RESULTS | <u>54</u> | <u>2,160</u> | 2,214 |
| Unallocated corporate income | | | 59 |
| Unallocated corporate expenses | | | (8,215) |
| Unallocated impairment losses on trade and other receivables under expected credit loss model, net | | | (7) |
| Unallocated other gains | | | 23,597 |
| Unallocated finance costs | | | <u>(27,947)</u> |
| Loss before tax | | | <u>(10,299)</u> |

For the year ended 31 March 2024

| | Sales and integration services <i>HK\$'000</i> | General trading <i>HK\$'000</i> | Total <i>HK\$'000</i> |
|--|---|---------------------------------------|--------------------------|
| SEGMENT REVENUE | | | |
| Recognised at a point in time in accordance with HKFRS 15 | 18,674 | 241,956 | 260,630 |
| Recognised over time in accordance with HKFRS 15 | <u>13,259</u> | <u>–</u> | <u>13,259</u> |
| Reportable segment revenue from external customers | <u>31,933</u> | <u>241,956</u> | <u>273,889</u> |
| SEGMENT RESULTS | <u>118</u> | <u>1,798</u> | 1,916 |
| Unallocated corporate income | | | 29 |
| Unallocated corporate expenses | | | (14,075) |
| Unallocated other gains/(losses), net | | | 2,061 |
| Unallocated finance costs | | | <u>(26,403)</u> |
| Loss before tax | | | <u>(36,472)</u> |

(B) Segment assets and liabilities

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

At 31 March 2025

| | Sales and integration services HK\$'000 | General trading HK\$'000 | Total HK\$'000 |
|---------------------------------|--|---|---------------------------|
| Segment assets | 43,345 | 10,844 | 54,189 |
| Unallocated assets | | | <u>671</u> |
| Consolidated assets | | | <u>54,860</u> |
| Segment liabilities | 25,774 | 14,395 | 40,169 |
| Unallocated liabilities | | | <u>218,364</u> |
| Consolidated liabilities | | | <u>258,533</u> |

At 31 March 2024

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

(C) 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 customer's operations. Information about the Group's non-current assets is presented based on the geographical location of the assets.

| | Revenue from external customers | | Non-current assets | |
|------------------------------|---------------------------------|-----------------|--------------------|-----------------|
| | 2025 | 2024 | 2025 | 2024 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Hong Kong | – | – | – | 59 |
| The PRC, excluding Hong Kong | <u>266,338</u> | <u>273,889</u> | <u>4</u> | <u>4</u> |
| | <u>266,338</u> | <u>273,889</u> | <u>4</u> | <u>63</u> |

(D) Information on major customers

Revenue from major customers, each of whom amounting to 10% or more of the Group's revenue, is set out below:

| | 2025 | | 2024 | |
|--------------------------------|----------------------|-----------------------|-----------------|-----------------------|
| | Revenue | Percentage of revenue | Revenue | Percentage of revenue |
| | <i>HK\$'000</i> | | <i>HK\$'000</i> | |
| General trading | | | | |
| Customer A | 35,506 | 13% | Nil | Nil |
| Customer B | Nil | Nil | 108,120 | 39% |
| Customer C | Nil | Nil | 30,972 | 11% |
| Customer D | Nil | Nil | 29,181 | 11% |
| Sales and integration services | | | | |
| Customer E | <u>39,404</u> | <u>15%</u> | <u>N/A*</u> | <u>N/A*</u> |

* contributed less than 10% of the Group's revenue of the respective year.

5. INCOME TAX EXPENSE

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---------------------------|-------------------------|-------------------------|
| Current tax: | | |
| Hong Kong Profits Tax | – | – |
| PRC Enterprise Income Tax | – | 2 |
| | <u>–</u> | <u>2</u> |
| | <u>–</u> | <u>2</u> |

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

No provision for Hong Kong Profits Tax has been provided in the consolidated financial statements as the Company and its subsidiaries in Hong Kong have no assessable profits for both years.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

No provision for PRC Enterprise Income Tax has been made for the year ended 31 March 2025 as the Group's PRC entities either had no assessable profits arose in the PRC for current year or had sufficient tax losses brought forward to set off against current year's assessable profits (2024: HK\$2,000).

6. LOSS FOR THE YEAR

The Group's loss for the year is stated after charging the followings:

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Cost of inventories recognised as an expense | 264,118 | 272,336 |
| Staff costs (including directors' emoluments) | | |
| – Salaries, wages and other benefits | 4,833 | 4,222 |
| – Retirement benefit scheme contributions | 171 | 266 |
| | 5,004 | 4,488 |
| Depreciation of property, plant and equipment | – | 106 |
| Depreciation of right-of-use assets | 187 | 4,699 |
| Auditor's remuneration | 500 | 600 |
| Expenses related to short-term leases | 121 | 17 |

7. DIVIDENDS

The board of directors does not recommend the payment of any dividend for the years ended 31 March 2025 and 2024.

8. LOSS PER SHARE

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

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Loss | | |
| Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share | (10,326) | (36,531) |
| | <i>'000</i> | <i>'000</i> |
| Number of shares | | |
| Weighted average number of ordinary shares | 267,390 | 267,390 |

No adjustment was made in calculating the diluted loss per share for the years ended 31 March 2025 and 2024 as the conversion of convertible bonds would result in decrease in loss per share. Accordingly, the diluted loss per share is the same as the basic loss per share.

9. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---|--------------------------------|-------------------------|
| Trade receivables | 38,806 | 37,452 |
| Less: allowance for expected credit losses (the “ECL”) on trade receivables | <u>(27,992)</u> | <u>(36,173)</u> |
| | 10,814 | 1,279 |
| Other receivables | 33,534 | 33,416 |
| Prepayments | 1,229 | 1,260 |
| Deposits | 671 | 620 |
| Less: allowance for ECL on other receivables | <u>(2,401)</u> | <u>(4,638)</u> |
| | 33,033 | 30,658 |
| Total | <u>43,847</u> | <u>31,937</u> |
| Analysed as: | | |
| Current assets | 43,847 | 31,878 |
| Non-current assets | <u>–</u> | <u>59</u> |
| | <u>43,847</u> | <u>31,937</u> |

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

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---------------|--------------------------------|-------------------------|
| 0–90 days | – | – |
| 91–180 days | 4,514 | 1,279 |
| 181–365 days | 5,290 | – |
| Over 365 days | <u>1,010</u> | – |
| | <u>10,814</u> | <u>1,279</u> |

10. TRADE AND OTHER PAYABLES

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Trade payables | <u>21,333</u> | <u>12,627</u> |
| Accruals and other payables | | |
| Convertible bond coupon interest payables | 19,765 | 18,000 |
| Interest on overdue convertible bond coupon payables | 3,831 | 2,624 |
| Advance from related parties | 4,185 | 3,915 |
| Advance from a director | 10,715 | – |
| VAT tax payables in PRC | 2,924 | 2,924 |
| Others | <u>6,700</u> | <u>9,027</u> |
| | <u>48,120</u> | <u>36,490</u> |
| | <u><u>69,453</u></u> | <u><u>49,117</u></u> |
| Analysed as: | | |
| Current liabilities | 65,268 | 45,202 |
| Non-current liabilities | <u>4,185</u> | <u>3,915</u> |
| | <u><u>69,453</u></u> | <u><u>49,117</u></u> |

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:

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---------------|-------------------------|-------------------------|
| 0-30 days | – | – |
| 31-180 days | 3,857 | – |
| Over 180 days | <u>17,476</u> | <u>12,627</u> |
| | <u><u>21,333</u></u> | <u><u>12,627</u></u> |

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

11. SHARE CAPITAL

| | Number of shares '000 | Share capital HK\$'000 |
|---|-----------------------------|------------------------------|
| Authorised | | |
| At 1 April 2023, ordinary shares of HK\$0.1 each | 8,900,000 | 890,000 |
| Share consolidation (<i>note (i)</i>) | <u>(7,787,500)</u> | <u>–</u> |
| At 31 March 2024 and 1 April 2024, ordinary shares of HK\$0.8 each | 1,112,500 | 890,000 |
| Share sub-division (<i>note (ii)</i>) | <u>87,887,500</u> | <u>–</u> |
| At 31 March 2025, ordinary shares of 0.01 each | <u>89,000,000</u> | <u>890,000</u> |
| At 1 April 2023, convertible preference shares of HK\$0.1 each | 1,100,000 | 110,000 |
| Share consolidation (<i>note (i)</i>) | <u>(962,500)</u> | <u>–</u> |
| At 31 March 2024 and 1 April 2024, convertible preference shares of HK\$0.8 each | 137,500 | 110,000 |
| Share sub-division (<i>note (ii)</i>) | <u>10,862,500</u> | <u>–</u> |
| At 31 March 2025, convertible preference shares of HK\$0.01 each | <u>11,000,000</u> | <u>110,000</u> |
| Issued and fully paid | | |
| At 1 April 2023, ordinary shares of HK\$0.1 each | 2,139,116 | 213,912 |
| Share consolidation (<i>note (i)</i>) | <u>(1,871,726)</u> | <u>–</u> |
| At 31 March 2024 and 1 April 2024, ordinary shares of HK\$0.8 each | 267,390 | 213,912 |
| Capital reduction (<i>note (ii)</i>) | <u>–</u> | <u>(211,238)</u> |
| At 31 March 2025, ordinary shares of HK\$0.01 each | <u>267,390</u> | <u>2,674</u> |

Notes:

- (i) 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.

- (ii) A special resolution was passed at the special general meeting of the Company held on 8 January 2025 approving the Capital Reduction (defined below) and the Share Sub-division (defined below) (collectively, the “**Share Reorganisation**”) on the basis that:
 - (a) the par value of each of the issued ordinary shares of HK\$0.8 each in the share capital of the Company be reduced from HK\$0.8 to HK\$0.01 per issued ordinary shares by cancelling the paid-up share capital to the extent of HK\$0.79 per issued ordinary share (the “**Capital Reduction**”);
 - (b) immediately following the Capital Reduction becoming effective, (i) each of the authorised but unissued ordinary share of par value of HK\$0.8 each be sub-divided into eighty new ordinary shares of the Company of par value of HK\$0.01 each; and (ii) each of the authorised but unissued preference share of par value of HK\$0.8 each be sub-divided into eighty new preference shares of the Company of par value of HK\$0.01 each (collectively, the “**Share Sub-division**”); and
 - (c) the credit arising from the Capital Reduction be applied to offset the accumulated losses of the Company as at the effective date of the Capital Reduction and the remaining balance of the credit (if any) be transferred to the contributed surplus account of the Company.

The Share Reorganisation was effected on 17 January 2025.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company’s residual assets.

EXTRACTS FROM INDEPENDENT AUDITOR'S REPORT

The following is an extract of the independent auditor's report on the Group's consolidated financial statements for the year ended 31 March 2025.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material Uncertainty Related to Going Concern

We draw attention to note 2 to the consolidated financial statements which mentions that the Group incurred a loss of approximately HK\$10,299,000 for the year ended 31 March 2025, and as at the same date, the Group had net current liabilities and net liabilities of approximately HK\$59,048,000 and HK\$203,673,000, respectively. These events or conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our audit opinion is not modified in respect of this matter.

FINANCIAL REVIEW

Financial Performance

For the year ended 31 March 2025, the Group recorded overall revenue of approximately HK\$266,338,000 (2024: approximately HK\$273,889,000) representing a slight decrease of approximately HK\$7,551,000 or 2.76% when compared to 2024. The slight decrease was mainly attributable to the drop of sales to some of the major customers in relation to general trading of the Group during the year ended 31 March 2025.

The gross profit of the Group for the year ended 31 March 2025 amounting to approximately HK\$2,153,000 (2024: approximately HK\$1,553,000). The gross profit margin for the year ended 31 March 2025 was approximately 0.81% as compared to 0.57% for the year of 2024. The increase in gross profit margin could be mainly attributable to the increase in revenue derived from the sales and integration services that have a higher gross profit as compared to general trading. During the year ended 31 March 2025, the Group recorded revenue from sales and integration services in the amount of approximately HK\$63,389,000 (2024: approximately HK\$31,933,000), which represented an increase of approximately 98.51% when compared to the year ended 31 March 2024.

During the year ended 31 March 2025, the Group recorded other gains of approximately HK\$23,411,000 (2024: approximately HK\$2,032,000), which comprised mainly the gain on derecognition of convertible bonds.

During the year ended 31 March 2025, administrative expenses decreased significantly by approximately 42.28% to approximately HK\$9,111,000 (2024: approximately HK\$15,785,000). Such change was mainly attributable to the significant amounts of depreciation of property, plant and equipment and right-of-use assets for the year ended 31 March 2024. During the year ended 31 March 2025, the finance costs were approximately HK\$28,183,000 as compared to approximately HK\$26,408,000 for the year ended 31 March 2024.

During the year ended 31 March 2025, the Group recorded a loss attributable to owners of the Company of approximately HK\$10,326,000 (2024: approximately HK\$36,531,000).

Financial Resources and Position

Total debts of the Group amounting to approximately HK\$189,080,000 (2024: approximately HK\$223,239,000), comprising convertible bonds of approximately HK\$140,444,000 (2024: HK\$188,549,000), loans from ultimate holding company of approximately HK\$26,122,000 (2024: approximately HK\$13,679,000), amount due to ultimate controlling party of approximately HK\$22,227,000 (2024: approximately HK\$18,863,000), lease liabilities of approximately HK\$287,000 (2024: HK\$2,148,000). All the above mentioned borrowings are denominated in either Hong Kong Dollars or Renminbi. All of these debts are interest bearing or carried in an interest rate implicit in the lease liabilities.

The net debts (net of cash and cash equivalents) to total assets ratio of the Group as at the year ended 31 March 2025 is approximately 324.6% as compared to approximately 695.7% as at the year ended 31 March 2024. The decrease of net debts to total assets ratio was mainly due to the increase in trade and other receivables and bank balances as at 31 March 2025. The cash and cash equivalents amounted to approximately HK\$11,009,000 as at the year ended 31 March 2025 (2024: approximately HK\$127,000), which are mostly denominated in Hong Kong Dollars and Renminbi.

The Group is not exposed to significant currency risk as most of its monetary assets and monetary liabilities are denominated in the functional currency of the individual group entity.

As at 31 March 2025, the current ratio of the Group is approximately 0.48 times (2024: approximately 0.37 times). On the basis of the undrawn loan facilities of approximately HK\$173,878,000 granted by its ultimate holding company, Wai Chun IF and the financial support from the ultimate controlling party, Mr. Lam, the Directors believe that the Group has sufficient financial resources for its operations. The Directors will remain cautious in the Group's liquidity management.

The Board has resolved not to recommend the payment of a final dividend for the year ended 31 March 2025 (2024: nil).

BUSINESS REVIEW AND FUTURE PROSPECT

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

During the year under review, the management continued to devote its effort to enhance the operational efficiency of the sale and integration services segment and the services income segment through stringent project selection and tighter cost control measures.

Looking forward, to turn the Group back to a profitable position, the Company (i) will continue to 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 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.

OTHER INFORMATION

Employees

As at 31 March 2025, the Group had a total of 10 employees, the majority of whom are situated in Hong Kong. In addition to offering competitive remuneration packages to employee, discretionary bonuses and share options may also be granted to eligible employees based on individual performance.

The Group also encourages its employees to pursue a balanced lifestyle and provides a good working environment for its employees to maximise their potential and contribution to the Group.

The remuneration committee of the Company, having regard to the Company's operating results, individual performance and comparable market statistics, decides the emoluments of the Directors. No Director, or any of his associates, and executive, is involved in dealing in his own remuneration.

Material Acquisition and Disposal of Subsidiaries

There was no material acquisition and disposal of subsidiaries for the year ended 31 March 2025.

Purchase, Sale or Redemption of Listed Securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2025.

Event after the reporting period

On 11 April 2025, the Company entered into a subscription agreement with Mr. Lam pursuant to which Mr. Lam conditionally agreed to subscribe for and the Company conditionally agreed to issue a new convertible bonds ("**Issuance of New Convertible Bonds**") in the principal amount of HK\$45,000,000 under the specific mandate of the Company and is subject to the independent shareholders' approval at special general meeting and the listing approval to be granted by the Listing Committee of The Stock Exchange of Hong Kong Limited.

The gross proceeds from the issue of the new convertible bonds are expected to be approximately HK\$45,000,000 and the subscription amount payable by Mr. Lam under the subscription agreement shall be satisfied by way of offsetting the outstanding principal amount and accrued interest under the loans from ultimate holding company and the amount due to ultimate controlling party payable by the Company to Mr. Lam and/or its associates.

On 20 June 2025, the resolution with respect to the Issuance of New Convertible Bonds was duly passed as ordinary resolution by the independent shareholders of the Company and listing approval was granted on 24 June 2025.

Corporate Governance

During the year ended 31 March 2025, the Company complied with the code provisions as set out in the Corporate Governance Code in Appendix C1 (formerly known as Appendix 14) (the “**CG Code**”) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) except code provision C.2.1.

Under code provision C.2.1, 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 Ka Chun 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 is ensured by the operation of the Board which comprised of experienced and high caliber individuals with sufficient number thereof being independent non-executive directors.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code set out in Appendix C3 (formerly known as Appendix 10) to the Listing Rules (the “**Model Code**”) as the code of conduct regarding securities transactions by the Directors. All directors have confirmed, following specific enquiries by the Company that they have complied with the required standards set out in the Model Code throughout the year ended 31 March 2025.

Audit Committee

The Company has an audit committee (the “**Audit Committee**”) which was established in accordance with the requirements of the Listing Rules for the purpose of reviewing and providing supervision over the Group’s financial reporting process and internal controls.

A meeting of the Audit Committee was held to review the Group’s consolidated financial statements for the year ended 31 March 2025, in conjunction with the Group’s external auditor, McMillan Woods (Hong Kong) CPA Limited (“**McMillan**”).

Scope of work of McMillan Woods (Hong Kong) CPA Limited

The figures in respect of the Group's consolidated statement of financial position as at 31 March 2025, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in this announcement have been agreed by the Company's auditor, McMillan, to the amounts set out in the Group's consolidated financial statements for the Year. The work performed by McMillan in this announcement did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by McMillan on this announcement.

Publication of Annual Report

The annual report of the Company will be published on the website of the Company and the website of Hong Kong Exchanges and Clearing Limited, and dispatched to the shareholders of the Company in due course.

Appreciation

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

By Order of the Board
Wai Chun Group Holdings Limited
LAM Ka Chun
Chairman and Chief Executive Officer

Hong Kong, 30 June 2025

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

Executive Director:

Lam Ka Chun (*Chairman and Chief Executive Officer*)

Independent Non-executive Directors:

Wang Ziniu

Wong Po Keung

Xu Huiling