偉俊礦業集團有限公司*

WAI CHUN MINING INDUSTRY GROUP COMPANY LIMITED

(incorporated in Cayman Islands with limited liability)

(Stock code: 0660)

http://www.0660.hk

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

The board of Directors (the "Board") of Wai Chun Mining Industry Group Company Limited (the "Company") announces the audited consolidated financial statements of the Company and of its subsidiaries (the "Group") for the year ended 31 December 2008 together with the comparative figures for 2007 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2008

	NOTES	**2008**	2007
		HK$'000	*HK$'000*
Turnover	*5*	**82,480**	68,080
Cost of sales		**(88,695)**	(89,844)
Gross loss		**(6,215)**	(21,764)
Other revenue	*7*	**3,263**	5,752
Selling expenses		**(5,908)**	(5,893)
Administrative expenses		**(37,007)**	(37,317)
Decrease in fair value of held-for-trading investments		**(22,393)**	(13,817)
Loss on disposal of subsidiaries		–	(20,460)
Gain on deemed disposal of partial investment in a subsidiary		–	4,471
Gain on disposal of held-for-trading investments		–	7,362
Impairment loss recognised on deposit paid for an investment in a subsidiary		–	(10,400)
Finance costs	*9*	**(4,735)**	(2,667)
Loss before taxation	*8*	**(72,995)**	(94,733)
Taxation	*10*	–	–
Loss for the year		**(72,995)**	(94,733)
Attributable to:			
Equity holders of the Company		**(66,110)**	(83,877)
Minority interests		**(6,885)**	(10,856)
		(72,995)	(94,733)
Dividends	*11*	–	–
Special dividends	*11*	–	55,553
Loss per share-basic	*12*	**HK(0.62) cents**	HK(0.78) cents

CONSOLIDATED BALANCE SHEET

As at 31 December 2008

	NOTES	2008 HK$'000	2007 HK$'000
Non-current assets			
Property, plant and equipment		**7,734**	18,133
Prepaid lease payments		**–**	–
Golf club debenture		**246**	246
		7,980	18,379
Current assets			
Inventories		**9,985**	9,419
Trade and bills receivables	13	**305**	3,699
Deposits, prepayments and other receivables		**1,527**	3,312
Held-for-trading investments		**6,448**	28,841
Bank balances and cash		**39,548**	6,577
		57,813	51,848
Current liabilities			
Trade and bills payables	14	**10,176**	22,172
Accruals and other payables		**4,509**	15,406
Tax payable		**1,006**	1,006
Trust receipt loans		**4,272**	–
Amount due to ultimate holding company		**58,012**	–
Amount due to a director		**2,167**	–
Amount due to a minority shareholder of a subsidiary		**18,452**	–
Amount due to a related company		**1,105**	703
Convertible loan note		**26,932**	–
Bank overdraft-unsecured		**5,638**	–
		132,269	39,287
Net current (liabilities)/assets		**(74,456)**	12,561
Total assets less current liabilities		**(66,476)**	30,940

	NOTES	2008	2007
		HK$'000	HK$'000
Capital and reserves			
Share capital		**26,837**	26,837
Reserves		**(102,626)**	(36,516)
Capital deficiency attributable to equity holders of the Company		**(75,789)**	(9,679)
Minority interests		**(20,980)**	(14,095)
Total capital deficiency		**(96,769)**	(23,774)
Non-current liabilities			
Amount due to a minority shareholder of a subsidiary		**21,167**	19,829
Amount due to ultimate holding company		**9,126**	8,549
Convertible loan note		**–**	26,336
		30,293	54,714
		(66,476)	30,940

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

The Company is incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The consolidated financial statements are presented in Hong Kong dollars, which is also the functional currency of the Company.

The principal activities of the Company and its subsidiary (collectively referred to as the "Group") are the manufacture and export of athletic, athletic-style leisure footwear and golf shoes.

The ultimate holding company of the Group is Wai Chun Investment Fund ("Wai Chun"), a private investment fund incorporated in the Cayman Islands with limited liability.

The change of the Company name from "Nority International Group Limited " to "Wai Chun Mining Industry Group Company Limited" and the Chinese name "偉俊礦業集團有限公司" has been adopted in lieu of "耐力國際集團有限公司" for identification purpose was approved by the Shareholders at the Extraordinary general meeting of the Company held on 31 March 2008.

2. BASIS OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS

Notwithstanding that the Group incurred loss attributable to equity holders of the Company of approximately HK$66,110,000 for the year ended 31 December 2008 and had net current liabilities of approximately HK$74,456,000 and capital deficiency attributable to equity holders of the Company of approximately HK$75,789,000 as at 31 December 2008, these consolidated financial statements have been prepared on a going concern basis as the directors of the Company are satisfied that the liquidity of the Group can be maintained in the coming year taking into consideration of the following arrangements which include, but are not limited to, the followings:

(i) The minority shareholder of a subsidiary has undertaken not to demand the repayment of the balance due from the Group totalling approximately HK$39,619,000 as at 31 December 2008 until the Group is in a financial position to do so; and

(ii) In addition, Wai Chun has provided adequate fund to enable the Group to meet in full its financial obligations when they fall due in the foreseeable future.

The directors of the Company believe that the Group will have sufficient cash resources to satisfy its future working capital and other financing requirements for the next twelve months from 31 December 2008. Accordingly, these consolidated financial statements have been prepared on a going concern basis and do not include any adjustments that would be required should the Group fail to continue as a going concern.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the following amendments and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") which are or have become effective.

Hong Kong Accounting Standard ("HKAS") 39 and HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) – Interpretation ("Int") 11	HKFRS 2: Group and Treasury Share Transactions
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The principal effects of adoption of these new and revised HKFRSs are as follows:

Amendments to HKAS 39 and HKFRS 7 – Reclassification of Financial Assets

The amendments to HKAS 39 permit an entity to reclassify a non-derivative financial asset classified as held-for-trading, other than a financial asset designated by an entity as at fair value through profit or loss upon initial recognition, out of the fair value through profit or loss category if the financial asset is no longer held for the purpose of selling or repurchasing it in the near term if specified criteria are met. A debt instrument classified as held-for-trading not classified by designation or as available-for-sale not classified by designation may be reclassified as a loan or receivable if the asset meets the definition of a loan or receivable and the entity has the intention and ability to hold it for the foreseeable future or until maturity.

Financial assets that are not eligible for classification as loans and receivables, may be transferred from held-for-trading to available-for-sale or to held to maturity (in the case of debt instrument), only in rare circumstances.

The financial asset shall be reclassified at its fair value on the date of reclassification and the fair value of the financial asset on the date of reclassification becomes its new cost or amortised cost, as applicable. The amendments to HKFRS 7 require extensive disclosures of any financial asset reclassified in the situations described above.

The amendments are effective from 1 July 2008. As the Group does not intend to reclassify any of its financial instruments, the amendments have had no impact on these consolidated financial statements.

HK(IFRIC)-INT 11-HKFRS 2 – Group and Treasury Share Transactions

HK(IFRIC)-Int 11 requires arrangements whereby an employee is granted rights to the Group's equity instruments to be accounted for as an equity-settled scheme, even if the Group acquires the instruments from another party, or the shareholders provide the equity instruments needed. HK(IFRIC)-Int 11 also addresses the accounting for share-based payment transactions involving two or more entities within the Group. As the Group currently has no such transactions, the interpretation has had no effect on these consolidated financial statements.

HK(IFRIC)-INT 12 – Service Concession Arrangements

HK(IFRIC)-Int 12 applies to service concession operators and explains how to account for obligation undertaken and the rights received in service concession arrangements. As the Group currently has no such arrangements, the interpretation has had no effect on these consolidated financial statements.

HK(IFRIC)-INT 14-HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirement and their Interaction

HK(IFRIC)-Int 14 addresses how to assess the limit under HKAS 19 Employee Benefits, on the amount of a refund or a reduction in future contributions in relation to a defined benefit scheme that can be recognised as an asset, in particular, when a minimum funding requirement exists. As the Group currently has no defined benefit scheme, the interpretation has had no effect on these consolidated financial statements.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvement to HKFRSs[1]
HKAS 1 (Revised)	Presentation of Financial Statements[2]
HKAS 23 (Revised)	Borrowing Costs[2]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[3]
HKAS 32 and 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[2]
HKAS 39 (Amendment)	Eligible hedged items[3]
HKFRS 1 (Revised)	First-time Adoption of HKFRSs[3]
HKFRS 1 and HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate[2]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[2]
HKFRS 3 (Revised)	Business Combinations[3]
HKFRS 7 (Amendment)	Financial Instruments: Disclosures-Improving Disclosures about Financial Instruments[2]
HKFRS 8	Operating Segments[2]
HK(IFRIC)-Int 9 and HKAS 39 (Amendments)	Embedded Derivatives[7]
HK(IFRIC)-Int 13	Customer Loyalty Programmes[4]
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate[2]
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation[5]
HK(IFRIC)-Int 17	Distribution of Non-cash Assets to Owners[3]
HK(IFRIC)-Int 18	Transfers of Assets from Customers[6]

1 Effective for annual periods beginning on or after 1 January 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009.
2 Effective for annual periods beginning on or after 1 January 2009.
3 Effective for annual periods beginning on or after 1 July 2009.
4 Effective for annual periods beginning on or after 1 July 2008.
5 Effective for annual periods beginning on or after 1 October 2008.
6 Effective for transfers of assets from customers received on or after 1 July 2009.
7 Effective for annual periods ending on or after 30 June 2009.

HKAS 1 (Revised)-"Presentation of Financial Statements"

HKAS 1 (Revised) introduces changes in the presentation and disclosures of financial statements (including changes to the titles of the main statements). The revised standard separates owner and non-owner changes in equity. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, this revised standard introduces the statement of comprehensive income: it presents all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. This revised standard also requires an entity to include three "statements of financial position" (currently called the "balance sheet") whenever the entity applies an accounting policy retrospectively or makes a retrospective restatement, or when it makes a reclassification. The revised standard does not change the recognition, measurement or disclosure of specific transactions and other events required by other HKFRSs. The Group expects to adopt HKAS 1 (Revised) on or after 1 January 2009.

HKAS 27 (Revised)-"Consolidated and Separate Financial Statements"

HKAS 27 (Revised) requires that a change in the ownership interest of a subsidiary without loss of control is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the revised standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments were made to HKAS 7 Cash Flows Statements, HKAS 12 Income Taxes, HKAS 21 The Effects of Changes in Foreign Exchange Rate, HKAS 28 Investments in Associates and HKAS 31 Interests in Joint Ventures.

HKFRS 3 (Revised)-"Business Combinations''

HKFRS 3 (Revised) introduces a number of changes in the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. These changes, include, but are not limited to (i) introducing an option to measure non-controlling interests (currently minority interests) at fair value; (ii) recognising gains or losses from remeasuring to the fair value the interest in the acquiree held by the entity immediately before the business combination, in a step acquisition; (iii) expensing acquisition costs as incurred; (iv) recognising the fair value of contingent considerations at the acquisition date with subsequent changes generally reflected in the consolidated income statement; and (v) separately accounting for pre-existing relationships between the acquirer and acquiree.

The Group expects to adopt HKAS 27 (Revised) and HKFRS 3 (Revised) on or after 1 July 2009. The changes introduced by these revised standards must be applied prospectively and will affect future acquisitions, loss of control and transactions with minority interests.

The directors of the Company are not yet in a position to determine whether HKFRSs (Amendments), HKFRS 1 (Revised) and HKFRS 7 (Amendment) would have a significant impact on how the results and financial position of the Group are prepared and presented.

The directors of the Company are currently assessing the impact of the other new standards, amendments and interpretations but are not yet in position to state whether they would have material impact on the consolidated financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiary). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The result of subsidiary acquired or disposed of during the year is included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiary to bring its accounting policies into line with the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

5. TURNOVER

Turnover represents the amounts received and receivable for goods sold net of discounts and sales related taxes.

6. SEGMENT INFORMATION

During the two years ended 31 December 2008 and 2007, the Group was principally engaged in the manufacture and export of athletic, athletic-style leisure footwear and golf shoes. The directors of the Company consider that the Group operates within a single business segment. Accordingly, no business segmental information is prepared by the Group.

An analysis of the Group's turnover and results by geographical market is as follows:–

For the years ended 31 December:

	North America		**Europe**		**Middle East Asia**		**Other countries**		**Total**	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Turnover	**39,092**	36,401	**6,128**	13,173	**30,654**	–	**6,606**	18,506	**82,480**	68,080
Results										
Segment results	**(1,410)**	(12,814)	**(1,513)**	(3,633)	**(7,569)**	–	**(1,631)**	(11,210)	**(12,123)**	(27,657)
Unallocated revenue									**3,263**	5,752
Unallocated expenses									**(37,007)**	(37,317)
Loss on disposal of subsidiaries									–	(20,460)
Gain on deemed disposal of partial investment in a subsidiary									–	4,471
Decrease in fair value of held-for-trading investments									**(22,393)**	(13,817)
Gain on disposal of held-for-trading investments									–	7,362
Impairment loss recognised on deposit paid for an investment in a subsidiary									–	(10,400)
Finance costs									**(4,735)**	(2,667)
Loss before taxation									**(72,995)**	(94,733)
Taxation									–	–
Loss for the year									**(72,995)**	(94,733)

There were no sales between the geographical segments during the two years ended 31 December 2008 and 2007.

	The People's Republic of China ("PRC") and Hong Kong As at 31 December	
	2008	2007
	HK$'000	*HK$'000*
Segment assets	**26,245**	63,650
Unallocated corporate assets	**39,548**	6,577
Total assets	**65,793**	70,227
Segment liabilities	**14,685**	37,578
Unallocated corporate liabilities	**147,877**	56,423
Total liabilities	**162,562**	94,001

Other information

Capital expenditure, depreciation and amortization and non-cash expenses including allowance for inventories and allowance for bad and doubtful debts are all located in PRC and Hong Kong.

7. OTHER REVENUE

	2008	2007
	HK$'000	*HK$'000*
Interest income	**12**	1,042
Subcontracting fee income	**166**	525
Sub-letting income	**83**	86
Net gain on disposal of property, plant and equipment	**–**	1,458
Gain on disposal of prepaid lease payments	**–**	1,965
Rental income	**18**	8
Administrative income	**800**	–
Dividend income	**223**	–
Others	**1,961**	668
	3,263	5,752

8. LOSS BEFORE TAXATION

Loss before taxation has been arrived at after charging/(crediting):

	2008	2007
	HK$'000	*HK$'000*
Auditors' remuneration	**464**	500
Cost of inventories recognised as an expenses (excluding staff costs and depreciation on property, plant and equipment)	**68,915**	63,019
Staff costs, including directors' emoluments and retirement benefit costs	**32,979**	42,408
Net exchange loss	**739**	504
Depreciation on property, plant and equipment	**5,890**	7,870
Allowance for inventories (included in cost of sales)	**5,719**	5,351
Amortisation of prepaid lease payments on land use rights	**–**	17
Allowance for bad and doubtful debts	**–**	651
Net loss/(gain) on write off/disposal of property, plant and equipment	**5,759**	(1,458)

9. FINANCE COSTS

	2008	2007
	HK$'000	*HK$'000*
Interest on:		
– bank loan and overdrafts wholly repayable within five years	**625**	360
– short-term loan from ultimate holding company	**1,017**	–
– short-term loan from a related company	**5**	–
Imputed interest on non-current interest-free loan from:		
– ultimate holding company	**577**	–
– a minority shareholder of a subsidiary	**1,338**	–
Effective interest expenses on convertible loan note	**1,173**	2,307
	4,735	2,667

10. TAXATION

No Hong Kong Profits Tax has been provided in the consolidated financial statements as the Group has no assessable profits in Hong Kong for both years.

Taxation arising in other jurisdiction is calculated at the rates prevailing in the relevant jurisdiction. However, no such tax provided for both years.

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/2009.

The taxation for the years can be reconciled to the loss before taxation per the consolidated income statement as follows:–

	2008	2007
	HK$'000	*HK$'000*
Loss before taxation	**(72,995)**	(94,733)
Tax at the domestic income tax rate of 16.5% (2007:17.5%)	**(12,044)**	(16,578)
Tax effect of expenses not deductible for tax purpose	**18,677**	28,236
Tax effect of income not taxable for tax purpose	**(14,123)**	(16,933)
Deferred tax asset in respect of tax losses not recognised	**7,490**	5,275
Taxation for the year	**–**	–

At 31 December 2008, the Group has unused tax losses of approximately HK$79,054,000 (2007: HK$33,662,000) available to offset against future profits. No deferred tax asset has been recognised in respect of these tax losses due to the unpredictability of future profit streams of the Group. The losses may be carried forward indefinitely.

11. DIVIDENDS

No dividend was paid or proposed during 2008, nor has any dividend been proposed since the balance sheet date.

In 2007, a special dividend of HK$0.207 per share totalling approximately HK$55,553,000 was declared on 3 January 2007 and paid on 9 January 2007 following the completion of the disposal of the entire equity interest in Nority (BVI) Limited and its subsidiaries on 5 January 2007.

12. LOSS PER SHARE

The calculation of basic loss per share was based on the Group's loss attributable to equity holders of the Company of approximately HK$66,110,000 (2007: HK$83,877,000) and the weighted average number of ordinary shares of 10,734,904,480 (2007: 10,734,904,480), as adjusted for the share subdivision in issue during the year.

No diluted loss per share had been presented for the years ended 31 December 2008 and 2007 as the effect of any dilution arising from the share conversion is anti-dilutive.

13. TRADE AND BILLS RECEIVABLES

	2008	2007
	HK$'000	*HK$'000*
Trade receivables	**1,619**	1,574
Less: Allowance for bad and doubtful debts	**(1,570)**	(1,570)
	49	4
Bills receivables	**256**	3,695
Total trade and bills receivables	**305**	3,699

The Group allows credit period ranging from 30 to 60 days for both years to its trade customers. The following is an aged analysis of trade receivables net of allowance for doubtful debts at the reporting date:

	2008	2007
	HK$'000	*HK$'000*
0-30 days	**–**	4
31-60 days	**–**	–
61-90 days	**–**	–
Over 90 days	**49**	–
Total	**49**	4

Included in the Group's trade receivables as at 31 December 2008 were debtors with an aggregate carrying amount of approximately HK$49,000 (2007: Nil) which were past due at the reporting date for which the Group had not provided for impairment loss as there was no significant change in credit quality and the amounts were still considered recoverable. The Group does not hold any collateral over these balances. The average age of these receivables was 240 days (2007: Nil).

The Group's neither past due nor impaired trade receivables mainly represent sales made to recognised and creditworthy customers. These customers who trade on credit terms are subject to credit verification procedures. The Group does not hold any collateral over those balances.

Ageing of trade receivables which are past due but not impaired:

	2008	2007
	HK$'000	*HK$'000*
Over 90 days	**49**	–

Movement in the allowance for bad and doubtful debts:

	2008	2007
	HK$'000	*HK$'000*
Balance at beginning of the year	**1,570**	919
Allowance recognised on receivables	**–**	651
Balance at end of the year	**1,570**	1,570

Included in the allowance for bad and doubtful debts are individually impaired trade receivables with an aggregate balance of approximately HK$1,570,000 (2007: HK$1,570,000) which have in severe financial difficulties. The Group does not hold any collateral over these balances.

14. TRADE AND BILLS PAYABLES

The following is an aged analysis of trade payables at the balance sheet date:

	2008	2007
	HK$'000	*HK$'000*
0-30 days	**1**	7,454
31-60 days	**17**	337
61-90 days	**141**	104
Over 90 days	**5,043**	2,563
	5,202	10,458
Bills payable	**4,974**	11,714
	10,176	22,172

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The auditors added an Emphasis of Matter paragraph in their auditors' report in respect of the consolidated financial statements for the year ended 31 December 2008 as follows:

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 2 to the consolidated financial statements which indicates that the Group had net current liabilities of approximately HK$74,456,000 and capital deficiency attributable to equity holders of the Company of approximately HK$75,789,000 as at 31 December 2008. The Group had incurred loss attributable to equity holders of the Company for the year ended 31 December 2008 amounted to approximately HK$66,110,000. These conditions indicated the existence of a material uncertainty which may cast doubt about the Group's ability to continue as going concern.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE

The Group's revenue for the year ended 31 December 2008 amounted to approximately HK$82,480,000 (2007: HK$68,080,000), representing an increase of approximately 21% over last year. The Group's audited consolidated net loss attributable to the shareholders was HK$72,995,000 for the Year (2007: HK$94,733,000), representing a decrease of approximately 23% over last year. Loss per share for the Year was HK$0.62 cents.

In 2008, the Group has focused its marketing efforts significantly in exploring new market. This effort was rewarded by the establishment of the new market segment in middle east which has generated revenue amounted to HK$30,654,000 for the year ended 31 December 2008. (2007: Nil) The Management will continue to exploit the opportunities to expand into other markets and believes that such strategy will further increase and strengthen the Group's revenue bases.

For the year ended 31 December 2008, the Group recorded a loss of approximately HK$72,995,000, a decrease of approximately HK$21,738,000, or an improvement of approximately 23%, when compared with the loss of approximately HK$94,733,000 for last year. The operating performance of the Company for the Year is in fact similar to the previous year, The selling expenses, administrative expenses and other revenue for the year ended 31 December 2008 and 31 December 2007 were HK$5.9 million and HK$5.9 million, HK$37 million and HK$37 million and HK$3.3 million and HK$5.8 million respectively. The increase in revenue from HK$68 million to HK$83 million led to the improvement in gross loss from the loss of HK$22 million in the year of 2007 to the loss of HK$6 million in the year of 2008. The improvement in operating results was due to the effect of economic of scale. However, the decrease in fair value of held-for-trade investments amounted to HK$22 million resulting in the loss of the Year reaching HK$73 million. The Board believes that the new market exploration strategy adopted in 2008 has successfully avoided further deterioration of operating results and marked an improvement when compared with that of last year. The fine tune of this strategy will lay a solid foundation for the long term development of the Group.

BUSINESS REVIEW AND PROSPECTS

The Group's main business was the holding of 65% equity interest in Nority Limited, a manufacturer and exporter of athletic and athlete-style footwear, as well as the manufacture of working shoes, safety shoes, golf shoes and other functional footwear.

There was no change in the nature of the Group's principal activity during the Year.

The footwear manufacturing business is currently facing severe competition and it is envisaged that this situation will continue for a few years in the future. The Board believes that it is necessary to diversify its business activities and operation into other areas of business. As a part of its strategy, the Group has been constantly appraising opportunities in expanding its business to other industries.

With reference to the company's announcement dated 6 March 2009, the Company has been in negotiation with an independent third party in respect of a possible acquisition project which is related to the provision of internet backbone services for the cable television network that offers triple play integrated services including cable television, broadband network service and internet phone service in the People's Republic of China. The Directors confirmed that such negotiations are still at a preliminary stage and no definitive terms have been agreed between any negotiating parties. Regardless of whether the potential acquisition may or may not materialize, it proved that the Directors of the Company are actively seeking and exploring potential business projects and investment opportunities to broaden and strengthen its operating performance which will ultimately maximise benefit to the shareholders.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2008, the Group's current assets and current liabilities were approximately HK$57,813,000 (2007: HK$51,848,000) and HK$132,269,000 (2007: HK$39,287,000) respectively. The Group's current ratio, which equals to current assets divided by current liabilities, was 0.44 (2007: 1.32)

The Group had bank balances and cash of approximately HK$39,548,000 (2007: HK$6,577,000) as at 31 December 2008.

The Group's gearing ratio, as a ratio of total interest-bearing borrowing and the loan from ultimate holdings company and loan from a minority shareholder of a subsidiary to total assets as at 31 December 2008, was 2.23 (2007: 0.79)

Mr. Lam Ching Kui, together with the Company's ultimate holding company, have undertaken to provide continuing financial support to the Company to enable the Company to continue its day-to-day operations as a viable going concern notwithstanding any present or future financial difficulties experienced by the Company. As at the date of this report, Wai Chun Investment Fund has provided HK$76,000,000 to the Company.

The Directors consider that the Group will have sufficient cash resources to satisfy its future working capital and financial requirements.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the Year (2007:Nil).

CAPITAL STRUCTURE

On 29 March 2007, the Company issued a Convertible Note to an independent third party in the principal amount of HK$28,836,800 at the initial conversion price of HK$0.538 per share. During the two years ended 31 December 2008, the Company had undergone two capital reorganizations pursuant to which the entire share capital of the Company, issued and unissued, of HK$0.1 each was subdivided into 40 shares of HK$0.0025 each. As a result, as at 31 December 2008, the initial conversion price and the number of shares to be issued of the Note has been adjusted to HK$0.01345 and 2,144,000,000 shares respectively.

Pursuant to the resolutions passed at the Annual General Meeting held on 25 May 2007, the Company subdivided each of the existing and unissued shares of HK$0.1 each in the share capital of the Company into 10 shares of 0.01 each. The Share Subdivision took place on 28 May 2007.

Pursuant to the resolutions passed at the Extraordinary General Meeting held on 18 July 2008, the entire share capital, issued and unissued, of HK$0.01 each was subdivided into 4 shares of HK$0.0025 each. The share subdivision took place on 21 July 2008.

All the issued and unissued shares rank pari passu with the then subdivided shares and the share subdivision would not result in any change in the relative rights of the shareholders.

SHARE OPTION SCHEME

The Share Option Scheme ("Scheme") of the Company was adopted by the shareholders on 10 June 2003 to comply with the requirements of Chapter 17 of the Listing Rules.

Under the terms of the Scheme, the Directors of the Company may, at their discretion, invite full-time employees of the Group, including Directors of the Company and its subsidiary, and any suppliers, consultants, agents and advisors, whether on a contractual or honorary basis and whether paid or unpaid, who have contributed or will contribute to the Group to take up options to subscribe for shares.

The maximum number of shares in respect of which options may be granted (together with options exercised and options then outstanding) at any time under the Scheme shall not, when aggregated with any shares subject to any other schemes involving the issue or grant of option over shares by the Company to, or for the benefit of eligible participants, exceed such number of shares as shall represent 10% of the issued share capital of the Company as at the adoption date.

The total number of shares issued and to be issued on the exercise of options granted and to be granted (including both exercised and outstanding options) in any 12-month period up to the date of grant to each eligible participant must not exceed 1% of the shares in issue unless such grant is approved by the shareholders in a general meeting.

The subscription price for the shares shall be determined by the Directors at their discretion provided that it shall not be less than the higher of:

(a) the closing price of the shares as stated in Stock Exchange's daily quotations sheet on the date of offer;

(b) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of offer; and

(c) the nominal value of the shares on the date of offer.

During the year ended 31 December 2008, no share options have been granted by the Company under the Scheme. No options was lapsed or cancelled during the year.

PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

As at 31 December 2008 the Group had no pledge of assets and no significant contingent liabilities.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES

The Group has no material acquisitions and disposals of subsidiaries and associated companies for the year ended 31 December 2008.

DETAILS OF FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

Save as disclosed above and in this section of "Chairman's Statement and Management Discussion and Analysis", the Directors do not have any future plans for material investment or capital assets.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2008, the interests and short positions of the Directors of the Company in the shares and underlying shares of the Company or any of, its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules (the "Model Code"), are as follows:

Long Positions

Ordinary shares of HK$0.0025 each of the Company

Name of director	Capacity	Number of shares held	Approximate percentage of shareholding
Lam Ching Kui	Interests of controlled corporations	8,050,053,600	74.99%

Mr. Lam Ching Kui is the beneficial owner of Chinese Success Limited, the major shareholder holding 74.99% of the issued share capital of the Company.

Save as disclosed above, as at 31 December 2008, none of the Directors of the Company had any interests or short positions in the shares or underlying shares of the Company or any of its associated corporations (within the meaning of part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2008, other than the interests and short positions of the Directors of the Company, the following persons had the following interests and short positions in the shares and underlying shares of the Company, as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Long Positions

Ordinary shares of HK$0.0025 each of the Company

Name of shareholder	Capacity	Number of shares held	Approximate percentage of shareholding
Chinese Success Limited	Beneficial owner	8,050,053,600	74.99%
Wai Chun Investment Fund	Interests of controlled Corporations	8,050,053,600	74.99%

Save as disclosed above, as at 31 December 2008, the Company had not been notified by any other persons who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

CONNECTED AND CONTINUING CONNECTED TRANSACTIONS

On 8 December 2008, the Group has entered into an Administrative Services Agreement with Wai Chun Group Holdings Limited ("Wai Chun Group"), a listed company in Hong Kong, pursuant to which Wai Chun Group agreed to reimburse the Group the costs incurred in respect of the administrative service provided in the Premises located in Flat 4917-4932, 49 Floor, Sun Hung Kai Centre, 30 Harbour Road, Wan Chai, Hong Kong. The lease term is for 22 months commencing from 1 September 2008.

Mr. Lam Ching Kui indirectly owns and controls approximately 74.99% and 74.2% of the issued capital of the Group and Wai Chun Group respectively. Mr. Lam Ching Kui, being a director and the ultimate controlling shareholder (as defined in the Listing Rules) of both the Group and Wai Chun Group and therefore, the entering into of the Administrative Services Agreement between the Group and Wai Chun Group constitutes a continuing connected transaction for each of the Group and Wai Chun Group under Chapter 14A of the Listing Rules.

During the year ended 31 December 2008, the Group has received a total administrative services income of HK800,000 from Wai Chun Group. Pursuant to Rule 14A.37 of the Listing Rules, the independent non-executive Directors of the Company have reviewed the above continuing connected transactions and opined that the transactions are

(1) in the ordinary and usual course of business of the Group;

(2) on normal commercial terms;

(3) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole

The Board has also confirmed that a letter pursuant to Rule 14A.38 of the Listing Rules has been issued to the Board by auditors of the Company.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Group has complied with all requirements set out in the Code on Corporate Governance Practices ("CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange") ("Listing Rules") during the year under review.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted Appendix 10 of the Listing Rules "Model Code for Securities Transactions by Directors of Listed Issuers" as rules for securities transactions initiated by the Directors of the Company. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the standards laid down in the Model Code at all times during the year ended 31 December 2008.

EMPLOYEES

As at 31 December 2008, the Group had a total of 52 employees in Hong Kong and in the PRC. Employees' costs (including directors' emoluments) amounted to approximately HK$32,979,000 for the year ended 31 December 2008.

In addition to the offering of competitive remuneration packages to the employees, discretionary bonuses may also be granted to eligible employees based on the Group and the individual's performance. The Company adopted an employee Share Option Scheme which came into effect on 10 June 2003.

AUDIT COMMITTEE

The Audit Committee comprises the three Independent Non-Executive Directors namely Mr. Shaw Lut, Leonardo, Ms. Geng Ying and Mr. Chan Chun Wai. The principal duties of the Audit Committee include the review of the Group's audit plan and process with the Auditors, the independence of Auditors and the Group's financial statements and system of internal control in accordance with its terms of reference, which is substantially the same as the CG Code.

The Committee is satisfied with their review of the audit fees and the independence of the Auditors and recommended to the Board the re-appointment of Auditors for 2009 at the forthcoming Annual General Meeting.

The Group's annual results for the year ended 31 December 2008 have been reviewed by the Audit Committee.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2008, neither the Company nor its subsidiary purchased, sold or redeemed any of the listed securities of the Company.

By Order of the Board
Wai Chun Mining Industry Group Company Limited
Lam Ching Kui
Chairman

Hong Kong, 6 April 2009

* for identification purpose only

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Lam Ching Kui (Chairman) and Mr. Guo Qing Hua; and three independent non-executive Directors, namely, Mr. Shaw Lut, Leonardo, Ms. Geng Ying and Mr. Chan Chun Wai.