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 2017

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 2017 together with the comparative figures for the corresponding period in 2016.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2017

		Six months ended 30 June	
	Notes	**2017**	2016
		HK$'000	*HK$'000*
		(Unaudited)	(Unaudited)
Turnover	*4*	**226,923**	192,123
Cost of sales		**(220,763)**	(186,299)
Gross profit		**6,160**	5,824
Other revenue		**1,924**	88
Selling expenses		**(3,366)**	(3,014)
Administrative expenses		**(8,624)**	(34,737)
Finance costs		**(2,053)**	(1,614)
Loss before tax		**(5,959)**	(33,453)
Income tax expense	*5*	**(17)**	–
Loss for the period	*6*	**(5,976)**	(33,453)

* *For identification purposes only*

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

For the six months ended 30 June 2017

		Six months ended 30 June	
	Notes	**2017**	2016
		HK$'000	*HK$'000*
		(Unaudited)	(Unaudited)
(Loss) profit for the period attributable to:			
– Owners of the Company		**(6,259)**	(32,901)
– Non-controlling interests		**283**	(552)
		(5,976)	(33,453)
Loss per share	*8*	**HK cents**	HK cents
– Basic		**(0.04)**	(0.20)
– Diluted		**(0.04)**	(0.20)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 June 2017

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss for the period	**(5,976)**	(33,453)
Other comprehensive income (expense)		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	**258**	(300)
Other comprehensive income (expense), net of tax	**258**	(300)
Total comprehensive expense for the period	**(5,718)**	(33,753)
Total comprehensive (expenses) income attributable to:		
– Owners of the Company	**(6,128)**	(33,054)
– Non-controlling interests	**410**	(699)
	(5,718)	(33,753)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2017

	Notes	**30 June 2017** **HK$'000** **(Unaudited)**	31 December 2016 *HK$'000* (Audited)
Non-current assets			
Property, plant and equipment	*9*	**40,075**	35,772
Prepaid land lease payments	*10*	**31,036**	30,445
		71,111	66,217
Current assets			
Inventories		**49,436**	38,381
Prepaid land lease payments	*10*	**704**	683
Trade and bills receivables	*11*	**26,674**	26,254
Deposits, prepayments and other receivables		**8,840**	8,630
Financial assets at fair value through profit or loss		**2,511**	1,419
Pledged bank deposits		**5,759**	–
Cash and cash equivalents		**2,854**	6,464
		96,778	81,831
Current liabilities			
Trade payables	*12*	**60,966**	57,244
Accruals and other payables		**29,464**	17,121
Tax payables		**4**	52
Amounts due to a non-controlling shareholder of a subsidiary		**12,113**	14,561
Borrowings		**63,099**	55,854
		165,646	144,832
Net current liabilities		**(68,868)**	(63,001)
Total assets less current liabilities		**2,243**	3,216

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
At 30 June 2017

	30 June 2017 *HK$'000* **(Unaudited)**	31 December 2016 *HK$'000* (Audited)
Non-current liability		
Loans from ultimate holding company	**19,794**	15,049
Net liabilities	**(17,551)**	(11,833)
Capital and reserves		
Share capital – ordinary shares	**40,677**	40,677
Share capital – convertible preference shares	**1,342**	1,342
Reserves	**(64,337)**	(58,209)
Capital deficiency attributable to owners of the Company	**(22,318)**	(16,190)
Non-controlling interests	**4,767**	4,357
Capital deficiency	**(17,551)**	(11,833)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2017

1. GENERAL

The Company is incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). In the opinion of the Directors of the Company, the ultimate holding company of the Company is Oriental Success Ventures Limited ("**Oriental Success**"), which is a private limited company incorporated in the British Virgin Islands. Its ultimate controlling party is Mr. Lam Ching Kui ("**Mr. Lam**"), who is the chairman of the Board of Directors and an executive director of the Company. 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 principal activities of the Group are the manufacture and sale of modified starch and other biochemical products, the trading of athletic and athletic-style leisure footwear, working shoes, safety shoes, golf shoes and other functional shoes, and general trading.

The condensed consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of the Company. In addition, the functional currencies of certain group entities that operate outside Hong Kong are determined based on the currency of the primary economic environment in which the group entities operate.

The condensed consolidated financial statements were approved for issue by the Board of Directors on 29 August 2017.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 ("**HKAS 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 in accordance with the same accounting policies in the Group's audited financial statements for the year ended 31 December 2016, except for the accounting policy changes that are expected to be reflected in the audited financial statements for the year ending 31 December 2017. 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 2016. 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 2016.

For the six months ended 30 June 2017, the Group incurred a net loss attributable to owners of the Company of approximately HK$6,259,000, and as at that date, the Group had net current liabilities and net liabilities of approximately HK$68,868,000 and HK$17,551,000 respectively and also, the Group's capital deficiency attributable to owners of the Company was approximately HK$22,318,000. These conditions indicate the existence of material uncertainty which may cast significant doubt on 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 follow:

(i) As at 30 June 2017, the Company has undrawn loan facilities of approximately HK$105,922,000 granted by Oriental Success, its ultimate holding company, which will be provided on a subordinated basis, i.e. Oriental Success will not demand the Company for repayment of such loans outstanding until all the other liabilities of the Group had been satisfied;

(ii) In addition to the loan facilities granted by Oriental Success as stated above, the ultimate controlling party 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 so that the Group can continue as a going concern and carry on its business without a significant curtailment of operations for the twelve months from the date of approving the condensed consolidated financial statements;

(iii) The Company has planned and is in negotiation with potential investors to raise sufficient funds; 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 for the twelve months from the date of this report, taking into account the impact of above measures, the Directors of the Company believe that the Group will have sufficient cash resources to satisfy its future working capital and other financing requirements as and when they fall due in the next twelve months from the date of this report, and accordingly, are satisfied that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made to write down the value of assets to their recoverable 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.

As set out in the paragraphs above, the Group intends to pursue strategic acquisitions that can enable the Company to capture new business opportunities in the People's Republic of China (the "**PRC**") market and to strengthen the revenue and profit fundamentals. The Company has been actively identifying projects with growth potential for acquisitions or investments and has been in discussions with various parties for such acquisitions or investments.

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical basis except for financial instruments that are measure at fair value at the end of each reporting period.

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 2017 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2016.

Application of amendments to Hong Kong Financial Reporting Standards

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

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRSs	Part of the Annual Improvements to HKFRSs 2014-2016 Cycle relating to Amendments to HKFRS12 Disclosure of Interests in Other Entities

The application of the above amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosure set out in these condensed consolidated financial statements but additional disclosures about changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes on application of amendments to HKAS 7 will be provided in the consolidated financial statements for the year ending 31 December 2017.

New and revised HKFRSs issued but not yet effective

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

HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers and the related Amendments[1]
HKFRS 16	Leases[2]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[1]
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKFRS 15	Clarifications to HKFRS 15 Revenue from Contracts with Customers[1]
Amendments to HKAS 40	Transfers of Investment Properties[1]
HK (IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration[1]
HK (IFRIC) – Int 23	Uncertainty over Income Tax Treatments[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014 – 2016 Cycle except amendments to HKFRS12[1]

[1] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
[2] Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.
[3] Effective for annual periods beginning on or after a date to be determined.

The Directors of the Company do not anticipate that the application of these new or revised standards or amendments will have any material impact on the condensed consolidated financial statements.

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 profit (loss) represents profit earned or loss incurred 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 2017

	Modified starch and other biochemical products *HK$'000* **(Unaudited)**	**Footwear** *HK$'000* **(Unaudited)**	**General trading** *HK$'000* **(Unaudited)**	**Total** *HK$'000* **(Unaudited)**
Segment revenue	**203,279**	**–**	**23,644**	**226,923**
Segment results	**90**	**(2,933)**	**113**	**(2,730)**
Other revenue				**1,924**
Central administration costs				**(3,100)**
Finance costs				**(2,053)**
Loss before tax				**(5,959)**
Income tax expense				**(17)**
Loss for the period				**(5,976)**

Six months ended 30 June 2016

	Modified starch and other biochemical products *HK$'000* (Unaudited)	Footwear *HK$'000* (Unaudited)	General trading *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
Segment revenue	173,610	755	17,758	192,123
Segment results	172	(3,042)	46	(2,824)
Other revenue				88
Central administration costs				(29,103)
Finance costs				(1,614)
Loss before tax				(33,453)
Income tax expense				–
Loss for the period				(33,453)

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

Segment assets and liabilities

At 30 June 2017

	Modified starch and other biochemical products *HK$'000* **(Unaudited)**	**Footwear** *HK$'000* **(Unaudited)**	**General trading** *HK$'000* **(Unaudited)**	**Total** *HK$'000* **(Unaudited)**
Assets				
Segment assets	**165,359**	**2,220**	**–**	**167,579**
Unallocated assets				**310**
Consolidated assets				**167,889**
Liabilities				
Segment liabilities	**(155,632)**	**(1,927)**	**–**	**(157,559)**
Unallocated liabilities				**(27,881)**
Consolidated liabilities				**(185,440)**
Geographical assets				
Hong Kong				**2,530**
PRC				**165,359**
				167,889

At 31 December 2016

	Modified starch and other biochemical products *HK$'000* (Audited)	Footwear *HK$'000* (Audited)	General trading *HK$'000* (Audited)	Total *HK$'000* (Audited)
Assets				
Segment assets	145,750	1,985	–	147,735
Unallocated assets				313
Consolidated assets				148,048
Liabilities				
Segment liabilities	(136,859)	(322)	(34)	(137,215)
Unallocated liabilities				(22,666)
Consolidated liabilities				(159,881)
Geographical assets				
Hong Kong				2,298
PRC				145,750
				148,048

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

- assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual segments; and

- liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

Other segment information

Six months ended 30 June 2017

	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	**5,002**	**4**	**–**	**–**	**5,006**
Depreciation and amortisation	**2,036**	**68**	**–**	**–**	**2,104**
Reversal of write-down of inventories to net realisable value	**(517)**	**–**	**–**	**–**	**(517)**

Six months ended 30 June 2016

	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	2,088	20	–	–	2,108
Depreciation and amortisation	2,047	25	–	–	2,072
Reversal of write-down of inventories to net realisable value	(20)	–	–	–	(20)

Geographical information

For the six months ended 30 June 2017 and 2016, 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**	
	2017 *HK$'000* **(Unaudited)**	2016 *HK$'000* (Unaudited)	**30 June 2017** *HK$'000* **(Unaudited)**	31 December 2016 *HK$'000* (Audited)
Hong Kong	**23,644**	18,513	**598**	663
PRC	**203,279**	173,610	**70,513**	65,554
	226,923	192,123	**71,111**	66,217

Information on major customers

For the six months ended 30 June 2017, included in revenue arising from sales of modified starch and other biochemical products of approximately HK$203,279,000 are revenue of approximately HK$44,711,000 and HK$43,724,000 and included in revenue arising from general trading of approximately HK$23,644,000 are revenue of approximately HK$23,644,000 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 2016, included in revenue arising from sales of modified starch and other biochemical products of approximately HK$173,610,000 are revenue of approximately HK$37,227,000, HK$31,233,000 and HK$22,558,000 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 2017, included in purchases arising from purchases of modified starch and other biochemical products of approximately HK$218,248,000 are purchases of approximately HK$133,240,000, HK$22,114,000 and HK$14,468,000 respectively arising from purchases from the Group's three largest suppliers. No other single supplier contributed 10% or more to the Group's purchases.

For the six months ended 30 June 2016, included in purchases arising from purchases of modified starch and other biochemical products of approximately HK$177,036,000 are purchases of approximately HK$93,811,000, HK$16,123,000 and HK$11,229,000 respectively arising from purchases from the Group's three largest suppliers. No other single supplier contributed 10% or more to the Group's purchases.

5. INCOME TAX EXPENSE

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
The income tax expense comprises:		
Current income tax:		
PRC Enterprise Income Tax	**17**	–

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 2016: 25%). Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

Macau complementary tax is levied at a fixed rate of 12% on the taxable income above MOP600,000 for both periods (equivalent to approximately HK$567,000).

At the end of current interim period, the Group has unused tax losses of approximately HK$154,780,000 (31 December 2016: approximately HK$154,482,000) 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.

At the end of current interim period, there was no (31 December 2016: Nil) unrecognised deferred tax liabilities, relating to withholding tax that would be payable for undistributed profits of PRC subsidiaries, as the Directors consider that the timing for reversal of the related temporary differences can be controlled and such temporary differences will not be reversed in the foreseeable future. The total unused loss of these PRC subsidiaries as at 30 June 2017 amounted to approximately HK$13,200,000 (31 December 2016: approximately HK$14,375,000).

6. LOSS FOR THE PERIOD

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss for the period has been arrived at after charging:		
Cost of inventories recognised as an expense	**220,015**	186,228
Interest expenses	**2,053**	1,614
Depreciation on property, plant and equipment	**1,759**	1,708
Share-based payment expenses	**–**	23,228
Amortisation of prepaid land lease payments	**345**	364
Staff costs (including Directors' emoluments and retirement benefit costs)	**4,869**	3,737
And after crediting:		
Net exchange gain	**2**	2
Reversal of write-down of inventories to net realisable value	**517**	20

7. INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2017 (six months ended 30 June 2016: Nil).

8. LOSS PER SHARE

Basic loss per share

The calculation of the basic loss per share for six months ended 30 June 2017 is based on the Group's loss attributable to owners of the Company of approximately HK$6,259,000 (six months ended 30 June 2016: approximately HK$32,901,000) and the number of 16,270,685,376 ordinary shares (six months ended 30 June 2016: 16,270,685,376 ordinary shares) in issue.

Diluted loss per share

Diluted loss per share is calculated by adjusting the number of ordinary shares outstanding due to the effect of all dilutive potential ordinary shares and the Group's loss attributable to owners of the Company.

The Company has dilutive potential ordinary shares attributable to share options and convertible preference shares. The calculation of diluted loss per share in the current period does not assume the exercise of the share options and the conversion of convertible preference shares since their exercise would result in a decrease in loss per share. Accordingly, the diluted loss per share is the same as the basic loss per share.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2017, the Group acquired items of property, plant and equipment at a total cost of approximately HK$5,006,000 (for the year ended 31 December 2016: approximately HK$6,281,000).

10. PREPAID LAND LEASE PAYMENTS

Prepaid land lease payments represent prepayments of land use rights premium to the PRC government authority. The Group's land use rights are located in the PRC for industrial purpose. The Group's land use rights are granted for a period of 50 years and are classified as long-term lease.

	30 June 2017	31 December 2016
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Carrying amount:		
At beginning of the period/year	**31,128**	33,959
Exchange difference	**957**	(2,116)
Amortisation	**(345)**	(715)
At end of the period/year	**31,740**	31,128
Analysed for reporting purposes as:		
Current portion	**704**	683
Non-current portion	**31,036**	30,445
At end of the period/year	**31,740**	31,128

11. TRADE AND BILLS RECEIVABLES

	30 June 2017	31 December 2016
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables	**34,386**	35,173
Bills receivables	**735**	519
	35,121	35,692
Less: Provision for impairment	**(8,447)**	(9,438)
Total	**26,674**	26,254

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 2017	31 December 2016
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0-30 days	**11,953**	16,366
31-60 days	**5,611**	2,189
61-90 days	**3,745**	2,798
91-180 days	**885**	4,901
Over 180 days	**4,480**	–
Total	**26,674**	26,254

The movements in the provision for impairment of trade and bills receivables are as follows:

	30 June 2017	31 December 2016
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Balance at beginning of the period/year	**9,438**	7,496
Provision for impairment	**–**	1,942
Reversal of impairment provision due to subsequent recovery	**(991)**	–
Balance at end of the period/year	**8,447**	9,438

The aging analysis of trade and bills receivables which are past due but not impaired, is as follows:

	30 June 2017	31 December 2016
	HK$'000	*HK$'000*
Overdue by:	**(Unaudited)**	(Audited)
0-30 days	**–**	–
31-60 days	**–**	–
61-90 days	**–**	–
91-180 days	**4,480**	–
Over 180 days	**–**	–
Total	**4,480**	–

As at 30 June 2017, trade receivables of approximately HK$4,480,000 (31 December 2016: HK$Nil) were past due but not impaired, as the balances were related to customers with sound repayment history and no recent history of default. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The receivables amount to approximately HK$4,480,000 were settled up to July 2017.

12. TRADE PAYABLES

	30 June 2017	31 December 2016
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade payables	**60,966**	57,244

The average credit period on purchases of goods ranges from 30 to 180 days (31 December 2016: 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 2017	31 December 2016
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0-30 days	**20,995**	49,921
31-60 days	**6,367**	3,748
61-90 days	**32,038**	1,468
91-180 days	**267**	648
Over 180 days	**1,299**	1,459
Total	**60,966**	57,244

13. OPERATING LEASES COMMITMENTS

The Group as lessee

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(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	31 December
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within one year	**1,063**	2,657
In the second to fifth years 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.

14. PLEDGE OF ASSETS

The Group's prepaid land lease payments and bank deposits in the PRC with carrying amounts of approximately HK$19,014,000 (31 December 2016: approximately HK$18,554,000) and approximately HK$5,759,000 (31 December 2016: HK$Nil) respectively have been pledged to secure the bank loans and general banking facilities granted to the Group.

15. SHARE-BASED PAYMENT

The Company's share option scheme was adopted pursuant to resolution passed on 22 July 2015 (the "**Share Option Scheme**"), the Company may, at their discretion, invite executive or non-executive director, employee (whether full-time or part-time), chief executive, substantial shareholder, consultant, professional and other advisers to take up options.

As at 31 December 2016 and 30 June 2017, the number of shares in respect of the options granted and remained outstanding under the Share Option Scheme was 699,639,467, representing 4.3% of the issued shares of the Company. As at the date of this interim report, the number of shares available for further issue under the Share Option Scheme was 927,429,071, representing 5.7% of the issued shares of the Company.

Movements of the Company's share options held by consultants and an employee during the period ended 30 June 2017 are set out below:

	Number of share options						
Category of participants	As at 1 January 2017	Granted	Exercised	As at 30 June 2017	Date of grant	Exercise period	Exercise price HK$
Consultants	536,932,614	–	–	536,932,614	12 January 2016	12 January 2016 to 11 January 2021	0.0686
Employee	162,706,853	–	–	162,706,853	12 January 2016	12 January 2016 to 11 January 2021	0.0686
Total	699,639,467	–	–	699,639,467			
Exercise price	0.0686	–	–	0.0686			

On 12 January 2016, the Company granted a total of 699,639,467 share options under the Share Option Scheme to consultants and an employee of the Group. The exercise period of the options is 5 years from the date of grant of the options, i.e. from 12 January 2016 to 11 January 2021. The options will entitle the grantees to subscribe for a total of 699,639,467 new shares of HK$0.0025 each at an exercise price of HK$0.0686 per share.

The fair values of the options determined during the year ended 31 December 2016 was calculated by independent valuer "Peak Vision Appraisals Limited" using the binomial option pricing model. The following assumptions were used to calculate the fair values of share options:

Exercise price (HK$)	0.0686
Share price at the date of grant (HK$)	0.0660
Dividend yield (%)	–
Expected volatility (%)	93.245
Risk-free interest rate (%)	0.941
Expected life of options (years)	5

The binomial option model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the Directors' best estimate. Changes in variables and assumptions may result in changes in the fair value of the options.

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 2017.

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 2017 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 attributable to owners of the Company of approximately HK$6,259,000 for the six months ended 30 June 2017, and as at that date, the Group had net current liabilities and net liabilities of approximately HK$68,868,000 and HK$17,551,000 respectively and also, the Group's capital deficiency attributable to owners of the Company was approximately HK$22,318,000. These conditions indicate the existence of a material uncertainty that may cast significant doubt on 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 2017, the Group recorded a turnover of approximately HK$226,923,000 (six months ended 30 June 2016: approximately HK$192,123,000), representing an increase of 18.1% as compared with the corresponding period last year. The Group recorded a gross profit and gross profit margin of approximately HK$6,160,000 and 2.7% respectively for the six months ended 30 June 2017, representing increases of approximately HK$336,000 and of 5.8% respectively as compared with the gross profit of approximately HK$5,824,000 and gross profit margin of 3.0% in the first half of 2016. Such increases were mainly due to the increase in the market demand of the modified starch and other biochemical products during the period.

Administrative expenses decreased by 75.2% from approximately HK$34,737,000 in the first half of 2016 to approximately HK$8,624,000 for the corresponding period this year. Such decrease is mainly due to share based payment expenses of approximately HK$23,228,000 recognised for the 699,639,467 share options granted under the Company's share option scheme on 12 January 2016. Selling expenses recorded an increase of 11.7% from approximately HK$3,014,000 in the first half of 2016 to approximately HK$3,366,000 for the corresponding period this year.

Loss attributable to owners of the Company amounted to approximately HK$6,259,000, representing a decrease of 81.0% as compared with the loss of approximately HK$32,901,000 for the corresponding period last year. The decrease in the loss was mainly attributable to the share option expenses of approximately HK$23,228,000 mentioned above.

Financial Resources and Position

As at 30 June 2017, the Group had net current liabilities of approximately HK$68,868,000 (31 December 2016: approximately HK$63,001,000) and cash and cash equivalents of approximately HK$2,854,000 (31 December 2016: approximately HK$6,464,000).

As at 30 June 2017, the current ratio of the Group was approximately 0.58 times (31 December 2016: approximately 0.56 times). The net debts (net of cash and cash equivalents) to total assets ratio of the Group was approximately 54.9% (31 December 2016: 53.4%). Total borrowings of the Group amounted to approximately HK$95,006,000, comprising secured bank loan of approximately HK$63,099,000, amount due to a non-controlling shareholder of a subsidiary of approximately HK$12,113,000 and loans from ultimate holding company of approximately HK$19,794,000. 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 2017, the Group financed its operations mainly by internally generated resources and borrowings which include bank borrowings, loan and undrawn loan facilities from ultimate holding company. 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 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 profits of approximately HK$90,000 (six months ended 30 June 2016: segment profits of approximately HK$172,000). Such decrease was mainly due to the increase in selling expense in the modified starch and other biochemical products business. The business of general trading recorded segment profits of approximately HK$113,000 during the period (six months ended 30 June 2016: segment profits of approximately HK$46,000), whereas the footwear business, which was downsizing significantly in this year and recorded segment loss of approximately HK$2,933,000 (six months ended 30 June 2016: segment loss of approximately HK$3,042,000).

The proposed acquisition of Oceanic Chief Ltd. announced in May 2016 was subsequently terminated in May 2017 due to unachieved profit targets for the target period by Oceanic Chief Ltd. The Group will continue to pursue strategic acquisitions that can enable the Company to capture new business opportunities in the People's Republic of China (the "**PRC**") market and to strengthen the revenue and profit fundamentals. The Company has been actively identifying projects with growth potential for acquisitions or investments and has been in discussions with various parties for such acquisitions or investments.

In order to ensure the Group's financial ability to operate as a going concern, the Directors of the Company have been implementing various measures including the provision of loan facilities by the ultimate holding company, conducting negotiation with potential investors to raise sufficient funds; and 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.

INTERIM DIVIDEND

The Board resolved not to declare an interim dividend for the six months ended 30 June 2017 (30 June 2016: 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 2017.

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 2017.

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 2017, 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 2017.

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 2017 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, 29 August 2017

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.