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 2015

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 2015 together with the comparative figures for the corresponding period in 2014.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2015

		Six months ended 30 June	
		2015	2014
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Turnover	*4*	**164,586**	162,406
Cost of sales		**(162,996)**	(156,740)
Gross profit		**1,590**	5,666
Other revenue		**36**	148
Gain on disposal of a subsidiary		**–**	2,712
Selling expenses		**(1,629)**	(1,488)
Administrative expenses		**(8,525)**	(11,274)
Finance costs		**(2,542)**	(2,530)
Loss before income tax		**(11,070)**	(6,766)
Income tax expense	*5*	**–**	(2)
Loss for the period	*6*	**(11,070)**	(6,768)

* *For identification purposes only*

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)
For the six months ended 30 June 2015

	Note	Six months ended 30 June **2015** ***HK$'000*** **(Unaudited)**	 2014 *HK$'000* (Unaudited)
(Loss) profit attributable to:			
– Owners of the Company		**(8,992)**	(7,348)
– Non-controlling interests		**(2,078)**	580
		(11,070)	(6,768)
Loss per share	*8*	***HK cents***	*HK cents*
– Basic		**(0.06)**	(0.05)
– Diluted		**(0.06)**	(0.05)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 June 2015

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss for the period	**(11,070)**	(6,768)
Other comprehensive income (expense):		
Items that may be reclassified subsequently to profit or loss:		
Realisation of translation reserve upon disposal of a subsidiary	**–**	(712)
Exchange differences on translation of foreign operations	**170**	490
Other comprehensive income (expense), net of tax	**170**	(222)
Total comprehensive expense for the period	**(10,900)**	(6,990)
Total comprehensive (expense) income attributable to:		
– Owners of the Company	**(8,905)**	(7,461)
– Non-controlling interests	**(1,995)**	471
	(10,900)	(6,990)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2015

	Notes	30 June 2015 HK$'000 (Unaudited)	31 December 2014 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment	9	**38,421**	38,037
Prepaid land lease payments		**37,172**	37,338
Prepayments for acquisition of property, plant and equipment		**869**	711
		76,462	76,086
Current assets			
Inventories		**44,198**	29,063
Prepaid land lease payments		**809**	803
Trade and bills receivables	10	**20,275**	25,142
Deposits, prepayments and other receivables		**19,919**	6,886
Financial assets at fair value through profit or loss		**1,285**	–
Bank balances and cash		**1,279**	1,955
		87,765	63,849
Current liabilities			
Trade payables	11	**41,855**	28,750
Accruals and other payables		**23,984**	24,913
Amounts due to a non-controlling shareholder of a subsidiary		**–**	5,250
Amounts due to a former subsidiary		**22,518**	22,376
Borrowings		**57,319**	32,934
		145,676	114,223
Net current liabilities		**(57,911)**	(50,374)
Total assets less current liabilities		**18,551**	25,712

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
At 30 June 2015

	30 June 2015 HK$'000 (Unaudited)	31 December 2014 HK$'000 (Audited)
Non-current liability		
Loans from an ultimate holding company	**21,506**	17,767
Net (liabilities) assets	**(2,955)**	7,945
Capital and reserves		
Share capital	**39,887**	39,887
Convertible preference shares	**790**	790
Reserves	**(55,994)**	(47,089)
Capital deficiency attributable to owners of the Company	**(15,317)**	(6,412)
Non-controlling interests	**12,362**	14,357
(Capital deficiency) total equity	**(2,955)**	7,945

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

1. GENERAL

The Company is a public limited company 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 Floor 4, Willow House, Cricket Square, P.O. Box 2804, Grand Cayman KY1-1112, Cayman Islands 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 ("HK$") 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 general trading.

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

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") 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 has been prepared in accordance with the same accounting policies in the Group's audited financial statements for the year ended 31 December 2014, except for the accounting policy changes that are expected to be reflected in the audited financial statements for the year ended 31 December 2015. Details of any changes in accounting policies are set out in note 3.

The preparation of the condensed consolidated financial statements in conformity with HKAS 34 requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The condensed consolidated financial statements include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since 31 December 2014. The condensed consolidated financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs"). They shall be read in conjunction with the Group's audited financial statements for the year ended 31 December 2014.

For the six months ended 30 June 2015, the Group incurred a loss of approximately HK$11,070,000 and had a net operating cash outflow of approximately HK$24,281,000, and as at 30 June 2015, the Group had net current liabilities and net liabilities of approximately HK$57,911,000 and HK$2,955,000 respectively and also, the Group's capital deficiency attributable to the owners of the Company was approximately HK$15,317,000. These conditions indicate the existence of material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern and therefore, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

In order to ensure the Group's ability to operate as a going concern, the Directors of the Company have been implementing various measures as follows:

(i) The Company has undrawn loan facilities of approximately HK$102,617,000 granted by its ultimate holding company, Wai Chun Fund, which will be provided on a sub-ordinated basis, i.e. Wai Chun Fund will not demand the Company for repayment of such loans until all the other liabilities of the Group had been satisfied;

(ii) In addition to the loan facilities stated above, Wai Chun Fund has also undertaken to provide adequate funds to enable the Group to meet its liabilities and to pay financial obligations to third parties as and when they fall due to continue as a going concern and carry on its business without a significant curtailment of operations for the twelve months from the date of approving the condensed consolidated financial statement;

(iii) The Company has planned and is in negotiation with potential investors to raise sufficient funds through placements of shares. The proceeds will be used for general working capital and improve the liquidity of the Group; and

(iv) The Directors will continue to implement measures aiming at improving the working capital and cash flows of the Group including closely monitoring general administrative expenses and operating costs.

The Directors have carried out a detailed review of the cash flow forecast of the Group and the Company for the twelve months ending 30 June 2016 taking into account the impact of above measures, the Directors of the Company believe that the Group and the Company will have sufficient cash resources to satisfy its future working capital and other financing requirements as and when they fall due in the next twelve months from the end of report period, and accordingly, are satisfied that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis.

Should the Group and the Company be unable to continue in business as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for future liabilities which might arise and to reclassify non-current assets and liabilities to current assets and liabilities respectively. The effects of these potential adjustments have not been reflected in these condensed consolidated financial statements.

3. 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 period ended 30 June 2015 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2014.

Application of a new interpretation and amendments to Hong Kong Financial Reporting Standards ("HKFRSs")

In the current interim period, the Group and the Company has applied, for the first time, the following new interpretation and amendments to HKFRSs issued by the HKICPA that are relevant to the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010–2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011–2013 Cycle

The application of the above 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.

New and revised HKFRSs issued but not yet effective

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these interim financial statements:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle[2]
HKFRS 9	Financial Instruments[4]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	Investment Entities: Applying the Consolidation Exception[2]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[2]
HKFRS 14	Regulatory Deferral Accounts[1]
HKFRS 15	Revenue from Contracts with Customers[3]
Amendments to HKAS 1	Disclosure Initiative[2]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[2]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[2]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[2]

1 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with earlier application permitted.
2 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
3 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
4 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

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

4. SEGMENT INFORMATION

The chief operating decision maker ("CODM") has been identified as the Group's senior executive management. 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:

Modified starch and other biochemical products	–	Manufacture and sale of modified starch and other biochemical products
Footwear	–	Trading of athletic and athletic-style leisure footwear, working shoes, safety shoes, golf shoes and other functional shoes
General trading	–	Trading of electronic parts and components and electrical appliances

The reportable segments have been identified on the basis of internal management reports prepared in accordance with accounting policies which conform to HKFRSs. They are regularly reviewed by the CODM of the company.

Segment (loss) profit represents loss incurred or profit earned by each segment without allocation of other revenue, 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 by reportable segments:

Six months ended 30 June 2015

	Modified starch and other biochemical products *HK$'000* (Unaudited)	Footwear *HK$'000* (Unaudited)	General trading *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
Segment revenue	**132,649**	**2,647**	**29,290**	**164,586**
Segment results	**(2,434)**	**(2,601)**	**109**	**(4,926)**
Other revenue				**36**
Central administration costs				**(3,638)**
Finance costs				**(2,542)**
Loss before income tax				**(11,070)**
Income tax expense				**–**
Loss for the period				**(11,070)**

Six months ended 30 June 2014

	Modified starch and other biochemical products *HK$'000* (Unaudited)	Footwear *HK$'000* (Unaudited)	General trading *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
Segment revenue	132,134	7,047	23,225	162,406
Segment results	1,453	(2,506)	122	(931)
Other revenue				148
Gain on disposal of a subsidiary				2,712
Central administration costs				(6,165)
Finance costs				(2,530)
Loss before income tax				(6,766)
Income tax expense				(2)
Loss for the period				(6,768)

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

At 30 June 2015

Segment assets and liabilities

	Modified starch and other biochemical products *HK$'000* (Unaudited)	Footwear *HK$'000* (Unaudited)	General trading *HK$'000* (Unaudited)	Consolidated *HK$'000* (Unaudited)
Assets				
Segment assets	162,730	1,120	–	163,850
Unallocated assets				377
Consolidated assets				164,227
Liabilities				
Segment liabilities	(137,502)	(1,157)	(264)	(138,923)
Unallocated liabilities				(28,259)
Consolidated liabilities				(167,182)
Geographical assets				
Hong Kong				1,497
Macau				–
The People's Republic of China ("PRC")				162,730
				164,227

At 31 December 2014

Segment assets and liabilities

	Modified starch and other biochemical products *HK$'000* (Audited)	Footwear *HK$'000* (Audited)	General trading *HK$'000* (Audited)	Consolidated *HK$'000* (Audited)
Assets				
Segment assets	127,860	3,138	8,271	139,269
Unallocated assets				666
Consolidated assets				139,935
Liabilities				
Segment liabilities	(98,561)	(1,362)	(8,400)	(108,323)
Unallocated liabilities				(23,667)
Consolidated liabilities				(131,990)
Geographical assets				
Hong Kong				3,804
Macau				8,271
PRC				127,860
				139,935

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

Six months ended 30 June 2015

	Modified starch and other biochemical products *HK$'000* (Unaudited)	**Footwear** *HK$'000* (Unaudited)	**General trading** *HK$'000* (Unaudited)	**Unallocated** *HK$'000* (Unaudited)	**Total** *HK$'000* (Unaudited)
Additions to property, plant and equipment	**1,831**	**–**	**–**	**–**	**1,831**
Depreciation and amortisation	**2,037**	**24**	**–**	**–**	**2,061**
Prepayments for acquisition of property, plant and equipment	**869**	**–**	**–**	**–**	**869**

Six months ended 30 June 2014

	Modified starch and other biochemical products *HK$'000* (Unaudited)	Footwear *HK$'000* (Unaudited)	General trading *HK$'000* (Unaudited)	Unallocated *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
Additions to property, plant and equipment	3,858	–	–	–	3,858
Depreciation and amortisation	2,186	122	–	–	2,308
Prepayments for acquisition of property, plant and equipment	1,574	–	–	–	1,574

Geographical information

For the six months ended 30 June 2015, the Group's operations were principally located in Hong Kong (country of domicile) and PRC with revenue and profits from its operations.

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

	Revenue from external customers for the six months ended 30 June		**Non-current assets**	
	2015 *HK$'000* **(Unaudited)**	2014 *HK$'000* (Unaudited)	**30 June 2015** *HK$'000* **(Unaudited)**	31 December 2014 *HK$'000* (Audited)
Hong Kong	**30,367**	30,272	**62**	86
The Republic of Korea	**–**	1,003	**–**	–
PRC	**134,219**	131,131	**76,400**	76,000
	164,586	162,406	**76,462**	76,086

Information on major customers

For the six months ended 30 June 2015, included in revenue arising from sales of modified starch and other biochemical products of approximately HK$132,649,000 are revenue of approximately HK$51,410,000, HK$22,379,000 and included in revenue arising from general trading of approximately of HK$29,290,000 are revenue of approximately of HK$27,719,000 respectively arising from sales to the Group's three largest customers. No other single customer contributed 10% or more to the Group's sale.

For the six months ended 30 June 2014, included in revenue arising from sales of modified starch and other biochemical products of approximately HK$132,134,000 are revenue of approximately HK$47,672,000, HK$26,255,000 and included in revenue arising from general trading of approximately of HK$23,225,000 are revenue of approximately of HK$22,326,000 respectively arising from sales to the Group's three largest customers. No other single customer contributed 10% or more to the Group's sale.

Information on major suppliers

For the six months ended 30 June 2015, included in purchases arising from purchases of modified starch and other biochemical products of approximately HK$136,868,000 are purchases of approximately HK$73,211,000, HK$17,685,000 and HK16,082,000 respectively arising from purchases from Group's three largest suppliers. No other single supplier contributed 10% or more to the Group's purchases.

For the six months ended 30 June 2014, included in purchases arising from purchases of modified starch and other biochemical products of approximately HK$133,920,000 are purchases of approximately HK$83,723,000 and HK$28,213,000 respectively arising from purchases from the Group's two largest suppliers. No other single supplier contributed 10% or more to the Group's purchases.

5. INCOME TAX EXPENSE

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
The income tax expense comprises:		
Under provision of income tax in prior periods:		
PRC Enterprise Income Tax	–	2

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 2014: 25%). Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

6. LOSS FOR THE PERIOD

Loss for the period is arrived at after charging the following items:

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Cost of inventories	**162,906**	146,387
Interest expenses	**2,542**	2,530
Depreciation on property, plant and equipment	**1,658**	1,912
Loss on exchange, net	**11**	314
Amortisation on prepaid land lease payments	**403**	396
Staff costs (including Directors' emoluments and retirement benefit costs)	**2,882**	3,030

7. INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2015 (30 June 2014: Nil).

8. LOSS PER SHARE

The calculation of the basic loss per share for six months ended 30 June 2015 was based on the Group's loss attributable to owners of the Company of approximately HK$8,992,000 (six months ended 30 June 2014: approximately HK$7,348,000) and 15,954,685,376 ordinary shares (six months ended 30 June 2014: weighted average number of 15,565,182,614 shares) during the period.

No adjustment was made in calculating diluted loss per share for both periods as the conversion of convertible preference shares would result in decrease in loss per share. Accordingly, the diluted loss per share is same as the basic loss per share.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months period ended 30 June 2015, the Group acquired items of property, plant and equipment at a total cost of approximately HK$1,831,000 (For the year ended 31 December 2014: approximately HK$6,640,000).

10. TRADE AND BILLS RECEIVABLES

	30 June	31 December
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables	**23,710**	29,327
Bills receivable	**763**	13
	24,473	29,340
Less: provision for impairment	**(4,198)**	(4,198)
Total	**20,275**	25,142

The Group allows average credit period of 30 to 180 days to its customers.

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

	30 June 2015 *HK$'000* **(Unaudited)**	31 December 2014 *HK$'000* (Audited)
0-30 days	**9,349**	17,234
31-60 days	**3,084**	3,884
61-90 days	**4,901**	3,183
91-180 days	**2,171**	412
Over 180 days	**770**	429
Total	**20,275**	25,142

11. TRADE PAYABLES

The average credit period on purchases of goods ranges from 30 to 180 days (31 December 2014: 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 2015 *HK$'000* **(Unaudited)**	31 December 2014 *HK$'000* (Audited)
0-30 days	**13,164**	22,640
31-60 days	**15,970**	2,044
61-90 days	**4,522**	1,365
91-180 days	**3,863**	1,616
Over 180 days	**4,336**	1,085
Total	**41,855**	28,750

12. OPERATING LEASES COMMITMENTS

The Group as lessee

	Six months ended 30 June	
	2015 *HK$'000* **(Unaudited)**	2014 *HK$'000* (Unaudited)
Lease payments in respect of rented premises paid under operating leases during the period	**1,594**	1,594

At the end of the current interim period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of office premises which fall due as follows:

	30 June 2015 *HK$'000* **(Unaudited)**	31 December 2014 *HK$'000* (Audited)
Within one year	**1,063**	2,657
In the second to fifth year inclusive	**–**	–
Total	**1,063**	2,657

Operating lease payments represent rental payables by the Group for its office premises in Hong Kong. Leases and rentals are negotiated and fixed respectively for an average term of two years.

13. PLEDGE OF ASSETS

The Group's prepaid land lease payments with carrying amounts of approximately HK$24,365,000 (As at 31 December 2014: approximately HK$29,860,000) have been pledged to secure the bank loans and general banking facilities granted to the Group.

EXTRACTS FROM INDEPENDENT REVIEW 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 2015.

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 2015 have been prepared assuming that the Group will continue as a going concern. Without qualifying our review conclusion, we draw attention to Note 2 to the condensed consolidated financial statements which indicate that the Group incurred a net loss of approximately HK$11,070,000 and had a net operating cash outflow of approximately HK$24,281,000 for the six months ended 30 June 2015, and as at that date, the Group had net current liabilities and net liabilities of approximately HK$57,911,000 and HK$2,955,000 respectively and also, the Group's capital deficiency attributable to owners of the Company was approximately HK$15,317,000. 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 2 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.

FINANCIAL REVIEW

Financial Performance

For the six months ended 30 June 2015, the Group recorded a turnover of approximately HK$164,586,000 (six months ended 30 June 2014: approximately HK$162,406,000), representing an increase of 1.3% as compared with the corresponding period last year. The Group recorded a gross profit and gross profit margin of approximately HK$1,590,000 and 1.0% respectively for the six months ended 30 June 2015, representing decreases of approximately HK$4,076,000 and of 71.9% respectively as compared with the gross profit of approximately HK$5,666,000 and gross profit margin of 3.5% in the first half of 2014.

Administrative expenses decreased by 24.4% from approximately HK$11,274,000 in the first half of 2014 to approximately HK$8,525,000 for the corresponding period this year. Selling expenses recorded an increase of 9.5% from approximately HK$1,488,000 in the first half of 2014 to approximately HK$1,629,000 for the corresponding period this year.

Loss attributable to owners of the Company amounted to approximately HK$8,992,000, representing an increase of 22.4% as compared with the loss of approximately HK$7,348,000 for the corresponding period last year. The increase in the loss was mainly attributable to (i) the decrease in the profit margin of the modified starch and other biochemical products business primarily because of intense competition; and (ii) the lack of one-off gain on disposal of a subsidiary of approximately HK$2,712,000 which was recorded in the same period last year.

Financial Resources and Position

As at 30 June 2015, the Group had net current liabilities of approximately HK$57,911,000 (31 December 2014: approximately HK$50,374,000) and cash and cash equivalents of approximately HK$1,279,000 (31 December 2014: approximately HK$1,955,000).

As at 30 June 2015, the current ratio of the Group was approximately 0.60 times (31 December 2014: approximately 0.56 times). The net debts (net of cash and cash equivalents) to total assets ratio of the Group was approximately 47.2% (31 December 2014: 38.6%). Total borrowings of the Group amounted to approximately HK$78,825,000, comprising secured bank loan of approximately HK$57,319,000 and amount due to the ultimate holding company of approximately HK$21,506,000. All the borrowings are denominated in Hong Kong Dollars and Renminbi. All of these borrowings are interest bearing at prevailing market interest rates.

During the six months ended 30 June 2015, 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.

BUSINESS REVIEW AND OUTLOOK

During the period under review, the Group continued to engage in 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 general trading.

During the period under review, the business of manufacture and sales of modified starch, biochemical products and corn oil products recorded segment loss of approximately HK$2,434,000 (six months ended 30 June 2014: segment profits of approximately HK$1,453,000). Such setback was mainly due to the decrease in the profit margin of the modified starch and other biochemical products business primarily because of intense competition. The business of general trading recorded segment profits of approximately HK$109,000 during the period (six months ended 30 June 2014: segment profits of approximately HK$122,000), whereas the footwear business, which continued to be hampered by low consumer spending and keen competition, recorded segment loss of approximately HK$2,601,000 (six months ended 30 June 2014: segment loss of approximately HK$2,506,000).

Looking forward, the Company has been actively identifying projects with growth potential for acquisition or investment and has been in discussions with various independent third parties for such acquisition or investment. However, the Company was unable to materialize any potential acquisition or investment due to various reasons. Meanwhile, the Company intends to enrich and improve its financial resources by conducting a fund raising exercise (such as placement of new shares) within the next six months with a view to raise at least HK$50 million. The Company is in preliminary discussion with various agents and will comply with the requirements of the Listing Rules when and as the circumstance required.

INTERIM DIVIDEND

The Board resolved not to declare an interim dividend for the six months ended 30 June 2015 (30 June 2014: Nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED 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 2015.

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 have confirmed, following specific enquiries by the Company, that they have complied with the required standards set out in the Model Code during the six months ended 30 June 2015.

CORPORATE GOVERNANCE

The Company has adopted the code provisions of 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 2015, the Company has complied with the relevant code provisions set out in the CG Code except for the deviation from code provision A.2.1, which is 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.

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 2015.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.0660.hk). The interim report of the Company for the six months ended 30 June 2015 will be dispatched to shareholders of the Company and published on the websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 28 August 2015

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.