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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)

2010 ANNUAL RESULTS ANNOUNCEMENT

The board of directors (the "Board") of Wai Chun Mining Industry Group Company Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2010.

The audited consolidated results of the Group for the year ended 31 December 2010 together with the comparative figures of 2009 are as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2010

	Notes	**2010** *HK'000*	2009 *HK'000*
Turnover	2	**284,128**	13,137
Cost of sales		**(250,360)**	(12,828)
Gross profit		**33,768**	309
Other revenue		**2,502**	4,325
Selling expenses		**(19,149)**	–
Administrative expenses		**(28,039)**	(26,091)
Loss on disposal of obsolete inventories		**–**	(8,161)
Realised (loss) gain on disposal of held for trading investments		**(2,054)**	1,468
Unrealised gain on held for trading investments		**–**	9,866
Gain on disposal of subsidiaries		**40,809**	–
Finance costs	4	**(3,539)**	(4,459)
Profit (loss) before taxation		**24,298**	(22,743)
Taxation	5	**(893)**	–
Profit (loss) for the year	3	**23,405**	(22,743)
Profit (loss) attributable to:			
– Shareholders of the Company		**20,305**	(22,743)
– Non-controlling interests		**3,100**	–
		23,405	(22,743)
Dividend	6	**–**	–
Earnings (loss) per share	7	**HK cents**	HK cents
– Basic		**0.13**	(0.20)
– Diluted		**0.13**	(0.20)

* *for identification purpose only*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2010

	Notes	2010 HK$'000	2009 HK$'000
Non-current assets			
Property, plant and equipment		**15,091**	1,714
Prepaid leasehold land payments		**7,768**	–
Deposit paid for acquisition of a subsidiary		**–**	4,682
Golf club debenture		**–**	246
		22,859	6,642
Current assets			
Inventories		**46,334**	–
Prepaid leasehold land payments		**159**	–
Trade receivables	8	**48,915**	5,162
Deposits, prepayments and other receivables		**102,532**	2,121
Held for trading investments		**–**	15,490
Bank balances and cash		**93,479**	11,010
		291,419	33,783
Current liabilities			
Trade payables	9	**68,655**	7,251
Accruals and other payables		**68,341**	4,853
Tax payable		**2,012**	1,006
Amounts due to ultimate holding company		**–**	56,106
Amounts due to a director		**–**	4,754
Amounts due to a related company		**–**	251
Secured bank loans – due within one year		**124,004**	–
Obligation under finance lease		**60**	–
Bank overdraft		**5,694**	–
		268,766	74,221
Net current assets (liabilities)		**22,653**	(40,438)
Total assets less current liabilities		**45,512**	(33,796)
Non-current liability			
Amounts due to a minority shareholder of a subsidiary		**–**	53,282
Obligation under finance lease		**86**	–
Total non-current liability		**86**	53,282
Total assets less liabilities		**45,426**	(87,078)
Capital and reserves			
Share capital		**38,637**	32,197
Reserves		**(11,335)**	(98,295)
Equity (capital deficiency) attributable to Shareholders of the Company		**27,302**	(66,098)
Non-controlling interests		**18,124**	(20,980)
Total equity (capital deficiency)		**45,426**	(87,078)

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

The following new and revised Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") have been applied by the Group in the current year and have affected the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements. The impact of the application of the new and revised Standards and Interpretations is discussed below.

Application of new and revised standards and interpretations

In the current year, the Group has applied the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA.

HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 39 (Amendments)	Eligible Hedged Items
HKFRS 1 (Revised)	First-time Adoption of HKFRSs
HKFRS 1 (Amendments)	Additional Exemptions for First-time Adopters
HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HK – Interpretation ("Int") 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners

Amendments to HKFRS 7 Financial Instruments: Disclosures (as part of Improvements to HKFRSs issued in 2010)

The amendments to HKFRS 7 clarify the required level of disclosures about credit risk and collateral held and provide relief from disclosures previously required regarding renegotiated loans. The Group has applied the amendments in advance of their effective date (annual periods beginning on or after 1 January 2011). The amendments have been applied retrospectively.

Amendments to HKAS 1 Presentation of Financial Statements (as part of Improvements to HKFRSs issued in 2010)

The amendments to HKAS 1 clarify that an entity may choose to present the required analysis of items of other comprehensive income either in the consolidated statement of changes in equity or in the notes to the consolidated financial statements. The Group has applied the amendments in advance of their effective date (annual periods beginning on or after 1 January 2011). The amendments have been applied retrospectively.

HKFRS 3 (as revised in 2008) Business Combinations

HKFRS 3 (as revised in 2008) has been applied in the current year prospectively to business combinations of which the acquisition date is on or after 1 January 2010 in accordance with the relevant transitional provisions. Its application has affected the accounting for business combinations in the current year.

The impact of the application of HKFRS 3 (as revised in 2008) is as follows:

- HKFRS 3 (as revised in 2008) allows a choice on a transaction-by-transaction basis for the measurement of non-controlling interests at the date of acquisition (previously referred to as 'minority' interests) either at fair value or at the non-controlling interests' share of recognised identifiable net assets of the acquiree. In the current year, in accounting for the acquisition of Weifang Century-Light Biology Science Co., Ltd ("Weifang Century-Light"). and its subsidiaries, the Group has elected to measure the non-controlling interests at fair value at the date of acquisition. Consequently, the goodwill recognised in respect of that acquisition reflects the impact of the difference between the fair value of the non-controlling interests and their share of recognised identifiable net assets of the acquiree.

- HKFRS 3 (as revised in 2008) changes the recognition and subsequent accounting requirements for contingent consideration. Previously contingent consideration was recognised at the acquisition date only if payment of the contingent consideration was probable and it could be measured reliably; any subsequent adjustments to the contingent consideration were always made against the cost of the acquisition. Under the revised Standard, contingent consideration is measured at fair value at the acquisition date; subsequent adjustments to the consideration are recognised against the cost of acquisition only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

- HKFRS 3 (as revised in 2008) requires the recognition of a settlement gain or loss when the business combination in effect settles a pre-existing relationship between the Group and the acquiree.

- HKFRS 3 (as revised in 2008) requires acquisition-related costs to be accounted for separately from the business combination, generally leading to those costs being recognised as an expense in profit or loss as incurred, whereas previously they were accounted for as part of the cost of the acquisition.

In the current year, these changes in policies have resulted in acquisition-related costs of approximately HK$285,000 being charged to the consolidated income statement.

As part of Improvements to HKFRSs issued in 2010, HKFRS 3 (as revised in 2008) was amended to clarify that the measurement choice regarding non-controlling interests at the date of acquisition (see above) is only available in respect of non-controlling interests that are present ownership interests and that entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. All other types of non-controlling interests are measured at their acquisition-date fair value, unless another measurement basis is required by other Standards.

In addition, as part of Improvements to HKFRSs issued in 2010, HKFRS 3 (as revised in 2008) was amended to give more guidance regarding the accounting for share-based payment awards held by the acquiree's employees. Specifically, the amendments specify that share-based payment transactions of the acquiree that are not replaced should be measured in accordance with HKFRS 2 Share-based Payment at the acquisition date ('market-based measure').

The amendments to HKFRS 3 (as revised in 2008) as part of Improvements to HKFRSs issued in 2010 (as described above) have been applied in advance of their effective dates (annual periods beginning on or after 1 July 2010).

However, the application of the improvements to HKFRS 3 has had no impact on the accounting for the acquisition of Weifang Century-Light and its subsidiaries in the current year as there is no share-based payment awards held by the acquiree's employees.

There is no other significant financial impact to the consolidated financial statements of the Group.

HKAS 27 (as revised in 2008) Consolidated and Separate Financial Statements

The application of HKAS 27 (as revised in 2008) has resulted in changes in the Group's accounting policies for the Group's changes in ownership interests in subsidiaries of the Group.

Specifically, the revised Standard has affected the Group's accounting policies regarding changes in the Group's ownership interests in its subsidiaries that do not result in loss of control. In prior years, in the absence of specific requirements in HKFRSs, increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised, when appropriate, for decreases in interests in existing subsidiaries that did not involve a loss of control, the difference between the consideration received and the adjustment to the non-controlling interests was recognised in profit or loss. Under HKAS 27 (as revised in 2008), all such increases or decreases are dealt with in equity, with no impact on goodwill or profit or loss.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the revised Standard requires the Group to derecognise all assets, liabilities and non-controlling interests at their carrying amounts and to recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

These changes have been applied prospectively from 1 January 2010 in accordance with the relevant transitional provisions.

The application of the revised Standard has affected the accounting for the Group's disposal in the current year of its entire interests in China Career Education Investment and Management Co., Ltd. and Nority Limited, and the acquisition of 51% equity interest in Weifang Century-Light and its subsidiaries.

In addition, under HKAS 27 (as revised in 2008), the definition of non-controlling interest has been changed. Specifically, under the revised Standard, non-controlling interest is defined as the equity in a subsidiary not attributable, directly or indirectly, to a parent. The application of the revised Standard has resulted in share options reserve relating to the employee share option plan of a subsidiary of the Company, being included as part of non-controlling interest in the consolidated statement of changes in equity. Previously, the share options reserve was presented separately in the consolidated statement of changes in equity.

However, the application of the revised Standard has had no impact on the accounting for the acquisition of Weifang Century-Light and its subsidiaries in the current year as there is no share-based payment awards held by the acquiree's employees.

Amendments to HKAS 17 Leases

As part of Improvements to HKFRSs issued in 2009, HKAS 17 Leases has been amended in relation to the classification of leasehold land. Before the amendments to HKAS 17, the Group was required to classify leasehold land as operating leases and to present leasehold land as prepaid lease payments in the consolidated statement of financial position. The amendments to HKAS 17 have removed such a requirement. The amendments require that the classification of leasehold land should be based on the general principles set out in HKAS 17, that is, whether or not substantially all the risks and rewards incidental to ownership of a leased asset have been transferred to the lessee.

The application of the amendments to HKAS 17 has had no impact on the reported profit or loss for the current and prior years.

Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ("HK Int 5") clarifies that term loans that include a clause that gives the lender the unconditional right to call the loans at any time ('repayment on demand clause') should be classified by the borrower as current liabilities. The Group has applied HK Int 5 for the first time in the current year. HK Int 5 requires retrospective application.

In order to comply with the requirements set out in HK Int 5, the Group has changed its accounting policy on classification of term loans with a repayment on demand clause. In the past, the classification of such term loans were determined based on the agreed scheduled repayment dates set out in the loan agreements. Under HK Int 5, term loans with a repayment on demand clause are classified as current liabilities.

The application of HK Int 5 has had no impact on the accounting for the secured bank loans and reported profit or loss for the current and prior years as all of secured bank loans are due within one year.

2. TURNOVER AND SEGMENT INFORMATION

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

Information reported to the Board, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. In addition, for 'footwear' and 'modified starch and other biochemical products' operation, the information reported to the Board is further analysed based on the different classes of customers.

Specifically, the Group's reportable segments under HKFRS 8 are as follow:

Footwear	Trading of athletic and athletic-style leisure footwear, working shoes, safety shoes, golf shoes and other functional shoes
Modified starch and other biochemical products	Manufacture and sale of modified starch and other biochemical products

The reportable segments have been identified on the basis of internal management reports prepared in accordance with accounting policies conforming to HKFRSs that are regularly reviewed by the executive directors of the Company being the CODM of the Group.

Segments profit (loss) represents profit earned or loss incurred by each segment without allocation of other revenue, central administration costs including directors' salaries, gain on disposal of subsidiaries, and finance costs. This is the basis of measurement reported to the CODM for the purposes of resource allocation and assessment of segment performance.

Business segments

The CODM regularly review revenue and operating results derived from trading of athletic and athletic-style leisure footwear, working shoes, safety shoes, golf shoes and other functional shoes on an aggregated basis, and sales and manufacturing of modified starch and other biochemical products and consider them as two operating segments.

Segment revenues and results

The following is an analysis of the Group's revenues and results by reportable segments:

	2010			2009		
	Modified starch and other biochemical products	**Footwear**	**Consolidated**	Modified starch and other biochemical products	Footwear	Consolidated
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue	**250,925**	**33,203**	**284,128**	–	13,137	13,137
Loss on disposal of obsolete inventories	**–**	**–**	**–**	–	(8,161)	(8,161)
Segment results	**9,247**	**(203)**	**9,044**	–	(16,977)	(16,977)
Other revenue			**43,311**			15,659
Unallocated expenses			**(24,518)**			(16,966)
Finance costs			**(3,539)**			(4,459)
			24,298			(22,743)
Taxation			**(893)**			–
Profit (loss) for the year			**23,405**			(22,743)

Revenue reported above represents revenue generated from external customers. There was no inter-segment sale during the year (2009: HK$Nil).

Segment assets and liabilities

	2010			2009		
	Modified starch and other biochemical products	**Footwear**	**Consolidated**	Modified starch and other biochemical products	Footwear	Consolidated
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
Assets						
Segment assets	**296,561**	**6,589**	**303,150**	–	16,173	16,173
Unallocated assets			**11,128**			24,252
Consolidated assets			**314,278**			40,425
Liabilities						
Segment liabilities	**264,007**	**1,413**	**265,420**	–	57,777	57,777
Unallocated liabilities			**3,432**			69,726
Consolidated liabilities			**268,852**			127,503
Geographical assets						
Hong Kong			**17,775**			35,497
PRC			**296,503**			4,928
			314,278			40,425

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

- all assets are allocated to reportable segments other than held for trading investments, and current and deferred tax assets. Assets used jointly by segments are allocated on the basis of the revenues earned by individual segments; and

- all liabilities are allocated to reportable segments other than current and deferred tax liabilities. Liabilities for which segments are jointly liable are allocated in proportion to segment assets.

Other information

	2010			
	Modified starch and other biochemical products	**Footwear**	**Unallocated**	**Consolidated**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Additions to non-current assets				
– acquisition of subsidiaries	**11,833**	**–**	**–**	**11,833**
– others	**3,994**	**8**	**–**	**4,002**
Depreciation and amortisation				
– acquisition of subsidiaries	**311**	**–**	**–**	**311**
– others	**1,147**	**–**	**628**	**1,775**
Additions to prepaid leasehold land payments				
– acquisition of subsidiaries	**7,674**	**–**	**–**	**7,674**
– others	**235**	**–**	**–**	**235**
Prepayments	**79,682**	**–**	**–**	**79,682**

	2009			
	Modified starch and other biochemical products	Footwear	Unallocated	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Additions to non-current assets				
– acquisition of subsidiaries	–	–	–	–
– others	–	–	564	564
Depreciation and amortisation				
– acquisition of subsidiaries	–	–	–	–
– others	–	–	2,510	2,510
Impairment loss on property, plant and equipment	–	–	822	822
Prepayments	–	–	–	–

Geographical information

For the year ended 31 December 2010, 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 profits derived from its operations in Hong Kong, the PRC and the Korea. For the year ended 31 December 2009, the Group's operations were located in Hong Kong with revenue and profits derived from its operations in Hong Kong.

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

	Revenue from external customers		Non-current assets	
	2010	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**33,203**	13,137	**86**	1,714
Korea	**111,928**	–	**–**	–
PRC	**95,381**	–	**22,773**	4,928
Others	**43,616**	–	**–**	–
	284,128	13,317	**22,859**	6,642

Information on major customers

For the year ended 31 December 2010, revenue is derived from a large number of customers and no single customer or group under common control contributed more than 10% of the Group's turnover. Accordingly, an analysis of customers is not presented.

For the year ended 31 December 2009, revenue from three customers of the Group amounting to approximately HK$5,873,000, HK$5,121,000 and HK$2,143,000 had individually accounted for over 10% of the Group's total revenue.

Information on major suppliers

Included in costs of sales arising from purchases of modified starch and other biochemical products from Weifang Shengtai Pharmaceutical Co., Ltd. was approximately HK$112,877,000 (2009: HK$Nil) which arose from purchases from the Group's largest supplier. No other single suppliers contributed 10% or more to the Group's purchases for 2010 (2009: Nil).

3. PROFIT (LOSS) FOR THE YEAR

	2010	2009
	HK$'000	*HK$'000*
Profit (loss) for the year has been arrived at after charging:		
Auditor's remuneration	**516**	512
Interest expenses	**3,539**	4,459
Depreciation on property, plant and equipment	**1,527**	2,510
Amortisation on prepaid leasehold land payment	**248**	–
Gain on disposal of subsidiaries	**40,809**	–
Allowance of bad and doubtful debt	**–**	305
Impairment loss for property, plant and equipment	**–**	822
Loss on disposal of obsolete inventories	**–**	8,161
Realised loss on disposal of held for trading investments	**2,054**	–
Staff costs (including directors' emoluments and retirement benefit costs)	**7,391**	6,687
And after crediting:		
Interest income	**61**	4
Gain on disposal of property, plant and equipment	**–**	1,842
Realised gain on disposal of held for trading investment	**–**	1,468
Unrealised gain on held for trading investments	**–**	9,866

4. FINANCE COSTS

	2010	2009
	HK$'000	*HK$'000*
Interest on:		
– bank loan and overdrafts wholly repayable within five years	**3,526**	182
– short-term loan from ultimate holding company	**–**	468
– short-term loan from a related company	**13**	44
Imputed interest on non-current interest-free loan from:		
– a minority shareholder of a subsidiary	**–**	1,429
Effective interest expenses on convertible note	**–**	2,336
	3,539	4,459

5. TAXATION

	2010	2009
	HK$'000	*HK$'000*
Tax expenses attributable to the Company and its subsidiaries:		
Current tax:		
Hong Kong	**–**	–
PRC	**1,734**	–
	1,734	–
Over-provision in prior years:		
Hong Kong	**(1,005)**	–
PRC	**164**	–
	(841)	–
Total income tax recognised in profit or loss	**893**	–

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% (2009: 25%).

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

	2010	2009
	HK$'000	*HK$'000*
Profit (Loss) before taxation	**24,298**	(22,743)
Tax at the domestic income tax rate of 16.5% (2009: 16.5%)	**4,009**	(3,753)
Effect of different tax rates of subsidiaries operating in other jurisdiction	**564**	–
Tax effect of expenses not deductible for tax purpose	**389**	2,933
Tax effect of income not taxable for tax purpose	**(6,753)**	(2,175)
Tax effect of deductible temporary differences not recognised	**186**	186
Tax effect of tax losses not recognised	**3,339**	2,809
Under-provision for prior year in PRC	**164**	–
Over-provision for prior year in Hong Kong	**(1,005)**	–
Taxation for the year	**893**	–

At 31 December 2010, the Group has unused tax losses of approximately HK$84,084,000 (2009: approximately HK$96,078,000) 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.

6. DIVIDEND

No dividend was paid or proposed during 2010, nor has any dividend been proposed since the end of the reporting period (2009: Nil).

7. EARNINGS (LOSS) PER SHARE

The calculation of basic earnings per share was based on the Group's profit attributable to shareholders of the Company of approximately HK$20,305,000 (2009: loss for the year approximately HK$22,743,000) and the weighted average number of ordinary shares of 15,221,806,555 (2009: 11,328,175,713) during the year.

The diluted earnings per share is not presented because there were no potential dilutive shares during the year ended 31 December 2010. The calculation of diluted loss per share does not assume the conversion of the convertible note during the year ended 31 December 2009 since their conversion would result in a decrease in loss per share.

8. TRADE RECEIVABLES

	2010	2009
	HK$'000	*HK$'000*
Trade receivables	**48,915**	6,732
Less: Allowance for bad and doubtful debts	**–**	(1,570)
Total trade receivables	**48,915**	5,162

The Group allows credit period ranging from 30 to 180 days (2009: 30 to 60 days) to its trade customers. The aging analysis of trade receivables is as follows:

	2010	2009
	HK$'000	*HK$'000*
0-30 days	**36,437**	829
31-60 days	**2,493**	–
61-90 days	**53**	–
91-180 days	**5,602**	–
Past due	**4,330**	4,333
Total	**48,915**	5,162

Included in the Group's trade receivables as at 31 December 2010 were debtors with an aggregate carrying amount of approximately HK$4,330,000 which were past due at the end of the reporting period for which the Group had not recognised an allowance for bad and doubtful debts because there was no significant change in credit quality and the amounts were still considered recoverable. These customers who trade on credit terms are subject to credit verification procedures. The Group did not hold any collateral over these balances nor did it have a legal right to offset against any amounts owed by the Group to the counterparties.

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

	2010	2009
	HK$'000	*HK$'000*
Past due	**4,330**	4,333

Movement in the allowance for bad and doubtful debts:

	2010	2009
	HK$'000	*HK$'000*
Balance at beginning of the year	**1,570**	1,570
Allowance recognised on receivables	**–**	305
Impairment losses reversed	**(1,570)**	–
Amounts written-off as uncollectible	**–**	(305)
Balance at end of the year	**–**	1,570

Included in the allowance for bad and doubtful debts are individually impaired trade receivables with an aggregate balance of HK$Nil (2009: approximately HK$1,570,000).

The directors consider that the carrying amount of trade receivables approximates their fair value.

9. TRADE PAYABLES

The average credit period on purchases of goods ranges from 30 to 180 days (2009: 30 days to 90 days). The aging analysis of trade payables is as follows:

	2010	2009
	HK$'000	*HK$'000*
0-30 days	**57,909**	1,951
31-60 days	**2,847**	2,063
61-90 days	**733**	480
91-180 days	**3,516**	–
Past due	**3,650**	2,757
	68,655	7,251

FINANCIAL REVIEW

Financial Performance

For the year ended 31 December 2010, the Group recorded a turnover of HK$284,128,000, representing a significant increase of approximately 20.6 times when compared to 2009. The increase in turnover is attributable to an increase in demand from overseas consumers from the footwear business and contribution from the modified starch and other biochemical ("Modified Starch") business acquired in 2010. The Group recorded gross profit and gross profit margin of HK$33,768,000 and 11.9% respectively, representing a significant increase of approximately 108.3 times and approximately 5 times respectively when compared to 2009. Operating expenses increased by 1.8 times from HK$26,091,000 recorded in 2009 to HK$47,188,000 in 2010. The increase is mainly attributable to the modified starch and other biochemical business acquired in 2010.

During the year, the Group recorded a loss on disposal of held for trading investments of HK$2,054,000 and a gain on disposal of subsidiaries of HK$40,809,000.

Loss attributable to shareholders of the Company reduced significantly from HK$22,743,000 in 2009 to a profit of HK$20,305,000 this year.

Footwear Business

The footwear business has improved significantly when compared to that of 2009. The Group recorded a turnover of HK$33,203,000 and a segmental loss of HK$203,000, a significant increase from the turnover of HK$13,137,000 and a segmental loss of HK$16,977,000 recorded in 2009. This is mainly attributable in the increase in overseas demand.

Modified Starch and Other Biochemical Business

Newly acquired in 2010, the Modified Starch business contributed HK$250,925,000 and HK$9,247,000 to the Group's turnover and segmental results respectively. Although the business made a positive contribution to the results of the Group for the year ended 31 December 2010, the net profit after tax of the Modified Starch business was below the budget due to the slower than expected start up of the new factory.

Financial Resources and Position

As at 31 December 2010, total borrowings amounted to HK$129,844,000, representing an increase of 13.5% compared to 2009. All borrowings of the Group relate to the Modified Starch business as the outstanding borrowings brought forward from 2009 were either repaid or belong to those subsidiaries disposed of during the year. All borrowings are denominated in Renminbi and bear interest at floating rates except bank overdraft which is at prime lending interest rate.

Cash and cash equivalents amounted to HK$93,479,000 as at 31 December 2010 which are mostly denominated in Hong Kong Dollars and Reminbi. As the Group's businesses are conducted in Hong Kong and the PRC, therefore the Group does not expect to be exposed to any material foreign exchange risks.

Bank deposits of approximately HK$36,772,000 have been pledged to secure banking facilities granted to the Group. The Group does not have any material contingent liabilities as at 31 December 2010.

The Group ended the year with a current ratio of 1.1 times and a gearing ratio (net debt to total assets) of 11.6%.

The Board has resolved not to recommend the payment of a final dividend for the year ended 31 December 2010.

Open Offer

In February 2010, the Company completed an open offer with an assured allotment of one offer share at HK$0.03 per share for every 5 existing shares held. The Company issued 2,575,780,896 shares under the open offer raising net proceeds of approximately HK$76.2 million. The net proceeds were used to: (i) pay the consideration for the acquisition of the 51% equity interest in Weifang Century-Light amounting to approximately HK$11.7 million; (ii) partially reduce the amount due to ultimate holding company amounting to approximately HK$41 million and (iii) the remaining balance of approximately HK$23.5 million as general working capital.

BUSINESS REVIEW

The Group is principally engaged in the trading, manufacturing and exporting of athletic and athlete-style footwear, as well as the manufacturing of working shoes, safety shoes, golf shoes, and other functional footwear and the manufacturing and sale of modified starch and other biochemical products.

The global economy has improved during the year, stimulating overseas demand for consumer goods such as footwear products. Orders have been increasing steadily during the year and the Group expects this trend to continue in 2011.

The acquisition of Weifang Century-Light was completed at the beginning of the year. Weifang Century-Light is principally engaged in the selling and manufacturing of modified starch and other biochemical products (變性澱粉及其他生化產品) in the PRC. Pursuant to the agreement dated 8 December 2009 entered into between Mr. Gong Weifeng ("Mr. Gong") and Wai Chun Industrial (Hong Kong) Limited ("WCIL"), a wholly owned subsidiary of the Company, in relation to the acquisition by WCIL of the 51% equity interests in Weifang Century-Light (the "Acquisition"), the Company and Mr. Gong agreed that in the event the aggregate net profit after tax of Weifang Century-Light for the year ended 31 December 2010 is less than RMB8 million, Mr. Gong is obliged to buy back the 51% equity interests in Weifang Century-Light for a consideration of RMB10,300,000, which is the same consideration paid for by the Company in respect of the Acquisition. Although the results of Weifeng Century-Light is satisfactory, due to a slower than expected start up of the new factory, the net profit after tax of Weifang Century-Light for the year ended 31 December 2010 was short of the RMB8 million target. The Company is currently assessing whether to exercise the repurchase option which in accordance to the Acquisition agreement, the Company has 60 days from the date on which the audited results of the Company for the year ended 31 December 2010 is published, to exercise such option.

Disposal of Nority

During the year, the Company disposed of its entire interest in Nority Limited ("Nority"), a 65% owned subsidiary of the Company to an independent third party. Nority was principally engaged in the manufacturing, sales and exporting of shoes. The Directors believe that the sale of Nority would allow the Group to reallocate its resources to the Group's other shoes manufacturing and trading entities.

Memorandum of Understanding

On 10 June 2010, the Company and its 62.51% controlling shareholder, Chinese Success Limited, entered into a non-legally binding memorandum of understanding ("MOU") with中鐵資源集團有限公司 (China Railway Resources Company Limited) ("CRR"), a member company of China Railway Group Limited, a joint stock limited company incorporated in the PRC, the H Shares and A Shares of which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange respectively and 中國鐵路(香港)工程有限公司(China Railway (Hong Kong) Engineering Limited), a wholly owned subsidiary of CRR. Please refer to the announcement dated 14 July 2010 issued by the Company for details of the MOU. However discussions on the possible cooperation were terminated on 23 November 2010.

On 20 November 2010, the Company entered into the Heads of Agreement ("HOA") with廣西有色金屬集團有限公司 (Guangxi Non-ferrous Metals Group Company Limited) and廣西新思迪投資貿易有限公司 (Guangxi Sincerity Investments & Trading Company Limited) together the "Guangxi Parties") in respect of the possible acquisitions of (i) 74% interest in a manganese mine and 100% interest in a trading company in South Africa; and (ii) the entire interest in two iron mines in the Kingdom of Cambodia. However the HOA was terminated on 11 March 2011, as there were uncertainties in relation to the reorganisation and compliance with the relevant laws and regulations and the Company and the Guangxi Parties were unable to reach an ultimate agreement on the final structure and terms of definitive agreements. Please refer to the announcements dated 24 November 2010 and 11 March 2011 issued by the Company for details of the HOA and the termination agreement.

In order to maximize profitability and returns to the Company and the shareholders in the long run, the Company shall continue to seek new opportunities to expand its existing businesses or diversify into other industries.

Prospects

The Company believes that the worst of the financial tsunami is now behind us and the global economy would continue to improve, restoring consumer confidence thus stimulating overseas demand for consumer goods such as footwear products.

Due to the continued increase in food consumption and animal feed demand in developing countries, the Group expects to experience substantial growth in sales of modified starch, biochemical products and animal feed addictives. After the completion to the new factory and the installation of new machineries, the production rate has increased significantly which enable Weifang Century-Light to achieve a higher profit margin.

In order to maximize profitability and returns to the Company and the shareholders in the long run, the Company shall continue to seek new opportunities to expand its existing businesses or diversify into other industries.

OTHER INFORMATION

Employees

As at 31 December 2010, the Group had a total of 78 employees, the majority of whom are situated in the PRC. 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 life and provides a good working environment for its employees to maximise their potential and contribution to the Group.

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

Purchase, Sale or Redemption of Listed Securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2010.

Corporate Governance

During the year ended 31 December 2010, the Company had complied with the code provisions as set out in the Code on Corporate Governance Practices in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the year ended 31 December 2010 except that the Chairman of the Board did not attend and chair the 2010 annual general meeting of the Company as stipulated under code E1.2. The Chairman was away on a business trip on that day.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules (the "Model Code") as the code of conduct regarding securities transactions by the Directors. All directors have confirmed, following specific enquiries by the Company that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2010.

Audit Committee

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

A meeting of the Audit Committee was held to review the Group's audited consolidated financial statements for the year ended 31 December 2010, in conjunction with the Group's external auditor, HLM & Co.

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 year. I would also like to express my appreciation to the continuous support of our shareholders and investors.

By Order of the Board
LAM Ching Kui
Chairman

Hong Kong, 22 March 2011

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

Executive Directors:
LAM Ching Kui *(Chairman)*
GUO Qing Hua *(Chief Executive Officer)*

Independent Non-executive Directors:
CHAN Chun Wai, Tony
SHAW Lut, Leonardo
WONG Wai Man, Raymond