國金資源控股有限公司*
Guojin Resources Holdings Limited

(前稱為"輝影國際集團有限公司")
(Formerly known as "Jackin International Holdings Limited")
(Incorporated in Bermuda with limited liability)

(Stock Code : 630)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2010

RESULTS

The board ("the Board") of directors (the "Directors") of Guojin Resources Holdings Limited (the "Company") announce, the consolidated 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 for the previous year, as follows.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	**2010** *HK$'000*	2009 *HK$'000*
Turnover	*3*	**169,925**	221,394
Cost of sales		**(276,218)**	(304,266)
Gross loss		**(106,293)**	(82,872)
Other revenue	*4*	**321**	6,935
Other (loss) income	*4*	**(1,685)**	32
Distribution costs		**(17,226)**	(20,649)
Administrative expenses		**(88,551)**	(89,946)
Expenses related to acquisition of mining rights		**(17,870)**	–
Change in fair value of derivative and embedded derivative components of a convertible bond		**(12,457)**	12,457
Share-based payment expenses		**(21,483)**	–
Reversal of impairment loss on trade receivables		**359**	16,053
Impairment losses and write off	*5*	**(90,929)**	(63,010)
Loss on disposal of subsidiaries		**–**	(17,674)
Finance costs		**(30,813)**	(37,430)
Loss before taxation		**(386,627)**	(276,104)
Income tax credit (expense)	*6*	**2,716**	(1,933)
Loss for the year	*7*	**(383,911)**	(278,037)

* *For identification purposes only*

	Notes	**2010**	2009
		HK$'000	*HK$'000*
Other comprehensive income (expense)			
Exchange differences arising on translation of foreign operations		**1,317**	674
Reclassification adjustments for amounts transferred to profit or loss			
– release of translation reserve upon deregistration of subsidiaries		**381**	–
– release of properties revaluation reserve upon impairment loss on property, plant and equipment		**185**	–
Gain arising on revaluation of properties		**4**	2,225
Income tax relating to gain arising on revaluation of properties		**–**	(372)
Income tax relating to release of properties revaluation reserve upon disposal of property, plant and equipment		**1,710**	–
Other comprehensive income for the year, net of tax		**3,597**	2,527
Total comprehensive expense for the year		**(380,314)**	(275,510)
Loss for the year attributable to:			
– Owners of the Company		**(383,368)**	(278,003)
– Non-controlling interests		**(543)**	(34)
		(383,911)	(278,037)
Total comprehensive expense attributable to:			
– Owners of the Company		**(379,771)**	(275,476)
– Non-controlling interests		**(543)**	(34)
		(380,314)	(275,510)
		HK$	*HK$*
Loss per share	*8*		
Basic		**(28.0) cents**	(28.9) cents
Diluted		**(28.0) cents**	(28.9) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2010

	Notes	2010 HK$'000	2009 HK$'000
Non-current assets			
Property, plant and equipment		**23,395**	71,726
Intangible assets		**8,915**	50,346
Goodwill		**–**	–
Deferred tax assets		**1,162**	1,131
		33,472	123,203
Current assets			
Inventories		**29,007**	150,439
Trade and other receivables	*9*	**17,617**	67,681
Refundable deposit paid for acquisition of mining rights		**23,400**	–
Consideration receivable for disposal of subsidiaries		**–**	20,000
Early redemption option of a convertible bond		**–**	12,457
Tax recoverable		**163**	168
Bank balances and cash		**37,897**	17,835
		108,084	268,580
Current liabilities			
Trade and other payables	*10*	**66,897**	79,323
Bank and other borrowings		**10,898**	27,500
Notes payable		**–**	36,617
Obligations under finance leases		**1,228**	6,592
Embedded conversion option of a convertible bond		**–**	–
Tax payable		**10,692**	11,696
		89,715	161,728
Net current assets		**18,369**	106,852
Total assets less current liabilities		**51,841**	230,055
Non-current liabilities			
Bank and other borrowings		**–**	7,129
Obligations under finance leases		**184**	1,159
Deferred tax liabilities		**2,607**	7,568
Convertible bonds		**181,208**	229,103
		183,999	244,959
		(132,158)	(14,904)

	Notes	**2010**	2009
		HK$'000	*HK$'000*
Capital and reserves			
Share capital		**150,375**	109,310
Reserves		**(281,990)**	(124,214)
Capital deficiency attributable to owners of the Company		**(131,615)**	(14,904)
Non-controlling interests		**(543)**	–
		(132,158)	(14,904)

Notes:

1. **Material uncertainties in respect of going concern**

The Group sustained a loss for the year attributable to owners of the Company of approximately HK$383,368,000 (2009: HK$278,003,000). At 31 December 2010, the Company incurred capital deficiency attributable to owners of the Company of approximately of HK$131,615,000 (2009: HK$14,904,000).

In view of the liquidity constraints presently encountered by the Group, the Directors have adopted the following measures with a view to improve the Group's overall financial and cash flow positions and to maintain the Group's existence as a going concern:

1. the Directors have implemented measures to tighten cost controls over various distribution costs and administrative expenses and to improve the Group's cash flow position and operating results.

2. the Directors are considering various alternatives to enlarge the capital base of the Company in order to provide additional funding to the Group.

In the opinion of the Directors, when the above-mentioned measures are successfully implemented, the Group will have sufficient cash resources to satisfy its future working capital and other financing requirements. Accordingly, the Directors are of the view that it is appropriate to prepare the financial statements on a going concern basis.

Should the Group be unable to implement the above measures and fail to continue in business as a going concern, adjustments would have to be made to restate the value of assets to their immediate recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and liabilities as current assets and liabilities respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

2. Application of new and revised Hong Kong Financial Reporting Standards ("HKFRSs")

In the current year, the Group has applied the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

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

HKFRS 3 (Revised 2008) Business Combinations

The Group applies HKFRS 3 (Revised) Business Combinations prospectively to business combinations for which the acquisition date is on or after 1 January 2010. The requirements in HKAS 27 (Revised) Consolidated and Separate Financial Statements in relation to accounting for changes in ownership interest in a subsidiary after control is obtained and for loss of control of a subsidiary are also applied prospectively by the Group on or after 1 January 2010.

As there was no transaction during the current year in which HKFRS 3 (Revised) and HKAS 27 (Revised) are applicable, the application of HKFRS 3 (Revised) and HKAS 27 (Revised) and the consequential amendments to other HKFRSs had no effect on the consolidated financial statements of the Group for the current or prior accounting periods.

Results, of the Group in future periods, may be affected by future transactions for which HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to the other HKFRSs are applicable.

The application of the other new and revised HKFRSs had no effect on the consolidated financial statements of the Group for the current or prior accounting periods.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs 2010 except for the amendments to HKFRS 3 (Revised in 2008), HKFRS 7, HKAS 1 and HKAS 28[1]
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-Time Adopters[3]
HKFRS 1 (Amendment)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[5]
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets[5]
HKFRS 9	Financial Instruments[7]
HKAS 12 (Amendment)	Deferred Tax: Recovery of Underlying Assets[6]
HKAS 24 (Revised)	Related Party Disclosures[4]
HKAS 32 (Amendment)	Classification of Rights Issues[2]
HK(IFRIC) – Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement[4]
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments[3]

[1] *Effective for annual periods beginning on or after 1 July 2010 or 1 January 2011, as appropriate.*

[2] *Effective for annual periods beginning on or after 1 February 2010.*

[3] *Effective for annual periods beginning on or after 1 July 2010.*

[4] *Effective for annual periods beginning on or after 1 January 2011.*

[5] *Effective for annual periods beginning on or after 1 July 2011.*

[6] *Effective for annual periods beginning on or after 1 January 2012.*

[7] *Effective for annual periods beginning on or after 1 January 2013.*

HKFRS 9 Financial Instruments issued in November 2009 and amended in October 2010 introduces new requirements for the classification and measurement of financial assets and financial liabilities and for derecognition.

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was recognised in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The Directors anticipate that HKFRS 9 that will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the new Standard will have a significant impact on amounts reported in respect of the Groups' financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

The amendments to HKFRS 7 titled Disclosures – Transfers of Financial Assets increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period. To date, the Group has not entered into transactions involving transfers of financial assets. However, if the Group enters into any such transactions in the future, disclosures regarding those transfers may be affected.

HKAS 24 Related Party Disclosures (as revised in 2009) modifies the definition of a related party and simplifies disclosures for government-related entities. The disclosure exemptions introduced in HKAS 24 (as revised in 2009) do not affect the Group because the Group is not a government-related entity. However, disclosures regarding related party transactions and balances in these consolidated financial statements may be affected when the revised version of the standard is applied in future accounting periods because some counterparties that did not previously meet the definition of a related party may come within the scope of the standard.

The amendments to HKAS 32 titled Classification of Rights Issues address the classification of certain rights issues denominated in a foreign currency as either an equity instrument or as a financial liability. To date, the Group has not entered into any arrangements that would fall within the scope of the amendments. However, if the Group does enter into any rights issues within the scope of the amendments in future accounting periods, the amendments to HKAS 32 will have an impact on the classification of those rights issues.

HK(IFRIC) – Int 19 provides guidance regarding the accounting for the extinguishment of a financial liability by the issue of equity instruments. To date, the Group has not entered into transactions of this nature. However, if the Group does enter into any such transactions in the future, HK(IFRIC) – Int 19 will affect the required accounting. In particular, under HK(IFRIC) – Int 19, equity instruments issued under such arrangements will be measured at their fair value, and any difference between the carrying amount of the financial liability extinguished and the fair value of equity instruments issued will be recognised in profit or loss.

The Directors anticipate that the application of other new and revise standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. Turnover and segment information

The Group's operating segments based on information reported to the chief operating decision maker, being the key management of the Company, for the purpose of resource allocation and performance assessment are as follows:

(1) remanufacture and sale of computer printing and imaging products;

(2) manufacture and sale of data media products;

(3) distribution of data media products; and

(4) trading and mining of mineral resources.

Segment revenue and results

Turnover, which is also revenue, represents the sales value of goods supplied to customers, after trade discount and sales related taxes. The following is an analysis of the Group's revenue and results, assets and liabilities by reportable segment.

For the year ended 31 December 2010

	Remanufacture and sale of computer printing and imaging products *HK$'000*	Manufacture and sale of data media products *HK$'000*	Distribution of data media products *HK$'000*	Trading and mining of minerals resources *HK$'000*	Inter-segment elimination *HK$'000*	Consolidated *HK$'000*
Revenue						
External sales	73,739	67,880	12,303	16,003	–	169,925
Inter-segment revenue *(note)*	8,855	468	–	–	(9,323)	–
	82,594	68,348	12,303	16,003	(9,323)	169,925
Segment (loss) profit	(197,257)	1,941	(611)	(32,699)	–	(228,626)
Unallocated operating income						321
Unallocated operating expenses						(93,569)
Change in fair value of derivative and embedded derivative components of a convertible bond						(12,457)
Share-based payment expenses						(21,483)
Finance costs						(30,813)
Loss before taxation						(386,627)
Income tax credit						2,716
Loss for the year						(383,911)

For the year ended 31 December 2009

	Remanufacture and sale of computer printing and imaging products *HK$'000*	Manufacture and sale of data media products *HK$'000*	Distribution of data media products *HK$'000*	Inter-segment elimination *HK$'000*	Consolidated *HK$'000*
Revenue					
External sales	148,080	50,255	23,059	–	221,394
Inter-segment revenue *(note)*	34,140	–	–	(34,140)	–
	182,220	50,255	23,059	(34,140)	221,394
Segment (loss) profit	(147,829)	3,398	732	–	(143,699)
Unallocated operating income					190
Unallocated operating expenses					(89,948)
Change in fair value of derivative and embedded derivative components of a convertible bond					12,457
Loss on disposal of subsidiaries					(17,674)
Finance costs					(37,430)
Loss before taxation					(276,104)
Income tax expense					(1,933)
Loss for the year					(278,037)

Note: Inter-segment sales are charged at prevailing market prices.

	Remanufacture and sale of computer printing and imaging products	Manufacture and sale of data media products	Distribution of data media products	Trading and mining of minerals resources	Inter-segment elimination	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment assets and liabilities						
As at 31 December 2010						
Assets						
Segment assets	**57,078**	**17,243**	**2,688**	**25,863**	**–**	**102,872**
Unallocated corporate assets						**38,684**
Total assets						**141,556**
Liabilities						
Segment liabilities	**23,729**	**13,790**	**2,825**	**1,681**	**–**	**42,025**
Unallocated corporate liabilities						**231,689**
Total liabilities						**273,714**
As at 31 December 2009						
Assets						
Segment assets	274,325	61,751	6,672	–	–	342,748
Unallocated corporate assets						49,035
Total assets						391,783
Liabilities						
Segment liabilities	44,589	15,429	2,518	–	–	62,536
Unallocated corporate liabilities						344,151
Total liabilities						406,687

The accounting policies of the reportable segment are the same as the Group's accounting policies. Segment (loss) profit represents the (loss) profit attributable to each segment without allocation of administration expenses, directors' emoluments, loss on disposal of subsidiaries, loss on deregistration of subsidiaries, change in fair value of derivative and embedded derivative components of a convertible bond, share-based payment expenses, finance costs and income tax (credit) expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

Other segment information

	Remanufacture and sale of computer printing and imaging products	Manufacture and sale of data media products	Distribution of data media products	Trading and mining of minerals resources	Unallocated	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
For the year ended 31 December 2010						
Amounts included in the measure of segment profit or loss or segment assets:						
Additions to non-current assets	**8,570**	**567**	**–**	**2,390**	**–**	**11,527**
Depreciation and amortisation	**26,085**	**267**	**10**	**645**	**49**	**27,056**
(Gain) loss on disposal of property, plant and equipment	**(312)**	**1,166**	**–**	**–**	**(587)**	**267**
Inventories written off	**32,862**	**–**	**–**	**–**	**–**	**32,862**
Impairment loss on						
– inventories	**23,484**	**8,157**	**1,987**	**–**	**–**	**33,628**
– property, plant and equipment	**26,008**	**–**	**–**	**–**	**185**	**26,193**
– intangible assets	**30,471**	**–**	**–**	**–**	**–**	**30,471**
– refundable deposit paid for acquisition of mining rights	**–**	**–**	**–**	**15,600**	**–**	**15,600**
– trade and other receivables	**6,006**	**–**	**–**	**–**	**4,003**	**10,009**
Trade and other receivables write off	**8,656**	**–**	**–**	**–**	**–**	**8,656**
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss:						
Interest income	**(1)**	**(1)**	**(3)**	**(80)**	**(16)**	**(101)**
Loss on deregistration of subsidiaries	**–**	**–**	**–**	**–**	**1,418**	**1,418**
Change in fair value of derivative and embedded derivative components of a convertible bond	**–**	**–**	**–**	**–**	**12,457**	**12,457**
Share-based payment expense	**–**	**–**	**–**	**–**	**21,483**	**21,483**
Finance costs	**22,723**	**406**	**–**	**–**	**7,684**	**30,813**
Income tax (credit) expense	**(3,270)**	**554**	**–**	**–**	**–**	**(2,716)**

	Remanufacture and sale of computer printing and imaging products	Manufacture and sale of data media products	Distribution of data media products	Unallocated	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
For the year ended 31 December 2009					
Amounts included in the measure of segment profit or loss or segment assets:					
Additions to non-current assets	47,042	–	–	–	47,042
Depreciation and amortisation	20,529	275	25	–	20,829
Gain on disposal of property, plant and equipment	(32)	–	–	–	(32)
Impairment loss on					
– inventories	82,087	–	–	–	82,087
– property, plant and equipment	16,428	–	–	–	16,428
– intangible assets	36,125	–	–	–	36,125
– trade and other receivables	5,910	4,547	–	–	10,457
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss:					
Interest income	(39)	(2)	(33)	–	(74)
Loss on disposal of subsidiaries	–	–	–	17,674	17,674
Change in fair value of derivative and embedded derivative components of a convertible bond	–	–	–	(12,457)	(12,457)
Finance costs	22,648	2,587	28	12,167	37,430
Income tax expense	370	1,562	1	–	1,933

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

- all assets are allocated to reportable segments other than deferred tax assets, tax recoverable, consideration receivable for the disposal of subsidiaries, bank balances and cash and early redemption option of a convertible bond; and

- all liabilities are allocated to reportable segments other than tax payable, obligation under finance leases, amounts due to directors, bank and other borrowings, other payables, notes payable, deferred tax liabilities and convertible bonds.

Geographical information

The Group's operations are mainly located in the PRC (country of domicile), including Hong Kong.

The Group's revenue from external customers and information about its non-current assets by geographical location of the assets are detailed below:

	Revenue from external customers		Non-current assets *(note)*	
	2010	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Asia				
– the PRC including Hong Kong	**31,585**	28,923	**32,209**	121,920
– other regions	**42,691**	55,762	**–**	–
Europe	**32,040**	32,865	**–**	10
North and South America	**63,470**	103,612	**101**	142
Others	**139**	232	**–**	–
	169,925	221,394	**32,310**	122,072

Note: Non-current assets excluded deferred tax assets.

Information about major customers

Revenue from customer contributing over 10% of the total sales of the Group are derived from the remanufacture and sale of computer printing and imaging products segment and manufacture and sale of data media products segment in both years and details are as follows:

	2010	2009
	HK$'000	*HK$'000*
Customer A	**40,406**	42,598
Customer B *(note)*	**N/A**	28,458
Customer C *(note)*	**17,619**	N/A

Note: The corresponding revenue does not contribute over 10% of the total sales of the Group in the respective year.

4. Other revenue and other (loss) income

	2010	2009
	HK$'000	*HK$'000*
Other revenue		
Interest income	**101**	74
Gain on foreign exchange contracts	**–**	227
Waiver of other payable	**–**	5,911
Others	**220**	723
	321	6,935
Other (loss) income		
Loss on deregistration of subsidiaries	**(1,418)**	–
(Loss) gain on disposal of property, plant and equipment	**(267)**	32
	(1,685)	32

5. Impairment losses and write off

	2010	2009
	HK$'000	*HK$'000*
Impairment losses on		
– property, plant and equipment	**26,193**	16,428
– intangible assets	**30,471**	36,125
– refundable deposit paid for acquisition of mining rights	**15,600**	–
– trade and other receivables *(Note 9)*	**10,009**	10,457
Trade and other receivables write off	**8,656**	–
	90,929	63,010

6. Income tax (credit) expense

	2010	2009
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax		
Provision for the year	**–**	18
Under (over)-provision in prior years	**554**	(157)
	554	(139)
Current tax – PRC Enterprise Income Tax		
Provision for the year	**–**	1,357
(Over) under-provision in prior years	**(19)**	55
	(19)	1,412
Deferred tax	**(3,251)**	660
	(2,716)	1,933

No tax is provided on the profit for the year arising in Hong Kong since there are no assessable profit incurred by the Group for the year ended 31 December 2010. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable for the both years.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

In accordance with "Notification of the State Council on Carrying of the Transitional Preferential Policies concerning Enterprise Income Tax" (Guo Fa [2007] No. 39) promulgated by the State Council on 26 December 2007, an entity established before 16 March 2007 that was entitled to preferential tax treatment prior to the promulgation date of the EIT Law is subject to transitional tax rates commencing in 2008 before the new corporate income tax rate of 25% applies. In respect of certain PRC subsidiaries of the Group, namely Feitian Magnetic Information-Technology (Shenzhen) Co., Ltd, 深圳利滿豐源打印耗材有限公司 (Shenzhen Afex Print Image Ltd.), 珠海利滿豐源打印耗材有限公司 (Zhuhai Afex Print Image Ltd.) which enjoyed a reduced tax rate of 15% in 2007, the transitional tax rates are 18%, 20%, 22%, 24% and 25% in 2008, 2009, 2010, 2011, 2012 and onwards, respectively.

In 20 July 2007, Inland Revenue Department ("IRD") has initiated tax enquiries and issued protective profits tax demand note relating to the years of assessment 2001/2002 against a subsidiary in the Group. The Group had lodged objections with the IRD and the IRD agreed to hold over the tax claim completely subject to the said subsidiary in question purchasing tax reserve certificates ("TRCs"). TRCs of an aggregate amount of approximately HK$1,010,000 (2009: HK$1,010,000) were purchased by the Group up to the end of the reporting period and the amount was included in other receivables in the consolidated statement of financial position as at 31 December 2010.

The Group has provided tax liabilities in respect of the mentioned years of assessment. The Directors of the Company considered that there was no material under-provision of tax liabilities as at 31 December 2010.

The tax (credit) charge for the year can be reconciled to the loss before taxation per the consolidated statement of comprehensive income using the statutory tax rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled as follows:

	2010	2009
	HK$'000	*HK$'000*
Loss before taxation	**(386,627)**	(276,104)
Tax at the domestic income tax rate	**(70,298)**	(45,767)
Tax effect of expenses not deductible for tax purpose	**34,188**	43,451
Tax effect of income not taxable for tax purpose	**(16)**	(3,035)
Tax effect of tax losses not recognised	**30,749**	2,952
Tax effect of deductible temporary differences not recognised	**2,126**	4,434
Under (over)-provision in prior years	**535**	(102)
Tax (credit) charge for the year	**(2,716)**	1,933

7. Loss for the year

	2010	2009
	HK$'000	*HK$'000*
Loss for the year has been arrived at after charging:		
Staff costs (including directors' emoluments):		
Contributions to defined contribution retirement plans	**751**	913
Salaries, wages and other benefits	**61,907**	68,295
Share-based payment expense	**21,483**	–
	84,141	69,208
Amortisation of intangible assets	**10,960**	10,545
Depreciation for		
– owned assets	**14,783**	7,195
– assets held under finance leases	**1,313**	3,089
Auditor's remuneration	**1,200**	2,000
Operating leases charges in respect of properties	**11,053**	12,162
Cost of inventories recognised as an expense	**209,728**	222,179
Inventories written off (included in cost of sales)	**32,862**	–
Impairment losses on inventories (included in cost of sales)	**33,628**	82,087

8. Loss per share

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

Loss for the year attributable to owners of the Company

	2010	2009
	HK$'000	*HK$'000*
Loss for the year for the purposes of computation of basic and diluted loss per share	**(383,368)**	(278,003)

Number of ordinary shares

	2010	2009
Weighted average number of ordinary shares for the purposes of computation of basic and diluted loss per share	**1,368,722,647**	963,590,597

The calculation of diluted loss per share for the year ended 31 December 2010 and 2009 does not assume the conversion of an unlisted subsidiary's convertible bond. The Directors consider that the value of the subsidiary is lower than the exercise price as the subsidiary had consolidated net liabilities as at 31 December 2009 and 2010.

The diluted loss per share for the year ended 31 December 2009 was the same as the basic loss per share as the conversion of the Company's outstanding convertible bond, and the exercise of the outstanding share options and warrants would result in a decrease in basis loss per share.

The diluted loss per share for the year ended 31 December 2010 is the same as the basic loss per share as the exercise of the Company's outstanding share options and convertible bonds would result in a decrease in basis loss per share.

9. Trade and other receivables

	2010	2009
	HK$'000	*HK$'000*
Trade and bill receivables	**29,046**	64,040
Less: impairment loss recognised on trade receivables	**(16,461)**	(9,896)
	12,585	54,144
Other deposits, prepayments and other receivables	**5,032**	13,537
Total trade and other receivables	**17,617**	67,681

The Group allows an average credit period of 30 to 120 days (2009: 60 to 180 days) to its trade customers. The following is an aged analysis of trade and bill receivables (net of accumulated impairment losses) as at the end of reporting period.

	2010	2009
	HK$'000	*HK$'000*
Current	**8,734**	11,882
Less than 3 months past due	**2,999**	7,313
3 to 6 months past due	**503**	297
Over 6 months past due	**349**	34,652
	12,585	54,144

Included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately HK$3,851,000 (2009: HK$42,262,000) which are past due as at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

In respect of trade and bill receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customers' past history of making payments when due and current liability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customers operate. 69% (2009: 22%) of the trade and bill receivables that are neither past due nor impaired have good settlement history under the Group's individual credit evaluations. The Group does not hold any collateral over these balances. Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default. The Group does not hold any collateral over these balances.

	2010	2009
	HK$'000	*HK$'000*
Neither past due nor impaired	**8,734**	11,882
Less than 3 months past due	**2,999**	7,313
3 to 6 months past due	**503**	297
Over 6 months past due	**349**	34,652
	3,851	42,262
	12,585	54,144

Receivables that were past due but not impaired relate to a number of independent customers that have a good repayment record with the Group. 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.

Movement in the impairment losses of trade receivables

	2010	2009
	HK$'000	*HK$'000*
At 1 January	**9,896**	22,899
Exchange realignment	**6**	–
Impairment losses recognised	**10,009**	10,457
Deregistration of subsidiaries	**(91)**	–
Amounts written off as uncollectible	**(3,000)**	(7,407)
Reversal of impairment losses	**(359)**	(16,053)
At 31 December	**16,461**	9,896

In determing the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable for the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated.

Included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of approximately HK$16,461,000 (2009: HK$9,896,000) which were past due for more than 6 months. The Group does not hold any collateral over these balances.

During the year ended 31 December 2010, trade receivable of HK$8,656,000 (2009: nil) is written off due to the deregisteration of the customers during 2010.

Included in trade receivables are factored trade receivables trade amounting to HK$9,477,000 (2009: HK$10,102,000) for the Group. For factored trade receivables, the Group will need to repay the financial institutions if there are credit losses on the trade receivables before the end of factoring period, accordingly, the Group continues to recognise the full carrying amount of the receivables and has recognised the cash received as an unsecured borrowings.

Movement in the impairment losses of other receivables

	2010	2009
	HK$'000	*HK$'000*
At 1 January	**–**	5,994
Amounts written off as uncollectible	**–**	(5,994)
At 31 December	**–**	–

10. Trade and other payables

	2010	2009
	HK$'000	*HK$'000*
Trade payables	**13,799**	35,404
Accruals and other payables	**52,009**	41,200
Amount due to a related company	**1,089**	1,999
Amounts due to directors	**–**	720
	66,897	79,323

The amount due to a related company, Titron Industries Limited ("Titron"), in which Yip Wai Lun, Alvin ("Mr. Yip") being the common director, is unsecured, interest-free and repayable on demand.

The amounts due to directors were unsecured, interest-free and repayable on demand.

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period.

	2010	2009
	HK$'000	*HK$'000*
Within 3 months	**9,390**	25,536
Over 3 months but within 6 months	**1,526**	4,298
Over 6 months but within 9 months	**787**	4,580
Over 9 months but within 12 months	**1,439**	685
Over 1 year	**657**	305
	13,799	35,404

The average credit period on purchases of goods is 30-90 days (2009: 30-90 days). The Group has financial risk management policies in place to ensure that all payables within the credit time frame.

EXTRACT OF REPORT OF THE AUDITORS

The auditors of the Company, SHINEWING (HK) CPA Limited, have disclaimed from providing a basis for an audit opinion on their audit of the consolidated financial statements of the Group for the year ended 31 December 2010. The basis for their disclaimer of opinion is set out below as extracted from their independent Auditor's Report.

"Basis for disclaimer of opinion

Corresponding figures

As previously explained in our report dated 27 April 2010 on the Group's consolidated financial statements for the year ended 31 December 2009, we were not provided with sufficient evidence to enable us to assess as to whether the turnover, cost of sales, loss on disposal of subsidiaries and impairment loss on inventories included in the consolidated statement of comprehensive income of the Group were free from material misstatements. We qualified our opinion on the Group's consolidated financial statements for the year ended 31 December 2009 in respect of this scope limitation accordingly.

Any adjustments that might have been found necessary in respect of the above would have had a consequential impact on the Group's results for the year ended 31 December 2009 and the related disclosures made in the consolidated financial statements.

Recoverability of refundable deposit paid for acquisition of mining rights

As disclosed in notes to the consolidated financial statements, as at 31 December 2010, the carrying amounts of the refundable deposits paid for the acquisition of certain mining rights amounted to US$3,000,000 (equivalent to HK$23,400,000), and impairment loss of US$2,000,000 (equivalent to HK$15,600,000) was provided and charged to the consolidated statement of comprehensive income during the year ended 31 December 2010. The Directors considered that the Group would be able to collect the carrying amount of the refundable deposits from the vendor. However, we were unable to obtain sufficient information and explanation to satisfy ourselves as to whether the refundable deposits as at 31 December 2010 and the related impairment loss provided during the year ended 31 December 2010 were fairly stated. Any adjustments to the above as at 31 December 2010 found to be necessary would affect the Group's capital deficiency as at 31 December 2010 and have a consequential effect on its loss for the year then ended and the related disclosure thereof in the consolidated financial statements.

Material uncertainty relating to the going concern basis

As disclosed in notes to the consolidated financial statements, the Group incurred a consolidated loss attributable to owners of the Company of approximately HK$383,368,000 for the year ended 31 December 2010 and recorded consolidated capital deficiency attributable to owners of the Company of approximately HK$131,615,000 as at 31 December 2010. The consolidated financial statements of the Company have been prepared on a going concern basis, the validity of which depends upon the successful implementation and outcome of the measures to be undertaken by the Group as described in notes to the consolidated financial statements to ensure that adequate cash resources are available to meet in fulfill its financial obligations as they fall due in the foreseeable future.

In view of the extent of the material uncertainties relating to the successful implementation and outcome of the measures to be undertaken by the Group as mentioned above which might cast a significant doubt on the Group's ability to continue as a going concern, we have disclaimed our audit opinion on the consolidated financial statements.

Should the Group be not able to continue its business as a going concern, adjustments would be necessary to reclassify all non-current assets and liabilities as current assets and liabilities, write down the value of assets to their recoverable amounts and to provide for further liabilities which may arise. The consolidated financial statements do not include any of these adjustments.

Disclaimer of opinion: disclaimer on view given by financial statements

Because of the significance of the matter as described in the basis for disclaimer of opinion paragraph, we do not express an opinion on the consolidated financial statements as to whether they give a true and fair view of the state of affairs of the Group as at 31 December 2010 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance."

CHAIRMAN'S STATEMENT

RESULTS

For the year ended 31 December 2010, the Group recorded a turnover of HK$170 million, representing a decrease of 23% compared with HK$221 million in 2009. The Group's loss attributable to the owners of the Company amounted to HK$383 million in 2010 (2009: HK$278 million). Basic loss per share in 2010 was HK28.0 cents as compared with basic loss per share of HK28.9 cents in 2009.

Impacting our Group's profitability was mainly the raw material price hike, namely empty cartridge prices in the year under review. And like all manufacturers in China, the Group was also hit by the substantial wage hike, which is not only stipulated by law nationally, but also on a structural uptrend in the medium term.

BUSINESS REVIEW

Remanufacturing and sales of computer printing and imaging products

2010 was another a difficult year for the Group as its main business, namely, the remanufacturing and sales of computer printing and imaging products, being 43% (2009: 67%) of the Group's sales, recorded a sharp decline in sales of 50% in 2010. Operating environment for this segment remained extremely competitive in the year. This was particularly the case on the price front as the market was swamped by low value new-mould products. Profit for this segment was hit severely by a few factors: a) the rise in its key feedstock; empty cartridges b) labour costs, as our factories are located in the Pearl River Delta (Shenzhen and Zhuhhai), the hike was bigger in magnitude nationally; and c) high fixed costs as the utilization of production capacity of the factories is low. In light of the weak sales, the Group also made impairment losses on inventories for obsolete inventories amounting to HK$24 million (2009: HK$82 million), to account for the sluggish sales in 2010 and write-off of inventories amounting to HK$33 million (2009: Nil). These factors have led to a division loss to HK$197 million (2009: 148 million).

Manufacture and sales of data media products

This division registered an increase of 35% in turnover for the year ended 31 December 2010. Management takes the critical review of the outlook of the business. In view that the business comes to end of life and probably will diminish over 18 months, appropriate provision on the inventories amounting to HK$8 million was made. This has led to a decrease in profit for the division, at HK$2 million from HK$3 million of last year.

The distribution of data media products

For the year under review, this division experienced a decline in turnover, at HK$12 million down from HK$23 million a year ago. This has led to the division into a loss of HK$1 million.

Trading and mining of mineral resources

During the year under review, the Group held embarked on trading activities for mineral products and recorded a turnover of approximately HK$16 million in this regard. The activities in this line of business has not proceeded further due to the lack of trading opportunities that would provide the Group with attractive return on minimized credit exposure. The Group will continue to look for suitable opportunities to broaden its business spectrum.

PROSPECTS

Remanufacturing and sales of computer printing and imaging product and manufacture, sales and distribution of data media products

In response to the cost pressure in our manufacturing division, the Group has made a number of difficult yet we believe to be cost effective decisions. First, we have centralized our manufacturing operation of remanufacturing of computer printing and imaging product from previously two bases (Shenzhen and Zhuhai) to only in Zhuhai. We have also reviewed the entire operation and identified a number of areas where operating efficiency could be lifted. One of these inevitably followed through the production base contraction, is a proactive headcount reduction in the manufacturing division. We have started implementing the measures from second half of 2010, and expect some of the cost savings would gradually come through in 2011.

The management believes the ultimate solution is to dispose this entire division to interested third party. The intention to dispose was first revealed in the announcement dated 29 July 2010. It was further disclosed in the announcement dated 4 October 2010 that a non-legally binding term sheet in relation to the debt restructuring and disposal of Ugent Holdings Limited ("Ugent") (which is engaged in the remanufacturing and sale of computer printing and imaging products) was entered into with Martin Currie Inc. However, as disclosed in the announcement dated 10 March 2011, such debt restructuring and disposal of Ugent will not be proceeding. The management will continue to seek for opportunity to dispose this entire division.

Regarding the manufacture, sale and distribution of data and media products division, the Group will continue to improve its operational efficiency to improve the profitability of this division.

Acquisition of mining business

On 18 December 2009, a wholly-owned subsidiary (the "Purchaser") of the Company entered into an agreement (the "Acquisition Agreement") with Mr. Cui Zhan Lin (the "Vendor") in relation to the proposed acquisition of the entire equity interest of SE Metal Resource Corp. ("SE Metal") which indirectly holds the mining rights claims of a copper-gold mine, an iron-ore mine and a gold mine in the United States. On the same date, the Company entered into a consultancy agreement with China National Gold Investment Oversea Holdings Ltd ("CNGO") by which subject to the completion of Acquisition Agreement, CNGO will provide consultancy services in relation to the mining business to the Company for a term of ten years. The Company also entered into a referral and retainer agreement with CNGO who will provide consultancy services to the company in assisting the Company to perform its due diligence exercised on the three mines. As disclosed in the announcement dated 29 July 2010, the Company conducted a legal due diligence on the mining rights claims of the three mines and certain validity issues have been identified in each of the three mines. At the announcement date, the mining right claim issues of the copper-gold mine had been solved. On 28 September 2010, the Company announced that a supplemental agreement (the "Supplemental Agreement") was entered on 1 September 2010 so that the Purchaser would acquire from the Vendor the mining rights claims of the copper-gold mine only. Certain terms of the Acquisition Agreement was amended including a reduction in the consideration payable by the Purchaser for the acquisition and the extension of the date of completion of the Acquisition Agreement from 31 December 2010 to 31 October 2011. On 23 August 2010, the consultancy agreement and the referral and retainer agreement with CNGO were also terminated which was also disclosed on the announcement dated 28 September 2010.

The preparation of exploration and drilling work on the copper-gold mines commenced after signing of the Supplemental Agreement with the drilling work subsequently started in January 2011. The cost incurred on preparation and ancillary work for the drilling amounted to HK$12 million, subject to final billing by the contractors. However, in view of the tight cash flow of the Group from its normal business operation, as disclosed in the announcement dated 10 March 2011, the Company decided to put on hold of all substantial non-operating expenses including the on-site work of the copper-gold mine in order to reserve cash resources of the Group. The Board, further taking into account the prevailing market conditions surrounding investors' interest in mining projects under exploration, decided to terminate the Acquisition Agreement and a notice of termination was served to the Purchaser on 22 March 2011 and an announcement was made on the same date.

It is still the Company's belief that the Group should seek opportunities to broaden its business scope. The Company has acquired considerable and valuable knowledge in the mining business through its experience in the acquisition of the copper-gold mine as referred to above. Although the Company has decided to terminate the Acquisition Agreement relating to the copper-gold mines for the reasons disclosed above, the Company remains to be interested to capitalize on the experience and knowledge acquired in 2010 in mining project investments to look for new mining investments with ready production and positive cash flows. To this end, on 1 February 2011, a wholly-owned subsidiary of the Company entered into a non-legally binding memorandum of understanding relating to the possible acquisition of a company which owns 70% equity interest of a PRC company which is principally engaged in the exploration, mining, processing and sale of mineral products in Inner Mongolia. The purpose of the memorandum of understanding is to give the subsidiary the exclusivity period of 45 business days to conduct the necessary due diligence. No agreement has been signed up to date of this report.

Acquisition of manufacturing business

With a view to improving the Group's financial performance, the Group has been actively looking for attractive merger and acquisition opportunities in order to extend its business reach. On 23 January 2011, the Company and one of its wholly-owned subsidiaries entered into an agreement with the four vendors, including Mr. Yip, on the acquisition of the entire issued share capital/registered capital of Titron International Limited, Titron Industries Limited, Titron Precision Limited and Dongguan De Yue Electronic and Plastics Company Limited (together, "Target Group"). In 2005, they started with fabrication of high-precision, high-cavitation tooling for the medical industry. Commencing from 2008, the Target Group made way into the business of manufacturing medical devises, starting with lancet devices.

In 2009, the Target Group obtained its qualified supplier status for registration in the medical sector of the United States of America, and began its production process validation for specified products, as stipulated under the relevant medical administrative standard of the United States of America, during the year 2009 and 2010. Commercial production commenced in late 2010 for the medical products. In light of the historical profitable performance and the prospects of medical device manufacturing business of the Target Group, it is believed that such acquisition provides a good opportunity for the Group to improve its income stream and turnaround its business.

Change of Company Name

To better reflect its new focus on the resources business, the Company has changed its name to "Guojin Resources Holdings Limited"(「國金資源控股有限公司」*(for identification purposes)*) from "Jackin International Holdings Limited"(「輝影國際集團有限公司」*(for identification purposes)*) which have become effective on 15 September 2010. The registration of the new English name of the Company in Hong Kong under Part XI of the Companies Ordinance took effect from 4 November 2010.

FINANCIAL REVIEWS

Capital and Debt Structure

As at 31 December 2010, the Group's total net liabilities was approximately HK$132 million (31 December 2009: HK$15 million), representing approximately HK$117 million increase compared with that of previous year, mainly due to the loss for the year but partially compensated by the net proceed after share issue expense from the placement of new shares amounted to HK$193.5 million made in January 2010 and the issue of new shares on conversion of convertible bonds amounted to HK$48 million.

As at 31 December 2010, the Group's total bank and other borrowings plus finance lease obligations decreased by HK$30 million to HK$12 million (31 December 2009: HK$42 million), of which most of them was payable within one year. Most of the Group's borrowings are denominated in Hong Kong dollars and subject to floating interest rates. Hence the risk of currency exposure was minimal. The Group's total cash and bank balances amounted to approximately HK$38 million (31 December 2009: HK$18 million), representing an increase of approximately HK$20 million.

The Group's net debt to (negative) equity ratio was kept at (1.5) (31 December 2009: (20.7)), which is determined by total bank and other borrowings, notes payable, obligation under finance leases and convertible bonds over total net liabilities.

Working Capital and Liquidity

As at 31 December 2010, the Group's current ratio and quick ratio were 1.2 and 0.9 respectively (2009: 1.7 and 0.7). Inventory turnover on sales decreased to 62 days (31 December 2009: 248 days) primarily due to the reassessment of the carrying amounts of inventories. Receivable turnover decreased to 27 days (31 December 2009 : 89 days) primarily due to the shortened credit period and the reassessment of the recoverability of aged receivable.

Contingent Liabilities and Charges on the Group's Assets

The Group had pledged its assets with an aggregate net book value of HK$4 million (2009: HK$29 million) to secure bank loans granted and finance lease obligations.

Increase in Authorised Share Capital

Pursuant to an ordinary resolution passed by the shareholders at the special general meeting held on 8 December 2010, the authorised share capital of the Company was increased from HK$200 million to HK$400 million by the creation of an additional 2,000,000,000 ordinary shares of HK$0.10 each which rank pari passu with the existing shares in all respects.

Issuance of New Shares, Grant and Exercise of Share Options and Conversion of Convertible Bonds

On 13 January 2010, the Company entered into placing agreement with placing agents for subscribing an aggregate of 210 million new shares in the share capital of the Company at the subscription price of HK$0.95 per share (the "Placing"). The completion of the Placing took place on 21 January 2010 and the Company received the net proceeds after share issue expense amounted to approximately HK$193.5 million from the Placing.

On 29 January 2010, the Company granted options to subscribe for a total of 79,640,000 ordinary shares of HK$0.10 each of the Company at the subscription price of HK$0.786 per share pursuant to the Company's share option scheme adopted on 12 June 2004. The share options are exercisable from 29 January 2010 to 28 January 2012. On 11 May 2010, 652,000 share options were exercised to subscribe for 652,000 ordinary shares in the Company at an aggregate consideration of HK$512,000.

On 15 March 2010, 18 March 2010, 9 August 2010, 19 August 2010 and 29 September 2010, convertible bonds with an aggregate principal amount of HK$50,000,000 were converted by the then bondholders into 200,000,000 new ordinary shares of the Company of HK$0.10 each at a conversion price of HK$0.25 per share.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2010, the number of employees of the Group was approximately 552. The remuneration packages of the Group's employees are mainly based on their performance and experience, taking into account the current industry practices. Remuneration package of employees includes salaries, insurance, mandatory provident fund and share option scheme. Other employee benefits include medical cover, housing allowance, educational allowance and discretionary bonuses.

GOING CONCERN

As at 31 December 2010, the Group recorded capital deficiency attributable to owners of the Company of approximately HK$132 million. The Group had incurred loss for the year amounting to HK$384 million. In face of the liquidity constraints presently encountered by the Group, the Directors have implemented measures to tighten cost controls over various distribution costs and administrative expenses and to improve the Group's cash flow position and operating results. In addition, the Directors are considering various alternatives to enlarge the capital base of the Company in order to provide additional funding to the Group. In the circumstances, the Directors consider that, when the above-mentioned measures are successfully implemented, the Group will have sufficient cash resources to satisfy its future working capital and other financing requirement and the Directors are ascendingly of the view that it is appropriate to prepare the financial statements on a going concern basis.

EVENTS AFTER THE REPORTING PERIOD

On 23 January 2011, Energy Best Investments Limited ("Energy Best"), a wholly owned subsidiary of the Company, entered into a sale and purchase agreement with Mr. Yip, a Director of the Company, an associated company of him and two other shareholders of members of the Titron Group (as defined below). Pursuant to which, Energy Best agreed to purchase 100% equity interests in Titron Industries Limited, Titron Manufacturing Limited, Titron International Limited, Titron Precision Limited and 東莞德越電子塑膠製品有限公司 (collectively referred to as the "Titron Group") at a consideration of HK$120 million including the cash payment of HK$15 million and the issuance of convertible notes of HK$105 million.

The acquisition of the Titron Group is subject to, among other things, the approval of shareholders of the Company. After completion, the Titron Group will become wholly owned subsidiaries of Energy Best. Details of the acquisition are set out in the announcement of the Company dated 25 January 2011.

On 1 February 2011, Golden Passage Limited ("Golden Passage"), a wholly owned subsidiary of the Company, entered into a non-legally binding memorandum of understanding ("Memorandum") with Fortune Voyage Limited and Sino Rise Enterprises Limited, independent third parties, pursuant to which Golden Passage proposed to acquire 70% equity interest of a PRC company principally engaged in the exploration, mining, processing and sale of mineral products through the acquisition of the entire issued share capital of Smart Ascent International Limited ("Smart Ascent"). The Memorandum gives Golden Passage the exclusivity period of 45 business days to conduct the necessary due diligence on Smart Ascent and the PRC company. The signing of the formal sale and purchase agreement is subject to, among other things, Golden Passage having completed its preliminary due diligence on the PRC Company, and the PRC Company having increased its registered capital. No formal sale and purchase agreement has been entered into up to the date of this report. Details of the Memorandum are set out in the announcement of the Company dated 1 February 2011.

Pursuant to the non-legally binding term sheet (the "Term Sheet") in relation to the debt restructuring and disposal of Ugent Holdings Limited as announced on 5 October 2010, on 10 March 2011, the Company further announced that the Term Sheet will not proceed. Details are set out, inter alia, in the announcement of the Company dated 5 October 2010 and 10 March 2011.

On 22 March 2011, the Company announced that the conditional sale and purchase agreement made between Jackin Purchasing and Mr. Cui dated 18 December 2009 together with the two supplemental agreements date 21 January 2010 and 1 September 2010 respectively, in respect of acquisition of the entire issued share capital of SE Metal Resource Corp. have been terminated.

FINAL DIVIDEND

No payment of dividends has been proposed by the Board in respect of the year ended 31 December 2010 (2009: Nil).

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions as set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Listing Rules throughout the year ended 31 December 2010, save for the following deviations.

During the period from 21 August 2010 to 28 October 2010, the Company had only two Independent Non-executive Directors and was thus in breach of Rules 3.10 and 3.21 of the Listing Rules. The Board appointed Mr. Lau Man Tak as the third Independent Non-executive Director on 29 October 2010 in compliance with the Listing Rules requirements.

CG Code Provision A.1.3

Under this code provision, notice of at least 14 days should be given of a regular board meeting to all directors to give all directors an opportunity to attend.

During the year, the Company has been actively exploring new business opportunities and streamlining its operations, which required the Board members' timely reaction and expeditious decision making process. As a result, the board meetings were held with a shorter notice period than required with the consent of the Directors. The Board will do its best endeavour to meet the requirement of A.1.3 of the Code in the future.

CG Code Provision A.2.1

Under this code provision, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual.

Ms. Ho Yin King, Helena ("Ms. Ho") was the Chairman and Managing Director of the Company (The Company regards the role of its managing director to be same as that of chief executive officer under the CG Code) during the year ended 31 December 2010, until 18 October 2010. Mr. Yip Wai Lun, Alvin ("Mr. Yip") was redesignated from being a Deputy Chairman and Deputy Managing Director to the Chairman and Managing Director of the Company with effect from 29 October 2010.

During the year under review, the Group has been confronted with various challenges in all fronts, including business development, operation efficiency and financial management. It is believed that during the transformation and rationalisation of the Group's business, it would be in the best interest of its shareholders that the role of the Chairman and the Managing Director of the Company be combined to enable a strong and delicated leadership to reposition the Company and implement effective measures to improve shareholders' value. In this light, the Company has maintained Mr. Yip as the Chairman and the Managing Director of the Company. The Company will review the current structure when and as it becomes appropriate.

CG Code Provision A.4.1

Under this code provision, the non-executive directors should be appointed for a specific term, subject to re-election.

Currently, the three independent non-executive directors are not appointed for a specific term but are subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the provisions of the Bye-laws of the Company, and their appointment will be reviewed when they are due for re-election.

CG Code Provision E.1

Under this code provision, the chairman of the board should attend the annual general meeting.

Due to her personal business. Ms. Ho did not attend the annual general meeting of the Company held on 21 August 2010 while she was the Chairman of the Company at that time. The annual general meeting was chaired by Mr. Yip, the then Deputy Chairman and Deputy Managing Director of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

AUDIT COMMITTEE

The Audit Committee comprises three Independent Non-executive Directors, namely, Mr. Leung Ka Kui, Johnny, Mr. Chan Kam Kwan, Jason and Mr. Lau Man Tak. The Audit Committee has reviewed the management accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters.

The Audit Committee has also reviewed the annual results of the Group for the year ended 31 December 2010.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

APPRECIATION

On behalf of the Board, I would like to express appreciation to colleagues for their hard work and dedication in the past year. We will remain committed to achieving better results and maximising returns to our shareholders.

By order of the Board
Guojin Resources Holdings Limited
Yip Wai Lun, Alvin
Chairman and Managing Director

Hong Kong, 30 March 2011

As at the date of this announcement, Mr. Yip Wai Lun, Alvin, Mr. Ma Bo Ping, Mr. Zhou Yu Sheng, Ms. Lam Suk Ling, Shirley and Mr. Lee Cheuk Yin, Dannis are the Executive Directors and Mr. Leung Ka Kui, Johnny, Mr. Chan Kam Kwan, Jason and Mr. Lau Man Tak are the Independent Non-executive Directors.