

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



偉 俊 礦 業 集 團 有 限 公 司 *

Wai Chun Mining Industry Group Company Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 0660)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2013

INTERIM RESULTS

The board (the “Board”) of directors (the “Director(s)”) of Wai Chun Mining Industry Group Company Limited (the “Company”) announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2013 together with the comparative figures for the corresponding period in 2012.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2013

		Six months ended 30 June	
		2013	2012
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
			(Re-presented)
Continuing operations			
Turnover	3	177,691	149,214
Cost of sales		(172,069)	(141,306)
Gross profit		5,622	7,908
Other revenue		1,640	147
Selling expenses		(3,262)	(4,825)
Administrative expenses		(15,218)	(13,074)
Finance costs		(3,046)	(3,033)
Loss before income tax		(14,264)	(12,877)
Income tax (expense)/credit	4	(214)	1,387
Loss for the period from continuing operations	5	(14,478)	(11,490)

* *for identification purpose only*

		Six months ended 30 June	
		2013	2012
	<i>Note</i>	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
			(Re-presented)
Discontinued operation			
Loss for the period from discontinued operation		<u>(694)</u>	<u>—</u>
Loss for the period		<u>(15,172)</u>	<u>(11,490)</u>
Loss for the period attributable to:			
— Shareholders of the Company		<u>(11,092)</u>	<u>(9,938)</u>
— Non-controlling interests		<u>(4,080)</u>	<u>(1,552)</u>
		<u>(15,172)</u>	<u>(11,490)</u>
Loss per share			
	<i>7</i>	HK cents	HK cents
From continuing and discontinued operations			
— Basic		<u>(0.07)</u>	<u>(0.06)</u>
— Diluted		<u>(0.07)</u>	<u>(0.06)</u>
From continuing operations			
— Basic		<u>(0.07)</u>	<u>(0.06)</u>
— Diluted		<u>(0.07)</u>	<u>(0.06)</u>

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2013

	Six months ended 30 June	
	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Loss for the period	(15,172)	(11,490)
Other comprehensive income/(expense):		
Items that may be subsequently reclassified to profit or loss:		
Exchange differences on translation of foreign operations	<u>1,164</u>	<u>(362)</u>
Total comprehensive expense for the period	<u>(14,008)</u>	<u>(11,852)</u>
Total comprehensive expense attributable to:		
— Shareholders of the Company	(10,604)	(10,062)
— Non-controlling interests	<u>(3,404)</u>	<u>(1,790)</u>
	<u>(14,008)</u>	<u>(11,852)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

		30 June 2013	31 December 2012
	<i>Notes</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
Non-current assets			
Property, plant and equipment		33,233	35,125
Prepaid leasehold land payments		30,460	16,366
Prepayments for acquisition of land use rights		1,712	7,016
Prepayments for acquisition of property, plant and equipment		—	761
		65,405	59,268
Current assets			
Inventories		53,172	83,944
Prepaid leasehold land payments		355	334
Trade and bills receivables	8	16,908	144,044
Deposits, prepayments and other receivables		17,154	33,318
Tax recoverable		1	368
Pledged bank deposits		—	45,402
Bank balances and cash		4,535	14,242
		92,125	321,652
Assets classified as held for sale		179,445	—
		271,570	321,652
Current liabilities			
Trade payables	9	65,153	54,060
Accruals and other payables		27,516	47,596
Borrowings — due within one year		31,631	208,759
Obligations under finance lease		—	6
		124,300	310,421
Liabilities directly associated with assets classified as held for sale		165,167	—
		289,467	310,421

	30 June 2013	31 December 2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Net current (liabilities)/assets	<u>(17,897)</u>	<u>11,231</u>
Total assets less current liabilities	<u>47,508</u>	<u>70,499</u>
Non-current liability		
Amounts due to the ultimate holding company	<u>40,843</u>	<u>49,826</u>
Total assets less liabilities	<u><u>6,665</u></u>	<u><u>20,673</u></u>
Capital and reserves		
Share capital	38,637	38,637
Reserves	<u>(58,870)</u>	<u>(48,266)</u>
Capital deficiency attributable to shareholders of the Company	(20,233)	(9,629)
Non-controlling interests	<u>26,898</u>	<u>30,302</u>
Total equity	<u><u>6,665</u></u>	<u><u>20,673</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2013

1. BASIS OF PREPARATION

The Company was 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 address of the registered office of the Company is Scotia Centre, 4th Floor, P.O. Box 2804, George Town, Grand Cayman, Cayman Islands, British West Indies and the principal place of business of the Company is 13/F., Admiralty Centre 2, 18 Harcourt Road, Admiralty, Hong Kong.

The functional currency of the Company is Renminbi (“RMB”). The condensed consolidated financial statements are presented in Hong Kong dollars for the convenience of the investors as its shares are listed on the Stock Exchange.

The principal activities of the Group are the trading of athletic and athletic-style leisure footwear, working shoes, safety shoes, golf shoes and other functional shoes, and the manufacture and sale of modified starch and other biochemical products and agency trade of other biochemical products.

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”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The condensed consolidated financial statements have been prepared on the historical cost basis.

Notwithstanding that the Group incurred a loss of approximately HK\$15,172,000 for the six months ended 30 June 2013 and net current liabilities of approximately HK\$17,897,000 as at 30 June 2013, and that the Group’s capital deficiency attributable to shareholders of the Company is approximately HK\$20,233,000 as at 30 June 2013, these condensed 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:

- (i) The Company has undrawn loan facilities of approximately HK\$36,000,000 granted by its ultimate holding company, Wai Chun Investment Fund (“Wai Chun”), which will be provided on a sub-ordinated basis, i.e. Wai Chun will not demand the Company for repayment until all the other liabilities of the Group had been satisfied;
- (ii) In addition to the loan facilities stated above, Wai Chun has also undertaken to provide adequate funds to enable the Group to meet in full its financial obligations when they fall due in the foreseeable future; and
- (iii) On 26 July 2013, the Company and Chinese Success Limited (the “Subscriber”), a company wholly-owned by Wai Chun, entered into a Subscription Agreement whereby the Subscriber agreed to subscribe for, and the Company agreed to issue and allot 816,000,000 subscriber convertible shares at an issue price of HK\$0.05 per subscriber convertible share for capitalising the outstanding amount of HK\$40,800,000 due by the Company to Wai Chun (“Loan Capitalisation”). If the conditions precedent are not fulfilled by 31 October 2013 in the Subscription Agreement, the Subscription Agreement shall lapse and become null. The details of Loan Capitalisation are stated in the announcement dated 28 July 2013 and 15 August 2013 respectively. In case the Loan Capitalisation shall lapse, Wai Chun will not demand repayment of the outstanding amount as this amount is also provided on a sub-ordinated basis.

In view of the above, the Directors of the Company believe that the Group will have sufficient cash resources to satisfy its future working capital and other financing requirements. Accordingly, these condensed 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.

2. PRINCIPAL ACCOUNTING POLICIES

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2013 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2012.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") and Hong Kong Accounting Standards ("HKAS") issued by the HKICPA.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009-2011 Cycle
HKFRS 1 (Amendments)	Government Loans
HKFRS 7 (Amendments)	Disclosures — Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 13	Fair Value Measurement
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
HK(IFRIC) — Int 20	Stripping Costs in the Production Phase of a Surface Mine

The following new and revised HKFRSs are relevant to the Group's condensed consolidated financial statements.

HKFRS 13 Fair value measurement

HKFRS 13 replaces existing guidance in individual HKFRSs with a single source of fair value measurement guidance. HKFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. Some of the disclosures are specifically required for financial instruments in the interim condensed consolidated financial statements. In accordance with the transitional provisions of HKFRS 13, the Group has applied the new fair value measurement requirements prospectively. The adoption of HKFRS 13 does not have any material impact on the fair value measurements of the Group's assets and liabilities.

HKAS 1 (Amendments) Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 introduce new terminology for statement of comprehensive income and income statement. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renamed as a statement of profit or loss. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis — the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

The application of the other new and revised HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

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

HKFRS 7 and HKFRS 9 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures ²
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities ¹
HKFRS 9	Financial Instruments ²
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities ¹
HKAS 36 (Amendments)	Impairment of Assets — Recoverable Amount Disclosures for Non-Financial Assets ¹
HKAS 39 (Amendments)	Financial instruments: Recognition and measurement — Novation of Derivatives and Continuation of Hedge Accounting ¹
HK (IFRIC) — Int 21	Levies ¹

¹ Effective for annual periods beginning on or after 1 January 2014.

² Effective for annual periods beginning on or after 1 January 2015.

The Directors of the Company anticipate that the application of other new and revised HKFRSs issued but not yet effective will have no material impact on the results and the financial position of the Group.

3. SEGMENT INFORMATION

The chief operating decision maker (“CODM”) has been identified as the Group’s chief executive officer. The CODM reviews the Group’s internal reporting for resource allocation and assessment of performance.

For management purposes, the Group's reportable segments under HKFRS 8 are as follows:

Footwear	Trading of athletic and athletic-style leisure footwear, working shoes, safety shoes, golf shoes and other functional shoes (continuing operation)
Modified starch and other biochemical products	Manufacture and sale of modified starch and other biochemical products (continuing operation)
Agency trade business	Agency trade of other biochemical products (discontinued operation)

The reportable segments have been identified on the basis of internal management reports prepared in accordance with accounting policies conform to HKFRSs that are regularly reviewed by the executive Director of the Company. The operating segment relating to agency trade business was presented as a discontinued operation during the current interim period.

Segment profit (loss) represents profit earned or loss incurred by each segment without allocation of other revenues, central administration costs (including directors' salaries) and finance costs.

Business segments

Segment revenue and results

The following is an analysis of the Group's revenue and results from continuing operations and discontinued operation by reportable segments:

Six months ended 30 June 2013

	Continuing operations			Discontinued operation	Total <i>HK\$'000</i> (Unaudited)
	Modified starch and other biochemical products <i>HK\$'000</i> (Unaudited)	Footwear <i>HK\$'000</i> (Unaudited)	Subtotal <i>HK\$'000</i> (Unaudited)	Agency trade business <i>HK\$'000</i> (Unaudited)	
Segment revenue	<u>163,800</u>	<u>13,891</u>	<u>177,691</u>	<u>490</u>	<u>178,181</u>
Segment results	<u>(6,165)</u>	<u>(3,517)</u>	<u>(9,682)</u>	<u>(694)</u>	<u>(10,376)</u>
Other revenue			1,640		1,640
Central administration costs			(3,176)		(3,176)
Finance costs			<u>(3,046)</u>		<u>(3,046)</u>
Loss before income tax			(14,264)		(14,958)
Income tax expense			<u>(214)</u>		<u>(214)</u>
Loss for the period			<u>(14,478)</u>		<u>(15,172)</u>

Six months ended 30 June 2012

	Continuing operations			Discontinued operation	Total <i>HK\$'000</i> (Unaudited)
	Modified starch and other biochemical products <i>HK\$'000</i> (Unaudited)	Footwear <i>HK\$'000</i> (Unaudited)	Subtotal <i>HK\$'000</i> (Unaudited)	Agency trade business <i>HK\$'000</i> (Unaudited)	
Segment revenue	<u>149,214</u>	<u>—</u>	<u>149,214</u>	<u>—</u>	<u>149,214</u>
Segment results	<u>(1,318)</u>	<u>(3,838)</u>	(5,156)	<u>—</u>	(5,156)
Other revenue			147		147
Central administration costs			(4,835)		(4,835)
Finance costs			<u>(3,033)</u>		<u>(3,033)</u>
Loss before income tax			(12,877)		(12,877)
Income tax credit			<u>1,387</u>		<u>1,387</u>
Loss for the period			<u>(11,490)</u>		<u>(11,490)</u>

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

Segment assets and liabilities

At 30 June 2013

	Continuing operations			Discontinued operation	Total <i>HK\$'000</i> (Unaudited)
	Modified starch and other biochemical products <i>HK\$'000</i> (Unaudited)	Footwear <i>HK\$'000</i> (Unaudited)	Subtotal <i>HK\$'000</i> (Unaudited)	Agency trade business <i>HK\$'000</i> (Unaudited)	
Assets					
Segment assets	243,708	5,915	249,623	84,503	334,126
Unallocated assets			2,849		2,849
Consolidated assets			<u>252,472</u>		<u>336,975</u>
Liabilities					
Segment liabilities	220,078	1,755	221,833	61,610	283,443
Unallocated liabilities			46,867		46,867
Consolidated liabilities			<u>268,700</u>		<u>330,310</u>
Geographical assets					
Hong Kong					8,765
PRC					328,210
					<u>336,975</u>

At 31 December 2012

	Continuing operations			Discontinued operation	Total <i>HK\$'000</i> (Audited)
	Modified starch and other biochemical products <i>HK\$'000</i> (Audited)	Footwear <i>HK\$'000</i> (Audited)	Subtotal <i>HK\$'000</i> (Audited)	Agency trade business <i>HK\$'000</i> (Audited)	
Assets					
Segment assets	252,092	3,119	255,211	123,355	378,566
Unallocated assets			2,354		2,354
Consolidated assets			<u>257,565</u>		<u>380,920</u>
Liabilities					
Segment liabilities	260,517	13,203	273,720	63,392	337,112
Unallocated liabilities			23,135		23,135
Consolidated liabilities			<u>296,855</u>		<u>360,247</u>
Geographical assets					
Hong Kong					5,474
PRC					375,446
					<u>380,920</u>

For the purposes of monitoring segment performance and allocating resources between segments:

- assets used jointly by segments are allocated on the basis of the revenue earned by individual segments; and
- liabilities for which segments are jointly liable are allocated in proportion to segment assets.

Other information

At 30 June 2013

	Continuing operations		Discontinued operation		Total <i>HK\$'000</i> (Unaudited)
	Modified starch and other biochemical products <i>HK\$'000</i> (Unaudited)	Footwear <i>HK\$'000</i> (Unaudited)	Agency trade business <i>HK\$'000</i> (Unaudited)	Unallocated <i>HK\$'000</i> (Unaudited)	
Additions to non-current assets	1,301	4	—	—	1,305
Depreciation and amortisation	1,656	122	—	—	1,778
Prepayments for acquisition of land use rights	1,712	—	—	—	1,712
Prepayments for acquisition of property, plant and equipment	—	—	—	—	—
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

At 31 December 2012

	Continuing operations		Discontinued operation		Total <i>HK\$'000</i> (Audited)
	Modified starch and other biochemical products <i>HK\$'000</i> (Audited)	Footwear <i>HK\$'000</i> (Audited)	Agency trade business <i>HK\$'000</i> (Audited)	Unallocated <i>HK\$'000</i> (Audited)	
Additions to non-current assets	16,062	23	—	—	16,085
Depreciation and amortisation	2,613	242	—	44	2,899
Prepayments for acquisition of land use rights	7,016	—	—	—	7,016
Prepayments for acquisition of property, plant and equipment	761	—	—	—	761
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Geographical information

For the six months ended 30 June 2013 and 2012, the Group's operations were principally located in Hong Kong (country of domicile), The People's Republic of China (the "PRC") and The Republic of Korea (the "Korea") with revenue and profit from its operations.

The following is an analysis of the Group's revenue from continuing operations from external customers and non-current assets by geographical location:

	Revenue from external customers for the six months ended 30 June		Non-current assets	
	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)	30 June 2013 HK\$'000 (Unaudited)	31 December 2012 HK\$'000 (Audited)
Hong Kong	13,891	—	418	537
Korea	35,407	35,455	—	—
PRC	125,666	110,800	64,987	58,731
Others	2,727	2,959	—	—
	<u>177,691</u>	<u>149,214</u>	<u>65,405</u>	<u>59,268</u>

Information on major customers

For the six months ended 30 June 2013, included in revenue arising from sales of modified starch and other biochemical products of approximately HK\$163,800,000 are revenue of approximately HK\$25,352,000, HK\$25,642,000 and HK\$24,709,000 respectively arising from sales to the Group's three largest customers. No other single customer contributed 10% or more to the Group's sales.

For the six months ended 30 June 2012, included in revenue arising from sales of modified starch and other biochemical products of approximately HK\$149,214,000 are revenue of approximately HK\$31,369,000, HK\$17,205,000 and HK\$16,739,000 respectively arising from sales to the Group's three largest customers. No other single customer contributed 10% or more to the Group's sales.

Information on major suppliers

For the six months ended 30 June 2013, included in purchases of modified starch and other biochemical products of approximately HK\$171,862,000 are purchases of approximately HK\$74,110,000 and HK\$28,799,000 respectively arising from purchases from the Group's two largest suppliers. No other single supplier contributed 10% or more to the Group's purchases.

For the six months ended 30 June 2012, included in purchases of modified starch and other biochemical products of approximately HK\$173,988,000 are purchases of approximately HK\$63,592,000, HK\$34,729,000 and HK\$31,629,000 respectively arising from purchases from the Group's three largest suppliers. No other single supplier contributed 10% or more to the Group's purchases.

4. INCOME TAX EXPENSE/(CREDIT)

	Six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Continuing operations		
Income tax expense/(credit) attributable to the Group:		
Under/(over) provision of income tax in prior periods:		
Hong Kong	—	—
PRC	214	(1,387)
	<u>214</u>	<u>(1,387)</u>

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profits in Hong Kong for both periods.

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% (six months ended 30 June 2012: 25%).

5. LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS

	Six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss for the period from continuing operations has been arrived at after charging:		
Cost of inventories	173,677	141,306
Interest expenses	3,046	3,033
Depreciation on property, plant and equipment	1,602	1,390
Loss on disposal on property, plant and equipment	497	—
Loss on exchange, net	752	186
Amortisation of prepaid leasehold land payments	175	86
Staff costs (including directors' salaries and retirement benefit costs)	3,940	4,494

6. INTERIM DIVIDEND

The Board has resolved not to declare the payment of an interim dividend for the six months ended 30 June 2013 (six months ended 30 June 2012: HK\$Nil).

7. LOSS PER SHARE

From continuing and discontinued operations

The calculation of the basic loss per share for six months ended 30 June 2013 was based on the Group's loss attributable to shareholders of the Company of approximately HK\$11,092,000 (six months ended 30 June 2012: approximately HK\$9,938,000) and the number of ordinary shares of 15,454,685,376 (six months ended 30 June 2012: 15,454,685,376) during the period.

The amounts of diluted loss per share are the same as basic loss per share as there were no potential dilutive shares during the six months ended 30 June 2013 and 2012.

8. TRADE AND BILLS RECEIVABLES

	30 June 2013 HK\$'000 (Unaudited)	31 December 2012 HK\$'000 (Audited)
Trade receivables	16,756	24,507
Receivables from agency trade business	—	123,355
Bills receivables	<u>152</u>	<u>—</u>
	16,908	147,862
Less: Provision for impairment	<u>—</u>	<u>(3,818)</u>
	<u>16,908</u>	<u>144,044</u>

The Group allows average credit period ranging from 30 to 180 days to its trade customers.

The aging analysis of trade and bills receivables based on the invoice date and net of provision, is as follows:

	30 June 2013 HK\$'000 (Unaudited)	31 December 2012 HK\$'000 (Audited)
0-30 days	7,333	50,157
31-60 days	4,072	17,665
61-90 days	544	25,773
91-180 days	1,225	48,999
Over 180 days	<u>3,734</u>	<u>1,450</u>
Total	<u>16,908</u>	<u>144,044</u>

9. TRADE PAYABLES

The average credit period on purchases of goods ranges from 30 to 180 days. The Group has financial risk management policies to ensure that all payables are paid within the credit timeframe. The following is an aging analysis of trade payables based on the invoice date:

	30 June 2013 HK\$'000 (Unaudited)	31 December 2012 HK\$'000 (Audited)
0-30 days	63,258	26,248
31-60 days	52	14,288
61-90 days	95	2,062
91-180 days	185	8,263
Past due	1,563	3,199
	<hr/>	<hr/>
Total	65,153	54,060
	<hr/> <hr/>	<hr/> <hr/>

EXTRACTS FROM INDEPENDENT AUDITOR'S REPORT

The following is an extract of the independent review report on the Group's condensed consolidated financial statements for the six months ended 30 June 2013.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Emphasis of Matter

The accompanying condensed consolidated financial statements for the six months ended 30 June 2013 have been prepared assuming that the Group will continue as a going concern. Without qualifying our review conclusion, we draw attention to Note 1 to the condensed consolidated financial statements which indicate that the Group incurred a net loss of approximately HK\$15,172,000 for the six months ended 30 June 2013, net current liabilities of approximately HK\$17,897,000 as at 30 June 2013 and, as of that date, the Group's capital deficiency attributable to shareholders of the Company was approximately HK\$20,233,000. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Management's arrangements to address the going concern issue are also described in Note 1 to the condensed consolidated financial statements. The condensed consolidated financial statements do not include any adjustment that might result from the outcome of this uncertainty.

Events after the End of the Reporting Period

Loan Capitalisation

On 26 July 2013, the Company and Chinese Success Limited (the “Subscriber”) entered into the subscription agreement (the “Subscription Agreement”) whereby the Subscriber agreed to subscribe for, and the Company agreed to issue and allot 816,000,000 convertible preference shares (“Convertible Shares”) at an issue price of HK\$0.05 per Convertible Share for capitalising outstanding amount of HK\$40,800,000 due by the Company to Wai Chun Investment Fund (“Loan Capitalisation”). If the conditions precedent are not fulfilled by 31 October 2013 as stipulated in the Subscription Agreement, the Subscription Agreement shall lapse and become null. The details of the Subscription Agreement and the Loan Capitalisation were set out in the announcement of the Company dated 28 July 2013.

Proposed Disposal of a Subsidiary

On 26 August 2013, the board of directors announced that Weifang Century-light Biology Science Co., Ltd. (“Weifang Biology”), being a non-wholly-owned subsidiary of the Company, entered into a non-legally binding letter of intent (“LOI”) with an independent purchaser in relation to the proposed disposal of the entire 51% equity interest of its subsidiary, Century-light Industry Company Limited (“Century-light Industry”) (the “Proposed Disposal”). In the opinion of the management, the assets and liabilities attributable to Century-light Industry are expected to be disposed within twelve months from the end of the current interim reporting period. Details of the LOI and the Proposed Disposal were set out in the announcement of the Company dated 26 August 2013. No matters that might require adjustment or disclosure in the accounts were identified.

FINANCIAL REVIEW

As at 30 June 2013, the current ratio of the Group was approximately 0.94 (31 December 2012: approximately 1.04). The gearing ratio of the Group was approximately 0.98 (31 December 2012: 0.95). Total borrowings of the Group amounted to approximately HK\$72,814,000, comprising secured bank loan of approximately HK\$29,061,000, amount due to ultimate shareholder of approximately HK\$40,843,000 and amount due to a non-related third party of approximately HK\$2,910,000. Part of the amount due to the ultimate shareholder of HK\$40,800,000 will be offset by an issue of 816,000,000 Convertible Shares pursuant to the Subscription Agreement. All the borrowings are denominated in Hong Kong Dollars and Renminbi. All of these borrowings are interest bearing at prevailing market interest rates.

As at 30 June 2013, the Group had not provided any financial guarantee and did not have any material contingent liabilities, the bank loans were secured by legal charge on the land use rights of certain land situated in the PRC and pledged bank deposits. The Group had future minimum lease payments under a non-cancelable operating lease in respect of rented premises amounting to approximately HK\$1,063,000. On the basis of the undrawn loan facilities of approximately HK\$36,000,000, the Directors believe that the Group has sufficient financial resources for its operations. The Directors will remain cautious in the Group’s liquidity management.

During the six months ended 30 June 2013, the Group financed its operations mainly by internally generated resources and borrowings. The Group's cash and cash equivalents are mainly denominated in Hong Kong Dollars, Renminbi and United States Dollars. As the Group's businesses are conducted in Hong Kong and the PRC, the Group is not exposed to any material foreign exchange risk.

Pledge of assets

The Group's prepaid leasehold payments with carrying value of approximately HK\$23,994,000 (31 December 2012: approximately HK\$9,944,000) and bank deposits of approximately HK\$35,989,000 (31 December 2012: approximately HK\$45,402,000) were pledged to secure the bank borrowings and bills payables.

BUSINESS REVIEW

During the period under review, the Group continued to engage in the trading of athletic and athlete-style footwear, working shoes, safety shoes, golf shoes and other functional shoes and the manufacture and sale of modified starch and other biochemical products.

During the period, due to the decrease in price of modified starch and other biochemical products, and the rise in central administration costs, the business made no profit attribution. In addition, keen competition in consumer markets also adds to the operation difficulty of the footwear business.

Moreover, Century-light Industry had been continuously operating at a loss since 2012 and the loss-making performance had been extended to the first quarter of 2013 at larger extent. The Company had evaluated its situations and concluded that the thin margin nature of such business would require significant capital input to achieve a breakeven. Therefore, the Company determined to discontinue the said business and to identify potential purchaser(s) to acquire Weifang Biology's entire 51% equity interest in Century-light Industry. We expect the Proposed Disposal will be completed before the end of 2013.

OUTLOOK

Since 濰坊家友油脂有限公司 (“Weifang Jia You You Zhi Company Limited”) (“Weifang You Zhi”), a non-wholly-owned subsidiary of the Company, was set up in the year 2012 with business in production, sales of corn oil products has been attributing revenue to the Company. Its operating business in the first half of 2013 was almost breakeven. The management of the Group keeps focusing on improving the production technique of Weifang You Zhi and expects to have improvement in gross margin in the second half of 2013.

The Group will continue to focus on existing businesses, and by strengthening internal cost control to enhance the competitiveness of our products in the market. Along with the China and global consumer markets continue to recover, we believe that the Group's sales and operating performance will continue to improve. The Group will maximize the return of Companies' shareholders in the long-run.

INTERIM DIVIDEND

The Board resolved not to declare an interim dividend for the six months ended 30 June 2013 (30 June 2012: HK\$Nil).

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2013.

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 Listing Rules as the code of conduct regarding securities transactions by the Directors. All Directors had confirmed, following specific enquiries by the Company, that they had complied with the required standards set out in the Model Code throughout the six months ended 30 June 2013.

CORPORATE GOVERNANCE

The Company has adopted the code provisions set out in the Corporate Governance Code ("CG Code") as set out in Appendix 14 to the Listing Rules as its own code of corporate governance. During the six months ended 30 June 2013, the Company was in compliance with the relevant code provisions set out in the CG Code except the deviation from code provisions A.2.1, A.3.2 and A.5.1, which are explained below.

Code provision A.2.1 provides that the roles of the chairman and chief executive officer should be separated and should not be performed by the same individual. The Company does not at present separate the roles of the chairman and chief executive officer. Mr. Lam Ching Kui is the chairman and chief executive officer of the Company. He has extensive experience in project management and securities investments and is responsible for the overall corporate strategies, planning and business development of the Group. The balance of power and authorities are ensured by the operation of the Board which comprises experienced and high caliber individuals with sufficient number thereof being independent non-executive Directors.

Code provision A.3.2 provides that an issuer should maintain on its website and on the Stock Exchange's website an updated list of its Directors identifying their role and function and whether they are independent non-executive directors. After the change of independent non-executive directors in January 2013, the Company failed to maintain on the Stock Exchange's website and on its website an updated list of Directors due to the inadvertent omission by the responsible personnel. The Company has maintained its updated list of Directors on the websites of the Stock Exchange and the Company since July 2013.

Code provision A.5.1 provides that issuers should establish a nomination committee which is chaired by the chairman of the board or an independent non-executive director and comprises a majority of independent non-executive directors. The Board failed to appoint a chairman of its nomination committee (“Nomination Committee”) after Dr. Lam Lee G. ceased to act as the chairman of the Nomination Committee on 23 May 2013. The Board has appointed Mr. Lam Ching Kui, the chairman of the Board, as the chairman of the Nomination Committee with effect from 22 August 2013.

AUDIT COMMITTEE

The Company established an audit committee (the “Audit Committee”) in accordance with the requirements of the Listing Rules for the purpose of reviewing and providing supervision over the Group’s financial reporting process and internal controls. The terms of reference of the Audit Committee is currently made available on the Stock Exchange’s website and the Company’s website.

The Audit Committee is mainly responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of such auditor; reviewing the interim and annual reports and accounts of the Group; and overseeing the Company’s financial reporting system (including the adequacy of resources, qualifications and experience of staff in charge of the Company’s financial reporting function and their training arrangement and budget) and the internal control procedures.

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Chan Chun Wai, Tony (chairman), Mr. Hau Pak Man and Mr. To Yan Ming, Edmond. The Audit Committee has reviewed the unaudited interim financial results of the Group for the six months ended 30 June 2013.

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

Hong Kong, 29 August 2013

As at the date of this announcement, the Board comprises one executive Director, namely Mr. Lam Ching Kui (Chairman and Chief Executive Officer), and three independent non-executive Directors, namely Mr. Chan Chun Wai, Tony, Mr. Hau Pak Man and Mr. To Yan Ming, Edmond.