



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

(Incorporated in Bermuda with limited liability)
Stock Code: 1013

2024
INTERIM REPORT

CONTENTS

	Page
Corporate Information	2
Management Discussion and Analysis	4
Other Information	8
Condensed Consolidated Statement of Profit or Loss	15
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	16
Condensed Consolidated Statement of Financial Position	17
Condensed Consolidated Statement of Changes in Equity	19
Condensed Consolidated Statement of Cash Flows	20
Notes to the Condensed Consolidated Financial Statements	21

CORPORATE INFORMATION

EXECUTIVE DIRECTOR

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

Wang Wei

Wan Bo

Kung Ying Tung (*appointed on 25 July 2024*)

AUTHORISED REPRESENTATIVES

Lam Ka Chun

Fenn David (*resigned on 14 July 2023, appointed on 1 June 2024 and resigned on 18 October 2024*)

He Xiaoping (*appointed on 14 July 2023 and resigned on 15 February 2024*)

Li Huifang (*appointed on 15 February 2024 and resigned on 28 March 2024*)

Lam Kai Kei (*appointed on 28 March 2024 and resigned on 21 May 2024*)

Chin Ying Ying (*appointed on 18 October 2024*)

COMPANY SECRETARY

Fenn David (*resigned on 14 July 2023, appointed on 1 June 2024 and resigned on 18 October 2024*)

He Xiaoping (*appointed on 14 July 2023 and resigned on 15 February 2024*)

Li Huifang (*appointed on 15 February 2024 and resigned on 28 March 2024*)

Lam Kai Kei (*appointed on 28 March 2024 and resigned on 21 May 2024*)

Chin Ying Ying (*appointed on 18 October 2024*)

AUDIT COMMITTEE

Kung Ying Tung (*Chairlady*)
(*appointed on 25 July 2024*)

Wang Wei

Wan Bo

REMUNERATION COMMITTEE

Wang Wei (*Chairman*)

Lam Ka Chun

Wan Bo

Kung Ying Tung (*Chairlady*)
(*appointed on 25 July 2024*)

NOMINATION COMMITTEE

Lam Ka Chun (*Chairman*)

Wang Wei

Wan Bo

Kung Ying Tung (*Chairlady*)
(*appointed on 25 July 2024*)

REGISTERED OFFICE AND SHARE REGISTRAR IN BERMUDA

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Rooms 4001-02
China Resources Building
26 Harcourt Road, Wanchai
Hong Kong

CORPORATE INFORMATION

SHARE REGISTRAR IN HONG KONG

Union Registrars Limited
Room 3301-04, 33/F
Two Chinachem Exchange Square
338 King's Road
North Point
Hong Kong

PRINCIPAL BANKER

Hang Seng Bank Limited

STOCK CODE

1013

COMPANY WEBSITE

www.1013.hk

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in (i) general trading of chemicals and agricultural products; (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; and (iii) investment holdings.

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.

RESULTS OF OPERATION

During the review period, the performance of the Sales and Integrated Services segment recorded a growth compared to the corresponding period last year, while the performance of the General Trading segment recorded a decline compared to the same period last year. The combined losses of the two business segment during the review period decreased compared to the same period last year.

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 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

MANAGEMENT DISCUSSION AND ANALYSIS

CONVERTIBLE BONDS

An analysis of the maturity of convertible bonds is set out below.

	30 September 2024 Unaudited HK\$'000	31 March 2024 Audited HK\$'000
Within one year	199,547	174,186
Over one year but less than two years	–	37,578
	199,547	211,764

As at 30 September 2024 and 31 March 2024, the convertible bonds were denominated in Hong Kong Dollars and bearing coupon interest at 2% per annum. As at 30 September 2024 and 31 March 2024, the effective interest rates of the convertible bonds were in the range from 13.50% to 14.48% per annum.

AMOUNT DUE TO ULTIMATE CONTROLLING PARTY AND LOAN FROM ULTIMATE HOLDING COMPANY

As at 30 September 2024, the amount due to an ultimate controlling party and Loans from ultimate holding company is HK\$32,401,000 as set out in note 13 to the unaudited condensed consolidated financial statements. This amount is unsecured and carried interest at fixed rate at 6.25% per annum with no fixed repayment terms.

FOREIGN CURRENCY RISK

As the Group's businesses are conducted in the PRC, the Group does not expect to be exposed to any material foreign exchange risks. The Group has currently not implemented any foreign currency hedging policy. The management will consider hedging against significant foreign exchange exposure should the need arise.

CAPITAL EXPENDITURE AND COMMITMENTS

There were no material capital commitments for the Group as at 30 September 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

CHARGE ON ASSETS

There was no charge on the Group's assets as at 30 September 2024 (31 March 2024: Nil).

CONTINGENT LIABILITIES

Save as disclosed in note 12 to the unaudited condensed consolidated financial statements, there were no material contingent liabilities for the Group as at 30 September 2024.

FUTURE PROSPECTS

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.

INTERIM DIVIDEND

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

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2024, the interests and short positions of the Directors and chief executive in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)), which were required pursuant to: (a) Divisions 7 to 8 of Part XV of the SFO, to be notified to the Company and the Stock Exchange; (b) Section 352 of the SFO, to be entered in the register referred to therein; or (c) the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) to be notified to the Company and the Stock Exchange, were as follows:

Interests in shares of the Company

Name of Director	Nature of Interest	Long position/ Short position	Number of ordinary shares/ underlying shares	Approximate percentage of shareholding in the Company <i>(Note 2)</i>
Mr. Lam Ching Kui	Beneficial owner	Long position	495,460,166 <i>(Note 1)</i>	185.30%
	Interest of controlled corporations	Long position	305,490,241 <i>(Note 1)</i>	114.25%

Notes:

- Mr. Lam Ching Kui directly holds 38,481,000 shares of the Company and is the beneficial owner of Wai Chun Investment Fund which is deemed to be interested in (i) 194,292,325 shares of the Company held by Ka Chun Holdings Limited, a wholly-owned subsidiary of Wai Chun Investment Fund; and (ii) 111,197,916 shares to be issued by the Company upon full exercise of the conversion rights under the 2% coupon convertible bonds in the principal amount of HK\$42,700,000 held by Ka Chun Holdings Limited. Mr. Lam Ching Kui is also the holder of (i) 2% coupon convertible bonds in the principal amount of HK\$152,000,000 under which 395,833,333 shares would be issued by the Company upon full exercise of the conversion rights under the aforementioned 2% coupon convertible bonds; and (ii) 2% coupon convertible bonds in the principal amount of HK\$23,480,000 under which 61,145,833 shares would be issued by the Company upon full exercise of the conversion rights under the aforementioned 2% coupon convertible bonds.
- This percentage is based on 267,389,531 ordinary shares of the Company issued as at 30 September 2024.

OTHER INFORMATION

Save as disclosed above, as at 30 September 2024, none of the Directors or chief executive of the Company or their respective associates (as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”)) had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he has taken or deemed to have under such provisions of the SFO); or were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS/OTHER PERSONS RECORDED IN THE REGISTER KEPT UNDER SECTION 336 OF THE SFO

As at 30 September 2024, so far as the Directors or chief executive of the Company are aware, the interests or short positions of every person, other than Directors or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO, were set out as follows:

Name of Shareholders	Nature of Interest	Long position/ Short position	Number of ordinary shares/ underlying shares	Approximate percentage of shareholding in the Company <i>(Note 2)</i>
Lam Ching Kui	Beneficial owner	Long position	495,460,166 <i>(Note 1)</i>	185.30%
	Interests of controlled corporation	Long position	305,490,241 <i>(Note 1)</i>	114.25%
Ka Chun Holdings Limited	Beneficial owner	Long position	305,490,241 <i>(Note 1)</i>	114.25%
Wai Chun Investment Fund	Interests of controlled corporation	Long position	305,490,241 <i>(Note 1)</i>	114.25%

OTHER INFORMATION

Notes:

1. Mr. Lam Ching Kui, the chairman and Executive Director of the Company, directly holds 38,481,000 shares of the Company and is the beneficial owner of the entire issued share capital of Wai Chun Investment Fund. Ka Chun Holdings Limited, which is wholly owned by Wai Chun Investment Fund, holds 194,292,325 shares of the Company and is the holder of 2% coupon convertible bonds in the principal amount of HK\$42,700,000, under which 111,197,916 shares would be issued by the Company upon full exercise of the conversion rights under the aforementioned 2% coupon convertible bonds. Therefore, Wai Chun Investment Fund is deemed to be interested in all the interests held by Ka Chun Holdings Limited under the SFO. Mr. Lam Ching Kui is also the holder of (i) 2% coupon convertible bonds in the principal amount of HK\$152,000,000 under which 395,833,333 shares would be issued by the Company upon full exercise of the conversion rights under the aforementioned 2% coupon convertible bonds; and (ii) 2% coupon convertible bonds in the principal amount of HK\$23,480,000 under which 61,145,833 shares would be issued by the Company upon full exercise of the conversion rights under the aforementioned 2% coupon convertible bonds. Mr Lam Ching Kui is the director of Ka Chun Holdings Limited and Wai Chun Investment Fund.
2. This percentage is based on 267,389,531 ordinary shares of the Company issued as at 30 September 2024.

Save as disclosed above, no other parties were recorded in the register of the Company required to be kept under section 336 of the SFO as having interests or short positions in the shares or underlying shares of the Company as at 30 September 2024.

SHARE OPTION SCHEME

Pursuant to a share option scheme adopted by the shareholders of the Company on 25 September 2015 (the “**Share Option Scheme**”), the Company may, at its discretion, invite executive or non-executive Directors, employee (whether full-time or part-time), chief executive, substantial shareholder, consultant, professional and other advisers to take up options. The purpose is to provide incentives or rewards and recognise the contribution of such eligible persons to the growth of the Group.

The subscription price of the Share Option Scheme will be a price not less than the highest of (i) the closing price of the shares as stated in the Stock Exchange’s daily quotations sheet on the date on which an option is granted; (ii) the average closing prices of the shares as stated in the Stock Exchange’s daily quotations sheets for the 5 business days immediately preceding the date on which an option is granted; and (iii) the nominal value of a share.

OTHER INFORMATION

The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme of the Group shall not in aggregate exceed 10% of the total number of shares in issue as at the adoption date (i.e. 26,738,953 ordinary shares). Besides, the maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme of the Company in issue shall not exceed 30% of the relevant class of the shares in issue from time to time. The total number of shares issued and to be issued upon exercise of the options granted to each participant in any 12-month period shall not exceed 1% of the total number of shares in issue.

Options granted under the Share Option Scheme must be taken up within 14 days of the grant upon payment of HK\$1.00 per grant.

No option was granted, exercised, cancelled or lapsed during the six months ended 30 September 2024. The Company had no options outstanding as at 30 September 2024.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the six months ended 30 September 2024, was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of shares in, or debt securities, including debentures, of the Company or any other body corporate.

EMPLOYEES

As at 30 September 2024, the Group had a total of 11 (31 March 2024: 11) employees, the majority of whom are situated in Hong Kong. The staff costs (including directors' emoluments) for the six months ended 30 September 2024 was approximately HK\$2,088,000 (for the six months ended 30 September 2023: HK\$2,552,000). 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.

OTHER INFORMATION

MATERIAL ACQUISITION AND DISPOSALS

The Group had no material acquisitions or disposals of subsidiaries, associates or joint ventures during the six months ended 30 September 2024.

SIGNIFICANT INVESTMENTS AND PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed elsewhere in this report, the Group did not have any significant investments or any other plans for material investments or capital assets as at 30 September 2024.

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.

OTHER INFORMATION

DISCLOSURE UNDER RULE 13.51B(1) OF THE LISTING RULES

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of the directors of the Company, since the date of the Company's annual report for the year ended 31 March 2024 are set out below:

Mr. Kwok Kim Hung Eddie was appointed as an independent non-executive director, the Chairman of the Audit Committee, a member of each of the Nomination Committee and a member of the Remuneration Committee of the Company with effect from 1 April 2024.

Mr. Kwok Kim Hung Eddie resigned as an independent non-executive director, the Chairman of the Audit Committee, a member of each of the Nomination Committee and a member of the Remuneration Committee of the Company with effect from 21 May 2024. Mr. Lam Kai Kei resigned as the Company Secretary and Authorised Representative of the Company, with effect from 21 May 2024.

Ms. Kung Ying Tung was appointed as an independent non-executive director, the Chairman of the Audit Committee, a member of each of the Nomination Committee and a member of the Remuneration Committee of the Company with effect from 25 July 2024.

Mr. Fenn David was appointed as the Authorised Representative of the Company, with effect from 16 September 2024.

AUDIT COMMITTEE

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.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this report, the Group does not have any material events affecting the Group's financial performance and/or financial position significantly that have occurred since 30 September 2024 and up to the date of this report.

OTHER INFORMATION

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, 20 December 2024

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2024

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2024

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2024

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2024

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2024

	Attributable to owners of the Company							Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Convertible bonds reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	Sub-total HK\$'000	Non- controlling interests HK\$'000	
At 1 April 2024 (audited)	213,912	5,000	56,727	1,370	(533,424)	(256,415)	16,127	(240,288)
Loss for the period	-	-	-	-	(16,813)	(16,813)	342	(16,471)
Other comprehensive (expenses) income for the period	-	-	-	(492)	(2)	(494)	(48)	(542)
Total comprehensive expenses for the period	-	-	-	(492)	(16,815)	(17,307)	294	17,015
At 30 September 2024 (unaudited)	213,912	5,000	56,727	878	(550,239)	(273,724)	16,421	(257,303)
At 1 April 2023 (audited)	213,912	5,000	105,899	2,866	(574,404)	(246,727)	15,931	(230,796)
Loss for the period	-	-	-	-	(18,969)	(18,969)	283	(18,686)
Other comprehensive (expenses) income for the period	-	-	-	(8,502)	-	(8,502)	150	(8,352)
Total comprehensive expenses for the period	-	-	-	(8,502)	(18,969)	(27,471)	433	27,038
At 30 September 2023 (unaudited)	213,912	5,000	105,899	(5,636)	(593,373)	(274,198)	16,364	(257,834)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2024

	2024 Unaudited HK\$'000	2023 Unaudited HK\$'000
Operating activities		
Net cash used in operating activities	(104,647)	(8,315)
Investing activities		
Interest received	-	1
Net cash generated from investing activities	-	1
Financing activities		
New borrowings raised	104,172	32,291
Loans from ultimate holding company	-	534
Repayment of loans from ultimate holding company	-	-
Net cash generated from financing activities	104,172	32,825
Net (increase)/decrease in cash and cash equivalents	(475)	24,511
Effect of foreign exchange rate changes	492	(1,163)
Cash and cash equivalents at beginning of the period	127	9,156
Cash and cash equivalents at end of the period	144	32,504
Analysis of the balances of cash and cash equivalents		
Fixed deposits	-	-
Bank balances and cash	144	32,504
	(144)	(32,504)

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 “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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

2. BASIS OF PREPARATION (Continued)

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 2023, 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 a previous director 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;

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

2. BASIS OF PREPARATION (Continued)

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

2. BASIS OF PREPARATION (Continued)

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

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 chemicals and agricultural products

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

4. REVENUE AND SEGMENT INFORMATION (Continued)

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

4. REVENUE AND SEGMENT INFORMATION (Continued)

Segment revenues and results (Continued)

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	32,136	120,248	152,384
Reportable segment revenue from external customers	32,136	120,248	152,384
Reportable segment results	577	(287)	290
Unallocated corporate income			1
Unallocated corporate expenses			(6,300)
Finance costs			(12,677)
Loss before tax			(18,686)
Income tax expense			—
Consolidated loss for the period			(18,686)

There was no inter-segment sales for both periods.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

4. REVENUE AND SEGMENT INFORMATION (Continued)

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 HK\$'000	General trading HK\$'000	Total HK\$'000
Segment assets	26,558	270	26,828
Unallocated assets			6,453
Consolidated total assets			33,281
Segment liabilities	31,048	8,323	39,371
Unallocated liabilities			251,213
Consolidated total liabilities			290,584

At 31 March 2024 (audited)

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

4. REVENUE AND SEGMENT INFORMATION (Continued)

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	-	-	-	-

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

4. REVENUE AND SEGMENT INFORMATION (Continued)

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 30 September	
	2024	2023	2024	31 March 2024
	Unaudited	Unaudited	Unaudited	Audited
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	–	–	56	59
PRC	43,125	152,384	4	4
	43,125	152,384	60	63

5. OTHER INCOME

	Six months ended 30 September	
	2024	2023
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Bank interest income	–	1
	–	1

Note: For the six months ended 30 September 2022, the Group successfully applied for funding support from the Employment Support Scheme under the Anti-epidemic Fund, which was set up by the Hong Kong Government. The purpose of the funding is to provide financial support to enterprises to retain their employees who would otherwise be made redundant. Under the terms of the grant, the Group is required not to make redundancies during the subsidy period and to spend all the funding on paying wages to the employees.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

6. FINANCE COSTS

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

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	–	–
	–	–

Hong Kong profits tax is calculated at the rate of 16.5% on the estimated assessable profit for both periods.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

7. INCOME TAX EXPENSES (Continued)

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	Unaudited
	HK\$'000	HK\$'000
Loss for the period has been arrived at after charging:		
Depreciation on property, plant and equipment	3	105
Depreciation on right-of-use assets	-	653
Staff costs (including directors' emoluments)		
Salaries, bonus and allowance	688	1,982
Retirement benefit 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).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

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:

	For the six months ended	
	2024	2023
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Loss		
Loss for the period attributable to the owners of the Company for the purpose of calculating basic and diluted loss per share	16,813	18,969
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	267,390	2,267,390

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

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 chemicals and agricultural products are within 0–90 days from the date of billing.

	30 September 2024	31 March 2024
	Unaudited	Audited
	HK\$'000	HK\$'000
Trade receivables	43,491	73,452
Less: Impairment allowance	(36,173)	(36,173)
	7,318	1,279

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:

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

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:

	30 September 2024 Unaudited HK\$'000	31 March 2024 Audited HK\$'000
Over 180 days	625	12,627
	625	12,627

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

14. SHARE CAPITAL – ORDINARY SHARES (Continued)

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.

15. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The carrying amounts of the Group’s financial assets and financial liabilities as reflected in the condensed consolidated statement of financial position approximate their respective fair values.

Financial risk factors

The Group’s activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company’s annual report for the year ended 31 March 2024.

There have been no changes in the risk management policies during the six months ended 30 September 2024.