ANNUAL REPORT 2010

Mission for Vision

WayTung

WAYTUNG GLOBAL GROUP LIMITED
滙通天下集團有限公司

(Incorporated in Hong Kong with Limited Liability) Stock Code: 00021

Content

Corporate Information

DIRECTORS

Executive Director

Ms. Huang Wenxi *(Chief Executive Officer)*

Non-executive Director

Mr. Huang Shih Tsai *(Chairman)*

Independent Non-executive Directors

Mr. Cheng Hong Kei
Mr. Leung Kwan, Hermann
Mr. Lum Pak Sum

AUDIT COMMITTEE

Mr. Cheng Hong Kei *(Chairman)*
Mr. Leung Kwan, Hermann
Mr. Lum Pak Sum

REMUNERATION COMMITTEE

Mr. Cheng Hong Kei *(Chairman)*
Mr. Leung Kwan, Hermann
Mr. Lum Pak Sum
Mr. Huang Shih Tsai

COMPANY SECRETARY

Ms. Ng Ling Ling

AUDITOR

LO & LO CPA Limited

SHARE REGISTRAR

Tricor Tengis Limited
26/F, Tesbury Centre
28 Queen's Road East
Wanchai, Hong Kong

LEGAL COUNSEL

Reed Smith Richards Butler

PRINCIPAL BANKS

The Hongkong and Shanghai Banking Corporation Limited
Standard Chartered Bank (Hong Kong) Limited

REGISTERED OFFICE

Suite 6308, 63/F.
Central Plaza
18 Harbour Road
Wanchai, Hong Kong

WEBSITE

www.waytung.com

Directors and Senior Management Profiles

EXECUTIVE DIRECTOR

Ms. Huang Wenxi, aged 26, has been an Executive Director since 29 June 2007, is also the Chief Executive Officer of the Company. Ms. Huang holds a Bachelor's degree in Business Administration from the University of Wisconsin-Madison of the United States of America. She is a director of Waytung Global Fund Limited and was the deputy general manager in Sheraton Hotel in Futian, Shenzhen, the People's Republic of China (the "PRC") from 2005 to 2008. She has experience in setting up and operating one of the first 5-star international hotels in the Central Business District in Shenzhen, the PRC. Ms. Huang is the daughter of Mr. Huang Shih Tsai, the Non-executive Director and Chairman of the Group.

NON-EXECUTIVE DIRECTOR

Mr. Huang Shih Tsai, aged 59, has been the Non-executive Director since 29 June 2007. He is the Chairman of the Group and is also a member of the Remuneration Committee of the Company. Mr. Huang is the founder and chairman of the board of Great China International Investment (Groups) Limited ("Great China Groups"), which is currently involved in various businesses in property development, financial consultancy, trust management, trading, department stores, ports and logistics. The businesses of Great China Groups cover major cities nationwide. Mr. Huang is also a director of Waytung Global Fund Limited.

Mr. Huang was honoured as the pioneer for urbanisation of rural areas when he introduced the concept of "Property Acquisition for Resident Right" first in Longzhu Garden project. He developed the concept of "Removing boarder between Shenzhen and Hong Kong" in Hui Zhan Ge project and developed properties along the border. He was recognised as the pioneer in "Sales of Properties to non-residents" and hotel style service apartment. Through Great China International Exchange Square, he was known as the pioneer to develop the Central Business District. Mr. Huang has made significant contributions to the reform and opening-up of Shenzhen.

Mr. Huang was the only Outstanding Chinese Entrepreneur as the representative to participate in the 60th Anniversary of the United Nations. He is the executive vice-president of the United World Chinese Association (世界華人協會), the executive vice-president of the China Enterprise Directors Association (Shenzhen) (中國企業家協會(深圳)), the vice-president of Guangdong Provincial Association of Culture (廣東省文化學會), the vice-president of Federation of Shenzhen Industries (Formerly known as Shenzhen Federation of Industrial Economics) (深圳工業總會(前稱：深圳市工業經濟聯合會)), the managing director of Global Foundation of Distinguished Chinese Limited (世界傑出華人基金會), and the president of Yan Huang Chinese Straits Entrepreneurs Association (炎黃海峽兩岸三地企業家交流協會).

Mr. Huang is the father of Ms. Huang Wenxi.

Directors and Senior Management Profiles

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Cheng Hong Kei, aged 56, has been an Independent Non-executive Director since 8 June 2006 and is the Chairman of the Audit Committee and Remuneration Committee of the Company. Mr. Cheng studied accountancy in Hong Kong Polytechnic (now known as the Hong Kong Polytechnic University). He is a fellow member of the Hong Kong Institute of Certified Public Accountants (Practicing), the Association of Chartered Certified Accountants and the Taxation Institute of Hong Kong. He is a co-founding director of Cheng & Cheng Limited and had worked as an assessor for the Hong Kong Inland Revenue Department for 12 years. He has over 30 years of experience in accounting and taxation. Mr. Cheng is also an Independent Non-executive Director of South China Holdings Limited, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

Mr. Leung Kwan, Hermann, aged 49, has been an Independent Non-executive Director since 8 June 2006 and is a member of the Audit Committee and Remuneration Committee of the Company. Mr. Leung holds a Bachelor's degree in Social Sciences from the University of Hong Kong. He is a solicitor of the Hong Kong Special Administrative Region and is a partner of D.S. Cheung & Co., Solicitors. He is also a China-Appointed Attesting Officer. Mr. Leung has about 16 years of experience in legal work relating to civil litigation, commercial litigation, copyright and conveyancing.

Mr. Lum Pak Sum, aged 49, has been an Independent Non-executive Director since 21 August 2007 and is a member of the Audit Committee and Remuneration Committee of the Company. Mr. Lum holds a Master's degree in Business Administration from the University of Warwick, UK and a LLB (Honor) degree from the University of Wolverhampton, UK. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants, UK. Mr. Lum has over 20 years of experience in financial field, the money market and capital market. Currently, Mr. Lum is also an Independent Non-executive Director of Asia Resources Holdings Limited, Bestway International Holdings Limited, Energy International Investments Holdings Limited, Karce International Holdings Company Limited and Radford Capital Investment Limited; all of which are listed companies in Hong Kong.

COMPANY SECRETARY

Ms. Ng Ling Ling, aged 38, was appointed as the company secretary of the Company since 1 June 2010. Ms. Ng holds a Master's degree in Professional Accounting from the Hong Kong Polytechnic University. She is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association Chartered Certified Accountants. Ms. Ng has many years of experience in auditing, accounting, financial reporting and company secretarial matters in companies listed on The Stock Exchange of Hong Kong Limited.

Chairman's Statement

Dear Shareholders,

I am pleased to present the annual report of Waytung Global Group Limited (the "Group" or the "Company") for the year ended 31 December 2010.

FINANCIAL REVIEW HIGHLIGHT

For the year ended 31 December 2010, the Group recorded a turnover of approximately HK$15,524,000 (2009: HK$10,596,000), representing an increase of approximately 46.5% as compared with the previous year. Loss attributable to shareholders for the year was approximately HK$5,182,000 (2009: HK$2,763,000). The Board of Directors did not recommend the payment of any dividend (2009: Nil).

BUSINESS REVIEW

At the extraordinary general meeting of the Company convened on 13 December 2010, the shareholders of the Company approved the acquisition of 100% equity interest of 唐海中泰信和房地產開發有限公司 (Tanghai Zhongtai Xinhe Real Estate Company Limited*) ("Tanghai Zhongtai Xinhe") at a total consideration of RMB104,500,000. The principal assets of Tanghai Zhongtai Xinhe consist of the right of use of No. 2 and No. 3 Islands inside Tonggang Reservoir of the Seventh Farm, Tanghai County, Tangshan, Hebei Province, the PRC. This acquisition provides a good opportunity for the Group to further strengthen its property investment and development business in the PRC.

On 29 December 2010, the Company entered into a sale and purchase agreement with a third party independent of the Company and its connected persons in relation to the disposal of the entire issued share capital of Noble Congress Limited, a wholly-owned subsidiary of the Company, at a total cash consideration of HK$10,000. Such disposal was completed on the same day the agreement was signed.

BUSINESS OUTLOOK

In anticipation of an ongoing recovery of the global economy, coupled with the year-on-year growth in gross domestic product (GDP) seen in the PRC, notably hitting 10.3% in 2010, it is widely expected that the PRC's economy will continue its steady and relatively rapid development this year.

Real estate sector is one of the nation's economic pillars. However, in order to safeguard people's livelihood by securing the availability of housing supply, the State has promptly adopted certain austerity measures in 2010 to address the problem of property bubble for the purpose of curbing the surge in property prices. I believe such measures aim at tilting the property market towards the needs of the general public, ensuring the real estate market a more sustainable, stable and healthy direction for growth. Furthermore, as the aggregate economic value of the real estate industry has accounted for one-third of the GDP, in order to maintain a stable growth in GDP, all the austerity measures imposed by the PRC government will only have temporary impact. The development of the real estate market will reach new heights once the austerity measures are done. The PRC's economy has been experiencing rapid growth in recent years with capital value appreciation in tow. The Group tapped the market of property development and investment with a relatively low cost at this opportune moment, in the hope of reaping an optimum return when the cycle goes up again.

2010 was a preparation year for the Group to lay a solid foundation for its future development. Striving to become a leading player in the PRC's tourism real estate industry, the Group will identify the most magnificent scenic spots across the PRC for our projects, equipped with international modern architectural concepts as well as comprehensive ancillary entertainment facilities. The Group will set its footprints across the PRC to develop the largest tourism real estate projects, boasting the most exquisite scenery and comprehensive services. By gaining brand recognition, the Group will turn a new chapter.

Chairman's Statement

The Group's two projects in hand, namely Gold Coast Resort and the newly-acquired Tanghai County Project, clearly demonstrate the Group's determination in developing the tourism real estate business. The Group is actively planning these two projects, with an aim to shape them into world-class tourist resorts and the Group's flagship projects. In this regard, the Group will explore different means such as introduction of strategic investors to generate diversified source of capital so as to cater for the future development needs of the Company.

Looking ahead to 2011, thanks to the global economic recovery and stable growth in the PRC's economy, the overall environment will improve as compared with the previous year, whilst opportunities outweigh challenges. I am fully confident about the future and the Group's prospect as well. In order to lay a foundation for further enhancement of overall operational scale and economic efficiency as well as to realize the Group's prime target of achieving nationwide coverage , the Group will continue its efforts in seeking business opportunities in the market, actively exploring potential projects, reviewing the possibility of each acquisition and merger in a flexible way, gathering pace to recruit and train talents and establishing an ethical corporate structure with cost-control policy and streamlined operation.

APPRECIATION

I would like to express my sincere appreciation to the Board of Directors, management and staff for their diligence, loyalty and dedication. I am grateful to our shareholders, strategic partners and bankers for their support and trust which have contributed towards the Group's success. To acknowledge the support from shareholders and investors, I will uphold our business principle of "prudent planning, thorough execution", along with dedication to accelerate development pace, so as to usher the Group into a period of rapid growth.

Huang Shih Tsai
Chairman

Hong Kong, 25 March 2011

* *For identification purpose only*

Management Discussion and Analysis

RESULTS

For the year ended 31 December 2010, the Group recorded a turnover of approximately HK$15,524,000, representing an increase of approximately 46.5% as compared to the turnover of approximately HK$10,596,000 for last year. Turnover was mainly derived from the property development and investment business under a tenancy agreement commenced since April 2009. Loss for the year ended 31 December 2010 was increased, by approximately 87.5% from approximately HK$2,763,000 for the last year to approximately HK$5,182,000. The increase in the loss for the year ended 31 December 2010 was mainly attributable to substantial amount of land use right tax and building property tax of approximately HK$2,878,000 charged in relation to properties of a PRC subsidiary of the Company.

BUSINESS REVIEW

Resumption of Trading

The Review Report

The trading of the Company's shares was resumed on 27 August 2009 under a resumption proposal (the "Resumption Proposal") and the Company undertook to The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 21 August 2009 to appoint an independent professional firm to conduct a full scope review on the financial reporting system and internal control procedures of the Group after completion of the Resumption Proposal and to issue a review report (the "Review Report"), together with any proposed remedial measures and timetable for implementation of such remedial measures, within six months from the date of completion of the Resumption Proposal. The Review Report was issued on 5 March 2010 and did not reveal significant deficiencies in the financial reporting system and internal control procedures of the Group. As such, no remedial measures have been proposed in the Review Report.

Acquisition of a subsidiary

The circular in relation to the acquisition of the entire equity interest of 唐海中泰信和房地產開發有限公司 (Tanghai Zhongtai Xinhe Real Estate Company Limited*) (the "Target") pursuant to a sale and purchase agreement dated 27 September 2010 (the "Acquisition") was despatched to the shareholders of the Company on 25 November 2010. The acquisition was approved by the shareholders at the extraordinary general meeting of the Company held on 13 December 2010. During the year ended 31 December 2010, the Target's relevant certificates, licences, corporate information, land title documents and company chop had been handed over the Group which in turn paid a total deposit of RMB10,000,000 (equivalent to approximately HK$11,861,000) to the vendors.

A further payment of RMB25,000,000 (equivalent to approximately HK$29,653,000) was made to the vendors by the Group subsequent to 31 December 2010, as part of the next instalment of RMB50,000,000 (equivalent to approximately HK$59,305,000) which will be fully settled within 10 business days after receipt of documentary evidence confirming completion of the relevant formalities to register the change of equity holder to the Group as to 99.99% and the independent third party as to 0.01% as the legal owners of the Target and to change the corporate nature of the Target.

Another sum of RMB44,500,000 (equivalent to approximately HK$52,782,000) will be paid by the Group to the vendors within 12 months from the completion of the change of equity holding structure of the Target once the formalities to change the land use rights and to obtain the relevant certificates to allow the relevant land to commence development works as agreed.

The completion of the Acquisition is expected to take place in the third quarter of 2011.

Disposal of a subsidiary

On 29 December 2010, the Company disposed of its entire interest in a wholly-owned subsidiary, Noble Congress Limited ("Noble Congress") to an independent third party at a cash consideration of HK$10,000 (the "Disposal"). The net gain from the Disposal was approximately HK$1,101,000, which was calculated by reference to the consolidated net liability of Noble Congress disposed of and the cash consideration received.

Noble Congress was the holding company of a number of subsidiaries of the Company which are involved in the investment in the Jinan Property and the Shanghai Property as well as various unlisted equity securities.

Noble Congress was acquired by the Company on 10 November 2003 and its operations had been suspended due to unsatisfactory performance. Noble Congress was expected to be a loss making venture which might require substantial resources to be allocated. In view of the above, the Directors decided to cut out Noble Congress with a view to concentrate the Group's resources to its core business of property investment and property development.

Property Development and Investment Business

The Gold Coast Project

After the completion of acquisition of Gold Coast Tourism Development Limited ("Gold Coast"), the Group has gradually adjusted its strategy to transform the Company from a property investor into a property investor and/or property developer. Through the Gold Coast Project, the Group has also engaged in the tourism property development business.

Gold Coast, through its wholly-owned PRC subsidiary, 海豐金麗灣度假村有限公司 (Haifeng Jinliwan Resort Company Limited*) (the "Gold Coast PRC"), owns a resort located in Baian Peninsula, Houmen Town, Haifeng County, Shanwei City, Guangdong Province, the PRC (the "Gold Coast Resort").

The Group has entered into a tenancy agreement (the "Tenancy Agreement") with an independent third party (the "Tenant") on 10 October 2008 and leased out the Gold Coast Resort to the Tenant with a minimum monthly rental income of approximately RMB1,083,333 commenced in April 2009 for an initial fixed term of three years. The Tenancy Agreement has secured recurring income for the Group.

To address water shortage problems in the 鮜門 (Houmen*) area in the PRC where the Gold Coast Resort is located, the Gold Coast PRC commenced construction of water supply pipes connecting Houmen and 梅隴鎮平安洞 (Meilong Pinandong*), Haifeng County, Shanwei City, Guangdong Province, the PRC on 25 January 2010. The construction of the water supply pipes was completed on 25 March 2010 at a total cost of approximately HK$6,258,000. The Group is assessing the business opportunity of extending the operation of the water supply pipes to supply water to the local villages near the Gold Coast Resort.

On 16 June 2010, the Gold Coast PRC had entered into a construction contract with an independent third party, 深圳市焯楠建築裝飾工程有限公司 (Shenzhen Zhuonan Construction and Decoration Company Limited*) (the "Constructor"), for the construction and renovation of Gold Coast Resort at a contract sum of RMB55,000,000 (equivalent to approximately HK$65,236,000). During the year ended 31 December 2010, the Gold Coast PRC paid RMB22,500,000 (equivalent to approximately HK$26,687,000) as a prepayment of the contract sum. Subsequent to 31 December 2010, a further prepayment of approximately RMB8,476,000 (equivalent to approximately HK$10,053,000) was paid to the Constructor by the Group.

Management Discussion and Analysis

Treasury and Investment Business

The Group did not hold any investment for treasury and investment purposes after the disposal of Noble Congress, a wholly-owned subsidiary of the Company, which held the investments in (a) Hennabun Capital Group Limited, (b) Heze Century Energy Coalchem Industrial Co., Ltd., (c) Zhejiang Risesun Paper Co. Ltd, Wuhu Dongtai paper Mfg. Co. Ltd. and (d) 澤潤投資諮詢(上海)有限公司, on 29 December 2010.

Securities Trading Business

During the year ended 31 December 2010, the Group did not actively involve in securities trading business due to the uncertainties in the global economic conditions.

BUSINESS OUTLOOK

During the year ended 31 December 2010, the Group has been gradually transforming from a property investor into a property investor and/or property developer through the operation of the Gold Coast Project and the acquisition of the Tanghai Project.

The Company may consider investment in new business should any opportunities arise.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2010, bank balances and cash of the Group amounted to approximately HK$28,573,000 (31 December 2009: HK$74,506,000). The Group's total current assets as at 31 December 2010 amounted to approximately HK$31,651,000, which comprised other receivables, held for trading investments, bank balances and cash. The Group's total current liabilities as at 31 December 2010 amounted to approximately HK$23,224,000, which mainly consisted of (i) an amount of approximately HK$11,328,000, representing the balance of consideration payable for the acquisition of Gold Coast that will only be released within seven days after the Gold Coast PRC has obtained the Stated-owned Land Use Certificate in respect of the Other Property with the assistance of the vendors; and (ii) an interest-free loan of RMB900,000 (equivalent to approximately HK$1,067,000) provided by Mr. Huang Shih Tsai, the Non-executive Director and Chairman of the Company, to the Gold Coast PRC as its working capital.

CAPITAL COMMITMENT

As at 31 December 2010, the Group had a total capital commitment of approximately HK$154,258,000, contracted for but not provided for in the financial statements, which comprised (i) approximately HK$130,000 in respect of the acquisition of plant and equipment, (ii) approximately HK$42,054,000 in respect of the construction of investment properties, and (iii) approximately HK$112,074,000 in respect of the acquisition of a subsidiary.

CHARGES ON ASSETS

As at 31 December 2010, there was no charges on the Group's assets.

EMPLOYEES

As at 31 December 2010, the Group employed 39 employees (31 December 2009: 13 employees). Staff remuneration packages are reviewed annually. The Group does not have any share option scheme in operation.

* *For identification purpose only*

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The board of directors (the "Board") of Waytung Global Group Limited (the "Company") has been committed to maintaining a high standard of corporate governance within the Company and its subsidiaries (the "Group") in order to enhance the transparency in disclosure of material information. The Board considers such commitment is essential for internal management, financial management and protection of shareholders' interest and believes that maintaining a high standard of corporate governance benefits all shareholders, investors, and its business as a whole. The Company has applied the principles and complied with the requirements of the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the period for the year ended 31 December 2010.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the directors. Having made specific enquiries of all Directors, they confirmed that they have complied with the required standard set out in the Model Code throughout the year ended 31 December 2010.

THE BOARD OF DIRECTORS

The Board is responsible for reviewing, evaluating and finalising the Company's strategies and policies, annual budgets, business plans and performance, and has full access to adequate, reliable and timely information on the Group so as to enable them to make a timely decision. It also has the collective responsibility for leadership and control of, and for promoting the success of, the Group by directing and supervising the Group's affairs.

One of the roles of the Board is to protect and enhance shareholders' value. The Board acts with integrity and due care for the best interests of the Company and its shareholders. Leading the Group in a responsible and effective manner, the Board adopts formal terms of reference which detail its functions and responsibilities, including, but not limited to, ensuring competent management, approving objectives, strategies and business plans and monitoring integrity in the Company's conduct of affairs. The management is obliged to supply the Board with adequate information in a timely manner to enable the members to make informed decisions and to discharge their duties and responsibilities. Each Director has separate and independent access to the Group's senior management to acquire more information and to make further enquiries if necessary.

The Board currently comprises one Executive Director, namely Ms. Huang Wenxi; one Non-executive Director, namely Mr. Huang Shih Tsai; and three Independent Non-executive Directors, namely Mr. Cheng Hong Kei, Mr. Leung Kwan, Hermann and Mr. Lum Pak Sum. Mr. Huang Shih Tsai is the father of Ms. Huang Wenxi. The Company is currently seeking right candidates for executive director so as to achieve a balance composition of executive, non-executive and independent non-executive director of the Board which can effectively exercise independent judgement.

Each Director has different professional and industrial experience, which enable them to make valuable and diversified advice and guidance to the Group's activities and development. Details of the background and qualifications of the Directors are set out on pages 3 to 4 of this annual report. The Company has received, from each of the Independent Non-executive Director, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the Independent Non-executive Directors are independent.

There is no nomination committee in the Group for the time being. Candidates to be nominated as directors are experienced, high calibre individuals. Under the Articles of Association of the Company, any director appointed by the Board to fill a casual vacancy shall hold office only until the first annual general meeting after his appointment and shall then be subject to re-election by the shareholders. Apart from this, every director, including the non-executive director, is subject to retirement by rotation at least once every three years.

During the financial year ended 31 December 2010, inclusive of the quarterly regular meetings according to the CG Code, the Board held a total of 9 board meetings. The attendance of each director is set out on page 15.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Huang Shih Tsai was appointed as the Chairman of the Company on 29 June 2007 whereas Ms. Huang Wenxi was designated as the Chief Executive Officer of the Company on 23 August 2007. Mr. Huang Shih Tsai is the father of Ms. Huang Wenxi. From 23 August 2007 onwards, the role of the Chairman and the Chief Executive Officer are segregated, with a clear division of responsibilities. The primary role of the Chairman is to provide leadership for the Board and to ensure that it works effectively in the discharge of its responsibilities. The Chief Executive Officer is responsible for the day-to-day management of the Group's business.

NON-EXECUTIVE DIRECTOR

The term of office of the Non-executive Director of the Company is for a period from the date of appointment up to the next annual general meeting and is subject to retirement by rotation and re-election at the Company's annual general meetings at least once every three years.

REMUNERATION OF DIRECTORS

Under the CG Code Provision B.1, the issuers should establish a remuneration committee with specific written terms of reference which deal clearly with its authority and duties.

The Remuneration Committee currently comprises one Non-executive Director, namely Mr. Huang Shih Tsai; and three Independent Non-executive Directors, namely Mr. Cheng Hong Kei (chairman of the Remuneration Committee), Mr. Leung Kwan, Hermann and Mr. Lum Pak Sum. It reviews and determines the policy for the remuneration of directors and senior management of the Company.

The primary responsibilities of the Remuneration Committee are:

(i) conduct regular review of the remuneration policy of the Group's directors and senior management;

(ii) make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing such remuneration policy;

(iii) make recommendation to the Board on remuneration packages of the Company's directors;

(iv) determine remuneration packages of senior management proposed by the directors of the Company that will attract, motivate and retain the competent staff;

(v) review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;

(vi) review and approve compensation payable to executive directors and senior management in connection with any loss or termination of their office or appointment or any compensation arrangements relating to dismissal or removal of director for misconduct; and

(vii) recommend the Board of the structure of long-term incentive plans for executive directors and certain senior management.

During the financial year ended 31 December 2010, two remuneration committee meetings were held to review and approve the appointment and remuneration of the Directors and discretionary bonus of the senior management of the Company. The attendance of each committee member is set out on page 15.

ACCOUNTABILITY AND AUDIT

The Board is responsible to ensure the preparation of the financial statements of the Company and the Group is in accordance with the relevant statutory requirements and applicable accounting standards and to ensure the published financial statements should be in a timely manner and can provide a true and fair view of the business and financial information of the Group. In preparing the financial statements, the Board has adopted Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants and accounting principles generally accepted in Hong Kong and the disclosure requirement of the Hong Kong Companies Ordinance that are relevant to its operations.

The Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Group's ability to continue as a going concern, the Board has prepared the financial statements on a going concern basis.

The responsibilities of the external auditors about their financial reporting are set out in the Independent Auditor's Report attached to the Company's financial statements for the year ended 31 December 2010.

The Board has conducted a review of the effectiveness of the Group's internal control system with an aim to safeguard the shareholders' investment and the Company's assets in compliance with the provision of the CG Code. The purpose is to provide reasonable, but not absolute, assurance against material misstatements, errors, losses or fraud, and to manage rather than eliminate risks of failure in achieving the Group's business objectives.

AUDITORS' REMUNERATION

Remuneration paid and payable to the auditors of the Company in respect of their services for the year ended 31 December 2010 are as follows:

Services rendered	HK$'000
Audit	433
Non-audit	280

The non-audit related services mainly consisted of special audits for the Company's major acquisition transaction.

AUDIT COMMITTEE

The Audit Committee comprises three Independent Non-executive Directors, namely Mr. Cheng Hong Kei (chairman of the Audit Committee), Mr. Leung Kwan, Hermann and Mr. Lum Pak Sum. The Audit Committee meets with the Group's senior management regularly to review the effectiveness of the internal control systems and the interim and annual reports of the Group.

The primary responsibilities of the Audit Committee are:

(i) making recommendation to the Board on the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor and any resignation and dismissal of that auditor;

(ii) reviewing and monitoring the independence and objectivity of the external auditor and the effectiveness of the audit process in accordance with applicable standard;

(iii) liaising with the Board, senior management and the auditors to monitor the integrity of financial statements, the interim and annual reports in particular on its accounting policies and practices and compliance with accounting standards, the Listing Rules and other legal requirements in relation to financial reporting;

(iv) reviewing the financial control, internal control and risk management system to ensure the management of the Company discharge its duty to have an effective internal control system; and

(v) reviewing the report and management letter submitted by external auditors; and considering any findings of major investigations of internal control matters as delegated by the Board or on its own initiative and management's response.

For the financial year ended 31 December 2010, four audit committee meetings were held to review the financial results and the accounting principles and practices adopted by the Group for the year; the issues in relation to the change of external auditors of the Company; and also the reviewed report on reviewing the financial system and internal control procedures of the Group issued by an independent professional firm.

INTERNAL CONTROL

On 5 January 2011, the Company has appointed an independent professional firm to conduct a review on operations of the Group for the financial year ended 31 December 2010 on the payments, investments, human resources and payroll processes. The review report issued by the independent professional firm has been discussed and reviewed by the Audit Committee. The review report did not reveal significant deficiencies in operations of the Group on the aforesaid aspects.

The Board, through the Audit Committee, has reviewed the effectiveness of the Group's internal control system covering all material controls, including financial, operational and compliance controls and risk management functions.

Corporate Governance Report

DELEGATION BY THE BOARD

The Board is responsible for determining the overall strategy and corporate development and ensuring the business operations are properly monitored. The Board reserves the right to decide all policy matters of the Group and material transactions. The Board delegates the day-to-day operations to senior staffs that are responsible for different aspects of the operations of the Group.

COMMUNICATION WITH SHAREHOLDERS

The Company believes in regular and timely communication with shareholders as part of its efforts to help shareholders understand its business better and the way the Company operates. To promote effective communication with the public at large, the Company maintains a website (http://www.waytung.com) on which comprehensive information about the Company's major businesses, financial information and announcements, annual and interim reports and shareholders circulars are being made available.

The Board is endeavour to maintain an on-going dialogue with shareholders. The chairman of the Board and members of the Audit Committee should attend the annual general meeting to answer questions.

DIRECTORS' ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

The following table shows the attendance of Directors at meetings of the Board and Committees during the year ended 31 December 2010:

	Board Meeting	Meeting of Audit Committee	Meeting of Remuneration Committee
Executive Directors			
Huang Wenxi	9/9	N/A	N/A
Cheung Chung Leung Richard (ceased on 26 May 2010)	1/9	N/A	N/A
Non-executive Directors			
Huang Shih Tsai	9/9	N/A	1/2
Chan I Siu, Fair (ceased on 26 May 2010)	0/9	N/A	N/A
Independent Non-executive Directors			
Cheng Hong Kei	2/9	4/4	2/2
Leung Kwan, Hermann	3/9	4/4	2/2
Lum Pak Sum	3/9	4/4	2/2

Directors' Report

The Board is pleased to present their report and the audited consolidated financial statements for the year ended 31 December 2010.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 39 to the financial statements.

RESULTS

The results of the Group for the year ended 31 December 2010 are set out in the Consolidated Statement of Comprehensive Income on page 24 of this annual report.

DIVIDENDS

The Board did not recommend the payment of dividend during the year.

FINANCIAL SUMMARY

The summary of the results and the assets and liabilities of the Group for the past five financial years is set out on page 77 of this annual report.

FIXED ASSETS

Details of movements during the year in property, plant and equipment and investment properties of the Group are set out in notes 15 and 16 respectively to the financial statements.

SHARE CAPITAL

Details of the movements during the year in the share capital of the Company are set out in note 29 to the financial statements.

RESERVES

Details of movement in reserves of the Group during the year are set out in the Consolidated Statement of Changes in Equity on page 27.

DIRECTORS

The directors of the Company during the year and up to the date of this report were:

Executive Directors

Huang Wenxi
Cheung Chung Leung Richard (ceased on 26 May 2010)

Non-executive Directors

Huang Shih Tsai
Chan I Siu, Fair (ceased on 26 May 2010)

Independent Non-executive Directors

Cheng Hong Kei
Leung Kwan, Hermann
Lum Pak Sum

In accordance with clause 103(A) of the Company's Articles of Association, Mr. Huang Shih Tsai, Mr. Cheng Hong Kei and Mr. Leung Kwan, Hermann will retire by rotation and will offer themselves for re-election at the forthcoming annual general meeting.

Save as prescribed in the Listing Rules and the respective service contracts, the term of office of each Independent Non-executive Director is for a period from the date of appointment up to the next annual general meeting and subjected to rotation pursuant to the Company's Articles of Association.

SERVICE CONTRACTS OF DIRECTORS

None of the Directors proposed for re-election at the forthcoming annual general meeting has an unexpired service contract with the Company or any of its subsidiaries, which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at 31 December 2010, the interests and short positions of the directors, chief executive and their respective associates in the shares, underlying shares and convertible notes of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO) or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

Name of Directors	Type of interests	Total number of shares held	Approximate percentage holding of shares %
Ms. Huang Wenxi	Corporate & Beneficial *(Note 1)*	423,867,606 (L)	54.83
Mr. Huang Shih Tsai	Beneficial *(Note 2)*	50,000,000 (L)	6.47

(L) Long Position

Notes:

1. The interest disclosed represents the 235,778,664 shares held by Ms. Huang Wenxi and 188,088,942 shares held by Brilliant China Group Limited which is 100% owned by Ms. Huang Wenxi.

2. Pursuant to an Option Deed dated 31 August 2009 between Mr. Huang Shih Tsai ("Mr. Huang") and CCB International Asset Management Limited ("CCB International"), CCB International may request Mr. Huang to purchase all or part of the 50,000,000 shares ("Option Shares") owned by CCB International. As such, Mr. Huang is deemed to be interested in the 50,000,000 Option Shares held by CCB International under the SFO.

All the interests stated above represented long positions in the shares of the Company as at 31 December 2010, there were no short positions recorded in the register required to be kept under Section 336 of the SFO.

Save as disclosed, none of the directors, chief executive and their respective associates had any interests or short positions in any shares, underlying shares and convertible notes of the Company and its associated corporations as at 31 December 2010.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

At no time during the year was the Company or its subsidiaries or jointly controlled entity, a party to any arrangements that enabled any director of the Company to acquire benefits by means of the acquisition of shares in the Company or of any other body corporate.

None of the directors or their spouses or children under the age of 18 had any right to subscribe for the securities of the Company or had exercised any such right during the year.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contract of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company or any of its subsidiaries had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2010, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interest of the directors which had been disclosed in the foregoing paragraph on "Directors' and Chief Executive's Interests in Securities", the following shareholders had notified the Company of relevant interests in the issued share capital of the Company:

Name of Shareholders	Type of interests	Total number of shares held	Approximate percentage holding of total issued shares %
Brilliant China Group Limited	Corporate *(Note 1)*	188,088,942 (L)	24.33
CCB International Asset Management Limited	Corporate *(Note 2)* Corporate *(Note 2)*	50,000,000 (L) 50,000,000 (S)	6.47 6.47
Central Huijin Investment Ltd. (formerly known as Central SAFE Investments Limited)	Beneficial *(Note 2)* Beneficial *(Note 2)*	50,000,000 (L) 50,000,000 (S)	6.47 6.47
Mr. Lo Man Wai	Beneficial	50,000,000 (L)	6.47
Smartmax Holdings Limited	Corporate *(Note 3)*	48,000,000 (L)	6.21
Ms. Sun Bo	Beneficial *(Note 3)*	48,000,000 (L)	6.21

(L) — Long Position
(S) — Short Position

Notes:

1. Brilliant China Group Limited is 100% owned by Ms. Huang Wenxi, an executive director of the Company. By virtue of the SFO, Ms. Huang Wenxi is deemed to have interest in the 188,088,942 shares of the Company held by Brilliant China Group Limited.

2. According to information disclosed in the disclosure of interest form, CCB International Asset Management Limited is ultimately indirectly owned as to 70.69% by Central Huijin Investment Ltd. (formerly known as Central SAFE Investments Limited) through five intermediary companies, namely CCB International Assets Management (Cayman) Limited, CCB International (Holdings) Limited, CCB Financial Holdings Limited, CCB International Group Holdings Limited and China Construction Bank Corporation, thus Central Huijin Investment Limited and the five intermediary companies are deemed to be interested in the 50,000,000 shares held by CCB International Asset Management Limited.

3. The interest disclosed represents the 48,000,000 shares held by Smartmax Holdings Limited which is 90% owned by Ms. Sun Bo. By virtue of the SFO, Ms. Sun Bo is deemed to have interest in 48,000,000 shares of the Company held by Smartmax Holdings Limited. The remaining 10% interest in Smartmax Holdings Limited is held by Mr. Cheung Chung Leung Richard, a former executive director of the Company.

Save as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31 December 2010.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of its independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors are independent.

RELATED PARTY TRANSACTIONS

Details of related party transactions are disclosed in note 38 to the financial statements.

COMPETITION AND CONFLICTS OF INTEREST

During the year up to the date hereof, save as disclosed in note 38 to the financial statements, none of the directors or the controlling shareholders or the substantial shareholders of the Company, or any of their respective associates (as defined under the Listing Rules) had any material interest in a business that competes or may compete with the business of the Group.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of listed companies (the "Model Code") as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the directors. Having made specific enquiry of all directors, they confirmed that they have complied with the required standard set out in the Model Code throughout the year ended 31 December 2010.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S 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.

CORPORATE GOVERNANCE

The Company has adopted and complied generally with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules throughout the year ended 31 December 2010. Details of the Corporate Governance Report of the Company are set out in pages 10 to 15.

The Group does not maintain a share option scheme.

EMOLUMENT POLICY

The emolument policy for the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualification and competence.

The emoluments of the directors of the Company are decided by the Remuneration Committee of the Company, having regard to the Company's operating results, individual performance and comparable market statistics. Details of the directors' emoluments for the year ended 31 December 2010 is set out in note 11 to the financial statements.

RETIREMENT BENEFIT SCHEME

Details of the Group's retirement benefit scheme for the year ended 31 December 2010 is set out in note 35 to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

In 2010, the Group's turnover was solely the rental income contributed from one customer which accounted for 100% (2009: one) of its turnover.

The Group has none major suppliers as defined under the Listing Rules.

At no time during the year did a director, an associate of a director or a shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) have an interest in any of the Group's major customer.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association which would oblige the Company to offer new shares on a pro-rata basis to the existing shareholders.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors, as at the date of this report, the Company has maintained a sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

AUDIT COMMITTEE

The Company has an Audit Committee which was established in accordance with the requirements as set out in Appendix 14 of the Listing Rules, for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee comprises three Independent Non-executive Directors of the Company, namely Mr. Cheng Hong Kei (chairman of the Audit Committee), Mr. Leung Kwan, Hermann and Mr. Lum Pak Sum. The Group's final result for the year ended 31 December 2010 has been reviewed by the Audit Committee.

AUDITORS

The consolidated financial statements of the Group for the year ended 31 December 2010 were audited by LO & LO CPA Limited who were appointed as the Company's auditors on 15 November 2010 to fill the casual vacancy arising from the resignation of SHINEWING (HK) CPA Limited on 5 November 2010.

Save as disclosed above, there has been no other change of auditors for the preceding three years.

A resolution will be submitted to the forthcoming annual general meeting of the Company to re-appoint LO & LO CPA Limited as auditors of the Company.

On behalf of the Board

Huang Shih Tsai
Chairman

Hong Kong, 25 March 2011

Independent Auditor's Report

LO&LO 富誠

TO THE SHAREHOLDERS OF WAYTUNG GLOBAL GROUP LIMITED
(Incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Waytung Global Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 24 to 76, which comprise the consolidated and company statements of financial position as at 31 December 2010, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Report

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of the affairs of the Group and the Company 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 and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

LO & LO CPA Limited
Certified Public Accountants
Ng Hoi Yue Herman
Practising Certificate Number: P01554

Room 2111, 21/F., Wing On Centre
111 Connaught Road Central
Hong Kong

25 March 2011

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2010

	Notes	2010 HK$'000	2009 HK$'000
Turnover	7	**15,524**	10,596
Rental income		**15,524**	10,596
Fair value change on held for trading investments		**130**	(23)
Fair value change on investment properties		**2,161**	3,390
Gain on disposal of a subsidiary		**1,101**	—
Other operating income		**76**	275
Administrative and operating expenses		**(21,402)**	(15,356)
Loss before tax	9	**(2,410)**	(1,118)
Income tax expense	10	**(2,772)**	(1,645)
Loss for the year attributable to owners of the Company		**(5,182)**	(2,763)
Other comprehensive income: Currency translation differences		**5,605**	144
Total comprehensive income (expenses) for the year attributable to owners of the Company		**423**	(2,619)
Dividend	13	**—**	—
Loss per share — basic and diluted	14	**(0.7) HK cents**	(0.5) HK cents

Consolidated Statement of Financial Position

As at 31 December 2010

	Notes	2010 HK$'000	2009 HK$'000
Non-current assets			
Property, plant and equipment	15	**3,135**	2,044
Investment properties	16	**93,770**	81,189
Goodwill	17	**13,434**	12,952
Available-for-sale investments	18	**—**	—
Prepayment for acquisition of plant and equipment		**1,793**	—
Prepayment for construction and development of investment properties	19	**26,687**	—
Prepayment for acquisition of a subsidiary	20	**13,171**	—
Prepaid lease payment	21	**187**	—
		152,177	96,185
Current assets			
Other receivables	22	**2,237**	3,928
Deposit refundable	23	**—**	—
Deposits in an assets management company	24	**—**	—
Held for trading investments	25	**841**	711
Bank balances and cash	26	**28,573**	74,506
		31,651	79,145
Current liabilities			
Other payables, deposit received and accrued charges		**19,138**	15,404
Amount due to a director	28	**1,067**	—
Current tax liabilities		**3,019**	1,645
		23,224	17,049
Net current assets		**8,427**	62,096
Total assets less current liabilities		**160,604**	158,281
Capital and reserves			
Share capital	29	**309,218**	309,218
Share premium and reserves		**(163,237)**	(163,660)
		145,981	145,558
Non-current liabilities			
Deferred tax liabilities	30	**14,623**	12,723
		160,604	158,281

The financial statements on pages 24 to 76 were approved and authorised for issue by the Board of Directors on 25 March 2011 and are signed on its behalf by:

Huang Shih Tsai	**Huang Wenxi**
Director	*Director*

Statement of Financial Position

As at 31 December 2010

	Notes	2010 HK$'000	2009 HK$'000
Non-current assets			
Plant and equipment	15	**68**	347
Interests in subsidiaries	31	**137,347**	103,555
		137,415	103,902
Current assets			
Other receivables	22	**381**	1,835
Held for trading investments	25	**841**	711
Bank balances and cash	26	**3,111**	41,790
		4,333	44,336
Current liabilities			
Other payables and accrued charges		**909**	1,095
Amount due to a subsidiary	27	**9,611**	9,948
		10,520	11,043
Net current (liabilities) assets		**(6,187)**	33,293
Total assets less current liabilities		**131,228**	137,195
Capital and reserves			
Share capital	29	**309,218**	309,218
Share premium and reserves	32	**(177,990)**	(172,023)
		131,228	137,195

The financial statements on pages 24 to 76 were approved and authorised for issue by the Board of Directors on 25 March 2011 and are signed on its behalf by:

Huang Shih Tsai
Director

Huang Wenxi
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2010

	Share capital HK$'000	Share premium HK$'000	Translation reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 January 2009	140,553	37,978	—	(199,019)	(20,488)
Total comprehensive expenses for the year	—	—	144	(2,763)	(2,619)
Shares issued on open offer	168,665	—	—	—	168,665
At 31 December 2009 and 1 January 2010	309,218	37,978	144	(201,782)	145,558
Total comprehensive income for the year	—	—	5,605	(5,182)	423
At 31 December 2010	309,218	37,978	5,749	(206,964)	145,981

Consolidated Statement of Cash Flows

For the year ended 31 December 2010

	Notes	2010 HK$'000	2009 HK$'000
OPERATING ACTIVITIES			
Loss before tax		**(2,410)**	(1,118)
Adjustments for:			
Interest income		**(57)**	(45)
Fair value change on held for trading investments		**(130)**	23
Depreciation		**796**	471
Fair value change on investment properties		**(2,161)**	(3,390)
Gain on disposal of a subsidiary		**(1,101)**	—
Loss on disposal of property, plant and equipment		**271**	12
Loss on disposal of investment properties		**39**	—
Operating cash flows before movements in working capital		**(4,753)**	(4,047)
Decrease (increase) in other receivables		**1,457**	(3,040)
Increase (decrease) in other payables, deposit received and accrued charges		**4,785**	(168)
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES		**1,489**	(7,255)
INVESTING ACTIVITIES			
Interest received		**57**	45
Proceeds from disposal of property, plant and equipment		**—**	15
Proceeds from disposal of a subsidiary		**10**	—
Purchase of property, plant and equipment		**(2,132)**	(821)
Payment for construction and development of investment properties		**(7,422)**	—
Acquisition of subsidiaries		**—**	(29,970)
Prepayment for purchase of plant and equipment		**(1,793)**	—
Prepayment for construction and development of investment properties	19	**(26,687)**	—
Prepayment for acquisition of a subsidiary	20	**(13,171)**	—
Decrease (increase) in term deposit with initial term of over three months	26	**30,000**	(30,000)
NET CASH USED IN INVESTING ACTIVITIES		**(21,138)**	(60,731)
FINANCING ACTIVITIES			
Proceeds from issue of shares on open offer		**—**	168,665
Advance from (repayment to) directors		**1,067**	(57,469)
NET CASH GENERATED FROM FINANCING ACTIVITIES		**1,067**	111,196
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**(18,582)**	43,210
CASH AND CASH EQUIVALENTS AT 1 JANUARY		**44,506**	1,145
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		**2,649**	151
CASH AND CASH EQUIVALENTS AT 31 DECEMBER represented by cash at bank and in hand	26	**28,573**	44,506

As at 31 December 2010, the Group had cash and cash equivalents amounted to approximately HK$25,202,000 (2009: HK$32,431,000) held by certain subsidiaries in the PRC; these funds are subject to exchange controls and other restrictions for general use by the Company and other subsidiaries.

1. GENERAL

Waytung Global Group Limited (the "Company") is a public limited company incorporated in Hong Kong with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporation Information" section of the annual report.

The principal activities of the Company and its subsidiaries (collectively referred to as the "Group") are property development and investment, investment holding and security investment.

The financial statements are presented in Hong Kong Dollars, the functional currency of the Company. The operations of the Group's major subsidiaries are in the People's Republic of China (the "PRC") with Renminbi ("RMB") as their functional currency.

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 to standards and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("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 HKFRSs
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(IFRIC)-Interpretation ("Int") 17	Distributions of Non-cash Assets to Owners
Hong Kong Interpretation 5	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Conceptual Framework	Conceptual Framework for Financial Reporting 2010

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

The adoption of the new and revised HKFRSs has not had any material impact on the amounts reported in the financial statements of the Group and the Company for the current or prior accounting periods except for the changes in accounting policies adopted by the Group as follows:

HKFRS 3 (as revised in 2008) "Business Combinations"

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

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

- HKFRS 3 (as revised in 2008) allows a choice on a transaction-by-transaction basis for the measurement of non-controlling interests at the date of acquisition (previously referred to as 'minority' interests) either at fair value or at the non-controlling interests' share of recognised identifiable net assets of the acquiree.

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

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

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

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

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

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

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

The revised Standard has affected the Group's accounting policies regarding changes in the Group's ownership interests in its subsidiaries that do not result in loss of control while there was no specific requirements in HKFRSs in prior years. Decreases in interests in existing subsidiaries that did not involve a loss of control. In accordance with the revised Standard, the difference between the consideration paid or received and the adjustment to the non-controlling interests is required to be dealt with in equity where the increase or decrease in interest in existing subsidiaries does not involve a loss of control.

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

Amendments to HKAS 17 "Leases"

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

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

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

(1) Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate.
(2) Effective for annual periods beginning on or after 1 January 2012.
(3) Effective for annual periods beginning on or after 1 January 2011.
(4) Effective for annual periods beginning on or after 1 February 2010.
(5) Effective for annual periods beginning on or after 1 July 2010.
(6) Effective for annual periods beginning on or after 1 July 2011.
(7) Effective for annual periods beginning on or after 1 January 2013.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

HKFRS 9 "Financial Instruments" introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The standard requires all recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

The directors of the Company do not anticipate that the application of the other new and revised standards, amendments and interpretations will have a material impact on the financial statements of the Group and the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance.

The financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments that are measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations

Business combinations that took place on or after 1 January 2010

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Business combinations that took place prior to 1 January 2010

Acquisition of businesses was accounted for using the purchase method. The cost of the acquisition was measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 Business Combinations were recognised at their fair values at the acquisition date.

Goodwill arising on acquisition was recognised as an asset and initially measured at cost, being the excess of the cost of the acquisition over the Group's interest in the recognised amounts of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the recognised amounts of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the acquisition the excess was recognised immediately in profit or loss.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost less accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit first and then to the other assets of the unit pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated statement of comprehensive income. An impairment loss for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interests in subsidiaries

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment losses.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Rental income under operating leases of investment properties is recognised on a straight-line basis over the lease term.

Interest income from a financial asset is recognised when it is probable that economic benefits with flow to the Group and the amount of revenue can be measure of reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Property, plant and equipment

Property, plant and equipment are stated at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than properties under construction) less their estimated residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, estimated residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property. Investment properties are stated at fair value, unless they are still in the course of construction or development at the end of the reporting period and their fair value cannot be reliably determined at that time. Gains and losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Impairment of tangible assets other than financial assets

At the end of each reporting period, the Group reviews the carrying amounts of their tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals are recognised as expenses in the periods in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustments to interest costs on those foreign currency borrowings;

- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see the accounting policies below); and

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

From 1 January 2010 onwards, on the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss. In addition, in relation to a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and retranslated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in the translation reserve.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's and the Company's liabilities for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group or the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group and the Company expect, at the end of the reporting period, to recover or settle the carrying amount of their assets and liabilities. Current or deferred tax for the year is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively. Where current and deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

Retirement benefits scheme

Payments to defined contribution retirement benefit plans, including the Mandatory Provident Fund Scheme in Hong Kong and the state-managed retirement benefit scheme in the PRC, are recognised as an expense when employees have rendered services entitling them to the contributions.

The full-time employees of the Group in the PRC are covered by state-managed retirement benefit scheme under which the employees are entitled to a monthly pension based on certain formulas. (The relevant government agencies are responsible for the pension liability to these retired employees.) The Group contributes on a monthly basis to these pension plans. Under these plans, the Group has no obligation for post-retirement benefits beyond the contributions made.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories "at fair value through profit or loss", "held-to-maturity" investments, "loans and receivables" and "available-for-sale" financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instruments, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instrument other than those financial assets classified at fair value through profit or loss.

Financial assets at fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial assets is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group and the Company manage together and have a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item in the consolidated statement of comprehensive income. Fair value is determined in the manner described in note 6.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity date that the Group or the Company has the positive intention and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment (see the accounting policy in respect of impairment losses on financial assets below).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including other receivables, deposit refundable, deposits in an assets management company, amounts due from related companies, bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

Available-for-sale financial assets are measured at fair value at the end of the reporting period. Changes in fair value are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. Where the financial asset is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss (see accounting policy in respect of impairment loss on financial assets below).

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are measured at cost less any identified impairment losses at the end of the reporting period (see accounting policy in respect of impairment loss on financial assets below).

Impairment loss on financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For available-for-sale equity investment, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment loss on financial assets (Continued)

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as other receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, as well as observable changes in national or local economic conditions that correlate with default on other receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods (see the accounting policy below).

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt investments, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Financial liabilities (other than financial at fair value through profit or loss)

Financial liabilities (other than financial at fair value through profit or loss), including other payables, deposit received, accrued charges, amount due to a subsidiary and amounts due to directors, are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company own equity instruments.

Derecognition

The Group or the Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group or the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group or the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group or the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group or the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Derecognition (Continued)

On derecognition of a financial asset other than in its entirety (e.g. when the Group or the Company retains an option to repurchase part of a transferred asset or retains a residual interest that does not result in the retention of substantially all the risks and rewards of ownership and the Group or the Company retains control), the Group or the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

The Group or the Company derecognises a financial liability when, and only when, the Group's or the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Present obligation is disclosed as a contingent liability where it is not probable that an outflow of economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliably. Possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future event(s) is also disclosed as a contingent liability unless the probability of outflow of economic benefits is remote.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Related parties

For the purpose of these financial statements, a party is considered to be related to the Group if:

(i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;

(ii) the Group and the party are subject to common control;

(iii) the party is an associate of the Group or a joint venture in which the Group is a venturer;

(iv) the party is a member of the key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;

(v) the party is a close member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or

(vi) the party is post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

Segment reporting

Operating segments, and the amounts of each segment item reported in these financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to and assessing the performance of the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Fair value of investment properties

The investment properties were stated at fair value at the end of the reporting period based on a valuation carried out by an independent qualified valuer, as mentioned in note 16, and adopted by the directors of the Company. Such valuation was based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. In assessing the valuation, information from current prices in an active market for similar properties are considered and assumptions that are mainly based on market conditions existing at the end of the reporting period are used.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit(s) to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, an impairment loss may arise. As at 31 December 2010, the carrying amount of goodwill was approximately HK$13,434,000 (2009: HK$12,952,000) with no impairment loss has been recognised. Details of the impairment loss calculation are disclosed in note 17.

Impairment of other assets

In determining whether an asset is impaired or the event previously causing the impairment no longer exists, the management has to exercise judgement in the area of asset impairment, particularly in assessing: (1) whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence; (2) whether the carrying value of an asset can be supported by the net present value of future cash flows which are estimated based upon the continued use of the asset or derecognition; and (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Allowance for bad and doubtful debts

The policy for allowance of bad and doubtful debts of the Group is based on the evaluation of collectability and ageing analysis of accounts and on management's judgment. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each debtor. If the financial conditions of debtor of the Group were to deteriorate, resulting in impairment of their ability to make payments, additional allowance may be required.

Income tax

Deferred tax liabilities are provided for using the liability method, on all taxable temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised, based on all available evidence. Recognition primarily involves judgement regarding the future performance of the particular legal entity or tax group in which the deferred tax asset has been recognised. A variety of other factors are also evaluated in considering whether there is convincing evidence that it is probable that some portion or all of the deferred tax assets will ultimately be realised, such as the existence of taxable temporary differences, tax planning strategies and the periods in which estimated tax losses can be utilised. The carrying amount of deferred tax assets and related financial models and budgets are reviewed at each reporting date and to the extent that there is insufficient convincing evidence that sufficient taxable profits will be available within the utilisation periods to allow utilisation of the deductible temporary differences, the asset balance will be reduced and charged to profit or loss.

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt (representing borrowings less cash and cash equivalents) and equity attributable to owners of the Company (comprising issued share capital and reserves).

The directors of the Company review the capital structure on a semi-annual basis and consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the new share issues and issue of new debt.

The Group's cash and cash equivalents were maintained at a level higher than its borrowings as at 31 December 2010; the Group did not have any borrowings as at 31 December 2009.

6. FINANCIAL INSTRUMENTS

6a. Categories of financial instruments

THE GROUP

	2010 HK$'000	2009 HK$'000
Financial assets		
Financial assets at fair value through profit or loss		
Held for trading investments	**841**	711
Loans and receivables (including cash and cash equivalents)	**29,272**	76,873
Available-for-sale investments	**–**	–
	30,113	77,584
Financial liabilities		
Amortised cost	**18,902**	14,847

THE COMPANY

	2010 HK$'000	2009 HK$'000
Financial assets		
Financial assets at fair value through profit or loss		
Held for trading investments	**841**	711
Loans and receivables (including cash and cash equivalents)	**3,237**	43,306
	4,078	44,017
Financial liabilities		
Amortised cost	**10,520**	11,043

6. FINANCIAL INSTRUMENTS (Continued)

6b. Financial risk management objectives and policies

The Group's and the Company's major financial instruments include available-for-sale investments, other receivables, deposit refundable, deposits in an assets management company, held for trading investments, bank balances and cash, other payables, deposit received, accrued charges, amount due to a subsidiary and amounts due to directors. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks.

Currency risk

The Group's and the Company's exposure to risk resulting from changes in foreign currency exchange rates is mainly arising from financial assets and liabilities held by entities in the Group that are denominated in currencies other than their respective functional currencies.

The carrying amounts of the Group's major foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Assets		Liabilities	
	2010	2009	**2010**	2009
	HK$'000	HK$'000	**HK$'000**	HK$'000
HKD	**10,685**	—	**—**	—
RMB	**4,507**	70	**5,240**	1,103
USD	**10,149**	32,431	**—**	—

6. FINANCIAL INSTRUMENTS (Continued)

6b. Financial risk management objectives and policies (Continued)

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in Hong Kong dollars against RMB and USD respectively. The sensitivity rate of 5% is used for reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes outstanding foreign currency denominated monetary items as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number below indicates an increase in profit or equity where the Hong Kong dollars strengthen 5% against RMB. For a 5% weakening of the Hong Kong dollars against RMB and USD, there would be an equal and opposite impact on the profit or equity, and the balances below would be negative.

	Impact of HKD		Impact of RMB		Impact of USD	
	2010	2009	**2010**	2009	**2010**	2009
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Sensitivity rate	**5%**	5%	**5%**	5%	**5%**	5%
Effect on profit after tax and retained profits	**401**	—	**—**	—	**381**	1,216
Effect on other components of equity	**—**	—	**37**	51	**—**	—

Interest rate risk

The Group's and the Company's exposure to interest rate risk is minimal as the Group and the Company do not have any long-term interest bearing financial assets and liabilities.

Other price risk

The Group and the Company are exposed to equity price risk through investments in listed equity securities. The management manages this exposure by maintaining a portfolio of investments with different risks. The Group's and the Company's equity price risk is mainly concentrated on equity securities listed on the Stock Exchange. In addition, the Group has appointed a team to monitor the price risk and will consider hedging the risk exposure should the need arise. The Group's and the Company's exposure to equity price risk is minimal as the Group and the Company do not have significant investments in listed equity securities.

Equity price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risk at the end of the reporting period at a sensitivity rate of 5%.

If equity prices had been 5% higher/lower, post-tax profit for the year ended 31 December 2010 would increase/decrease by approximately HK$35,000 (2009: increase/decrease by approximately HK$30,000). This is mainly due to the changes in fair value of held-for-trading investments.

6. FINANCIAL INSTRUMENTS (Continued)

6b. Financial risk management objectives and policies (Continued)

Credit risk

As at 31 December 2010, the Group's and the Company's maximum exposure to credit risk which will cause a financial loss to the Group and the Company due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the statements of financial position.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In this regard, the directors of the Company consider that the Group's and the Company's credit risk is significantly reduced.

The Group's concentration of credit risk which is mainly attributable to liquid funds deposited with 7 (2009: 5) banks, representing approximately 95% (2009: 96%) of the Group's gross monetary assets at the end of the reporting period, is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Liquidity risk

In the management of the liquidity risk, the Group and the Company monitor and maintain a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuation in cash flow.

The maturity of the Group's and the Company's financial liabilities as at the end of the reporting period, based on the contracted undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay, was within one year.

6. FINANCIAL INSTRUMENTS (Continued)

6c. Fair value

The fair value of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market bid prices and ask prices respectively; and

- the fair value of other financial assets and financial liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

The carrying amounts of financial assets and financial liabilities reported in the Group's and the Company's statements of financial position approximate their fair values due to their immediate or short-term maturities.

Fair value measurements recognised in the statements of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 based on the degree to which the fair value is observable. There were no financial instruments that were measured subsequent to initial recognition at fair value grouped into Levels 2 and 3 at the end of the reporting period (2009: Nil) and there were no transfers between Levels 1 and 2 in both years.

Level 1 fair value measurements are those derived from quoted market prices (unadjusted) in active market for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

THE GROUP AND THE COMPANY

	HK$'000
As at 31 December 2010	
Financial assets	
Held for trading investments — listed equity securities	**841**
As at 31 December 2009	
Financial assets	
Held for trading investments — listed equity securities	711

7. TURNOVER

	2010 HK$'000	2009 HK$'000
Rental income	**15,524**	10,596

8. SEGMENT INFORMATION

Information reported to the board of directors of the Company, being the chief operating decision maker, for the purposes of allocating resources to segments and assessing their performance focuses on the nature of business.

For management purposes, the Group's reportable segments are as follows:

Property development and investment:
Development of property or investment in property to generate rental income.

Treasury and investment:
The placing of deposits and investment in securities to generate interest income and dividend income, and for capital appreciation.

Funds are also advanced as loans to other parties on a secured or unsecured basis where suitable opportunities are identified to earn enhanced returns.

Securities trading:
Investment in listed securities to generate profit from short-term fluctuation in price.

Segment revenue and results

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

For the year ended 31 December 2010:

	Property development and investment HK$'000	Treasury and investment HK$'000	Securities trading HK$'000	Total HK$'000
Segment revenue	**15,524**	**–**	**–**	**15,524**
Segment profit (loss)	**6,905**	**–**	**(186)**	**6,719**
Unallocated expenses				**(9,129)**
Loss before tax				**(2,410)**

8. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

For the year ended 31 December 2009:

	Property development and investment HK$'000	Treasury and investment HK$'000	Securities trading HK$'000	Total HK$'000
Segment revenue	10,596	—	—	10,596
Segment profit (loss)	10,651	—	(5)	10,646
Unallocated expenses				(11,764)
Loss before tax				(1,118)

Segment revenue represents revenue generated from external customers. There were no inter-segment sales in the current year (2009: Nil).

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment profit or loss represents the profit earned or loss incurred by each segment without allocation of directors' remuneration, bank interest income and other head office administrative expenses. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments:

Segment assets

	2010 HK$'000	2009 HK$'000
Property development and investment	**153,021**	97,928
Treasury and investment	**—**	—
Securities trading	**900**	733
Total segment assets	**153,921**	98,661
Unallocated assets	**29,907**	76,669
Consolidated assets	**183,828**	175,330

8. SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

Segment liabilities

	2010 HK$'000	2009 HK$'000
Property development and investment	18,511	14,310
Treasury and investment	—	—
Securities trading	18	—
Total segment liabilities	18,529	14,310
Unallocated liabilities	19,318	15,462
Consolidated liabilities	37,847	29,772

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

- all assets are allocated to reportable segments other than unallocated assets including bank balances and cash and certain unallocated head office and corporate assets; and
- all liabilities are allocated to reportable segments other than income tax liabilities, deferred tax liabilities and unallocated liabilities including certain unallocated head office and corporate liabilities.

Other segment information

For the year ended 31 December 2010:

	Property development and investment HK$'000	Treasury and investment HK$'000	Securities trading HK$'000	Unallocated HK$'000	Total HK$'000
Amounts included in the measure of segment profit or loss or segment assets:					
Additions to non-current assets	50,359	–	–	846	51,205
Depreciation	658	–	–	138	796
Loss on disposal of property, plant and equipment	54	–	–	217	271
Loss on disposal of investment properties	39	–	–	–	39
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss:					
Interest income	16	–	–	41	57
Income tax expense	2,772	–	–	–	2,772

8. SEGMENT INFORMATION (Continued)

Other segment information (Continued)

For the year ended 31 December 2009:

	Property development and investment HK$'000	Treasury and investment HK$'000	Securities trading HK$'000	Unallocated HK$'000	Total HK$'000
Amounts included in the measure of segment profit or loss or segment assets:					
Additions to non-current assets	79,869	—	—	14	79,883
Depreciation	351	—	—	120	471
Loss on disposal of property, plant and equipment	8	—	—	4	12
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss:					
Interest income	—	—	—	45	45
Income tax expense	1,645	—	—	—	1,645

Note: Non-current assets excluded financial instruments. Additions to non-current assets for the year ended 31 December 2009 included additions resulting from acquisitions through business combinations, amounting to HK$79,062,000.

Geographical information

The Group operates in two principal geographical areas — The People's Republic of China (excluding Hong Kong) (the "PRC") and Hong Kong.

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

	Revenue from external customers		**Non-current assets**	
	2010 HK$'000	2009 HK$'000	**2010 HK$'000**	2009 HK$'000
The PRC	**15,524**	10,596	**150,895**	95,223
Hong Kong	**—**	—	**1,282**	962
	15,524	10,596	**152,177**	96,185

Note: Non-current assets exclude financial instruments.

Information about major customers

Revenue of approximately HK$15,524,000 (2009: HK$10,596,000), attributable to property development and investment segment, is derived from a single external customer.

9. LOSS BEFORE TAX

Loss before tax has been arrived at after charging (crediting):

	2010 HK$'000	2009 HK$'000
Directors' remuneration *(Note 11)*	1,688	3,794
Other staff costs	5,747	2,629
Retirement benefit scheme contributions (excluding those of directors)	312	59
Total staff costs	7,747	6,482
Auditor's remuneration	443	380
Depreciation	796	471
Loss on disposal of property, plant and equipment	271	12
Loss on disposal of investment properties	39	—
Minimum lease rentals in respect of rented premises	1,866	1,411
Net foreign exchange loss	908	2
Dividend income from listed investments	(19)	(18)
Interest income	(57)	(45)
Gross rental income from investment properties	(15,524)	(10,596)
Direct operating expenses for investment properties	2,966	442
	(12,558)	(10,154)

10. INCOME TAX EXPENSE

	2010 HK$'000	2009 HK$'000
Current tax:		
Hong Kong Profits Tax		
— provision for the year	1,539	—
— under-provision in prior years	1,481	—
	3,020	—
PRC Enterprise Income Tax		
— provision for the year	—	1,645
— over-provision in prior years	(1,645)	—
	(1,645)	1,645
Deferred tax	1,397	—
	2,772	1,645

10. INCOME TAX EXPENSE (Continued)

Hong Kong Profits Tax is calculated at 16.5% (2009: 16.5%) of the estimated assessable profit for the year.

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

The tax for the year can be reconciled to the profit or loss before tax per the consolidated statement of comprehensive income as follows:

	2010 HK$'000	2009 HK$'000
Loss before tax	**(2,410)**	(1,118)
Tax at rates applicable to profits in the jurisdictions concerned	**(926)**	(181)
Tax effect of expenses not deductible for tax purpose	**1,736**	2,154
Tax effect of income not taxable for tax purpose	**(346)**	(599)
Under-provision in prior year	**703**	—
Tax effect of other temporary differences not recognised	**(35)**	—
Tax effect of tax losses not recognised	**1,640**	271
Tax charge for the year	**2,772**	1,645

11. DIRECTORS' EMOLUMENTS

	2010 HK$'000	2009 HK$'000
Directors' fees:		
Executive directors	**210**	300
Non-executive directors	**210**	300
Independent non-executive directors	**450**	450
Other emoluments:		
Salaries and other benefits	**801**	2,730
Retirement benefit scheme contributions	**17**	14
Total emoluments	**1,688**	3,794

There was no arrangement under which directors waived or agreed to waive any emoluments in the year ended 31 December 2010 and the year ended 31 December 2009. No emoluments were paid to the directors as inducement to join or upon joining the Group or as compensation for loss of office in both years.

11. DIRECTORS' EMOLUMENTS (Continued)

The emoluments of each director of the Company for the year are set out as follows:

	2010 HK$'000	2009 HK$'000
Directors' fees of executive directors:		
Huang Wenxi	**150**	150
Cheung Chung Leung Richard	**60**	150
	210	300
Directors' fees of non-executive directors:		
Huang Shih Tsai	**150**	150
Chan I Siu, Fair	**60**	150
	210	300
Directors' fees of independent non-executive directors:		
Cheng Hong Kei	**150**	150
Leung Kwan, Hermann	**150**	150
Lum Pak Sum	**150**	150
	450	450
Salaries and other benefits of executive directors:		
Huang Wenxi	**390**	390
Cheung Chung Leung Richard	**411**	2,340
	801	2,730
Retirement benefit scheme contributions of executive directors:		
Huang Wenxi	**12**	5
Cheung Chung Leung Richard	**5**	9
	17	14
	1,688	3,794

12. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, two (2009: two) were directors, whose emoluments are set out in note 11.

The emoluments of the remaining three (2009: three) highest paid individuals were as follows:

	2010 HK$'000	2009 HK$'000
Salaries, allowances and benefits in kind	**2,664**	1,901
Retirement benefit scheme contributions	**17**	31
	2,681	1,932

Their emoluments were within the following bands:

	2010 No. of employees	2009 No. of employees
Nil to HK$1,000,000	**2**	2
HK$1,000,001 to HK$1,500,000	**1**	1

No emoluments were paid to the employees as inducement to join or upon joining the Group or as compensation for loss of office in both years.

13. DIVIDEND

No dividend was paid or proposed during the year ended 31 December 2010, nor has any dividend been proposed since the end of the reporting period (2009: nil).

14. LOSS PER SHARE

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

	2010 HK$'000	2009 HK$'000
Loss for the year attributable to owners of the Company	**(5,182)**	(2,763)
	'000	'000
Weighted average number of ordinary shares	**773,045**	506,186

Diluted loss per share is same as the basic loss per share as there were no potential dilutive ordinary shares outstanding during both years.

15. PROPERTY, PLANT AND EQUIPMENT

THE GROUP

	Land and buildings HK$'000	Furniture and fixtures HK$'000	Computer equipment HK$'000	Machinery HK$'000	Motor vehicles HK$'000	Leasehold improvement HK$'000	Total HK$'000
COST							
At 1 January 2009	–	189	73	–	–	405	667
Additions	–	39	24	2	756	–	821
Acquired on acquisition of subsidiaries	77,799	622	–	543	98	–	79,062
Reclassified to investment properties	(77,799)	–	–	–	–	–	(77,799)
Exchange adjustment	–	(1)	–	(1)	(1)	–	(3)
Disposals	–	(59)	–	(1)	(21)	(6)	(87)
At 31 December 2009 and 1 January 2010	–	790	97	543	832	399	2,661
Additions		518	299	1	569	745	2,132
Exchange adjustment	–	42	–	26	9	–	77
Disposals	–	(23)	–	–	(68)	(399)	(490)
At 31 December 2010	**–**	**1,327**	**396**	**570**	**1,342**	**745**	**4,380**
ACCUMULATED DEPRECIATION							
At 1 January 2009	–	83	52	–	–	74	209
Provided for the year	–	203	15	56	116	81	471
Exchange adjustment	–	(1)	–	(1)	(1)	–	(3)
Eliminated on disposals	–	(58)	–	–	–	(2)	(60)
At 31 December 2009 and 1 January 2010	–	227	67	55	115	153	617
Provided for the year	–	272	63	64	296	101	796
Exchange adjustment	–	31	1	10	9	–	51
Eliminated on disposals	–	(11)	–	–	(15)	(193)	(219)
At 31 December 2010	**–**	**519**	**131**	**129**	**405**	**61**	**1,245**
CARRYING VALUE							
At 31 December 2010	**–**	**808**	**265**	**441**	**937**	**684**	**3,135**
At 31 December 2009	–	563	30	488	717	246	2,044

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

THE COMPANY

	Furniture and fixtures HK$'000	Computer equipment HK$'000	Leasehold improvement HK$'000	Total HK$'000
COST				
At 1 January 2009	129	31	405	565
Additions	3	11	—	14
Disposals	—	—	(6)	(6)
At 31 December 2009 and 1 January 2010	132	42	399	573
Additions	5	19	—	24
Disposals	(21)	—	(399)	(420)
At 31 December 2010	**116**	**61**	**—**	**177**
ACCUMULATED DEPRECIATION				
At 1 January 2009	24	10	74	108
Provided for the year	26	13	81	120
Eliminated on disposals	—	—	(2)	(2)
At 31 December 2009 and 1 January 2010	50	23	153	226
Provided for the year	26	20	40	86
Eliminated on disposals	(10)	—	(193)	(203)
At 31 December 2010	**66**	**43**	**—**	**109**
CARRYING VALUE				
At 31 December 2010	**50**	**18**	**—**	**68**
At 31 December 2009	82	19	246	347

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives, after taking into account of their estimated residual value, at the following rates:

Leasehold land	Over the term of the lease
Buildings	Over the shorter of the term of the lease, and 20 years
Furniture and fixtures	20% per annum
Computer equipment	33.33% per annum
Motor vehicles	20%–30% per annum
Machinery	10% per annum
Leasehold improvement	20% per annum

16. INVESTMENT PROPERTIES

THE GROUP

	Construction and development completed (at fair value) HK$'000	in progress (at cost) HK$'000	Total HK$'000
At 1 January 2009	—	—	—
Reclassified from property, plant and equipment *(Note 15)*	77,799	—	77,799
Net increase in fair value recognised in profit and loss	3,390	—	3,390
At 31 December 2009	81,189	—	81,189
At 1 January 2010	81,189	—	81,189
Additions	—	7,422	7,422
Disposals	(39)	—	(39)
Exchange adjustment	3,037	—	3,037
Net increase in fair value recognised in profit or loss	2,161	—	2,161
At 31 December 2010	**86,348**	**7,422**	**93,770**

(a) The investment properties represent interests in land held under medium term leases in the PRC and buildings erected or being erected thereon.

(b) The fair value of investment properties has been arrived at on the basis of a valuation carried out by American Appraisal China Limited, an independent qualified valuer not connected with the Group. The valuation was determined by comparison based on prices realised on actual sales or market price information of comparable properties of similar size, character and location.

17. GOODWILL

THE GROUP

	HK$'000
COST	
At 1 January 2009	—
Arising on acquisition of subsidiaries	12,959
Exchange adjustment	(7)
At 31 December 2009 and 1 January 2010	12,952
Exchange adjustment	482
At 31 December 2010	**13,434**
IMPAIRMENT	
At 31 December 2009 and 2010	—
CARRYING VALUE	
At 31 December 2010	**13,434**
At 31 December 2009	12,952

For the purposes of impairment testing, goodwill has been allocated to a cash generating unit (the "CGU"). The CGU including three subsidiaries, Mega Top Capital Resources Limited, Gold Coast Tourism Development Limited and 海豐金麗灣度假村有限公司 (Haifeng Jinliwan Resort Company Limited*), in property development and investment segment.

The recoverable amount of the CGU has been determined based on value in use calculation which uses cash flow projections based on financial budgets approved by the management of the Group covering a 5-year period, and a discount rate of 5% (2009: 4.74%) per annum. The cash flows for the 5-year period are assumed constant with zero growth rate. Management of the Group believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of the CGU to exceed the aggregate recoverable amount of the CGU.

Management of the Group determines that there are no indication of impairment of the CGU containing goodwill as at 31 December 2010.

* *For identification purposes only*

18. AVAILABLE-FOR-SALE INVESTMENTS

THE GROUP

	2010 HK$'000	2009 HK$'000
Unlisted equity securities		
Overseas		
Hennabun Capital Group Limited (Formerly known as Hennabun Management International Limited) ("HCG") *(Note a)*		
At cost	–	59,000
Impairment losses recognised	–	(59,000)
	–	–
PRC		
Heze Century Energy Coalchem Industrial Co. Ltd. ("Heze") *(Note b)*		
At cost	–	12,000
Impairment losses recognised	–	(12,000)
	–	–
Zhejiang Risesun Paper Co. Ltd. ("Risesun") *(Note c)*		
At cost	–	7,098
Impairment losses recognised	–	(7,098)
	–	–
Wuhu Dongtai Paper Mfg. Co. Ltd. ("Dongtai") *(Note c)*		
At cost	–	70,970
Impairment losses recognised	–	(70,970)
	–	–
澤潤投資諮詢(上海)有限公司 ("Zerun") *(Note d)*		
Reclassified from investment in a subsidiary	–	919
Impairment losses recognised	–	(919)
	–	–
	–	–

18. AVAILABLE-FOR-SALE INVESTMENTS (Continued)

The above investments represent unlisted equity securities issued by private companies. They are measured at cost less impairment because the range of reasonable fair value estimate is so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably. All the above investments were held by Noble Congress Limited ("Noble Congress"), a wholly-owned subsidiary of the Company, which was disposed of on 29 December 2010 at a total consideration of HK$10,000 (Note 34).

Notes:

(a) Noble Congress owned 0.23% equity interests in HCG, which is a company incorporated in the British Virgin Islands with limited liability and engaged in securities trading, investment holding and provision of brokerage and financial services. Full impairment loss was recognised on this investment in 2005.

(b) Noble Congress owned 11.2% equity interests in Heze, which is a company incorporated in the PRC with limited liability. Full impairment loss was recognised on this investment in 2006.

(c) Noble Congress owned 25% equity interests in both Risesun and Dongtai, which are limited companies incorporated in the PRC. They were classified as associates before 2006. Their operations have been suspended since 2004. Full provision was made for these investments in 2004. After the changes in management of the Company in June 2006, the Group had neither representative in the management body nor participation in the daily operating and financing activities in Risesun and Dongtai. Accordingly, the investments in these companies were then classified as available-for-sale investments.

(d) Noble Congress owned 100% in Zerun. After the changes in management of the Company in June 2006, the Group appointed legal advisors to locate the previous management and staff of Zerun. However, as informed by the legal advisors, they were unable to contact them. Consequently, the Group had neither representative in the management body nor the ability to govern the operating and financing policies in Zerun. Accordingly, the investment in Zerun was classified as available-for-sale investments. Full impairment loss had been recognised on this investment.

19. PREPAYMENT FOR CONSTRUCTION AND DEVELOPMENT OF INVESTMENT PROPERTIES

THE GROUP

A construction contract dated 16 June 2010 was entered into between 深圳市焯楠建築裝飾工程有限公司 (Shenzhen Zhuonan Construction and Decoration Company Limited*) and a subsidiary of the Company for construction and renovation of Gold Coast Resort in the sum of RMB55 million (equivalent to approximately HK$65.24 million) of which initial payment of RMB22,500,000 (equivalent to approximately HK$26,687,000) was paid by the Group during the year.

20. PREPAYMENT FOR ACQUISITION OF A SUBSIDIARY

THE GROUP

The amount comprised a deposit of RMB10,000,000 (equivalent to approximately HK$11,861,000) and other capital outlay of approximately HK$1,310,000 paid in relation to the acquisition of the entire equity interests of 唐海中泰信和房地產開發有限公司 (Tanghai Zhongtai Xinhe Real Estate Company Limited*) by a wholly-owned subsidiary of the Company, 滙通天下控股(中國)有限公司 (Waytung Global Holding (China) Limited*), at a total consideration of RMB104,500,000 (equivalent to approximately HK$123,947,450) which was approved by shareholders of the Company at an extraordinary general meeting held on 13 December 2010. Details of the acquisition have been disclosed in a circular issued by the Company on 25 November 2010.

* *For identification purposes only*

21. PREPAID LEASE PAYMENT

THE GROUP

	2010 HK$'000	2009 HK$'000
Operating lease payment prepaid in respect of land in the PRC	**270**	—
Analysed for reporting purposes as:		
Non-current assets	**187**	—
Current assets (included in other receivables)	**83**	—
	270	—

22. OTHER RECEIVABLES

THE GROUP

	2010 HK$'000	2009 HK$'000
Other receivables	**2,244**	7,648
Allowance for bad and doubtful debts	**(7)**	(3,720)
	2,237	3,928

Movement in the allowance for bad and doubtful debts:

	2010 HK$'000	2009 HK$'000
At 1 January	**3,720**	3,720
Impairment loss recognised	**7**	—
Disposal of subsidiaries	**(3,685)**	—
Amounts written off as uncollectible	**(35)**	—
At 31 December	**7**	3,720

22. OTHER RECEIVABLES (Continued)

THE COMPANY

	2010 HK$'000	2009 HK$'000
Other receivables	**388**	1,870
Allowance for bad and doubtful debts	**(7)**	(35)
	381	1,835
Movement in the allowance for bad and doubtful debts:		
At 1 January	**35**	35
Impairment loss recognised	**7**	—
Amounts written off as uncollectible	**(35)**	—
At 31 December	**7**	35

Allowances for bad and doubtful debts of the Group and the Company are individually impaired as the counterparties are in the financial difficulties. The Group and the Company do not hold any collateral over these balances.

23. DEPOSIT REFUNDABLE

THE GROUP

On 12 April 2005, the Group entered into a share transfer agreement with a third party to acquire 80% equity interests in Daoqin Hospital Management Company Limited (上海道勤醫院投資管理有限公司) ("Daoqin Hospital") at a consideration of HK$30,200,000 (the "Acquisition"). Daoqin Hospital is a company established in the PRC with limited liability and was established for the purpose of provision of hospital management services. During the year ended 31 December 2005, the Group made partial payment of HK$13,780,000.

According to the agreement, if the Acquisition was not completed in December 2005, the Acquisition would be cancelled and the Group would entitle to recover the payment made.

The Acquisition had not been completed on 27 April 2006, the Group entered into another agreement to cancel the Acquisition and the counterparty was required to refund the payment to the Group within fifteen days from the date of the agreement. No payment was received by the Group since then.

The Company had attempted to take legal action to recover the amount. However, as advised by the legal advisor, they were unable to contact the parties concerned. A full provision was made in the year ended 31 December 2006.

The Group's interest in the deposit refundable was held by Noble Congress Limited, a wholly-owned subsidiary of the Company, which was disposed of on 29 December 2010 at a total consideration of HK$10,000 (Note 34).

24. DEPOSITS IN AN ASSETS MANAGEMENT COMPANY

THE GROUP

The deposits, amounted to approximately HK$32,586,000, were placed in an assets management company (the "Manager"), which was a limited company incorporated in the PRC and was engaged in investment advisory, asset management and other related business, contracted for a period from 1 July 2004 to 1 July 2005. The amount was overdue and no repayment schedule was made.

The Company was informed that the Manager was in the process of liquidation in the PRC. Based on such information, the directors of the Company considered the likelihood of the recoverability of the amount was very remote and a full provision was made in the year ended 31 December 2006.

An ex-director, Li Zhaohui had equity interests in the Manager. Li Zhaohui was appointed as a director of the Company on 19 October 2004 and was removed on 8 June 2006.

During the years ended 31 December 2009 and 2010, no interest income was received from the Manager. The maximum balances outstanding were both HK$32,586,000 during the respective years ended 31 December 2009 and 2010.

The Group's interest in the deposits in an assets management company was held by Noble Congress Limited, a wholly-owned subsidiary of the Company, which was disposed of on 29 December 2010 at a total consideration of HK$10,000 (Note 34).

25. HELD FOR TRADING INVESTMENTS

THE GROUP AND THE COMPANY

	2010 HK$'000	2009 HK$'000
Equity securities listed in Hong Kong, at fair value	**841**	711

26. BANK BALANCES AND CASH

THE GROUP

	2010 HK$'000	2009 HK$'000
Cash at bank and in hand	**28,573**	44,506
Term deposit with initial term of over three months	**—**	30,000
	28,573	74,506

THE COMPANY

	2010 HK$'000	2009 HK$'000
Cash at bank and in hand	**3,111**	11,790
Term deposit with initial term of over three months	**—**	30,000
	3,111	41,790

27. AMOUNT DUE TO A SUBSIDIARY

The amount is unsecured, non-interest bearing and repayable on demand.

28. AMOUNT DUE TO A DIRECTOR

The amount is unsecured, non-interest bearing and repayable on demand.

29. SHARE CAPITAL

	Number of shares		Share capital	
	2010	2009	**2010**	2009
	'000	'000	**HK$'000**	HK$'000
Ordinary shares of HK$ 0.4 each				
Authorised				
At beginning of year	**2,500,000**	1,000,000	**1,000,000**	400,000
Increase on 23 October 2009	**–**	1,500,000	**–**	600,000
At end of year	**2,500,000**	2,500,000	**1,000,000**	1,000,000
Issued and fully paid				
At beginning of year	**773,045**	351,384	**309,218**	140,553
Issued on an open offer	**–**	421,661	**–**	168,665
At end of year	**773,045**	773,045	**309,218**	309,218

30. DEFERRED TAX LIABILITIES

THE GROUP

The following is the major deferred tax liabilities recognised and movements thereof during the current and prior years:

	Revaluation of investment properties HK$'000
At 1 January 2009, 31 December 2009 and 1 January 2010	12,723
Charged to comprehensive income	1,397
Exchange difference	503
At 31 December 2010	**14,623**

At the end of the reporting period, the Group has unused tax losses of approximately HK$17,644,000 (2009: HK$18,620,000) available for offset against future profits. No deferred tax asset has been recognised in respect of these tax losses due to the unpredictability of future profit streams. Out of these tax losses, the unrecognised tax loss of HK$10,294,000 (2009: nil) will expire within 5 years and the remaining balance of the unrecognised tax loss may be carried forward indefinitely.

31. INTERESTS IN SUBSIDIARIES

THE COMPANY

	2010 HK$'000	2009 HK$'000
Unlisted shares, at cost	**44,036**	10,001
Amounts due from subsidiaries	**93,311**	637,710
	137,347	647,711
Impairment losses recognised	**—**	(544,156)
	137,347	103,555

The amounts due from subsidiaries are unsecured and non-interest bearing. In the opinion of the directors, demand for repayment for the amounts due from subsidiaries will not be made within the next twelve months from the end of the reporting period. Accordingly, the amounts are classified as non-current.

In view of the operating loss position of certain subsidiaries, impairment losses were recognised with reference to their estimated recoverable amounts.

Details of the Company's subsidiaries as at 31 December 2010 and 2009 are set out in note 39.

32. SHARE PREMIUM AND RESERVES

THE COMPANY

	Share premium HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 January 2009	37,978	(198,313)	(160,335)
Loss for the year	—	(11,688)	(11,688)
At 31 December 2009 and 1 January 2010	37,978	(210,001)	(172,023)
Loss for the year	—	(5,967)	(5,967)
At 31 December 2010	**37,978**	**(215,968)**	**(177,990)**

The Company has no reserve available for distribution for both years.

The application of the share premium account is governed by section 48B of the Hong Kong Companies Ordinance.

33. LOSS ATTRIBUTABLE TO EQUITY OWNERS OF COMPANY

The consolidated loss attributable to equity owners of the Company includes a loss of approximately HK$5,967,000 (2009: HK$11,688,000) which has been dealt with in the financial statements of the Company.

Reconciliation of the above amount to the Company's loss for the year:

	2010 **HK$'000**	2009 HK$'000
Amount of consolidated loss attributable to equity owners dealt with the Company's financial statements	**(5,889)**	(11,628)
Impairment loss on amounts due from subsidiaries recognised during the year	**(78)**	(60)
Company's loss for the year *(Note 32)*	**(5,967)**	(11,688)

34. DISPOSAL OF A SUBSIDIARY

On 29 December 2010, the Company disposed of its entire interest in a wholly-owned subsidiary, Noble Congress Limited, which held various indirect investments and certain indirect subsidiaries of the Company, for a consideration of HK$10,000.

	HK$'000
Net liabilities disposed of:	
Other payables	1,091
Consideration received	10
Gain on disposal	1,101
Net cash inflow arising on disposal:	
Consideration received in cash	10

35. RETIREMENT BENEFIT SCHEME

The Group participates in a Mandatory Provident Fund Scheme ("MPF Scheme") for all qualifying employees in Hong Kong. The Group and the employees are required to contribute 5% of the salaries to the MPF Scheme. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees.

The Group's subsidiaries in the PRC participate in social insurance schemes operated by the relevant local government authorities in compliance with the applicable regulations of the PRC. The insurance premium is contributed by the Group on a specified proportion of the employee's salaries laid down under relevant PRC laws.

The total sum recognised as expenses in the consolidated statement of comprehensive income of approximately HK$329,000 (2009: HK$73,000) represents contributions payable to these schemes by the Group at rates or amounts specified in the rules of the schemes.

36. OPERATING LEASE COMMITMENTS

The Group and the Company as lessee

At the end of the reporting period, the Group and the Company had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

THE GROUP

	2010 HK$'000	2009 HK$'000
Within one year	**2,124**	974
In the second to fifth years inclusive	**1,353**	1,088
After five years	**4,613**	4,539
	8,090	6,601

Rentals payable represent operating lease payments for certain land and office properties. Leases are negotiated for terms of two years to fifty years and initial rentals are fixed for two to five years with adjustments fixed for every two to five years.

THE COMPANY

	2010 HK$'000	2009 HK$'000
Within one year	**–**	882
In the second to fifth years inclusive	**–**	735
	–	1,617

Rental payable represent operating lease payment for office property. Lease was negotiated for terms of two years and rental was fixed for two years.

The Group as lessor

Property rental income earned during the year was approximately HK$15,524,000 (2009: HK$10,596,000). The properties are expected to generate rental yields of 18% (2009: 13%) on an ongoing basis. All of the properties held have committed tenants for the next four years.

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

	2010 HK$'000	2009 HK$'000
Within one year	**15,419**	14,866
In the second to fifth years inclusive	**3,855**	18,582
	19,274	33,448

37. CAPITAL COMMITMENTS

THE GROUP

	2010 HK$'000	2009 HK$'000
Capital expenditure in respect of the acquisition of plant and equipment contracted for but not provided for in the financial statements	**130**	876
Capital expenditure in respect of the construction and development of investment properties contracted for but not provided for in the financial statements	**42,054**	4,886
Capital expenditure in respect of the acquisition of a subsidiary contracted for but not provided for in the financial statements	**112,074**	—

38. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

The details of the remuneration of directors and other members of key management during the two years ended 31 December 2010 and 2009 were disclosed in notes 11 and 12 respectively.

The remuneration of directors and key management is determined by the remuneration committee having regard to the performance of individuals and market trends.

Amounts due to a director

During the year ended 31 December 2010, Mr. Huang Shih Tsai, the Chairman and a Non-executive Director of the Company, has provided interest-free loan to a subsidiary, 海豐金麗灣度假村有限公司 (Haifeng Jinliwan Resort Company Limited*), of the Company in the amount of RMB900,000 (equivalent to approximately HK$1,067,000) for funding the subsidiary's working capital requirements (2009: Nil). Details of the loan and amount outstanding at the reporting date are disclosed in note 28.

Other transactions with related parties

The Group has leased an office property from 大中華國際集團(中國)有限公司 (Great China International Group (China) Company Limited*) ("GCI") with a monthly rental payment of RMB28,913 since 1 February 2010 for a fixed term of two years. GCI is wholly-owned by Great China International Investment (Groups) Limited ("Great China Groups"). Mr. Huang Shih Tsai, the chairman of the Company, who founded Great China Groups in Hong Kong during 1980s, is also the chairman of the board of Great China Groups. Ms. Huang Wenxi, an executive director of the Company, is also the deputy chairman of GCI. The total rentals paid by the Group to GCI during the year ended 31 December 2010 amounted to approximately HK$368,000 (2009: Nil) and the rental deposit paid by the Group to GCI during the year ended 31 December 2010 amounted to approximately HK$69,000 (2009: Nil).

* *For identification purposes only*

38. RELATED PARTY TRANSACTIONS (Continued)

Other transactions with related parties (Continued)

The Group has leased a car park space from 深圳市大中華第一太平戴維斯物業管理有限公司 (Shenzhen City Great China First Pacific Savills*) ("Savills") with a monthly rental payment of RMB1,300 since 1 July 2010 for a fixed term of 1 year. Savills is wholly-owned by Great China Groups indirectly. The total rentals paid by the Group to Savills during the year ended 31 December 2010 amounted to approximately HK$18,000 (2009: Nil) of which approximately HK$9,000 (2009: Nil) represented rental prepaid.

As at 31 December 2010, the rental deposit paid of approximately HK$69,000 (2009: Nil) to GCI and rental prepaid of approximately HK$9,000 (2009: Nil) to Savills, which are unsecured and non-interest bearing, are recorded in "other receivables" disclosed in note 22.

39. PARTICULARS OF SUBSIDIARIES

Particulars of the Company's subsidiaries as at 31 December 2010 are as follows:

Name of subsidiary	Place of incorporation/ operation	Issued share capital/ paid-in/registered capital	Proportion of nominal value of issued share capital/paid-in/ registered capital held by the Company Direct %	Indirect %	Principal activities
Mega Top Capital Resources Limited	Hong Kong	1 ordinary share of HK$1 each	100	–	Property investment
China Waytung Group Limited	Hong Kong	1 ordinary share of HK$1 each	100	–	Investment holding
Gold Coast Tourism Development Limited	Hong Kong	10,000 ordinary shares of HK$1 each	–	100	Investment holding
海豐金麗灣度假村有限公司	PRC	US$8,582,429	–	100	Operation of resort business
Waytung Global Financial Holding Limited	Hong Kong	10,000,000 ordinary shares of HK$1 each	100	–	Inactive
Waytung Fund Limited	Hong Kong	10,000,000 ordinary shares of HK$1 each	–	100	Inactive
China Waytung Securities Limited	Hong Kong	10,000,000 ordinary shares of HK$1 each	–	100	Inactive
滙通天下控股(中國)有限公司#	PRC	HK$34,035,660	100	–	Investment holding
滙通天下控股(天津)有限公司#	PRC	RMB2,000,000	–	99.9	Inactive

New subsidiaries to the Group

None of the subsidiaries had any debt securities subsisting at the end of the year or at any time during the year.

* *For identification purposes only*

39. PARTICULARS OF SUBSIDIARIES (Continued)

Particulars of the Company's subsidiaries as at 31 December 2009 are as follows:

Name of subsidiary	Place of incorporation/ operation	Issued share capital/ paid-in/registered capital	Proportion of nominal value of issued share capital/paid in/ registered capital held by the Company Direct %	Indirect %	Principal activities
Mega Top Capital Resources Limited	Hong Kong	1 ordinary share of HK$1 each	100	—	Property investment
Noble Congress Limited	British Virgin Islands*	1 ordinary share of US$1 each	100	—	Investment holding
China Waytung Group Limited	Hong Kong	1 ordinary share of HK$1 each	100	—	Investment holding
Accurate City Investments Limited	British Virgin Islands*	1 ordinary share of US$1 each	—	100	Inactive
Active Chance Limited	British Virgin Islands*	1 ordinary share of US$1 each	—	100	Inactive
Asiawell Investments Limited	British Virgin Islands*	1 ordinary share of US$1 each	—	100	Inactive
Best Energy International Limited	British Virgin Islands*	1 ordinary share of US$1 each	—	100	Investment holding
China Eastern Energy Holdings Limited	Samoa/PRC	1 ordinary share of US$1 each	—	100	Investment holding
Digital Faith Investments Limited	British Virgin Islands*	1 ordinary share of US$1 each	—	100	Inactive
Eastern Good Limited	British Virgin Islands/PRC	1 ordinary share of US$1 each	—	100	Inactive
Elite City Investment Limited	British Virgin Islands*	1 ordinary share of US$1 each	—	100	Inactive
Max Margin Group Limited	British Virgin Islands/PRC	1 ordinary share of US$1 each	—	100	Property investment
Ocean Pearl Investments Limited	British Virgin Islands*	1 ordinary share of US$1 each	—	100	Inactive
Profit Guidance Limited	British Virgin Islands*	1 ordinary share of US$1 each	—	100	Inactive
Rosedale Investments Trading Limited	British Virgin Islands*	1 ordinary share of US$1 each	—	100	Inactive

39. PARTICULARS OF SUBSIDIARIES (Continued)

Particulars of the Company's subsidiaries as at 31 December 2009 are as follows: (Continued)

Name of subsidiary	Place of incorporation/ operation	Issued share capital/ paid-in/registered capital	Proportion of nominal value of issued share capital/paid in/ registered capital held by the Company Direct %	Indirect %	Principal activities
Sincere Leader Limited	British Virgin Islands*	1 ordinary share of US$1 each	–	100	Inactive
True Leader International Limited	British Virgin Islands*	1 ordinary share of US$1 each	–	100	Inactive
Toprich International Investments Limited	Hong Kong	6,160,000 ordinary shares of US$1 each	–	100	Investment holding
Up Global Limited	Hong Kong	2 ordinary shares of HK$1 each	–	100	Inactive
Grand Noble Group Limited	British Virgin Islands/PRC	2 ordinary shares of US$ 1 each	–	100	Property investment
Gold Coast Tourism Development Limited	Hong Kong	10,000 ordinary shares of HK$ 1 each	–	100	Investment holding
海豐金麗灣度假村有限公司#	PRC	US$7,292,429	–	100	Operation of resort business
Waytung Global Financial Holding Limited#	Hong Kong	10,000,000 ordinary shares of HK$1 each	100	–	Inactive
Waytung Fund Limited#	Hong Kong	10,000,000 ordinary shares of HK$1 each	–	100	Inactive
China Waytung Securities Limited#	Hong Kong	10,000,000 ordinary shares of HK$1 each	–	100	Inactive

* These companies have no specific principal place of operation.
\# New subsidiaries to the Group

None of the subsidiaries had any debt securities subsisting at the end of the year or at any time during the year.

Five Years Financial Summary

	Year ended 31 December				
	2010	2009	2008	2007	2006
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
RESULTS					
TURNOVER	**15,524**	10,596	11,874	—	126,137
LOSS FOR THE YEAR	**(5,182)**	(2,763)	(13,026)	(5,721)	(326,802)

	As at 31 December				
	2010	2009	2008	2007	2006
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
ASSETS AND LIABILITIES					
TOTAL ASSETS	**183,828**	175,330	41,225	6,097	629
TOTAL LIABILITIES	**(37,847)**	(29,772)	(61,713)	(13,559)	(2,640)
NET ASSETS (LIABILITIES)	**145,981**	145,558	(20,488)	(7,462)	(2,011)

Major Investment Properties as at 31 December 2010

Location	Type	Lease term
Jinliwan Resort Complex located in Baian Peninsula, Houmen Town, Haifeng County, Shanwei City, Guangdong Province, the PRC.	Resort	Medium