JINCHUAN 金川

JINCHUAN GROUP INTERNATIONAL RESOURCES CO. LTD
金川集團國際資源有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2362)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

RESULTS

The board of Directors (the "Board") of Jinchuan Group International Resources Co. Ltd. (formerly known as "Macau Investment Holdings Limited") (the "Company") is pleased to announce the audited results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2010 together with the comparative figures in 2009 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2010

	Notes	**2010** ***HK\$'000***	2009 *HK\$'000*
CONTINUING OPERATIONS			
REVENUE	3	**126,916**	151,441
Cost of sales		**(54,564)**	(56,384)
Gross profit		**72,352**	95,057
Other income and gains	3	**3,055**	8,090
Selling and distribution costs		**(59,751)**	(66,295)
Administrative expenses		**(49,637)**	(38,425)
Other expenses		**(3,766)**	(4,478)
Costs associated with equity-settled share options		**(7,138)**	–
Impairment of other intangible assets		**(75,000)**	–
Impairment of available-for-sale investments		**(315,192)**	–
Impairment of associate		**–**	(2,283)
Finance costs		**(1,264)**	(1,128)

	Notes	2010 HK$'000	2009 HK$'000
LOSS BEFORE TAXATION	4	**(436,341)**	(9,462)
Income tax	5	**(2,410)**	(855)
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS		**(438,751)**	(10,317)
DISCONTINUED OPERATION			
Gain from a discontinued operation		**–**	4
LOSS FOR THE YEAR		**(438,751)**	(10,313)
OTHER COMPREHENSIVE INCOME			
Changes in fair value of available-for-sale investments		**(796)**	420
Exchange differences on translation of foreign operations		**1,879**	684
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(437,668)**	(9,209)
Loss attributable to:			
Owners of the parent		**(438,745)**	(9,815)
Non-controlling interests		**(6)**	(498)
		(438,751)	(10,313)
Total comprehensive income attributable to:			
Owners of the parent		**(437,662)**	(8,711)
Non-controlling interests		**(6)**	(498)
		(437,668)	(9,209)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	6		
Basic and diluted			
For loss for the year		**56 cents**	2 cents
For loss from continuing operations		**56 cents**	2 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2010

	Notes	2010 HK$'000	2009 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**39,268**	43,759
Prepaid land lease payments		**4,648**	5,446
Intangible asset		**15,706**	90,706
Available-for-sale investments	7	**–**	112,672
Long term deposits		**2,000**	1,291
Total non-current assets		**61,622**	253,874
CURRENT ASSETS			
Inventories		**31,994**	35,174
Trade receivables	8	**10,484**	12,197
Prepayments, deposits and other receivables		**52,153**	49,794
Available-for-sale investments	7	**57,887**	218,669
Financial assets at fair value through profit or loss		**–**	13,019
Due from related parties		**2,591**	2,742
Cash and cash equivalents		**631,188**	57,501
Total current assets		**786,297**	389,096
CURRENT LIABILITIES			
Trade payables	9	**17,269**	12,796
Other payables and accruals		**46,305**	32,172
Interest-bearing bank borrowings		**18,281**	18,801
Due to related parties		**4,112**	2,954
Tax payable		**1,502**	115
Finance lease payables		**334**	331
Due to minority shareholders of subsidiaries		**600**	600
Total current liabilities		**88,403**	67,769
NET CURRENT ASSETS		**697,894**	321,327
TOTAL ASSETS LESS CURRENT LIABILITIES		**759,516**	575,201

	2010	2009
	HK$'000	*HK$'000*
NON-CURRENT LIABILITIES		
Provision for long service payments	**507**	507
Finance lease payables	**491**	828
Deferred tax liabilities	**2,563**	1,822
Total non-current liabilities	**3,561**	3,157
NET ASSETS	**755,955**	572,044
EQUITY		
Equity attributable to owners of the parent		
Issued capital	**27,285**	4,858
Reserves	**729,494**	568,004
	756,779	572,862
Non-controlling interests	**(824)**	(818)
TOTAL EQUITY	**755,955**	572,044

1.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. Disposal groups held for sale are stated at the lower of their carrying amounts and fair values less costs to sell. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

Basis of consolidation from 1 January 2010

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2010. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate.

Basis of consolidation prior to 1 January 2010

Certain of the above-mentioned requirements have been applied on a prospective basis. The following differences, however, are carried forward in certain instances from the previous basis of consolidation:

- Losses incurred by the Group were attributed to the non-controlling interest until the balance was reduced to nil. Any further excess losses were attributable to the parent, unless the non-controlling interest had a binding obligation to cover these. Losses prior to 1 January 2010 were not reallocated between non-controlling interest and the parent shareholders.

- Upon loss of control, the Group accounted for the investment retained at its proportionate share of net asset value at the date control was lost. The carrying amount of such investment at 1 January 2010 has not been restated.

1.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 1 (Revised)	*First-time Adoption of Hong Kong Financial Reporting Standards*
HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Additional Exemptions for First-time Adopters*
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment – Group Cash-settled Share-based Payment Transactions*
HKFRS 3 (Revised)	*Business Combinations*
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements*
HKAS 39 Amendment	Amendment to HKAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items*
HK(IFRIC)-Int 17	*Distributions of Non-cash Assets to Owners*
HKFRS 5 Amendments included in *Improvements to HKFRSs* issued in October 2008	Amendments to HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations – Plan to sell the controlling interest in a subsidiary*
Improvements to HKFRSs 2009	Amendments to a number of HKFRSs issued in May 2009
HK Interpretation 4 Amendment	Amendment to HK Interpretation 4 *Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases*
HK Interpretation 5	*Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause*

Other than as further explained below regarding the impact of HKFRS 3 (Revised), HKAS 27 (Revised), amendments to HKAS 7 and HKAS 17 included in *Improvements to HKFRSs 2009* and HK Interpretation 4 (Revised in December 2009), the adoption of these new and revised HKFRSs has had no significant financial effect on these financial statements.

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

(a) HKFRS 3 (Revised) *Business Combinations and* HKAS 27 (Revised) *Consolidated and Separate Financial Statements*

HKFRS 3 (Revised) introduces a number of changes in the accounting for business combinations that affect the initial measurement of non-controlling interests, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

HKAS 27 (Revised) requires that a change in the ownership interest of a subsidiary without loss of control is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the revised standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Consequential amendments were made to various standards, including, but not limited to HKAS 7 *Statement of Cash Flows*, HKAS 12 *Income Taxes*, HKAS 21 *The Effects of Changes in Foreign Exchange Rates*, HKAS 28 *Investments in Associates* and HKAS 31 *Interests in Joint Ventures.*

The changes introduced by these revised standards are applied prospectively and affect the accounting of acquisitions, loss of control and transactions with non-controlling interests after 1 January 2010.

(b) *Improvements to HKFRSs 2009* issued in May 2009 sets out amendments to a number of HKFRSs. There are separate transitional provisions for each standard. While the adoption of some of the amendments results in changes in accounting policies, none of these amendments has had a significant financial impact on the Group. Details of the key amendments most applicable to the Group are as follows:

- HKAS 7 *Statement of Cash Flows*: Requires that only expenditures that result in a recognised asset in the statement of financial position can be classified as a cash flow from investing activities.

- HKAS 17 *Leases*: Removes the specific guidance on classifying land as a lease. As a result, leases of land should be classified as either operating or finance leases in accordance with the general guidance in HKAS 17.

Amendment to HK Interpretation 4 *Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases* is revised as a consequence of the amendment to HKAS 17 Leases included in *Improvements to HKFRSs 2009*. Following this amendment, the scope of HK Interpretation 4 has been expanded to cover all land leases, including those classified as finance leases. As a result, this interpretation is applicable to all leases of property accounted for in accordance with HKAS 16, HKAS 17 and HKAS 40.

1.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

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

HKFRS 1 Amendment	Amendment to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters*[2]
HKFRS 1 Amendments	Amendments to HKFRs 1 *First-time Adoption of Hong Kong Financial Report Standards – Severe Hyperinflation and Removal of Fixed Dates to-First-time Adopters*[4]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Transfers of Financial Assets*[4]
HKFRS 9	*Financial Instruments*[6]
HKAS 12 Amendments	Amendments to HKAS 12 *Income Taxes – Deferred Tax: Recovery of underlying Assets*[5]
HKAS 24 (Revised)	*Related Party Disclosures*[3]
HKAS 32 Amendment	Amendment to HKAS 32 *Financial Instruments: Presentation – Classification of Rights Issues*[1]
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 *Prepayments of a Minimum Funding Requirement*[3]
HK(IFRIC)-Int 19	*Extinguishing Financial Liabilities with Equity Instruments*[2]

Apart from the above, the HKICPA has issued *Improvements to* HKFRSs 2010 which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. The amendments to HKFRS 3 and HKAS 27 are effective for annual periods beginning on or after 1 July 2010, whereas the amendments to HKFRS 1, HKFRS 7, HKAS 1, HKAS 34 and HK(IFRIC)-Int 13 are effective for annual periods beginning on or after 1 January 2011 although there are separate transitional provisions for each standard.

1 Effective for annual periods beginning on or after 1 February 2010
2 Effective for annual periods beginning on or after 1 July 2010
3 Effective for annual periods beginning on or after 1 January 2011
4 Effective for annual periods beginning on or after 1 July 2011
5 Effective for annual periods beginning on or after 1 January 2012
6 Effective for annual periods beginning on or after 1 January 2013

Further information about those changes that are expected to significantly affect the Group is as follows:

HKFRS 9 issued in November 2009 is the first part of phase 1 of a comprehensive project to entirely replace HKAS 39 *Financial Instruments: Recognition and Measurement*. This phase focuses on the classification and measurement of financial assets. Instead of classifying financial assets into four categories, an entity shall classify financial assets as subsequently measured at either amortised cost or fair value, on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. This aims to improve and simplify the approach for the classification and measurement of financial assets compared with the requirements of HKAS 39.

In November 2010, the HKICPA issued additions to HKFRS 9 to address financial liabilities (the "Additions") and incorporated in HKFRS 9 the current derecognition principles of financial instruments of HKAS 39. Most of the Additions were carried forward unchanged from HKAS 39, while changes were made to the measurement of financial liabilities designated at fair value through profit or loss using the fair value option ("FVO"). For these FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in other comprehensive income ("OCI"). The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. However, loan commitments and financial guarantee contracts which have been designated under the FVO are scoped out of the Additions.

HKAS 39 is aimed to be replaced by HKFRS 9 in its entirety. Before this entire replacement, the guidance in HKAS 39 on hedge accounting, derecognition and impairment of financial assets continues to apply. The Group expects to adopt HKFRS 9 from 1 January 2013.

HKAS 24 (Revised) clarifies and simplifies the definition of related parties. It also provides for a partial exemption of related party disclosure to government-related entities for transactions with the same government or entities that are controlled, jointly controlled or significantly influenced by the same government. The Group expects to adopt HKAS 24 (Revised) from 1 January 2011 and the comparative related party disclosures will be amended accordingly.

While the adoption of the revised standard will result in changes in the accounting policy, the revised standard is unlikely to have any impact on the related party disclosures as the Group currently does not have any significant transactions with government-related entities.

Improvements to HKFRSs 2010 issued in May 2010 sets out amendments to a number of HKFRSs. The Group expects to adopt the amendments from 1 January 2011. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments are expected to have a significant financial impact on the Group. Those amendments that are expected to have a significant impact on the Group's policies are as follows:

(a) HKFRS 3 *Business Combinations:* Clarifies that the amendments to HKFRS 7, HKAS 32 and HKAS 39 that eliminate the exemption for contingent consideration do not apply to contingent consideration that arose from business combinations whose acquisition dates precede the application of HKFRS 3 (as revised in 2008).

    In addition, the amendments limit the measurement choice of non-controlling interests at fair value or at the proportionate share of the acquiree's identifiable net assets to components of non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another HKFRS.

    The amendments also added explicit guidance to clarify the accounting treatment for non-replaced and voluntarily replaced share-based payment awards.

(b) HKAS 1 *Presentation of Financial Statements:* Clarifies that an analysis of other comprehensive income for each component of equity can be presented either in the statement of changes in equity or in the notes to the financial statements.

(c) HKAS 27 *Consolidated and Separate Financial Statements:* Clarifies that the consequential amendments from HKAS 27 (as revised in 2008) made to HKAS 21, HKAS 28 and HKAS 31 shall be applied prospectively for annual periods beginning on or after 1 July 2009 or earlier if HKAS 27 is applied earlier.

2. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

(a) the manufacture and trading of cosmetic and related products, and provision of beauty technical and tutoring services segment ("Cosmetic and Beauty"); and

(b) the property investment and development segment.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax from continuing operations. The adjusted profit/(loss) before tax from continuing operations is measured consistently with the Group's profit before tax from continuing operations except that interest income, unallocated other income and gains as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude equity investments at fair value through profit or loss, certain cash and cash equivalents and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Year ended 31 December 2010	Property investment and development	Cosmetic and beauty	Total
	HK$'000	*HK$'000*	*HK$'000*
Segment revenue:			
Sales to external customers	–	126,916	126,916
Other income and gains	–	1,237	1,237
	–	128,153	128,153
Reconciliation:			
Elimination of intersegment sales			–
Revenue from continuing operations			128,153
Segment results	(315,192)	(107,985)	(423,177)
Reconciliation:			
Interest income and unallocated gains			1,818
Corporate and other unallocated expenses			(14,982)
Loss before tax from continuing operations			(436,341)
Segment assets	94,207	130,701	224,908
Reconciliation:			
Corporate and other unallocated assets			623,011
Total assets			847,919
Segment liabilities	–	89,626	89,626
Reconciliation:			
Corporate and other unallocated liabilities			2,338
Total liabilities			91,964
Other segment information:			
Impairment loss of intangible asset	–	75,000	75,000
Depreciation and amortisation	–	11,645	11,645
Impairment of available-for-sale investments	315,192	–	315,192
Loss on disposal and write-off of items of property, plant and equipment	–	3,764	3,764
Capital expenditure*	43,000	8,098	51,098

* Capital expenditure consists of additions to property, plant and equipment and available-for-sale investments.

Year ended 31 December 2009	Property investment and development HK$'000	Cosmetic and beauty HK$'000	Total HK$'000
Segment revenue:			
Sales to external customers	–	151,441	151,441
Other income and gains	–	3,651	3,651
	–	155,092	155,092
Reconciliation:			
Elimination of intersegment sales			–
Revenue from continuing operations			155,092
Segment results	–	(9,313)	(9,313)
Reconciliation:			
Interest income and unallocated gains			4,435
Corporate and other unallocated expenses			(4,584)
Loss before tax from continuing operations			(9,462)
Segment assets	366,399	217,932	584,331
Reconciliation:			
Corporate and other unallocated assets			58,639
Total assets			642,970
Segment liabilities	–	68,539	68,539
Reconciliation:			
Corporate and other unallocated liabilities			2,387
Total liabilities			70,926
Other segment information:			
Depreciation and amortisation	–	9,469	9,469
Loss on disposal and write-off of items of property, plant and equipment	–	15	15
Capital expenditure#	–	9,590	9,590

Capital expenditure consists of additions to property, plant and equipment.

Geographical information

(a) Revenue from external customers

	2010	2009
	HK$'000	*HK$'000*
Hong Kong	**37,494**	46,702
Mainland China	**89,422**	104,739
	126,916	151,441

The revenue information from continuing operations above is based on the location of the customers.

(b) Non-current assets

	2010	2009
	HK$'000	*HK$'000*
Hong Kong	**7,019**	7,772
Mainland China	**54,603**	42,723
Macau	**–**	203,379
	61,622	253,874

The non-current asset information from continuing operations above is based on the location of assets.

Information about major customer

There was no single customer account for over 10% of total revenue for the years ended 31 December 2010 and 2009.

3. REVENUE AND OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns, value-added tax and trade discounts; and the value of services rendered. An analysis of the Group's revenue and other income and gains is as follows:

	2010	2009
	HK$'000	*HK$'000*
Revenue		
Sale of goods	**99,030**	116,931
Rendering of services	**27,886**	34,510
Attributable to continuing operations reported in the consolidated statement of comprehensive income	**126,916**	151,441
Other income and gains		
Bank interest income	**587**	51
Interest income from equity investments at fair value through profit or loss	**–**	46
Fair value gain on equity investments at fair value through profit or loss	**–**	3,397
Gain on disposal of available-for-sale investments	**605**	–
Gain on disposal of equity investments at fair value through profit and loss	**431**	–
Management fee income	**–**	42
Consultancy fee income	**–**	1,110
Others	**1,432**	3,444
Attributable to continuing operations reported in the consolidated statement of comprehensive income	**3,055**	8,090
Other income attributable to a discontinued operation	**–**	104
	3,055	8,194

4. LOSS BEFORE TAXATION

The Group's loss before taxation is stated after charging/(crediting) the following:

	2010	2009
	HK$'000	*HK$'000*
Cost of inventories sold	**42,335**	39,142
Cost of services provided	**12,229**	17,242
Depreciation	**10,847**	8,733
Amortisation of prepaid land lease payments	**798**	736
Minimum lease payments under operating leases in respect of buildings	**9,849**	16,289
Auditors' remuneration	**1,760**	515
Employee benefit expense (excluding directors' remuneration):		
Wages, salaries and allowances	**34,425**	32,403
Pension scheme contributions	**4,818**	2,186
	39,243	34,589
Expense incurred for equity-settled share options granted	**7,138**	–
Write-down/(write-back) of inventories to net realisable value	**2,984**	(1,787)
Impairment on intangible asset	**75,000**	–
Impairment on available-for-sale investments	**315,192**	–
Loss on disposal and write-off of items of property, plant and equipment	**3,764**	15
Provision for long service payments	**–**	82
Foreign exchange differences, net	**(34)**	(123)
Provision of impairment for trade receivables	**1,342**	3,022

5. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2009: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. No provision for Hong Kong profits tax has been made in the consolidated financial statements as the Company has no estimated assessable profits for the year (2009: Nil).

Taxation on profits derived by the PRC subsidiaries has been estimated at the PRC corporate income tax rate of 25% (2009: 25%).

	2010	2009
	HK$'000	*HK$'000*
Group:		
Current		
– Mainland China	**1.669**	855
Deferred tax	**741**	–
Total tax charge for the year	**2,410**	855
Represented by:		
tax charge attributable		
– a discontinued operation	**–**	–
– continuing operations	**2,410**	855

6. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares in issue during the year.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2010 and 2009 in respect of a dilution as the impact of the share options outstanding in the current year and share options and warrant outstanding in the prior year had an anti-dilutive effect on the basic loss per share amounts presented.

The calculation of the basic loss per share is based on:

	2010	2009
	HK$'000	*HK$'000*
Loss		
Loss attributable to ordinary equity holders of the parent used in the basic loss per share calculation:		
From continuing operations	**(438,745)**	(9,819)
From a discontinued operation	**–**	4
	(438,745)	(9,815)

	Number of shares (in'000)	
	2010	2009
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation	**782,224**	485,830

7. AVAILABLE-FOR-SALE INVESTMENTS

	2010	2009
	HK$'000	*HK$'000*
Listed equity investments in Hong Kong, at fair value	**–**	1,262
Unlisted equity investments, at cost	**373,079**	330,079
Impairment	**(315,192)**	–
	57,887	331,341
Less: current portion classified as current assets	**(57,887)**	(218,669)
Non-current portion	**–**	112,672

8. TRADE RECEIVABLES

	2010	2009
	HK$'000	*HK$'000*
Trade receivables	**12,335**	12,706
Impairment	**(1,851)**	(509)
	10,484	12,197

The Group has different trading terms with customers for different businesses.

For services rendered, no credit term is granted to customers.

For the sale of goods, payment in advance is normally required, except for major customers. The Group's trading terms with its customers are mainly on credit. The credit period granted to customers generally ranges from one month to three months.

The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing and the carrying amounts of the Group's trade receivables approximate to their fair values as at 31 December 2010 and 2009.

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of impairment, is as follows:

	2010	2009
	HK$'000	*HK$'000*
Current to 3 months	**8764**	10,893
4 to 6 months	**1,118**	919
7 to 12 months	**480**	329
Over 1 year	**122**	56
	10,484	12,197

9. TRADE PAYABLES

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2010	2009
	HK$'000	*HK$'000*
Current to 3 months	**11,580**	6,664
4 to 6 months	**1,163**	2,941
7 to 12 months	**2,824**	2,550
Over 1 year	**1,702**	641
	17,269	12,796

The trade payables are non-interest-bearing and are normally settled on 90-day terms. The carrying amounts of the Group's trade payables approximate their fair values as at 31 December 2010 and 2009.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

On 30 November 2010, Jinchuan Group Limited 金川集團有限公司 ("Jinchuan Group"), through its wholly-owned subsidiary, Jinchuan Group (Hongkong) Resources Holdings Limited, successfully subscribed 1,667,142,857 new shares of the Company and holds 61.1% interest in the Company since then. Jinchuan Group is a large-scale non-ferrous mining conglomerate, specializing in "mining", "concentrating", metallurgy, "chemical engineering" and "further processing". It is a state-owned enterprise with its majority interest held by the People's Government of Gansu Province.

Following the above change in controlling shareholder, it is the Company's strategic intention to diversify its businesses into the mining and mineral resources sector, in addition to its existing beauty-related and property investment operations. With effect from 12 January 2011, the name of the Company changed from "Macau Investment Holdings Limited" to "Jinchuan Group International Resources Co. Ltd 金川集團國際資源有限公司". It marks a significant milestone underscoring the Company's future business direction to operate as Jinchuan Group's flagship for undertaking overseas operations in the exploration and exploitation of mining assets and related trading.

Notwithstanding the Company's ongoing move towards the mining and mineral resources sector as mentioned above, the existing Cosmetic & Beauty and Property Investment & Development segments continued to be the core businesses of the Company in 2010. The details of their results of operations for the year ended 31 December 2010 are as follows:

Cosmetic and Beauty

Our Cosmetic and Beauty segment is represented by CMM International Group Limited and its subsidiaries (the "CMM Group"), which has continued to develop high quality anti-aging skin care and colour cosmetics, suitable for the Chinese consumers. In 2010, the CMM Group started to explore selling its products on TV shopping channel and through the Internet to reach a larger portfolio of potential customers. The CMM Group intends to grow this sector, continuously to explore younger consumer group and develop an easier access for consumers to buy its products.

The CMM Group also continues to manage the 7 beauty brands, for which it designs, develops and promotes through different marketing channels, while targeting a wide-range of consumer groups. It covers the retail channel with brands such as CMM, FL (Fresh Living), Barbie cosmetics and Hello Kitty cosmetics. It also distributes under brands Monita, Fairlady and MD Cliniceuticals to salon and spas through its professional beauty channels.

In Hong Kong, the CMM Monita beauty school business contributed to a large part of its local service business. It has developed new courses and successfully attracted more students after engaging in aggressive sales and marketing program. Orient medical spa by CMM and CMM medical beauty programs has also undergone exciting new changes to capture the future growth potential. Both the spas and medical beauty centers provide quality services and products for our customers through our professional medical beauty services.

Property Investment and Development

There were no significant development of the two Macau property projects in which we held equity interest in the project companies during the year. Governmental approvals have not been sought to progress the projects on original planned schedule. With the increasing concerns from the society over the cultural heritage, allocation of more public recreational areas, ecological and environmental protection under overall city planning, it is expected that zoning adjustments, in terms of plot ratios and height restriction, would be imposed on possible future approval to be granted. The prolonged delay in project development and reduction in expected gross floor areas for development, amongst other things, caused the sharp fall in the year-end valuation of both projects as compared with prior year's valuation. The drop in value was also evidenced by the general write down of property value from adjacent developers.

In view of the uncertainty associated with Macau property market and ongoing development progress of the projects, the Group may consider realizing these assets at fair considerations.

FINANCIAL REVIEW

Except for the impairment of assets, the Group's operating results for the year ended 31 December 2010 are primarily contributed by its Cosmetics & Beauty segment run by the CMM Group.

Revenue and gross profit

The revenue from continuing operations for the year ended 31 December 2010 was HK$127 million, a decrease of 16% as compared with HK$151 million in the prior year. The Group's owned branded products had faced fierce competition from international peers in the People's Republic of China (the "PRC"), especially heavily impacted in first-tier cities like Beijing and Shanghai where enhanced purchasing power of high income group increasing the ability of customers to afford a wider selection of renowned imported cosmetic products. It resulted in a decline in product sales in 2010.

At the same time, to combat against the threat from the international competitors, the CMM Group extended greater discounts to its consumers to secure customer loyalty. With relatively stable costing structure over the year, the gross margin experienced a trim down as compared with that in 2009.

Other income and gains

The fall in other income and gains was mainly resulted from no equivalent fair value gain on equity investments at fair value through profit or loss in respect of the amount of HK$3.4 million recorded in 2009.

Selling and distribution costs

The decrease in selling and distribution costs of HK$6.5 million is mainly due to the saving in rental expenses of sales outlet in 2010 by HK$5.2 million after closure of beauty salon and sales outlet in the PRC around end of 2009.

Administrative expenses

The predominant reason for the significant increase in administrative expenses by 29% to HK$50 million from HK$38 million in 2009 is mainly due to the loss on disposal of plant and equipment, professional and consultancy fees and the impairment of trade receivables.

Costs associated with equity-settled share options

In July 2010, the Company granted share option exercisable to subscribe for, in aggregate, 26,400,000 new shares of HK$0.01 each at HK$0.59 per share which amounted to a share-based payment expenses of HK$7.1 million.

Impairment of assets

The significant impairment amounts recorded during the year comprise the impairment of (a) intangible assets of HK$75 million and (b) available-for-sale investments of HK$315 million.

(a) The intangible assets relate to the brand name under the Cosmetics & Beauty segment. These represent the rights for use of brand name "CMM" arising from the acquisition of CMM Group in previous years. The severe competition of the beauty-related business resulted in decline in revenue and thus losses incurred over the years. Such unfavourable factors had dragged down the year-end valuation of the "CMM" brand in 2010 and thus an impairment is required.

(b) The available for sale investments relate to the Group's interests in two Macau property projects as mentioned in the "Business Review" section above. Impairments are made owing to the general stagnant market sentiment beyond the Group's control and unexpected prolonged delays in project development.

Liquidity, Financial Resources and Capital Structure

As at 31 December 2010, the Group had cash and bank balances of HK$631 million placed in banks. The interest-bearing bank borrowings of the Group of HK$18 million is due within one year.

The Group generally finances its operation with internally generated cash flows and equity. Following the new share subscription and placement raising a total of HK$582 million funds in November 2010, the Group is in a net cash position as at 31 December 2010.

Material acquisitions and disposals of investments

In mid-2010, the Group acquired a further 2.8% equity interest in one of the Macau property projects for a total consideration of HK$43 million, comprising HK$26 million by cash and HK$17 million satisfied by the issue of 61,500,000 new shares of HK$0.01 each at HK$0.28 per share.

Save as above, the Group had no other material acquisitions or disposals of investments during the year.

Significant capital expenditures

Save for the HK$43 million in respect of further acquisition of property interest as mentioned in the above paragraphs and the HK$8 million additions of property, plant and equipment in the Cosmetic & Beauty segment, there were no significant capital expenditures during the year.

Details of charges on the Group's assets

The Group's buildings and prepaid land lease payments of approximately HK$16.3 million and HK$5.3 million, respectively, were pledged to banks to secure banking facilities granted to the Group.

Contingent liabilities

The Group had no material contingent liabilities as at 31 December 2010.

Foreign exchange exposure

Since we generated most of the revenue from the sale of goods, the proceeds of which are either in Hong Kong dollars or Renminbi, and payments for purchases of materials and salaries are either made in Hong Kong dollars, Renminbi, or Hong Kong dollars pegged currencies, the use of financial instruments for hedging purposes is not considered necessary and the exposure to exchange rate fluctuations is minimal.

Other information

The consolidated financial statements of the Group for the year ended 31 December 2010 have been reviewed by the Audit Committee of the Company and audited by the Company's auditors, Ernst & Young.

PROSPECTS

Being the flagship for future undertaking of overseas operations in exploration and exploitation of mining assets and related trading as part of the Jinchuan Group, the Company intends to leverage on the expertise and experience of the Jinchuan Group and is considering investment, cooperation and acquisition opportunities with regard to nickel, copper and cobalt projects with particular focus in regions including Australia, America, Asia, Europe and Africa continents where have rich non-ferrous metal resources and favourable mineral investment environment for foreign investors.

With the state-ownership background, industry expertise and experience, as well as the strong market position of the Jinchuan Group which major business is vertical integration of mine and metal, the Company considers it is well placed to find and assess opportunities for investment in the mining and mineral resources sector, to undertake feasibility studies of identified opportunities, and to assess the quality and potential of identified assets or businesses. With the supports from the Jinchuan Group, which enjoys a leading position in this industry, the Company believes that it will have the ability to command the attention of potential targets with viable business and operations.

The Company is seeking potential investment chances to capture and pursue better business opportunities in the mining and mineral resources sector, so as to enhance the value of shareholders. In fact, with the wide application and the steady growth in global demand for mineral resources riding on the ongoing industrialisation and urbanisation, the Company believes that the mining and mineral resources business of nickel, copper and cobalt presents great potential.

With regard to the existing beauty-related and property investment operations, the Company intends to implement improvement measures and arrangement regarding the management and operations of these businesses and assets. However, when the new business ventures of the Group in mining and mineral resources sector develops into a mature stage, then the Group may consider opportunities to dispose of these existing businesses and assets at fair considerations.

The Group is confident that by gradually and steadily transforming its business into an international platform for undertaking overseas mining and mineral resources projects and operations, it would be able to create better returns to the overall shareholders as a whole.

DIVIDEND

No dividend has been paid or declared by the Company in respect of the year ended 31 December 2010.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES

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

EMPLOYEES

As at 31 December 2010 the Group had 543 employees. Employees receive competitive remuneration packages including salary and medical benefits. Key staff may also be entitled to performance bonus and share options to provide extra incentive to increase shareholder value.

AUDIT COMMITTEE

The Company has established an Audit Committee ("AC") with specific terms of reference which sets out its role and authorities delegated by the Board. The AC consists of three independent non-executive directors, namely Mr. Gao Dezhu (Chairman of AC), Mr. Wu Chi Keung and Mr. Yen Yuen Ho, Tony, who together have the relevant accounting and financial management expertise, legal and business experience to discharge their duties.

The AC's primary duties include review of the effectiveness of the Group's financial reporting process, internal control and risk management systems, overseeing the audit process and performing other duties as may be assigned by the Board from time to time.

REMUNERATION COMMITTEE

The Company had established a Remuneration Committee ("RC") with specific terms of reference which set out its role and authorities delegated by the Board. The RC comprised four members, of whom one is an executive director namely Mr. Zhang Sanlin (Chairman of RC) and three are independent non-executive directors, namely Mr. Gao Dezhu, Mr. Wu Chi Keung and Mr. Yen Yuen Ho, Tony. The primary responsibility of RC is to review and formulate policies in respect of remuneration structure for all directors and senior management of the Company and make recommendations to the Board for its consideration.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model code for Securities Transactions By Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. Based on specific enquiry of all directors, during the year ended 31 December 2010, the directors of the Company have confirmed that they have complied with required standards as set out in the Model Code for the year ended 31 December 2010.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied throughout the year ended 31 December 2010 with the applicable provisions of the Code on Corporate Governance Practices ("CG Code") set out in Appendix 14 to the Listing Rules, except for the following deviation:

Non-compliance with paragraph A2.1

CG Code provision A2.1 stipulates that the role of Chairman and Chief Executive Officer ("CEO") should be separate and should not be performed by the same individual. During the year ended 31 December 2010, Mr. Yasumasa Ishizaka and Mr. Yang Zhiqiang, respectively, held the offices of Chairman and CEO of the Company. The Board believes that vesting the roles of both Chairman and CEO in the same person provides the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies.

The Company will continue to review the effectiveness of the Group's corporate governance structure and consider whether any changes, including the separation of the roles of Chairman and CEO, are necessary.

PUBLICATION OF FINANCIAL RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE

This announcement is available for viewing on the websites of the Hong Kong Exchanges and Clearing Limited ("HKEx") and the Company. The annual report for the year ended 31 December 2010 containing all the information required by Appendix 16 to the Listing Rules will be dispatched to shareholders of the Company and published on the HKEx's and the Company's websites in due course.

By Order of the Board
JINCHUAN GROUP INTERNATIONAL RESOURCES CO. LTD
Mr. Yang Zhiqiang
Chairman

Hong Kong, 28 February 2011

As at the date of this announcement, the Board consists of five executive Directors, namely Mr. Yang Zhiqiang, Mr. Zhang Sanlin, Mr. Zhang Zhong, Ms. Deng Wen and Ms. Maria Majoire Lo, three non-executive Directors, namely, Mr. Gao Tianpeng, Mr. Qiao Fugui and Ms. Zhou Xiaoyin, and three independent non-executive Directors, namely Mr. Gao Dezhu, Mr. Wu Chi Keung, and Mr. Yen Yuen Ho, Tony.