

**FORD EAGLE GROUP LIMITED**

**ANNUAL REPORT**

**AND**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2010**

**FORD EAGLE GROUP LIMITED**

**COMPANY INFORMATION**

<b>Directors</b>	<b>Garry Alides Willinge Man Sang Eric Tsang Nicholas Littlewood (Chairman) Wing Sang Wilson Hui Wing Tak Jack Law</b>
<b>Secretary</b>	<b>Chun Hong Kevin Ng</b>
<b>Registered office</b>	<b>Cricket Square, Hutchins Dr, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands</b>
<b>Auditors</b>	<b>Adler Shine LLP Aston House, Cornwall Avenue, London, N3 1LF United Kingdom</b>
<b>PLUS Corporate Adviser</b>	<b>Cairn Financial Advisers LLP 61 Cheapside, London, EC2V 6AX United Kingdom</b>
<b>Financial Adviser</b>	<b>Axiom Capital Limited Roman House, 296 Golders Green road, London, NW11 9PT United Kingdom</b>
<b>Registrars</b>	<b>Computershare Investor Services (Cayman) Limited The R&amp;H Trust Company Limited PO Box 897, George Town, Cayman Islands</b>

**FORD EAGLE GROUP LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

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## **FORD EAGLE GROUP LIMITED**

### **CHAIRMAN'S STATEMENT**

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I am pleased to present the audited results for the year ended 31 December 2010 and to report on recent developments.

#### **REVIEW OF OPERATIONS**

The year has been one of significant developments for the Company.

On 2 August 2010, the Company was admitted to the PLUS-quoted market of the PLUS Stock Exchange and its shares opened for trading.

The Company acquired full control of Ford Eagle Capital Limited as well as Ford Eagle Investment Consulting (Shenzhen) Limited. Its presence in Shenzhen, PRC is continuing to attract business from SMEs in a number of cities and provinces in the PRC.

The Company has recently signed several new engagements. Sectors in which it is currently active include natural resources, media, internet, commercial property, retail and leisure.

Three recent mandates are outlined below.

The Company is advising a highly successful B-to-B commercial property focused internet company based in Guangzhou with a view to having its ordinary shares listed on the London Stock Exchange before the close of 2011.

The Company is in active discussions with plans to advise a newly formed company led by a number of well known veterans from the animated film industry in the USA and China on building a substantial animation film studio, technical school and animation theme park, together with other related facilities, in Guangdong Province.

A producing iron ore mining company in Anhui Province, northern China, has recently engaged Ford Eagle Group. This assignment encompasses raising development capital to boost significantly the company's annual production capacity as well as identifying strategic investment partners and preparing the company for an eventual listing of its shares in London or another suitable equity market.

Finally, with a view to strengthening its existing ties to the financial markets in the UK as well as to enhance its client offering, the Company has formed a joint venture with a well established London based corporate finance adviser. The principals of this company have many years experience advising international companies on capital markets and general corporate finance. It is anticipated that this may be followed by the formation of further joint venture companies in other major capital markets.

The outlook for the economy of China and for the relevant commercial sectors remains very positive and the Board continues to identify new opportunities within the SME sector in China and to find companies that will be suitable for listing their shares on overseas equity markets, particularly in the U.K.

## **FORD EAGLE GROUP LIMITED**

### **CHAIRMAN'S STATEMENT (CONTINUED)**

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#### **RESULTS**

The Company is reporting a net loss for the year of GBP369, 947 or 13.67p per share.

As mentioned in the interim report, the advisory fees generated from projects the Company is engaged in tend to be very heavily weighted towards the conclusion of the Company's mandates. Whilst the underlying business, therefore, continues to grow and the Company has signed new corporate advisory engagements, the full benefit of work in progress is not yet reflected in the results. In addition, the Company has experienced delays in developing part of its existing client base to the point of readiness for overseas listings. Nonetheless, it is envisaged that, as the companies develop, they will be fully using the services of the Company to assist the expansion of their business.

We are confident that the Company's longer term prospects remain excellent, especially in view of the most recent developments referred to above.

Nicholas Littlewood

Executive Chairman

18 May 2011

## **FORD EAGLE GROUP LIMITED**

### **DIRECTORS' REPORT**

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The Directors have pleasure in submitting their report and financial statements of the Group and Parent Company for the year ended 31 December 2010.

#### **PRINCIPAL ACTIVITY AND INCORPORATION**

Ford Eagle Group Limited (the "Company"), an exempted company limited by shares incorporated in the Cayman Islands on 18 September 2009, with representation in China, Hong Kong, UK, USA and Japan, is a specialised advisory and investment firm. It was admitted to trading on the PLUS Stock Exchange on 2 August 2010.

The Company provides advice to private companies on restructuring, mergers and acquisitions, as well as structuring and coordinating Initial Public Offerings and listings in major international equity markets, such as the UK, China, Hong Kong and USA.

The consolidated financial statements comprise the results of the Company and its subsidiaries (together referred to as the "Group").

#### **RESULTS AND DIVIDENDS**

The Group's results for the year ended 31 December 2010 are set out in the Consolidated Statement of Comprehensive Income on page 11.

A review of the Group's activities and its future developments are set out in the Chairman's report on pages 1 and 2.

The Directors do not recommend payment of a dividend (period ended 31 December 2009: £Nil).

#### **DIRECTORS**

The Directors of the Company during the year and up to the date of this report were as follows:

Andrew Pawley (Resigned on 8 March 2011)  
Chi Ming Wallace Tse (Resigned on 3 August 2010)  
Garry Alides Willinge  
Man Sang Eric Tsang  
Nicholas Littlewood (Chairman)  
Wing Sang Wilson Hui  
Wing Tak Jack Law

Directors' interests in the shares of the Company are detailed in note 22.

## **FORD EAGLE GROUP LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

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#### **COMPANY SECRETARY**

The secretary of the Company during the year and to the date of this report were as follows:

Codan Trust Company (Cayman) Limited (Resigned on 9 August 2010)

Chun Hong Kevin Ng

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The implementation of the Company's investment policy is potentially affected by a number of risks and uncertainties.

##### **General Risks**

###### **Lack of investment capital**

The ability of the Company to make investments, which forms part of the Company's business plan, will be determined by the level of subscription in the Company at future fundraisings.

###### **Working capital requirements**

The Company may wish to raise further funds in the future for working and expansion capital, and to pursue the investment side of its business plan. There is no guarantee that the then prevailing market conditions will allow for such fundraising or that new investors will be prepared to subscribe for the Ordinary Shares. Any additional equity financing is likely to be dilutive to Shareholders.

###### **Fee income**

The Company's strategy is based in part on helping client companies achieve listings and IPOs in major international equity markets. Fee structures for such transactions will typically include an element (often the majority of the fee) that is conditional on successful completion of the transaction. The Company faces the risk, particularly in the current volatile times, that planned listings and IPOs may not successfully complete. In such situations, the Company may not receive the contingent element of the fees.

###### **Competition**

There is no certainty that the Company will be able to sustain an advantage or that competition will not develop and prevent or delay the realisation of the Company's plans, and such competition may have significantly greater financial resources than the Company.

## **FORD EAGLE GROUP LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

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#### **PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)**

##### General Risks (Continued)

###### Dependence on key personnel

The Company's future success will also depend, inter alia, on its current directors, its management team and international representatives. The retention of their services or the services of any future management team cannot be guaranteed.

The Company's ability to be a successful and profitable company depends to a significant extent on the continued service of its personnel. The loss of service of one or more of these key employees could materially and adversely affect the Company's business and prospects. The Directors believe that the growth and future success of the Company's business will depend in large part on the Company's continued ability to attract, motivate and retain highly-skilled personnel. The Company may not be successful in doing so as the competition for qualified personnel in the area of the Company's operations is intense.

###### Legal and Regulation Risks

Various laws, regulations and taxes may affect the Company's ability to conduct business in its chosen sphere of operation. New or amended laws, rules, regulations or ordinances could require significant unanticipated expenditures or impose restrictions on the development of the Company's business. Such laws, rules, regulations or ordinances may also adversely affect the Company's ability to operate its business.

###### Achievement of Strategic Aims

The value of an investment in the Company is dependent upon the Company achieving its strategic aim. Whilst the Directors are optimistic about the prospects for the Company there is no certainty that the Company's business will be capable of achieving the anticipated revenues or growth. The Company's future operating results will be highly dependent upon how well it manages the planned expansion strategy. This growth and expansion could place significant strain on the Company's limited managerial, financial and other resources.

###### Currency Fluctuations

The Company operates in different currency jurisdictions and currency fluctuations may adversely affect the revenue and profits of the Company.



## **FORD EAGLE GROUP LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

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#### **PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)**

##### Tax

The Company trades in different jurisdictions and each jurisdiction has its own tax regulations and may affect the net profits in the Company.

##### Legal System

The laws and regulations in China, Cayman and Hong Kong are different to those in the UK. The application of the laws of those jurisdictions may have a different outcome to the application of the UK law in respect of the Company's operations or any legal issues that arise.

##### Risks Relating to the PRC

The Company is exposed to significant risk due to policy change in China.

The business of the investee companies will need to comply with the laws and regulation promulgated by the PRC government from time to time. The implementation and enforcement of such laws and regulations could have a significant impact on the business outlook and operation of the investee companies.

In particular, the following uncertainties may affect the Company's operations and its profitability:

- (i) substantial uncertainties regarding the interpretation and application of the PRC laws and regulations;
- (ii) new laws may be applied retrospectively;
- (iii) there may be a requirement to obtain new licences, permits or approvals and there is no guarantee that these may be obtained;
- (iv) the PRC government has broad discretion in dealing with violations of law and regulations, including levying fines, revoking business and other licences and requiring actions necessary for compliance;
- (v) the PRC legal system is based in part on government policies and internal rules, some of which are not published on a timely basis or at all; and
- (vi) in the PRC, transactions are often subject to government approval for their effectiveness. Failure to obtain such approval may lead to the Company being unable to carry out specific business transactions and/or contractual obligations, and may further subject the Company to penalties imposed by the PRC law.

## FORD EAGLE GROUP LIMITED

### DIRECTORS' REPORT (CONTINUED)

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#### SIGNIFICANT SHAREHOLDERS

The significant shareholders of the Company on 16 May 2011 were as follows:

<u>Shareholders</u>	<u>% of shares held</u>
Advanced Link Investment Limited	8.42%
Best Winner Holdings Limited	32.76%
Law Wing Tak Jack	9.05%
Nicholas John Arnold Littlewood	3.54%
David G Sinclair	3.51%
Tse Chi Ming Wallace	8.35%
Wong Kam Fu	6.55%
Chen Hong	4.62%

#### AUDITORS

Our auditors, Adler Shine LLP, being eligible have expressed their willingness to continue in office.

On behalf of the Board

Wing Tak Jack Law  
Director  
18 May 2011

## **FORD EAGLE GROUP LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES in Respect of the Annual Report and the Financial Statements**

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The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. In addition, the Directors have elected to prepare the Group and Parent Company financial statements in accordance with International Financial Reporting Standards.

The Group and Parent Company financial statements are required to give a true and fair view of the state of affairs of the Group and Parent Company and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and Parent Company and to allow for the preparation of financial statements. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation governing the preparation and dissemination of financial statements may differ from one jurisdiction to another.

The Directors confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Directors' Report includes a fair view of the development and performance of the business and position of the Company, together with a description of the principal risks and uncertainties that the Company faces.

**INDEPENDENT AUDITOR'S REPORT**  
**To the members of Ford Eagle Group Limited**

We have audited the Group and Parent Company financial statements (the "financial statements") of Ford Eagle Group Limited for the year ended 31 December 2010 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated and Parent Company Statement of Cash Flows and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards are set out in the Statement of Directors' Responsibilities on page 8.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). These standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**To the members of Ford Eagle Group Limited**

**OPINION ON FINANCIAL STATEMENTS**

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2010 and of the Group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs.

**EMPHASIS OF MATTER – GOING CONCERN**

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosures made in note 2 to the financial statements concerning the Company's ability to continue as a going concern. The going concern assumption is predicated on the ability of the Company to complete a number of corporate finance assignments, the timing of which is not certain. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Christopher Taylor  
(Senior Statutory Auditor)

For and on behalf of  
Adler Shine LLP  
Chartered Accountants  
Aston House, Cornwall Avenue,  
London, N3 1LF  
18 May 2011

**FORD EAGLE GROUP LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 DECEMBER 2010**

	<u>Note</u>	<u>Year ended</u> <u>31/12/2010</u> £	<u>18/9/2009</u> <u>to 31/12/2009</u> £
TURNOVER	5	34,348	-
OTHER INCOME	6	8	696
ADMINISTRATIVE EXPENSES		(405,849)	(79,564)
FINANCE COST	7	<u>(970)</u>	<u>(16)</u>
LOSS BEFORE TAX	8	(372,463)	(78,884)
TAXATION	9	<u>-</u>	<u>-</u>
LOSS FOR THE YEAR/PERIOD		<u>(372,463)</u>	<u>(78,884)</u>
OTHER COMPREHENSIVE INCOME			
Exchange differences on translating foreign operations		<u>2,516</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR/PERIOD		<u>2,516</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD		<u>(369,947)</u>	<u>(78,884)</u>
BASIC AND DILUTED LOSS PER SHARE (PENCE)	10	<u>(13.67)</u>	<u>(5.26)</u>

The notes on pages 17 to 31 form an integral part of the financial statements.

**FORD EAGLE GROUP LIMITED**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**AS AT 31 DECEMBER 2010**

	<u>Note</u>	<u>As at</u> <u>31/12/2010</u> £	<u>As at</u> <u>31/12/2009</u> £
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	44,287	1,140
<b>CURRENT ASSETS</b>			
Trade and other receivables	14	11,273	77,600
Cash and cash equivalents	15	53,084	6,311
		<u>64,357</u>	<u>83,911</u>
<b>LESS: CURRENT LIABILITIES</b>			
Trade and other payables	16	24,668	3,383
<b>NET CURRENT ASSETS</b>		<u>39,689</u>	<u>80,528</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		83,976	81,668
<b>NON-CURRENT LIABILITIES</b>			
Loan from a related party	17	(64,864)	(10,552)
<b>NET ASSETS</b>		<u>19,112</u>	<u>71,116</u>
<b>REPRESENTING:-</b>			
SHARE CAPITAL	18	320,550	150,000
SHARE PREMIUM	19	147,393	-
FOREIGN CURRENCY TRANSLATION RESERVE	19	2,516	-
RETAINED EARNINGS	19	(451,347)	(78,884)
<b>SHAREHOLDERS' FUNDS</b>		<u>19,112</u>	<u>71,116</u>

These financial statements were approved by the Board on 18 May 2011 and signed on their behalf by:

\_\_\_\_\_  
Nicholas Littlewood  
Chairman

\_\_\_\_\_  
Wing Tak Jack Law  
Director

The notes on pages 17 to 31 form an integral part of the financial statements.

**FORD EAGLE GROUP LIMITED**

**COMPANY STATEMENT OF FINANCIAL POSITION**

**AS AT 31 DECEMBER 2010**

	<u>Note</u>	<u>As at</u> <u>31/12/2010</u> £	<u>As at</u> <u>31/12/2009</u> £
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	40,413	1,140
Investment in subsidiaries	12	40,000	-
Amounts due from subsidiaries	13	71,596	-
		<u>152,009</u>	<u>1,140</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	14	7,544	77,600
Cash and cash equivalents	15	13,497	6,311
		<u>21,041</u>	<u>83,911</u>
<b>LESS: CURRENT LIABILITIES</b>			
Trade and other payables	16	21,784	3,383
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>(743)</u>	<u>80,528</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		151,266	81,668
<b>NON-CURRENT LIABILITIES</b>			
Loan from a related party	17	(51,108)	(10,552)
<b>NET ASSETS</b>		<u>100,158</u>	<u>71,116</u>
<b>REPRESENTING:-</b>			
SHARE CAPITAL	18	320,550	150,000
SHARE PREMIUM	19	147,393	-
RETAINED EARNINGS	19	(367,785)	(78,884)
<b>SHAREHOLDERS' FUNDS</b>		<u>100,158</u>	<u>71,116</u>

The Company made a loss of £288,901 (period ended 31 December 2009: loss of £78,884).

These financial statements were approved by the Board on 18 May 2011 and signed on their behalf by:

\_\_\_\_\_  
Nicholas Littlewood  
Chairman

\_\_\_\_\_  
Wing Tak Jack Law  
Director

The notes on pages 17 to 31 form an integral part of the financial statements.



**FORD EAGLE GROUP LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 DECEMBER 2010**

	Share capital £	Accumulated losses £	Share premium £	Foreign currency translation reserve £	Total £
Issue of shares	150,000	-	-	-	150,000
Loss for the period	-	(78,884)	-	-	(78,884)
As at 31 December 2009	150,000	(78,884)	-	-	71,116
Issue of shares	170,550	-	147,393	-	317,943
Loss for the period	-	(372,463)	-	-	(372,463)
Other comprehensive income for the year	-	-	-	2,516	2,516
As at 31 December 2010	320,550	(451,347)	147,393	2,516	19,112

The notes on pages 17 to 31 form an integral part of the financial statements.

**FORD EAGLE GROUP LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 DECEMBER 2010**

	<u>Note</u>	<u>Year ended</u> <u>31/12/2010</u> £	<u>18/9/2009</u> <u>to 31/12/2009</u> £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax		(372,463)	(78,884)
Adjustments for:			
Depreciation	11	9,528	-
Impairment of goodwill	21	28,481	-
Interest received	6	(8)	-
Operating loss before working capital changes		(334,462)	(78,884)
Decrease/(increase) in trade and other receivables		68,828	(77,600)
Increase in trade and other payables		3,614	3,383
Net cash used in operating activities		<u>(262,020)</u>	<u>(153,101)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	6	8	-
Payment for purchase of property, plant and equipment		(49,796)	(1,140)
Acquisition of subsidiaries (net of cash and cash equivalent acquired)	20	<u>(3,704)</u>	<u>-</u>
Net cash used in investing activities		<u>(53,492)</u>	<u>(1,140)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Loan from a related party		54,312	10,552
Proceeds from issue of shares		<u>305,443</u>	<u>150,000</u>
Net cash from financing activities		<u>359,755</u>	<u>160,552</u>
INCREASE IN CASH AND CASH EQUIVALENTS		44,243	6,311
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR/PERIOD	15	6,311	-
EFFECT OF FOREIGN EXCHANGE RATES, NET		<u>2,530</u>	<u>-</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/PERIOD	15	<u><u>53,084</u></u>	<u><u>6,311</u></u>

The notes on pages 17 to 31 form an integral part of the financial statements.

**FORD EAGLE GROUP LIMITED**

**COMPANY STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 DECEMBER 2010**

	<u>Note</u>	<u>Year ended</u> <u>31/12/2010</u> £	<u>18/9/2009</u> <u>to 31/12/2009</u> £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax		(288,901)	(78,884)
Adjustments for:			
Depreciation	11	9,124	-
Impairment of investment		12,500	-
Operating loss before working capital changes		(267,277)	(78,884)
Decrease/(increase) in trade and other receivables		70,056	(77,600)
Increase in trade and other payables		18,401	3,383
Net cash used in operating activities		(178,820)	(153,101)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for purchase of property, plant and equipment		(48,397)	(1,140)
Advanced to subsidiaries		(71,596)	-
Acquisition of subsidiaries	20	(40,000)	-
Net cash used in investing activities		(159,993)	(1,140)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Loan from a related party		40,556	10,552
Proceeds from issue of shares		305,443	150,000
Net cash from financing activities		345,999	160,552
INCREASE IN CASH AND CASH EQUIVALENTS		7,186	6,311
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR/PERIOD	15	6,311	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/PERIOD	15	13,497	6,311

The notes on pages 17 to 31 form an integral part of the financial statements.

**1 GENERAL INFORMATION**

The Company, an exempted company limited by shares incorporated in the Cayman Islands on 18 September 2009, is a specialised advisory and investment firm. The address of its registered office is Cricket Square, Hutchins Dr, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is quoted on the PLUS Stock Exchange in the UK.

The Company and its subsidiaries (together the Group) provide advice to private companies on restructuring, mergers and acquisitions, as well as structuring and coordinating Initial Public Offerings and listings in major international equity markets.

**2 BASIS OF PREPARATION**

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

The consolidated financial statements were authorised for issue by the Board of Directors on 16 May 2011.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments at fair value through profit or loss are measured at fair value in the statement of financial position.

(c) Functional and presentation currency

These consolidated financial statements are presented in Sterling. The primary economic environment in which the Company operates is the People's Republic of China and its functional currency is Hong Kong dollar.

(d) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

At this stage in the Group's development there are no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial information.

**2 BASIS OF PREPARATION (CONTINUED)**

(e) Going concern

The financial statements have been prepared on the going concern basis, which assumes that the Company will be able to meet its liabilities as they fall due.

The Company's revenue is dependent to a large extent on the completion of corporate finance assignments, the timing of which is uncertain. Should the expected assignments not be completed the Company would need to obtain alternative finance. Although the directors are confident alternative finance will be made available to the Company, these conditions constitute a material uncertainty that may cast doubt about the Company's ability to continue as a going concern. The financial statements do not contain the adjustments that would result if the Company were unable to continue as a going concern.

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries and subsidiary undertakings). Control is achieved where the Company has the power to govern the financial and operating policies of a portfolio company 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 or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

**3.2 Segment reporting**

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

The Directors are of the opinion that the Group is engaged in a single segment of business being providing advisory services in one geographical area being People's Republic of China. Accordingly, no segmental analysis is considered necessary.

**3.3 Income**

Management consultancy service fee is recognised on appropriate basis over the relevant period in which the services are rendered.

Interest income is recognised using the effective interest method.

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

3.4 Expenses

All expenses are accrued for on an accruals basis and are presented as revenue items except for expenses that are incidental to the disposal of an investment which are deducted from the disposal proceeds.

3.5 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

- (a) Current income tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.
- (b) Deferred income tax

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

3.6 Foreign currency transactions

Transactions and balances

Transactions in other currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into Sterling at foreign exchange rates ruling at the dates the fair value was determined.

3.7 Financial instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of a financial instrument. Financial assets and financial liabilities are offset if there is a legally enforceable right to set off the recognised amounts and interests and it is intended to settle on a net basis.

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3.8 Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses if any. Depreciation is provided in order to write off each asset over its estimated useful life as follows:

Motor vehicle	25% straight-line
Furniture, fixtures and equipment	10% straight-line

**3.9 Investments**

Investments in entities over which the Group has control are consolidated in accordance with IAS 27.

**3.10 Trade and other receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

**3.11 Financial liabilities and equity**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangement entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Financial liabilities and equity instruments are recorded at the proceeds received, net of issue costs.

**3.12 Provisions**

A provision is recognised in the statement of financial position when the Company has a present legal or constructive 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 the obligation can be reliably measured. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

**3.13 Dividend distribution**

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved.

**3.14 Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

3.15 Interest expense

Interest expenses for borrowings are recognised within "finance costs" in the statement of comprehensive income using the effective interest rate method.

3.16 Future changes in accounting policies

IASB (International Accounting Standards Board) and IFRIC (International Financial Reporting Interpretations Committee) have issued the following standards and interpretations with an effective date after the date of these financial statements:

<u>New/Revised International Financial Reporting Standards (IAS/IFRS)</u>	<u>Effective date (accounting periods commencing on or after)</u>
Amendments to IFRS 1 Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters	1 July 2010
Amendments to IFRS 7 Disclosures - Transfers of Financial Assets	1 July 2011
IFRS 9 (as amended in 2010) Financial Instruments	1 January 2013
IAS 24 (revised in 2009) Related Party Disclosures	1 January 2011
Amendments to IAS 32 Classification of Rights Issues	1 February 2010
Amendments to IFRIC 14 Prepayments of a Minimum Funding Requirement	1 January 2011
IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2010

The Directors do not expect the adoption of the standards and interpretations to have a material impact on the Group's financial statements in the period of initial application.

**4 FINANCIAL RISK MANAGEMENT**

The Group's activities expose it to a variety of financial risks: market risk (including currency risk), credit risk, liquidity risk and cash flow interest rate risk.

Risk management is carried out by the Board of Directors.

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Hong Kong dollars and Renminbi. Foreign exchange risk arises from future commercial transactions, recognised monetary assets and liabilities and net investments in foreign operations.

Net liabilities denominated in Hong Kong dollar and Renminbi at the year end amounted to £12,623 (2009: net liabilities of £7,363), representing the Group's investments in China Companies.

At 31 December 2010, had the exchange rate between the Hong Kong dollar, Renminbi and Sterling increased or decreased by 10% with all other variables held constant, the increase or decrease respectively in net assets/liabilities would amount to approximately £1,148 (2009: £669).



**4 FINANCIAL RISK MANAGEMENT (CONTINUED)**

(a) Market risk (Continued)

(ii) Cash flow and fair value interest rate risk and sensitivity

The Group's cash and cash equivalents are invested at short-term market interest rates. There are no other financial assets and liabilities which are interest bearing. The Group is therefore not subject to significant cash flow or fair value interest rate risk and therefore a sensitivity analysis has not been provided.

(b) Credit risk

The Group has no significant concentrations of credit risk. Credit risk arises on cash balances and debtor balances. Cash transactions are limited to high-credit-quality financial institutions.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company aims to maintain flexibility in funding.

**5 TURNOVER**

Turnover represents the net amount received and receivable for services rendered to customers.

**6 OTHER INCOME**

	Year ended 31/12/2010 £	18/9/2009 to 31/12/2009 £
Bank interest income	8	-
Exchange gain	-	696
	<u>          </u>	<u>          </u>

**7 FINANCE COST**

	Year ended 31/12/2010 £	18/9/2009 to 31/12/2009 £
Bank charges	970	16
	<u>          </u>	<u>          </u>

**FORD EAGLE GROUP LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

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**8 LOSS BEFORE TAX**

Loss before tax is stated after charging:	Year ended 31/12/2010 £	18/9/2009 to 31/12/2009 £
Audit fees	10,409	-
Commission paid	7,310	-
Depreciation	9,528	-
Impairment of goodwill	28,481	-
Legal and professional fees	82,920	21,540
Staff cost:		
- Mandatory provident fund contributions	989	-
- Salaries and allowances	124,479	45,850
Rental expenses	51,941	-
Travel and hotels	33,777	-

\* Audit fees represent auditor's remuneration for work undertaken in connection with the statutory audit of the Group's financial statements. The Group's auditors charged £ 8,000 for the provision of transaction related services in the year end 31 December 2010 (2009: £3,000).

**9 TAXATION**

Due to tax losses there was no corporation tax payable for the year (period ended 31 December 2009: £Nil).

**10 LOSS PER SHARE**

Basic loss per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares outstanding during the year.

	Year ended 31 December 2010	Period ended 31 December 2009
Loss attributable to shareholders	(372,463)	(78,884)
Weighted average number of ordinary shares in issue	2,723,958	1,500,000
Basic and diluted loss per share (pence)	<u>(13.67)</u>	<u>(5.26)</u>

There is no difference between basic and diluted loss per share.

**FORD EAGLE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**11 PROPERTY, PLANT AND EQUIPMENT**

	<b>The Group</b>		
	<u>Motor vehicle</u> £	<u>Furniture, fixtures and equipment</u> £	<u>Total</u> £
<u>At Cost</u>			
Additions and as at 31 December 2009	-	1,140	1,140
Additions	28,099	21,697	49,796
Acquisition of subsidiary	-	21,172	21,172
Exchange differences	-	(78)	(78)
As at 31 December 2010	<u>28,099</u>	<u>43,931</u>	<u>72,030</u>
<u>Aggregate Depreciation</u>			
Charges for the period and as at 31 December 2009	-	-	-
Charge for the year	7,024	2,504	9,528
Acquisition of subsidiary	-	18,279	18,279
Exchange differences	-	(64)	(64)
As at 31 December 2010	<u>7,024</u>	<u>20,719</u>	<u>27,743</u>
<u>Net Carrying Amount</u>			
As at 31 December 2010	<u>21,075</u>	<u>23,212</u>	<u>44,287</u>
As at 31 December 2009	<u>-</u>	<u>1,140</u>	<u>1,140</u>
<b>The Company</b>			
	<u>Motor vehicle</u> £	<u>Furniture, fixtures and equipment</u> £	<u>Total</u> £
<u>At Cost</u>			
Additions and as at 31 December 2009	-	1,140	1,140
Additions	28,099	20,298	48,397
As at 31 December 2010	<u>28,099</u>	<u>21,438</u>	<u>49,537</u>
<u>Aggregate Depreciation</u>			
Charges for the period and as at 31 December 2009	-	-	-
Charge for the year	7,024	2,100	9,124
As at 31 December 2010	<u>7,024</u>	<u>2,100</u>	<u>9,124</u>
<u>Net Carrying Amount</u>			
As at 31 December 2010	<u>21,075</u>	<u>19,338</u>	<u>40,413</u>
As at 31 December 2009	<u>-</u>	<u>1,140</u>	<u>1,140</u>

**FORD EAGLE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**12 INVESTMENTS IN SUBSIDIARIES**

	<b>The Company</b>	
	As at 31/12/2010	As at 31/12/2009
	£	£
Unlisted shares, at cost	52,500	-
Less: Impairment of investments	(12,500)	-
	<u>40,000</u>	<u>-</u>

Particulars of subsidiaries held by the Company as at 31 December 2010 are as follows:-

<u>Name of company</u>	<u>Place of incorporation /operation</u>	<u>Particulars of paid up capital</u>	<u>Principal activity</u>	<u>Percentage of equity held</u>	
				<u>Direct</u>	<u>Indirect</u>
China Consultants Limited	England and Wales	£100	Dormant	100%	-
Ford Eagle Capital Limited	Hong Kong	HK\$500,000	Management consultancy services	100%	-
Ford Eagle Investment Consulting (Shenzhen) Limited	PRC	RMB100,000	Management consultancy services	-	100%

**13 AMOUNTS DUE FROM SUBSIDIARIES**

	<b>The Company</b>	
	As at 31/12/2010	As at 31/12/2009
	£	£
Ford Eagle Capital Limited	56,000	-
Ford Eagle Investment Consulting (Shenzhen) Limited	15,596	-
	<u>71,596</u>	<u>-</u>

The amounts due are interest free, unsecured and have no fixed term of repayment.

**14 TRADE AND OTHER RECEIVABLES**

	<b>The Group</b>		<b>The Company</b>	
	As at 31/12/2010	As at 31/12/2009	As at 31/12/2010	As at 31/12/2009
	£	£	£	£
Rental deposits paid	7,544	-	7,544	-
Prepayment	3,702	-	-	-
Sundry receivables	27	77,600	-	77,600
	<u>11,273</u>	<u>77,600</u>	<u>7,544</u>	<u>77,600</u>

**FORD EAGLE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**15 CASH AND CASH EQUIVALENTS**

	<b>The Group</b>		<b>The Company</b>	
	As at 31/12/2010	As at 31/12/2009	As at 31/12/2010	As at 31/12/2009
	£	£	£	£
Cash at bank and on hand	53,084	6,311	13,497	6,311

**16 TRADE AND OTHER PAYABLES**

	<b>The Group</b>		<b>The Company</b>	
	As at 31/12/2010	As at 31/12/2009	As at 31/12/2010	As at 31/12/2009
	£	£	£	£
Accruals	24,668	3,383	21,784	3,383
	24,668	3,383	21,784	3,383

**17 AMOUNT DUE TO A RELATED PARTY**

	<b>The Group</b>		<b>The Company</b>	
	As at 31/12/2010	As at 31/12/2009	As at 31/12/2010	As at 31/12/2009
	£	£	£	£
Director Law Wing Tak Jack	64,864	10,552	51,108	10,552
	64,864	10,552	51,108	10,552

The loan is interest free, unsecured and has no fixed term of repayment.

**18 SHARE CAPITAL**

	As at 31/12/2010	As at 31/12/2009
	£	£
Authorised:		
10,000,000 shares of 10p each	1,000,000	1,000,000
Issued and fully paid:		
At the beginning of the year/period		
1,500,000 shares of 10p each	150,000	-
Increase during the year/period		
1,705,500 shares of 10p each (31-12-2010: 1,500,000)	170,550	150,000
At the end of the year/period		
3,205,500 shares of 10p each (31-12-2010: 1,500,000)	320,550	150,000

**18 SHARE CAPITAL (CONTINUED)**

On 27 January 2010, the Company issued 1,000,000 Ordinary Shares of 10 pence each for cash at 10 pence per share.

On 27 January 2010, the Company allotted 125,000 Ordinary Shares of 10 pence each, at par, to shareholders of Axiom Capital Limited, in consideration for the proposed acquisition of China Consultants Limited ("CC"). CC was incorporated on 10 February 2010 and it has allotted 100 shares of £1 each. Apart from the allotment of shares, CC has not traded since incorporation. The share transfer was completed on 15 March 2010.

On 23 February 2010, the Company issued 75,000 Ordinary Shares of 10 pence each for cash at 25 pence per share.

On 9 March 2010, the Company issued 75,000 Ordinary Shares of 10 pence each for cash at 25 pence per share.

On 12 March 2010, the Company issued 200,000 Ordinary Shares of 10 pence each for cash at 40 pence per share.

On 20 March 2010, the Company issued 25,000 Ordinary Shares of 10 pence each for cash at 50 pence per share.

On 3 August 2010, the Company issued 177,500 Ordinary Shares of 10 pence each for cash at 45 pence per share.

On 20 August 2010, the Company issued 28,000 Ordinary Shares of 10 pence each for cash at 45 pence per share.

**Capital management**

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board manages the Group's affairs to achieve shareholder returns through capital growth and income.

Group capital comprises share capital and reserves.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

**FORD EAGLE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**19 RESERVES**

	<b>The Group</b>			
	<u>Accumulated</u>	<u>Share</u>	<u>Foreign currency</u>	<u>Total</u>
	<u>losses</u>	<u>premium</u>	<u>translation reserve</u>	<u>£</u>
	£	£	£	£
Loss for the period	(78,884)	-	-	(78,884)
As at 31 December 2009	(78,884)	-	-	(78,884)
Issue of shares		147,393	-	147,393
Loss for the year	(372,463)	-	-	(372,463)
Other comprehensive income for the year	-	-	2,516	2,516
As at 31 December 2010	<u>(451,347)</u>	<u>147,393</u>	<u>2,516</u>	<u>(301,438)</u>

	<b>The Company</b>		
	<u>Accumulated</u>	<u>Share</u>	<u>Total</u>
	<u>losses</u>	<u>premium</u>	<u>£</u>
	£	£	£
Loss for the period	(78,884)	-	(78,884)
As at 31 December 2009	(78,884)	-	(78,884)
Issue of shares		147,393	147,393
Loss for the year	(288,901)	-	(288,901)
As at 31 December 2010	<u>(367,785)</u>	<u>147,393</u>	<u>(220,392)</u>

**20 ACQUISITION OF SUBSIDIARIES**

On 15 March 2010, The Group acquired a 100% equity interest in China Consultants Limited at a consideration of £12,500. China Consultants Limited has not traded since incorporation.

Details of the net assets acquired and goodwill are as follows:

	As at 15/3/2010 £
Total purchase consideration	12,500
Net assets acquired	-
Goodwill	<u>12,500</u>
Net cash inflow arising on acquisition:	
Equity instruments (125,000 ordinary shares)	<u>(12,500)</u>
	(12,500)
Add: Settled by equity instruments	<u>12,500</u>
Net outflow	<u>-</u>

## FORD EAGLE GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

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#### 20 ACQUISITION OF SUBSIDIARIES (CONTINUED)

On 25 August 2010, the Group acquired a 100% equity interest in Ford Eagle Capital Limited at a consideration of £40,000. Ford Eagle Capital Limited is principally engaged in provision of management consultancy services.

Details of the net assets acquired and goodwill are as follows:

	As at <u>25/8/2010</u> £
Total purchase consideration	40,000
Net assets acquired	<u>(24,019)</u>
Goodwill	<u><u>15,981</u></u>

The assets and liabilities arising from the acquisition are as follows:

Property, plant and equipment	2,893
Other receivable	2,501
Other payable and accruals	(17,671)
Bank balances and cash	<u>36,296</u>
Net assets attributed to the Group acquired	<u><u>24,019</u></u>

Net cash inflow arising on acquisition:	
Bank balances and cash in subsidiary acquired	36,296
Cash consideration	<u>(40,000)</u>
Net outflow	<u><u>(3,704)</u></u>

Included in the loss for the year is a loss of £32,814 attributable to the additional business generated by Ford Eagle Capital Limited. Revenue for the period includes £Nil in respect of Ford Eagle Capital Limited.

Had Ford Eagle Capital Limited been consolidated from 1 January 2010, the consolidated statement of comprehensive income would show revenue of £35,276 and a loss of £206,088.



# FORD EAGLE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 21 GOODWILL

	£
<u>Cost</u>	
At 1 January 2010	-
Acquisition of subsidiaries (Note 20)	28,481
At 31 December 2010	<u>28,481</u>
<u>Accumulated impairment loss</u>	
At 1 January 2010	-
Impairment loss	28,481
At 31 December 2010	<u>28,481</u>
<u>Net carrying amount</u>	
At 31 December 2010	<u>-</u>
At 31 December 2009	<u>-</u>

### 22 DIRECTORS' REMUNERATION AND DIRECTORS' INTERESTS

The Directors had the following interests in the shares of the Company at 31 December 2010 and 2009:

#### Directly and indirectly held by the Directors

Andrew Pawley	-	Ordinary Shares
Chi Ming Wallace Tse	267,500	Ordinary Shares
Garry Alides Willinge	-	Ordinary Shares
Man Sang Eric Tsang	-	Ordinary Shares
Nicholas Littlewood	223,750	Ordinary Shares
Wing Sang Wilson Hui	140,000	Ordinary Shares
Wing Tak Jack Law	<u>1,610,000</u>	Ordinary Shares

Details of the Directors annual remuneration are as follows:

	Year ended <u>31 December 2010</u>	Period ended <u>31 December 2009</u>
	£	£
Andrew Pawley	3,600	-
Chi Ming Wallace Tse	11,040	-
Garry Alides Willinge	3,600	-
Man Sang Eric Tsang	2,000	-
Nicholas Littlewood	22,800	16,800
Wing Sang Wilson Hui	4,400	-
Wing Tak Jack Law	<u>38,657</u>	<u>28,000</u>
	<u>86,097</u>	<u>44,800</u>

All Directors shall retire from office by rotation and retiring Directors shall be eligible for re-election in the forthcoming Annual General Meeting.

NOTES TO THE FINANCIAL STATEMENTS

**23 COMMITMENTS**

As at 31 December 2010 the Group had capital commitments in respect of capital expenditures contracted for at the statement of financial position date but not yet incurred.

	As at 31/12/2010	As at 31/12/2009
	£	£
Capital contribution to its subsidiary in China	87,986	-

**24 RELATED PARTY TRANSACTIONS**

Related parties and material related party transactions and balances and other transactions with affiliates, including fees, commissions, no charge transactions, purchases and sales and related amounts receivable or payable must be disclosed.

As defined in International Accounting Standard 24, Related Party Disclosures, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related party transactions are transfers of resources or obligations between related parties, regardless of whether a price is charged.

Details of loan from a related party are disclosed in note 17.

**25 COMPARATIVE FIGURES**

The comparative figures are for the period from 18 September 2009 (date of incorporation) to 31 December 2009.

**26 NET ASSET VALUATION (NAV)**

The NAV per share is calculated by dividing the net assets attributable to the equity holders of the Company at the end of the period by the number of shares in issue.

	As at 31/12/2010	As at 31/12/2009
	£	£
Net assets	19,112	71,116
Number of shares in issue	3,205,500	1,500,000
NAV per share	£0.01	£0.05

**27 WARRANTS**

The Company has issued 150,000 warrants which are exercisable at 21 pence per share up to 1 August 2015.

**28 SUBSEQUENT EVENTS**

In January 2011 the Company received a loan of HKD900,000 (approximately £73,000) from a shareholder. The loan is interest free and has no fixed term of repayment.