✦ ANNUAL REPORT 2013 ✦

Well Way Group Limited

(Formerly known as "Trasy Gold Ex Limited")

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8063

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

This report, for which the directors (the "Directors") of Well Way Group Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Tang Chi Ming
Mr. Tse Ke Li

Independent Non-executive Directors

Mr. Chung Koon Yan
Ms. Chan Ling, Eva
Mr. Lam Ka Wai, Graham

COMPLIANCE OFFICER

Mr. Tse Ke Li

COMPANY SECRETARY

Mr. Tse Kam Fai

AUDIT COMMITTEE

Mr. Chung Koon Yan *(Committee Chairman)*
Ms. Chan Ling, Eva
Mr. Lam Ka Wai, Graham

REMUNERATION COMMITTEE

Mr. Chung Koon Yan *(Committee Chairman)*
Mr. Tang Chi Ming
Ms. Chan Ling, Eva
Mr. Lam Ka Wai, Graham

NOMINATION COMMITTEE

Ms. Chan Ling, Eva *(Committee Chairman)*
Mr. Tang Chi Ming
Mr. Chung Koon Yan

CORPORATE GOVERNANCE COMMITTEE

Mr. Tang Chi Ming *(Committee Chairman)*
Ms. Cheung Sze Man
Mr. Tse Kam Fai

AUTHORIZED REPRESENTATIVES

Mr. Tse Ke Li
Mr. Tse Kam Fai

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units 906–07, 9th Floor, Paul Y. Centre
51 Hung To Road, Kwun Tong
Kowloon, Hong Kong

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

WEBSITE

www.wellwaygp.com

STOCK CODE

8063

RESULTS

For the year ended 31 December

	2013 HK$'000	2012 HK$'000	2011 HK$'000	2010 HK$'000 (Note)	2009 HK$'000 (Note)
Revenue	**52,516**	58,108	63,001	10,823	8,359
Other income	**3,876**	6,040	5,530	7,139	6,711
Precious metal used	**—**	(2,435)	(9,897)	(10,643)	(8,195)
Net (loss)/gain on investments held for trading	**—**	—	(170)	548	(1,588)
Staff costs	**(39,057)**	(39,502)	(28,735)	(5,559)	(5,556)
Depreciation and amortization expenses	**(12,944)**	(13,855)	(8,704)	(817)	(690)
Share-based payments`	**—**	—	(2,783)	—	(4)
Impairment loss on goodwill	**(25,000)**	(24,000)	—	—	—
Other expenses	**(17,287)**	(16,960)	(15,918)	(5,187)	(5,795)
Share of profit of a joint venture	**1,100**	—	—	—	—
Finance costs	**—**	—	(1)	(88)	(360)
(Loss)/profit before taxation	**(36,796)**	(32,604)	2,323	(3,784)	(7,118)
Taxation	**(173)**	(981)	(2,496)	—	—
Loss for the year	**(36,969)**	(33,585)	(173)	(3,784)	(7,118)
Loss per share *(in HK cents)*	**(26.88)**	(26.88)	(0.14)	(3.16)	(5.94)

Note: As a result of changes in presentation format of the consolidated statement of profit or loss and other comprehensive income, the figures in 2010 and 2009 have been reclassified to conform to the current year's presentation.

ASSETS AND LIABILITIES

As at 31 December

	2013 HK$'000	2012 HK$'000	2011 HK$'000	2010 HK$'000	2009 HK$'000
Total assets	**362,440**	385,862	408,890	344,379	352,269
Total liabilities	**(86,149)**	(65,007)	(67,899)	(4,087)	(8,193)
Equity attributable to owner of the Company	**276,291**	320,855	340,991	340,292	344,076

Management Discussion and Analysis

FINANCIAL REVIEW

Well Way Group Limited (the "Company") and its subsidiaries (collectively, the "Group") recorded a loss attributable to owners of the Company of HK$36,969,000 for the year ended 31 December 2013 (for the year ended 31 December 2012: HK$33,585,000), representing basic loss per share of HK 29.59 cents (for the year ended 31 December 2012: HK 26.88 cents).

CHANGE OF COMPANY NAME

The special resolution regarding change of company name from "Trasy Gold Ex Limited" to "Well Way Group Limited" and the dual foreign name from "卓施金網有限公司" to "和滙集團有限公司" was passed at the annual general meeting held on 29 May 2013. The board of Directors ("Board") considers that the change of company name provided the Company with a new corporate image and to reflect the Company's strategy to diversify the business of the Group. The Board further believes that the new company name can provide the Company with a fresh identity and image which will benefit the Company's future business development and is in the interest of the Company and its shareholders as a whole.

ACQUISITION AND DISPOSAL DURING THE YEAR

On 30 July 2013, Jade Emperor International Limited ("Jade Emperor"), an indirect wholly-owned subsidiary of the Company, entered into a venture participation agreement (the "Participation Agreement") with Matrix Triumph Sdn. Bhd. ("MTSB") and Discover Orient Holidays Sdn. Bhd. ("DOH") for participation and involvement in the business being conducted by DOH at a cash consideration of HK$14 million. Pursuant to the terms of the Participation Agreement, DOH shall pay to Jade Emperor a management fee which is equivalent to 90% of the profit before taxation of DOH. MTSB unconditionally and irrevocably guaranteed to Jade Emperor that the profit before taxation for the three financial years commencing from the financial year ended 31 December 2013 shall be no less than one million Malaysian Ringgit for each financial year. DOH engages principally in the business of operating as tours and travel agents in Malaysia.

In addition to the Participation Agreement, MTSB and Jade Emperor also entered into an option agreement on the same day, pursuant to which MTSB granted a call option to Jade Emperor to acquire the entire issued share capital in DOH at a price to be agreed by the parties with reference to profit before taxation of DOH or such comparables at the time of exercise of the option. In the opinion of the Directors, in the view of the price of the call option will be at market value on a mutually agreed basis by the parties at the time of exercise of the option, and therefore the value of the call option has no material financial impact to the Group.

Based on the management accounts of DOH, its unaudited profit before taxation for the year ended 31 December 2013 was not less than one million Malaysian Ringgit and post-acquisition portion shared by the Group amounted HK$1,100,000, which is recognised in the statement of profit or loss and other comprehensive income under the caption "share of profit of a joint venture".

The transaction was completed on 31 August 2013 and details of the transaction was disclosed in the Company's announcement dated 30 July 2013.

Besides, on 15 November 2013, Wing Shing Loong Goldsmith & Refinery Co. Limited ("WSL"), an indirect wholly-owned subsidiary of the Company, entered into an agreement with a purchaser, pursuant to which WSL conditionally agreed to sell and the purchaser conditionally agreed to purchase the ordinary membership of The Chinese Gold & Silver Exchange Society (including the gold bullion group) and 136,000 unlisted shares of Hong Kong Precious Metals Exchange Limited ("Disposal") at a consideration of HK$12.7 million. The Disposal is expected to result in a gain of approximately HK$12.2 million, to be recognised upon the completion of the Disposal.

The Disposal was completed on 18 February 2014. Details of the Disposal was disclosed in the Company's announcement dated 15 November 2013.

Saved as disclosed above, the Group neither had any significant acquisition nor disposal of investment during the year ended 31 December 2013.

REVENUE AND PROFITABILITY

For the year ended 31 December 2013, the consolidated revenue of the Group amounted to HK$52,516,000, representing a 9.6% decrease compared to HK$58,108,000 for the year ended 31 December 2012.

The revenue arising from travel business consists of agency commission and service income (both from customers and suppliers) generated from the provision of travel related products and services, including airtickets, hotel rooms, Free Independent Traveler ("FIT") packages and ground transportation handling services.

Corporate customers are business travelers who require travel products and services for their travel purposes. Wholesale customers are usually travel services providers who purchase airtickets, hotel rooms, FIT packages and other travel related products. Meetings, Incentives, Conventions and Exhibitions ("MICE") customers refer to customers who are mainly corporate customers, convention organizers and special projects organizers who require one stop professional MICE/special project/event management services.

Other income

Other income for the year ended 31 December 2013 amounted to HK$3,876,000 representing a 35.8% decrease compared to HK$6,040,000 for the year ended 31 December 2012. The decrease mainly represented the decrease in incentive received from a global distribution system provider.

Expenditure

For the year ended 31 December 2013, staff costs amounted to HK$39,057,000 (for the year ended 31 December 2012: HK$39,502,000). Depreciation and amortization expenses for the year amounted to HK$12,944,000 (for the year ended 31 December 2012: HK$13,855,000).

LIQUIDITY AND FINANCIAL RESOURCES

The Group still maintained a strong and healthy balance sheet during the year. As at 31 December 2013, the working capital, calculated by current assets less current liabilities, of the Group was of HK$166,784,000 compared to HK$187,006,000 for last year.

As at 31 December 2013, the Group's current ratio was 3.4 times (as at 31 December 2012: 5.0 times), calculated by current assets of HK$236,765,000 (31 December 2012: HK$233,697,000) divided by current liabilities of HK$69,981,000 (31 December 2012: HK$46,691,000) and the gearing ratio is zero as at 31 December 2013 and 2012.

During the year, net cash generated from operating activities amounted to HK$11,000,000 compared to net cash used in operating activities of HK$16,662,000 for last year.

Net cash used in investing activities for the year was HK$14,136,000 (for the year ended 31 December 2012: HK$4,416,000). The amount for this year mainly represented the cash consideration paid for the acquisition of a joint venture, DOH.

As a result, cash and cash equivalents of the Group as at 31 December 2013 was HK$95,705,000, compared with HK$99,067,000 as at 31 December 2012.

EXCHANGE RATE RISK

Foreign currency transactions have been translated into the functional currencies using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies were recognized in the income statements.

In the event of fluctuating foreign exchange rates, there is a risk exposure to that settlement of payment for customers and suppliers may not be reconciled. The exposed amount of foreign currencies would be monitored regularly, forward contracts would be entered into for hedging the risks if considered necessary.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2013, the total number of employees of the Group was 109.

The Group fixes and reviews the emoluments of its directors and staff based on the qualification, experience, performance and the market rates from time to time so as to maintain the remunerations of the directors and staff at a competitive level. Salary increment is normally approved annually or by special adjustment depending on length of services and individual performance. In addition to salaries, the Group provides employee benefits such as medical insurance and provident funds. Moreover, discretionary bonus and share options will be paid or granted to employees based on the Group's and individual performances.

The Company terminated the old share option scheme (the "Old Scheme") and adopted a new share option scheme ("2011 Scheme") at the annual general meeting of the Company held on 19 May 2011. Under both schemes, the directors of the Company may, at their discretion, grant options to eligible participants which enable them to subscribe for shares in aggregate not exceeding 30% of the shares in issue of the Company from time to time (including shares which have been allotted and issued pursuant to any other share option scheme). No share options had been granted, lapsed or exercised during the year. As at 31 December 2013, 2,250,000 share options were outstanding.

The Group makes contributions to the Central Provident Fund Scheme in Singapore and the mandatory provident fund in Hong Kong for all qualifying employees in accordance with the statutory requirements in both territories.

PLEDGE OF ASSETS

At 31 December 2013, trade receivables amounting to Singapore Dollar ("S$") 21,603,000 (equivalent to approximately HK$132,208,000) (31 December 2012: HK$99,355,000) have been pledged to banks by way of a floating charge. The banks have provided performance guarantees to a subsidiary of the Company amounting to approximately S$13,500,000 (equivalent to approximately HK$82,617,000) (2012: S$14,000,000 (equivalent to approximately HK$107,742,000)) of which the amounts utilized as at 31 December 2013 were approximately S$4,029,000 (equivalent to approximately HK$24,654,000) (31 December 2012: S$7,793,000 (equivalent to approximately HK$49,390,000)). The performance guarantees have been given in favour to international airlines.

FUTURE BUSINESS STRATEGIES

In order to maintain the Group's sustainability and preservation of value over the longer term, the Group will continue to look for suitable investment opportunities and projects in other areas characterized by stable cash inflows.

CONTINGENT LIABILITIES

As at 31 December 2013, the Group had no material contingent liabilities.

SUBSEQUENT EVENTS

On 11 February 2014, the Company completed the placing of 24,986,000 new shares under the general mandate (pursuant to an ordinary resolution passed at the Company's annual general meeting on 29 May 2013) to not less than six placees at the placing price of HK$1.00 per placing share. The net proceeds from the placing, after deducting the placing commission and other related expenses payable by the Company, were approximately HK$24.14 million, subsequently used as general working capital and for future potential investment opportunities of the Group. Details of the placing was disclosed in the Company's announcements dated 22 January 2014, 24 January 2014, 30 January 2014 and 11 February 2014.

Saved as disclosed above, there have been no matters that have occurred subsequent to the year-end date which have significantly affected, or may significantly affect the Group's operation, results or state of affairs as at 31 December 2013.

EXECUTIVE DIRECTORS

Mr. Tang Chi Ming, aged 41, was appointed as an executive Director of the Company on 7 December 2007. He is a director of various subsidiaries of the Company, and also the chairman of the Corporate Governance Committee (the "CG Committee") and a member of the Remuneration Committee (the "Remuneration Committee") and the Nomination Committee (the "Nomination Committee") of the Company. He holds a Bachelor of Science degree in Business Administration from the Salem International University, the United States of America. Mr. Tang has developed considerable experience in corporate management, information technology consulting, and property and securities investments by serving key position and directorship in private enterprises. Mr. Tang did not hold any directorship in other listed public companies in the past three years.

Mr. Tang has not entered into any service contract with the Company or its subsidiaries. There is no agreement between the Company or its subsidiaries and Mr. Tang in respect of the proposed length of service or prior notice to be given by either party for termination of service with regard to his engagement as an executive Director. He is subject to retirement by rotation at least once every three years and in accordance with the Articles of Association of the Company (the "Articles"). Mr. Tang is entitled to a director's fee of HK$240,000 per annum which is determined with reference to the recommendation of the Remuneration Committee and the prevailing market conditions. He is also entitled to any discretionary bonus which shall be determined by reference to comments of the Remuneration Committee. He does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company. He is interested in 1,150,000 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO").

Mr. Tse Ke Li, aged 57, was appointed as an executive Director of the Company on 26 October 2007. He is also the Compliance Officer of the Company and a director of several subsidiaries of the Company. Mr. Tse has over 10 years' business management experience in a food and beverage company in Canada and investment experience in automobile trading in Canada. He also has several years' experience in property investment and trading. He specializes in marketing and business development. Mr. Tse did not hold any directorship in other listed public companies in the past three years.

Mr. Tse has not entered into any service contract with the Company or its subsidiaries. There is no agreement between the Company or its subsidiaries and Mr. Tse in respect of the proposed length of service or prior notice to be given by either party for termination of service with regard to his engagement as an executive Director. He is subject to retirement by rotation at least once every three years and in accordance with the Articles. Mr. Tse is entitled to a director's fee of HK$360,000 per annum which is determined with reference to the recommendation of the Remuneration Committee and the prevailing market conditions. He is also entitled to any discretionary bonus which shall be determined by reference to comments of the Remuneration Committee. He does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company. He is interested in 1,150,000 shares of the Company within the meaning of Part XV of the SFO.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chung Koon Yan, aged 50, was appointed as an independent non-executive Director of the Company on 20 January 2006. He is also the chairmen of the audit committee of the Company (the "Audit Committee") and the Remuneration Committee and a member of the Nomination Committee. Mr. Chung is a fellow member of The Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants, and a member of The Institute of Chartered Accountants in England and Wales. He graduated from The Hong Kong Polytechnic University with a Master of Professional Accounting. Mr. Chung is a director of Chiu, Choy & Chung C.P.A Limited, and has more than 22 years' experience in accounting, auditing and taxation. Mr. Chung is currently an independent non-executive director of each of Asian Citrus Holdings Limited (stock code: 73), a company whose shares are listed on the Main Board of the Stock Exchange and AIM market of the London Stock Exchange, and Great World Company Holdings Ltd (stock code: 8003), a company whose shares are listed on the GEM. He had been an independent non-executive director of China Financial Leasing Group Limited (stock code: 2312), up to 18 January 2013 and an independent non-executive director of Shenzhen High-Tech Holdings Limited (now known as "Landsea Green Properties Co., Ltd.") (stock code: 106), up to 31 July 2013, both companies whose shares are listed on the Main Board of the Stock Exchange. Save as aforesaid, Mr. Chung did not hold any directorship in other listed public companies in the past three years.

Mr. Chung has not entered into any service contract with the Company. There is no agreement between the Company and Mr. Chung in respect of the proposed length of service or prior notice to be given by either party for termination of service with regard to his engagement as an independent non-executive Director. He is subject to retirement by rotation at least once every three years and in accordance with the Articles. Mr. Chung is entitled to a director's fee of HK$120,000 per annum which is determined with reference to the recommendation of the Remuneration Committee and the prevailing market conditions. Apart from the above, he will not be entitled to any discretionary bonus payment. He does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company. He is interested in the share options of the Company exercisable into 300,000 shares of the Company within the meaning of Part XV of the SFO.

Ms. Chan Ling, Eva, aged 48 was appointed as an independent non-executive Director of the Company on 16 November 2007. She is also the chairman of the Nomination Committee and a member of the Audit Committee and the Remuneration Committee. She has over 25 years of experience in auditing, accounting and finance in both international accounting firms and listed companies. She is a member of the Institute of Chartered Accountants in Australia, a fellow member of the Association of Chartered Certified Accountants and also a practicing member of the Hong Kong Institute of Certified Public Accountants. Ms. Chan is the managing director of Rosedale Hotel Holdings Limited and an executive director of China Strategic Holdings Limited, both companies' shares are listed on the Stock Exchange. She is also the deputy chairman of China Enterprises Limited (which shares are trading on the over-the-counter (OTC) securities markets in the United States) and a director of MRI Holdings Limited which shares were previously listed on the Australian Securities Exchange. The recommendation by the directors of MRI Holdings Limited to return the assets to its shareholders by way of members' voluntary liquidation was approved by its shareholders on 29 April 2010. Save as aforesaid, Ms. Chan did not hold any directorship in other listed public companies in the past three years.

Ms. Chan has not entered into any service contract with the Company or its subsidiaries. There is no agreement between the Company or its subsidiaries and Ms. Chan in respect of the proposed length of service or prior notice to be given by either party for termination of service with regard to her engagement as an independent non-executive Director. She is subject to retirement by rotation at least once every three years and in accordance with the Articles. Ms. Chan is entitled to a director's fee of HK$120,000 per annum which is determined with reference to the recommendation of the Remuneration Committee and the prevailing market conditions. Apart from the above, she will not be entitled to any discretionary bonus payment. She does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company. She is interested in 500,000 shares of the Company within the meaning of Part XV of the SFO.

Mr. Lam Ka Wai, Graham, aged 46, was appointed as an independent non-executive Director of the Company on 24 March 2011. He is also a member of the Audit Committee and the Remuneration Committee. Mr. Lam graduated from the University of Southampton, England with a Bachelor of Science degree in Accounting and Statistics. He is a member of Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants. Mr. Lam is currently the Managing Director of an investment bank and has around 20 years experience in investment banking as well as over 3 years experience in accounting and auditing. He is also the independent non-executive director of Cheuk Nang (Holdings) Limited (stock code: 131), China Fortune Financial Group Limited (stock code: 290), Nan Nan Resources Enterprise Limited (stock code: 1229) and CT Environmental Group Limited (stock code: 1363), companies listed on the Stock Exchange.

In addition, Mr. Lam was the independent non-executive director of Applied Development Holdings Limited (stock code: 519) from 1 October 2005 to 12 December 2011, Pearl Oriental Oil Limited (stock code: 632) from 3 October 2008 to 19 March 2013, King Stone Energy Group Limited (stock code: 663) from 23 April 2012 to 22 March 2013, Value Convergence Holdings Limited (stock code: 821) from 4 January 2010 to 24 May 2012, China Chuanglian Education Group Limited (stock code: 2371) from 29 January 2008 to 5 October 2010, Hao Wen Holdings Limited (stock code: 8019) from 17 November 2010 to 16 May 2011, Chinese Strategic Holdings Limited (stock code: 8089) from 22 December 2008 to 27 April 2012 and Finet Group Limited (stock code: 8317) from 5 August 2009 to 24 January 2011, companies listed on the Stock Exchange. Save as aforesaid, Mr. Lam did not hold any directorship in other listed public companies in the past three years.

Mr. Lam has not entered into any service contract with the Company. There is no agreement between the Company and Mr. Lam in respect of the proposed length of service or prior notice to be given by either party for termination of service with regard to his engagement as an independent non-executive Director. Mr. Lam is subject to retirement by rotation at least once every three years and in accordance with the Articles. Mr. Lam is entitled to a director's fee of HK$120,000 per annum which is determined with reference to the recommendation of the Remuneration Committee and the prevailing market conditions. Apart from the above, he will not be entitled to any discretionary bonus payment. He does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company. He is interested in the share options of the Company exercisable into 200,000 shares of the Company within the meaning of Part XV of the SFO.

COMPANY SECRETARY

Mr. Tse Kam Fai, aged 50, was appointed as the Company Secretary of the Company on 23 March 2000. He Tse is a fellow member of The Institute of Chartered Secretaries and Administrators and of The Hong Kong Institute of Chartered Secretaries. He is also a member of the Hong Kong Institute of Directors. He is currently the company secretary of another one listed company whose shares are listed on the Stock Exchange and a company whose shares are listed on the GEM. He is also an executive director of a local professional firm providing regulatory compliance, corporate governance and corporate secretarial services to listed and unlisted corporations. He has more than 20 years' experience in handling listed company secretarial and compliance related matters.

The Company is committed to maintain good corporate governance standard and procedures to ensure the integrity, transparency and quality of disclosure in order to enhance the shareholders' value.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Corporate Governance Code and Corporate Governance Report ("CG Code") as set out in Appendix 15 to the GEM Listing Rules as its own code of corporate governance.

During the year ended 31 December 2013, the Company was in compliance with the code provisions set out in the CG Code except for the deviations as explained below:

- Code provision A.2.1 of the CG Code provides that the roles and responsibilities of chairman and chief executive officer should be divided. The Company has not appointed chairman and chief executive officer, and the roles and functions of the chairman and chief executive officer have been performed by the two executive Directors collectively.

- Code provision A.4.1 of the CG Code provides that the non-executive directors should be appointed for a specific term and subject to re-election. The independent non-executive Directors are not appointed for a specific term but they are subject to retirement at the first general meeting after their appointment and thereafter subject to retirement by rotation at least once every three years in accordance with the Articles.

- Code provision D.1.4 of the CG Code requires that issuers should have formal letters of appointment for directors setting out the key terms and conditions of their appointment. The Company did not have formal letters of appointment for Directors. However, the Directors shall be subject to retirement by rotation in accordance with the Articles. In addition, the Directors are required to refer to the guidelines set out in "A Guide on Directors' Duties" issued by the Companies Registry and "Guidelines for Directors" and "Guide for Independent Non-executive Directors" (if applicable) published by the Hong Kong Institute of Directors in performing their duties and responsibilities as Directors. Besides, the Directors are required to comply with the requirements under statue and common law, the GEM Listing Rules, legal and other regulatory requirements and the Company's business and governance policies.

Save as those mentioned above, in the opinion of the Directors, the Company has met the code provisions set out in the CG Code during the year ended 31 December 2013.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standards of dealings regarding securities transactions by directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. All the Directors have confirmed that they have complied with the required standards as set out in the GEM Listing Rules during the year ended 31 December 2013.

BOARD OF DIRECTORS

The Board is responsible for the leadership and control of the Company, and is responsible for setting up the overall strategy as well as reviewing the operation and financial performance of the Group. The Board reserved for its decision or consideration matters covering overall Group strategy, major acquisitions and disposals, annual budgets, quarterly, interim and annual results, recommendations on Directors' appointment or re-appointment, approval of major capital transactions and other significant operational and financial matters. The executive Board and senior management were delegated with the authority and responsibility by the Board for the day-to-day operations of the Group while reserving certain key matters for the approval of the Board. In addition, the Board has also delegated various responsibilities to the Board committees. Further details of these committees are set out in this report.

The Board currently consists of the following five Directors:

Executive Directors
Mr. Tang Chi Ming
Mr. Tse Ke Li

Independent Non-executive Directors
Mr. Chung Koon Yan
Ms. Chan Ling, Eva
Mr. Lam Ka Wai, Graham

The Board members have no financial, business, family or other material/relevant relationships with each other. Such balanced Board composition is formed to ensure strong independence exists across the Board. The composition of the Board reflects the necessary of balanced skills and experience for effective leadership. The biographical information of the Directors are set out on pages 8 to 10 herein under the section headed "Biographies of Directors and Senior Management".

Independent Non-executive Directors
The three independent non-executive Directors are persons of high calibre, with academic and professional qualifications in the fields of accounting and financial industries. With their experience gained from various sectors, they provide strong support towards the effective discharge of the duties and responsibilities of the Board. Each independent non-executive Director gives an annual confirmation of his/her independence to the Company, and the Company considers them are independent under Rule 5.09 of the GEM Listing Rules.

The independent non-executive Directors are not appointed for a specific term but are subject to retirement at the next following general meeting after their appointment and thereafter subject to retirement by rotation at least once every three years in accordance with the Articles.

Chairman and Chief Executive Officer
The Company has not appointed chairman and chief executive officer, and the roles and functions of the chairman and chief executive officer have been performed by the two executive Directors collectively.

The Board believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by current Board which comprises experienced and high calibre individuals with sufficient number thereof being independent non-executive Directors.

Directors' Training
According to the code provision A.6.5 of the CG Code, all directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant.

All Directors have participated in continuous professional development and provided a record of training they received for the financial year ended 31 December 2013 to the Company. The Company has also continuously updated Directors on the latest developments regarding the GEM Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices.

The individual training record of each Director received for the year ended 31 December 2013 is set out below:

Name of Director	Attending or participating in seminars/workshops relevant to rules and regulations and Group's business/directors' duties	Reading materials relating to rules and regulations and discharge of directors' duties and responsibilities
Mr. Tang Chi Ming	√	√
Mr. Tse Ke Li	√	√
Mr. Chung Koon Yan	√	√
Ms. Chan Ling, Eva	√	√
Mr. Lam Ka Wai, Graham	√	√

Board Meetings

The Board has four scheduled meetings a year at quarterly interval and additional meetings are held as and when required. The four scheduled Board meetings for a year are planned in advance. During regular meetings of the Board, the Directors review the operation and financial performances, and review and approve the annual, interim and quarterly results.

During the financial year ended 31 December 2013, the Board held 8 meetings. All Directors are given an opportunity to include any matter in the agenda for regular Board meetings and are given sufficient time to review documents and information relating to matters to be discussed in Board meetings in advance.

Name of Director	Number of meetings attended
Executive Directors:	
Mr. Tang Chi Ming	8/8
Mr. Tse Ke Li	8/8
Independent Non-executive Directors:	
Mr. Chung Koon Yan	8/8
Ms. Chan Ling, Eva	8/8
Mr. Lam Ka Wai, Graham	5/8

Board minutes are kept by the Company Secretary and are open for inspection by the Directors. Every Board member is entitled to have access to Board papers and related materials and has unrestricted access to the advice and services of the Company Secretary, and has the liberty to seek external professional advice if so required.

General Meeting

During the year ended 31 December 2013, 1 general meeting, being 2013 annual general meeting of the Company ("2013 AGM"), was held on 29 May 2013.

Name of Director	Number of meeting attended
Executive Directors:	
Mr. Tang Chi Ming	1/1
Mr. Tse Ke Li	1/1
Independent Non-executive Directors:	
Mr. Chung Koon Yan	1/1
Ms. Chan Ling, Eva	1/1
Mr. Lam Ka Wai, Graham	1/1

The Board is responsible for maintaining an on-going dialogue with shareholders and in particular, uses annual general meetings or other general meetings to communicate with them and encourage their participation. The two executive Directors and the chairmen of the Audit Committee, the Remuneration Committee, the Nomination Committee and the CG Committee attended the 2013 AGM to answer questions and collect views of shareholders.

EXECUTIVE BOARD

The Company established an Executive Board on 20 January 2006 which consists of the executive Directors, currently being Mr. Tang Chi Ming and Mr. Tse Ke Li. The Executive Board is delegated with authority to handle and/or monitor the management functions and operation of the day-to-day business of the Group.

NOMINATION OF DIRECTORS

The Company established the Nomination Committee on 5 January 2012 which currently consists of two independent non-executive Directors, namely Ms. Chan Ling, Eva (as chairman) and Mr. Chung Koon Yan, and an executive Director, namely Mr. Tang Chi Ming, with written terms of reference in compliance with the GEM Listing Rules.

The terms of reference of the Nomination Committee is currently made available on the GEM website and the Company's website.

The functions of the Nomination Committee are to review and monitor the structure, size and diversity of the Board and make recommendations on any proposed changes to the Board to complement the Group's corporate strategy; to identify qualified individuals to become members of the Board; to assess the independence of the independent non-executive Directors; and to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors.

The Board adopted on 14 August 2013 a board diversity policy (the "Board Diversity Policy") and delegated certain duties under the Board Diversity Policy to the Nomination Committee. The Company recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance and hence the purpose of the Board Diversity Policy aims to build and maintain a Board with a diversity of Directors. The Board diversity would be considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

During the year ended 31 December 2013, the Nomination Committee held 1 meeting to assess the independence of the independent non-executive Directors and the Directors to be re-elected at the 2013 AGM before putting forth for discussion and approval by the Board, and also reviewed the Board composition.

Name of member	Number of meeting attended
Ms. Chan Ling, Eva	1/1
Mr. Tang Chi Ming	1/1
Mr. Chung Koon Yan	1/1

REMUNERATION OF DIRECTORS

The Company established the Remuneration Committee on 20 January 2006 which currently consists of three independent non-executive Directors, namely Mr. Chung Koon Yan (as chairman), Ms. Chan Ling, Eva and Mr. Lam Ka Wai, Graham, and one executive Director, namely Mr. Tang Chi Ming, with written terms of reference in compliance with the GEM Listing Rules.

The terms of reference of the Remuneration Committee is currently made available on the GEM website and the Company's website.

The functions of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure on the remuneration packages for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy, to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives, to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management, and to make recommendations to the Board on the remuneration of non-executive Directors.

During the year ended 31 December 2013, the Remuneration Committee held 1 meeting for reviewing the remuneration packages of the Directors and senior management.

Name of member	Number of meeting attended
Mr. Chung Koon Yan	1/1
Mr. Tang Chi Ming	1/1
Ms. Chan Ling, Eva	1/1
Mr. Lam Ka Wai, Graham	1/1

The Company adopted the Old Scheme and terminated the same pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 19 May 2011, and the Company adopted the 2011 Scheme at the same meeting. The purpose of both share option schemes is to enable the Board, at its discretion, to grant options to any eligible participants who include Directors and employees as incentives or rewards for their contribution to the Group. Details of the Old Scheme and the 2011 Scheme are set out in the Directors' Report and note 25 to the consolidated financial statements.

The emoluments payable to Directors and senior management will depend on their respective contractual terms under the employment agreements, if any, and is fixed by the Board with reference to the recommendation of the Remuneration Committee, the performance of the Group and the prevailing market conditions. Details of the remuneration of the Directors and senior management are set out in notes 9 and 32 to the consolidated financial statements.

AUDITOR'S REMUNERATION

During the year under review, the remuneration in respect of audit and non-audit services provided by the Company's auditor, Deloitte Touche Tohmatsu, is set out below:

Services rendered	**Fee paid/payable** HK$'000
Audit services	1,060
Non-audit services	923

AUDIT COMMITTEE

The Company established the Audit Committee on 19 October 2000 which currently consists of three independent non-executive Directors, namely Mr. Chung Koon Yan (as chairman), Ms. Chan Ling, Eva and Mr. Lam Ka Wai, Graham, with written terms of reference in compliance with the GEM Listing Rules. The Audit Committee has reviewed the audited financial statements of the Group for the year ended 31 December 2013.

The terms of reference of the Audit Committee is currently made available on the GEM website and the Company's website.

The Audit Committee shall meet not less than four times a year. The Audit Committee is mainly responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of such auditor; reviewing the quarterly, interim and annual reports and financial statements of the Group; and overseeing the Company's financial reporting system and internal control procedures.

During the financial year ended 31 December 2013, the Audit Committee held 4 meetings.

Name of member	**Number of meetings attended**
Mr. Chung Koon Yan	4/4
Ms. Chan Ling, Eva	4/4
Mr. Lam Ka Wai, Graham	4/4

During the year ended 31 December 2013, the Audit Committee reviewed the first quarterly, interim, third quarterly and annual results of the Group together with the auditor of the Company; which were in the opinion of the Audit Committee that the preparation of such results complied with the applicable accounting standards and the GEM Listing Rules.

The Audit Committee noted the existing internal control system of the Group and also noted that review of the same will be carried out annually.

CORPORATE GOVERNANCE COMMITTEE

The Company established the CG Committee, with written terms of reference in compliance with the GEM Listing Rules, on 21 March 2012. The CG Committee comprises one executive Director, namely Mr. Tang Chi Ming (as chairman), the Financial Controller of the Company, Ms. Cheung Sze Man and the Company Secretary of the Company, Mr. Tse Kam Fai.

The functions of the CG Committee are to develop and review the Company's policies and practices on corporate governance to comply with the CG Code and other legal or regulatory requirements and make recommendations to the Board; to oversee the Company's orientation program for new Director; to review and monitor the training and continuous professional development of Directors and senior management; to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors, and to review the Company's disclosure in the Corporate Governance Report.

During the financial year ended 31 December 2013, the CG Committee held 1 meeting to review the training and continuous professional development of Directors and senior management and to review the Company's compliance with the CG Code.

Name of member	Number of meeting attended
Mr. Tang Chi Ming	1/1
Ms. Cheung Sze Man	1/1
Mr. Tse Kam Fai	1/1

COMPANY SECRETARY

The Company engaged an external professional company secretarial services provider, Uni-1 Corporate Services Limited ("Uni-1"), to provide compliance and full range of company secretarial services to the Group in order to assist the Group to cope with the changing regulatory environment and to suit different commercial needs.

Mr. Tse Kam Fai ("Mr. Tse"), the representative of Uni-1, was appointed as the named Company Secretary of the Company.

Ms. Cheung Sze Man, the Financial Controller of the Company, is the primary point of contact at the Company for the Company Secretary.

According to the requirements of Rule 5.15 of the GEM Listing Rules, Mr. Tse, being a person who was a company secretary of an issuer before 31 December 1994, will take no less than 15 hours of relevant professional training for the financial year commencing on 1 January 2017.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Board recognizes the importance of good communications with all shareholders. The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. The two executive Directors and the chairmen of the Audit Committee, the Remuneration Committee, the Nomination Committee and the CG Committee attended the 2013 AGM to answer questions at the meeting. The annual report together with the annual general meeting circular are distributed to all the shareholders of the Company at least 20 clear business days before the annual general meeting.

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting.

Shareholders to convene an extraordinary general meeting

Shareholders may convene an extraordinary general meeting of the Company according to the provisions as set out in the Articles and The Companies Law (2013 Revision) of the Cayman Islands. The procedures shareholders can use to convene an extraordinary general meeting are set out in the document entitled "Procedures for a Shareholder to Propose a Person for Election as a Director", which is currently available on the Company's website.

Putting enquiries by shareholders to the Board

Shareholders may send written enquiries to the Company for the attention of the Company Secretary at the Company's principal place of business in Hong Kong.

Procedures for putting forward proposals by shareholders at shareholders' meeting

Shareholders should follow the procedures set out in the sub-section headed "Shareholders to convene an extraordinary general meeting" above for putting forward proposals for discussion at general meeting.

VOTING BY POLL

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, all the resolutions set out in the notice of 2014 annual general meeting of the Company ("2014 AGM") will be voted by poll.

INVESTOR RELATIONS

The Company is committed to a policy of open and regular communication and reasonable disclosure of information to its shareholders. Information of the Company is disseminated to the shareholders in the following manner:

- delivery of the quarterly, interim and annual reports to all shareholders;
- publication of announcements on the quarterly, interim and annual results on the GEM website and the Company's website, and issue of other announcements and shareholders' circulars in accordance with the continuing disclosure obligations under the GEM Listing Rules; and
- the general meeting of the Company is also an effective communication channel between the Board and the shareholders.

No significant changes in the Company's constitutional documents during the year.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Board acknowledges its responsibility to prepare the Company's financial statements for each financial period and to ensure that the financial statements are in accordance with statutory requirements and applicable accounting standards. The Board also ensures the timely publication of the financial statements. The Directors, having made appropriate enquiries, confirm that they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

INTERNAL CONTROL

The Board has overall responsibility for maintaining a proper and effective system of internal control of the Group. The internal control system includes safeguard of the interest of shareholders and the Group's assets. The Board has delegated to management the implementation of all relevant financial, operational, compliance controls and risk management function within a defined framework. During the year ended 31 December 2013, the Board has appointed independent professional firms to conduct a review of the system of internal control to ensure the effectiveness and adequacy of the system. The Board shall conduct such review at least once annually.

The Directors present their annual report and the audited financial statements for the year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The activities of its principal subsidiaries are set out in note 34 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2013 are set out in the consolidated statement of profit or loss and other comprehensive income on page 27.

The Directors do not recommend the payment of a dividend for the year ended 31 December 2013 (2012: Nil).

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year are set out in note 13 to the consolidated financial statements.

PURCHASES, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders as at 31 December 2013 were as follows:

	2013	2012
	HK$'000	HK$'000
Share premium	**349,134**	349,134
Distributable reserve	**32,589**	32,589
Accumulated losses	**(108,981)**	(68,204)
	272,742	313,519

Under The Companies Law (2013 Revision) of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum and the Articles of Association and provided that immediately following the payment of distributions or dividends, the Company is able to pay its debts as they fall due in the ordinary course of business. In accordance with the Articles, dividends shall be payable out of the profits or other reserves, including the share premium account, of the Company.

DIRECTORS

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

Executive Directors

Mr. Tang Chi Ming
Mr. Tse Ke Li

Independent Non-executive Directors
Mr. Chung Koon Yan
Ms. Chan Ling, Eva
Mr. Lam Ka Wai, Graham

In accordance with Article 87(1) of the Articles, Mr. Tse Ke Li and Ms. Chan Ling, Eva shall retire by rotation at the 2014 AGM and, being eligible, offer themselves for re-election.

There is no specific length of the term of office for each of the independent non-executive Directors but they are subject to retirement at the next following general meeting after their appointment and thereafter subject to retirement by rotation at least once every three years and in accordance with the Articles.

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the 2014 AGM has a service contract with the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

INDEPENDENCE CONFIRMATIONS OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his/her independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers all the independent non-executive Directors are independent.

SHARE OPTIONS

Particulars of the Old Scheme and the 2011 Scheme are set out in note 25 to the consolidated financial statements.

The following table discloses movements in the Company's share options granted under the Old Scheme during the year:

	Date of grant	Exercisable period	Exercise price per share HK$	Outstanding at 1 January 2013	Granted during the year	Exercised during the year	Outstanding at 31 December 2013
Category 1: Directors							
Mr. Chung Koon Yan	13.5.2011	13.5.2011 to 12.5.2014	1.058	300,000	—	—	300,000
Mr. Lam Ka Wai, Graham	13.5.2011	13.5.2011 to 12.5.2014	1.058	200,000	—	—	200,000
Total held by Directors				500,000	—	—	500,000
Category 2:							
Eligible participants (other than Directors)	13.5.2011	13.5.2011 to 12.5.2014	1.058	1,750,000	—	—	1,750,000
Total of all categories				2,250,000	—	—	2,250,000

No option was granted under the 2011 Scheme since its adoption.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2013, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporations, within the meaning of Divisions 7 and 8 of Part XV of the SFO, as recorded in the register of the Company required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules were as follows:

Interests and short positions in shares, underlying shares and debentures of the Company

Name of Director	Capacity	Long position/ short position	Number of ordinary shares/ underlying shares held	Approximate percentage of the issued ordinary share capital of the Company
Mr. Tang Chi Ming	Beneficial owner	Long position	1,150,000	0.92
Mr. Tse Ke Li	Beneficial owner	Long position	1,150,000	0.92
Mr. Chung Koon Yan	Beneficial owner	Long position	300,000 (Note)	0.24
Ms. Chan Ling, Eva	Beneficial owner	Long position	500,000	0.40
Mr. Lam Ka Wai, Graham	Beneficial owner	Long position	200,000 (Note)	0.16

Note: These shares are derived from the interest in share options granted by the Company, details of which are set out in the section headed "SHARE OPTIONS" above.

Save as disclosed above, none of the Directors and chief executives of the Company nor their associates had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations, 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 the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules as at 31 December 2013.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the option holdings disclosed above, at no time during the year was the Company or any of its subsidiaries, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTEREST IN CONTRACT OF SIGNIFICANCE

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

COMPETING INTERESTS

None of the Directors, the management shareholders of the Company nor their respective associates (as defined under the GEM Listing Rules) had any interest in a business which causes or may cause significant competition with the business of the Group.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2013, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO showed that the following shareholders had notified the Company of relevant interests in the issued share capital of the Company.

Long positions

Ordinary shares of HK$0.01 each of the Company

Name of shareholder	Capacity	Number of ordinary shares of the Company held	Approximate percentage of the issued ordinary share capital of the Company
Yap Allan	Beneficial owner	34,208,000	27.38
New Star Int'l Holding Limited	Beneficial owner	11,448,000	9.16
Harbinger Group Limited	Beneficial owner	7,592,000	6.08
Everland Group Limited	Beneficial owner	6,270,000 (Note)	5.02
Wong Yun Sang	Interest in a controlled corporation	6,270,000 (Note)	5.02

Note: These 6,270,000 shares are held through Everland Group Limited, which is owned as to 50% by Wong Yun Sang. Therefore, Wong Yun Sang is deemed to be interested in these shares.

Other than 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 2013.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Board on the basis of their merits, qualifications and competence.

The emoluments of the Directors are decided by the Board with reference to the recommendations from the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted the 2011 Scheme as an incentive to Directors and eligible participants, details of the 2011 Scheme is set out in note 25 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2013.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the Group's aggregate sales attributable to its five largest customers were less than 30% of the Group's total revenue.

In addition, the Group's aggregate purchase attributable to its five largest suppliers was also less than 30% of the Group's total purchases of the year.

CORPORATE GOVERNANCE

A report on the principle corporate governance practices adopted by the Company is set out on pages 11 to 19 of this report.

AUDITOR

A resolution will be submitted to the 2014 AGM to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

EVENTS AFTER THE REPORTING PERIOD

Details of the significant events after the reporting period are set out in note 33 to the consolidated financial statements.

APPRECIATION

We would like to take this opportunity to thank the management and staff members of the Group for their hard work and valuable contributions to the Group in the past year. We would also like to thank our shareholders for their continuous support to the Group. The Group will keep on doing its best with an aim to provide good return to shareholders.

On behalf of the Board
Tse Ke Li
Executive Director

21 March 2014

Deloitte.
德勤

TO THE MEMBERS OF WELL WAY GROUP LIMITED
和滙集團有限公司
(FORMERLY KNOWN AS TRASY GOLD EX LIMITED 卓施金網有限公司)
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Well Way Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 27 to 74, which comprise the consolidated statement of financial position as at 31 December 2013, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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 disclosure requirements of 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 our agreed terms of engagement, 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 about 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 judgement, 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 the 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.

TO THE MEMBERS OF WELL WAY GROUP LIMITED
和滙集團有限公司
(FORMERLY KNOWN AS TRASY GOLD EX LIMITED 卓施金網有限公司)
(incorporated in the Cayman Islands with limited liability)

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2013, 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 disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
21 March 2014

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2013

	Notes	2013 HK$'000	2012 HK$'000
Revenue	5	**52,516**	58,108
Other income		**3,876**	6,040
Precious metal used		**—**	(2,435)
Staff costs		**(39,057)**	(39,502)
Depreciation and amortisation expenses		**(12,944)**	(13,855)
Impairment loss on goodwill		**(25,000)**	(24,000)
Other expenses		**(17,287)**	(16,960)
Share of profit of a joint venture		**1,100**	—
Loss before taxation		**(36,796)**	(32,604)
Taxation	7	**(173)**	(981)
Loss for the year	8	**(36,969)**	(33,585)
Other comprehensive (expense) income			
Item that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operation		**(7,595)**	13,449
Total comprehensive expense for the year		**(44,564)**	(20,136)
Loss for the year attributable to owners of the Company		**(36,969)**	(33,585)
Total comprehensive expenses attributable to owners of the Company		**(44,564)**	(20,136)
Loss per share (HK cents)	12		
Basic and diluted		**(29.59)**	(26.88)

Consolidated Statement of Financial Position

At 31 December 2013

	Notes	2013 HK$'000	2012 HK$'000
Non-current assets			
Property, plant and equipment	13	7,187	10,035
Available-for-sale investments	14	—	136
Goodwill	15	8,279	34,011
Intangible assets	16	95,109	107,733
Interest in a joint venture	17	15,100	—
Other non-current asset	18	—	250
		125,675	152,165
Current assets			
Trade and other receivables	19	140,674	134,630
Available-for-sale investments	14	136	—
Bank balances and cash	20	95,705	99,067
		236,515	233,697
Asset classified as held for sale	21	250	—
		236,765	233,697
Current liabilities			
Trade and other payables	22	67,695	43,675
Tax payable		2,286	3,016
		69,981	46,691
Net current assets		166,784	187,006
Total assets less current liabilities		292,459	339,171
Non-current liability			
Deferred tax liabilities	23	16,168	18,316
		276,291	320,855
Capital and reserves			
Share capital	24	1,249	1,249
Share premium and reserves		275,042	319,606
Total equity		276,291	320,855

The consolidated financial statements on pages 27 to 74 were approved and authorised for issue by the board of directors on 21 March 2014 and are signed on its behalf by:

TANG CHI MING
DIRECTOR

TSE KE LI
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended 31 December 2013

	Share capital HK$'000	Share premium HK$'000	Distributable reserve HK$'000 (Note 1)	Merger reserve HK$'000 (Note 2)	Share option reserve HK$'000	Exchange reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 January 2012	1,249	349,134	32,589	5,000	852	(7,307)	(40,526)	340,991
Loss for the year	—	—	—	—	—	—	(33,585)	(33,585)
Exchange differences arising on translation of foreign operation	—	—	—	—	—	13,449	—	13,449
Total comprehensive income (expense) for the year	—	—	—	—	—	13,449	(33,585)	(20,136)
At 31 December 2012	1,249	349,134	32,589	5,000	852	6,142	(74,111)	320,855
Loss for the year	—	—	—	—	—	—	(36,969)	(36,969)
Exchange differences arising on translation of foreign operation	—	—	—	—	—	(7,595)	—	(7,595)
Total comprehensive expense for the year	—	—	—	—	—	(7,595)	(36,969)	(44,564)
At 31 December 2013	1,249	349,134	32,589	5,000	852	(1,453)	(111,080)	276,291

Notes:

(1) The distributable reserve represented the credit arising from the capital reduction effected by the Company during the year ended 31 December 2009.

(2) The merger reserve represented the difference between the net worth of the subsidiaries acquired and the value of the consideration shares pursuant to the group reorganisation completed on 31 March 2000.

Consolidated Statement of Cash Flows

For the year ended 31 December 2013

	2013 HK$'000	2012 HK$'000
OPERATING ACTIVITIES		
Loss before taxation	(36,796)	(32,604)
Adjustments for:		
Depreciation of property, plant and equipment	3,867	4,873
Amortisation of intangible assets	9,077	8,982
Interest income	(1,084)	(755)
Share of profit of a joint venture	(1,100)	—
Dividend income	(28)	(7)
Impairment loss on goodwill	25,000	24,000
Operating cash flows before movements in working capital	(1,064)	4,489
Increase in trade and other receivables	(11,000)	(13,731)
Increase (decrease) in trade and other payables	25,591	(3,212)
Cash generated from (used in) operating activities	13,527	(12,454)
Income tax paid	(2,527)	(4,208)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	11,000	(16,662)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,248)	(5,178)
Dividend received	28	7
Interest received	1,084	755
Acquisition of a joint venture	(14,000)	—
NET CASH USED IN INVESTING ACTIVITIES	(14,136)	(4,416)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,136)	(21,078)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	99,067	119,435
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(226)	710
CASH AND CASH EQUIVALENTS AT 31 DECEMBER represented by bank balances and cash	95,705	99,067

1. GENERAL

Well Way Group Limited (the "Company") is a public limited company incorporated in the Cayman Islands and its shares are listed on the Growth Enterprise Market (the "GEM") of the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office and principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and Units 906-907, 9th Floor, Paul Y Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong respectively.

Pursuant to a special resolution passed by the shareholders of the Company on 29 May 2013, the Company's name was changed from "Trasy Gold Ex Limited" to "Well Way Group Limited" with effect from 29 May 2013.

The consolidated financial statements are presented in Hong Kong Dollars, which is also the functional currency of the Company.

The principal activities of the Company and its subsidiaries (the "Group") are the provision and operation of travel business, treasury management and precious metals trading.

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

The Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009–2011 Cycle
Amendments to HKFRS 7	Disclosures — Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
HK(IFRIC)—Int 20	Stripping Costs in the Production Phase of a Surface Mine

Except as described below, the application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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

New and revised standards on consolidation, joint arrangements, associates and disclosures

In the current year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising HKFRS 10 *Consolidated Financial Statements*, HKFRS 11 *Joint Arrangements*, HKFRS 12 *Disclosure of Interests in Other Entities*, HKAS 27 (as revised in 2011) *Separate Financial Statements* and HKAS 28 (as revised in 2011) *Investments in Associates and Joint Ventures*, together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding transitional guidance.

HKAS 27 (as revised in 2011) is not applicable to the Group as it deals only with separate financial statements.

The impact of the application of these standards is set out below.

Impact of the application of HKFRS 10

HKFRS 10 replaces the parts of HKAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements and HK(SIC) — Int 12 *Consolidation — Special Purpose Entities*. HKFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee.

Impact of the application of HKFRS 11

HKFRS 11 replaces HKAS 31 *Interests in Joint Ventures*, and the guidance contained in a related interpretation, HK(SIC) — Int 13 *Jointly Controlled Entities — Non-Monetary Contributions by Venturers*, has been incorporated in HKAS 28 (as revised in 2011). HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under HKFRS 11, there are only two types of joint arrangements — joint operations and joint ventures. The classification of joint arrangements under HKFRS 11 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. Previously, HKAS 31 contemplated three types of joint arrangements — jointly controlled entities, jointly controlled operations and jointly controlled assets. The classification of joint arrangements under HKAS 31 was primarily determined based on the legal form of the arrangement (e.g. a joint arrangement that was established through a separate entity was accounted for as a jointly controlled entity). The initial and subsequent accounting of joint ventures and joint operations is different. Investments in joint ventures are accounted for using the equity method (proportionate consolidation is no longer allowed).

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

Impact of the application of HKFRS 11 *(Continued)*

Investments in joint operations are accounted for such that each joint operator recognises its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly). Each joint operator accounts for the assets and liabilities, as well as revenues and expenses, relating to its interest in the joint operation in accordance with the applicable Standards.

Impact of the application of HKFRS 12

HKFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The Group has applied the amendments to HKAS 1 *Presentation of Items of Other Comprehensive Income* in the current year. The amendments introduced new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a "statement of comprehensive income" is renamed as a "statement of profit or loss and other comprehensive income". In addition, the amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis — the amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

The directors of the Company chose to rename the title of its consolidated statement of comprehensive income to "consolidated statement of profit or loss and other comprehensive income". Other amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 has no material impact on the Group's profit or loss, other comprehensive income and financial position in the current and prior years.

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

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

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010–2012 Cycle[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011–2013 Cycle[2]
HKFRS 9	Financial Instruments[3]
HKFRS 14	Regulatory Deferral Accounts[5]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[1]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[2]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets[1]
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting[1]
HK(IFRIC) — Int 21	Levies[1]

1 Effective for annual periods beginning on or after 1 January 2014.

2 Effective for annual periods beginning on or after 1 July 2014.

3 Available for application — the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised.

4 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions.

5 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016.

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for hedge accounting.

Key requirements of HKFRS 9 are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

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

HKFRS 9 Financial instruments *(Continued)*

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors anticipate that based on the Group's consolidated financial statements as at 31 December 2013, the adoption of HKFRS 9 in the future will not affect the classification and measurement of the Group's consolidated financial statements.

The directors of the Company anticipate that the application of the other new and revised HKFRSs will have no material impact on the consolidated financial statements of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods or services.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial information of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;

- is exposed, or has rights, to variable returns from its involvement with the investee; and

- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Basis of consolidation *(Continued)*

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Business combinations

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.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment transactions of the acquiree or share-based payment arrangement of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

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 re-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 interests 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.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Goodwill

Goodwill arising on an acquisition of a business is carried at cost less any 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 or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a 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. An impairment loss recognised 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 amount of profit or loss on disposal.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets acquired in a business combination with finite useful lives is provided on a straight-line basis over their estimated useful lives. Alternatively, intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Investment in a joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint venture are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

3. SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale from the time when the investment (or a portion of the investment) is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint control over the joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with HKAS 39 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method (see the accounting policy regarding investments in associates or joint ventures above).

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts and sales related taxes.

Revenue from travel and other travel related services is recognised when the services are rendered.

Revenue from sales of goods is recognised when the goods are delivered and title has passed.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue recognition *(Continued)*

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured 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 the 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 shareholders' right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate 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 is recognised in profit or loss.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on 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 adjustment 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.

For the purposes of presenting the 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 expenses items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the year, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve.

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 other comprehensive income.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Retirement benefit costs

Payments to the state-managed retirement benefit scheme and Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

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 before tax as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability 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 consolidated 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 difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, and interests in joint arrangements, except where the Group 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 is 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 expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are 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 are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3. SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position 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

The Group's financial assets are classified into one of the three categories, including financial assets at fair value through profit or loss ("FVTPL"), 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 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 instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Financial assets at FVTPL

The Group's financial assets at FVTPL comprise financial assets held for the trading.

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 a part of an identified portfolio of financial instruments that the Group manages together and has 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 FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment losses (see accounting policy on impairment loss on financial assets below).

Interest income is recognised by applying the effective interest rate, except for short-term receivables where 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 financial assets at FVTPL, loans and receivables and or held-to-maturity financial assets.

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 investments 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 of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where 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 financial assets have been affected.

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

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

For certain categories of financial asset, such as trade 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 past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 90 days, observable changes in national or local economic conditions that correlate with default on 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 the estimated future cash flows discounted at the financial asset's original effective interest rate.

For financial assets carried at amortised 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.

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

When an available-for-sale 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 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 asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity

Debts 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.

Financial liabilities

Financial liabilities of the Group include trade and other payables, which 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 the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

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.

Derecognition

The Group 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.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

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

Membership licences

Membership licences with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Share-based payment transactions

Equity-settled share-based payment transaction

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period or recognised as an expense in full at the grant date when the share options granted vest immediately, with a corresponding increase in equity (share option reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share option reserve.

When the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to accumulated loss.

Impairment on tangible and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives 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. When 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. When 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.

Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

Recoverable amount is the higher of fair value less costs of disposal 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 a 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 a cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

4. CRITICAL ACCOUNTING JUDGEMENTS 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 judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 on-going 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.

Critical judgements in applying the accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units 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, a material impairment loss may arise. As at 31 December 2013, the carrying amount of goodwill is approximately HK$8,279,000 (net of accumulated impairment losses of HK$49,000,000) (2012: HK$34,011,000 (net of accumulated impairment losses of HK$24,000,000)).

Estimated impairment of trade receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2013, the carrying amount of trade receivables is approximately HK$129,900,000 (31 December 2012: carrying amount of HK$110,862,000).

5. REVENUE

Revenue represents revenue arising on travel business and precious metals trading for the year. An analysis of the Group's revenue for the year, is as follows:

	2013 HK$'000	2012 HK$'000
Travel business	52,516	55,653
Precious metals trading	—	2,455
	52,516	58,108

6. SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by operating segment, based on information provided to the chief operating decision maker ("CODM") representing the board of directors of the Company, for the purpose of allocating resources to segments and assessing their performance. This is also the basis upon which the Group is arranged and organised.

The Group's operations are currently organised into two operating divisions, namely travel business and treasury management.

There are three operating divisions, namely travel business, treasury management and precious metals trading, in which the business of precious metals trading has been ceased during the fourth quarter of 2013 as the CODM decided to allocate more resources into travel business. The business of precious metals trading was discontinued accordingly. However, no discontinued operation was shown separately on the consolidated financial statements since the CODM considered the financial results contributed by such business was insignificant to the Group.

Segment revenues and results

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

	Segment revenue		Segment (loss) profit	
	2013 HK$'000	2012 HK$'000	2013 HK$'000	2012 HK$'000
Travel business	52,516	55,653	(22,391)	(20,859)
Treasury management	—	—	28	7
Precious metals trading	—	2,455	(24)	19
Total	52,516	58,108	(22,387)	(20,833)
Share of profit of a joint venture			1,100	—
Unallocated income			169	102
Unallocated expense			(15,851)	(12,854)
Loss for the year			(36,969)	(33,585)

6. SEGMENT INFORMATION *(Continued)*

Segment revenues and results *(Continued)*

All of the segment revenue reported above are from external customers.

Segment loss represents the loss incurred by each segment without allocation of unallocated income (which mainly includes bank interest income of head office), unallocated expenses (which mainly include central administration costs and directors' salaries) and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

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

	2013 HK$'000	2012 HK$'000
Segment assets		
Travel business	260,712	283,980
Treasury management	—	—
Precious metals trading	404	1,348
Total segment assets	261,116	285,328
Interest in a joint venture	15,100	—
Unallocated bank balances	84,658	97,282
Unallocated assets	1,566	3,252
Consolidated assets	362,440	385,862
Segment liabilities		
Travel business	70,354	57,400
Treasury management	—	—
Precious metals trading	—	14
Total segment liabilities	70,354	57,414
Unallocated liabilities	15,795	7,593
Consolidated liabilities	86,149	65,007

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

- all assets are allocated to operating and reportable segments other than certain property, plant and equipment, certain deposits and prepayments and certain bank balances and cash.

- all liabilities are allocated to operating and reportable segments other than certain accruals and other payables.

6. SEGMENT INFORMATION *(Continued)*

Other information

Amounts included in the measure of segment results and segment assets:

	Travel business HK$'000	Treasury management HK$'000	Precious metal trading HK$'000
For the year ended 31 December 2013			
Additions to non-current assets (Note)	**999**	**—**	**—**
Depreciation for property, plant and equipment	**1,833**	**—**	**—**
Impairment loss on goodwill	**25,000**	**—**	**—**
Amortisation of intangible assets	**9,077**	**—**	**—**
Interest income	**1,069**	**—**	**1**
Dividend income from available-for-sale investments	**—**	**28**	**—**
For the year ended 31 December 2012			
Additions to non-current assets (Note)	5,135	—	—
Depreciation for property, plant and equipment	1,628	119	160
Impairment loss on goodwill	24,000	—	—
Amortisation of intangible assets	8,982	—	—
Interest income	747	—	1
Dividend income from available-for-sale investments	—	7	—

Note: Additions to non-current assets represent the additions to property, plant and equipment.

Geographic information

The Group's current operations are mainly located in Singapore, Hong Kong and Malaysia.

Information about the Group's revenue from external customers is presented based on the location of the operation. Information about its non-current assets by geographical location of the assets are detailed below:

	Revenue from external customers		Non-current assets	
	2013 HK$'000	2012 HK$'000	**2013 HK$'000**	2012 HK$'000
Singapore	**52,516**	55,653	**109,418**	148,837
Hong Kong	**—**	2,455	**1,157**	3,192
Malaysia	**—**	—	**15,100**	—
	52,516	58,108	**125,675**	152,029

Note: Non-current assets excluded available-for-sale investments.

Information about major customers

No revenue from customers contributes over 10% of the total sales of the Group for any of the two years ended 31 December 2013.

7. INCOME TAX EXPENSE

	2013 **HK$'000**	2012 HK$'000
The tax charge comprises:		
Singapore Corporate Income Tax	**1,788**	2,508
Overprovision in prior year	**(71)**	—
	1,717	2,508
Deferred taxation — current year	**(1,544)**	(1,527)
	173	981

Singapore Corporate Income Tax is calculated at 17% in accordance with the relevant laws and regulations in Singapore.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No provision for Hong Kong Profits Tax at 16.5% has been made as the Company and its subsidiaries incurred tax losses for both years.

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

	2013 **HK$'000**	2012 HK$'000
Loss before tax	**(36,796)**	(32,604)
Tax at domestic income tax rate of 17% (2012: 17%)	**(6,256)**	(5,543)
Tax effect of expenses not deductible for tax purpose	**5,848**	5,827
Tax effect of income not taxable for tax purpose	**(580)**	(26)
Tax effect of share result of a joint venture	**(187)**	—
Tax effect of tax losses not recognised	**1,596**	1,556
Utilisation of tax losses previously not recognised	**(16)**	(363)
Overprovision in respect of prior year	**(71)**	—
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(161)**	(470)
Tax charge for the year	**173**	981

8. LOSS FOR THE YEAR

	2013	2012
	HK$'000	HK$'000
Loss for the year has been arrived at after charging:		
Depreciation for property, plant and equipment	**3,867**	4,873
Amortisation of intangible assets	**9,077**	8,982
Auditors' remuneration	**1,343**	1,340
Net exchange loss	**191**	—
Directors' emoluments (Note 9)	**988**	986
Salaries and allowances (excluding directors)	**34,351**	34,883
Retirement benefits scheme contribution (excluding directors)	**3,718**	3,633
	39,057	39,502
and after crediting:		
Interest income	**1,084**	755
Net exchange gain	**—**	972
Incentive income (included in other income)	**2,357**	4,112
Dividend income from available-for-sale investments	**28**	7

9. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to each of the five (2012: five) directors were as follows:

2013

Name of director	**Fees** HK$'000	**Salary** HK$'000	**Contribution to retirement benefits scheme** HK$'000	**Share-based payment** HK$'000	**Total** HK$'000
Executive directors:					
Tang Chi Ming	**240**	**—**	**12**	**—**	**252**
Tse Ke Li	**360**	**—**	**16**	**—**	**376**
Independent non-executive directors:					
Chung Koon Yan	**120**	**—**	**—**	**—**	**120**
Lam Ka Wai, Graham	**120**	**—**	**—**	**—**	**120**
Chan Ling, Eva	**120**	**—**	**—**	**—**	**120**
	960	**—**	**28**	**—**	**988**

2012

Name of director	Fees HK$'000	Salary HK$'000	Contribution to retirement benefits scheme HK$'000	Share-based payment HK$'000	Total HK$'000
Executive directors:					
Tang Chi Ming	240	—	12	—	252
Tse Ke Li	360	—	14	—	374
Independent non-executive directors:					
Chung Koon Yan	120	—	—	—	120
Lam Ka Wai, Graham	120	—	—	—	120
Chan Ling, Eva	120	—	—	—	120
	960	—	26	—	986

No directors waived any emoluments for the years ended 31 December 2012 and 2013.

The Company has not appointed chairman and chief executive officer, and the roles and functions of the chairman and chief executive officer have been performed by the above two executive directors of the Company collectively.

10. EMPLOYEES' AND CHIEF EXECUTIVE'S EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, none (2012: none) were directors of the Company whose emoluments are in note 9 above. The emoluments of the five (2012: five) highest paid individuals were as follows:

	2013 HK$'000	2012 HK$'000
Salaries and other benefits	5,302	5,025
Contribution to retirement benefits scheme	269	443
	5,571	5,468

The emoluments were within the following bands:

	Number of employees 2013	 2012
Nil–HK$1,000,000	2	2
HK$1,000,001–HK$1,500,000	3	3

11. DIVIDENDS

No dividend was paid or proposed for the years ended 31 December 2013 and 2012, nor has any dividend been proposed since the end of the reporting periods.

12. LOSS PER SHARE

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

	2013 HK$'000	2012 HK$'000
Loss		
Loss for the purpose of basic loss per share	(36,969)	(33,585)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	124,932,300	124,932,300

Diluted loss per share does not assume the exercise of the Company's options because the exercise price of the options was higher than the average market price of shares for both years.

13. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK$'000	Motor vehicle HK$'000	Furniture, fixtures and equipment HK$'000	Computer equipment HK$'000	Total HK$'000
COST					
At 1 January 2012	7,143	5,279	207	1,152	13,781
Additions	1,597	—	3,227	354	5,178
Disposals	—	—	(52)	(36)	(88)
Exchange adjustment	45	191	90	24	350
At 31 December 2012	8,785	5,470	3,472	1,494	19,221
Additions	609	—	315	324	1,248
Disposals	—	—	—	(284)	(284)
Exchange adjustment	(64)	(119)	(117)	(20)	(320)
At 31 December 2013	9,330	5,351	3,670	1,514	19,865
DEPRECIATION					
At 1 January 2012	2,801	418	151	973	4,343
Provided for the year	3,037	750	872	214	4,873
Eliminated on disposals	—	—	(52)	(36)	(88)
Exchange adjustment	6	19	22	11	58
At 31 December 2012	5,844	1,187	993	1,162	9,186
Provided for the year	1,908	755	968	236	3,867
Eliminated on disposals	—	—	—	(284)	(284)
Exchange adjustment	(13)	(25)	(45)	(8)	(91)
At 31 December 2013	7,739	1,917	1,916	1,106	12,678
CARRYING VALUES					
At 31 December 2013	1,591	3,434	1,754	408	7,187
At 31 December 2012	2,941	4,283	2,479	332	10,035

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold improvements	15% or over the term of the lease, whichever is shorter
Motor vehicle	10%–20%
Furniture, fixtures and equipment	15%–33%
Computer equipment	30%–33%

14. AVAILABLE-FOR-SALE INVESTMENTS

	2013	2012
	HK$'000	HK$'000
Unlisted equity shares, at cost	**136**	136
Analysed for reporting purposes as:		
Current asset	**136**	—
Non-current asset	**—**	136
	136	136

The cost of unlisted investments represents investment in unlisted equity securities issued by a private entity. They are measured at cost less accumulated impairment loss at the end of the reporting period because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably.

On 15 November 2013, a wholly-owned subsidiary, Wing Shing Loong Goldsmith & Refinery Co. Limited ("Wing Shing Loong"), entered into a conditional sale and purchase agreement with an independent third party to dispose of the unlisted equity shares and the membership license (details set out in note 21) at a total consideration of HK$12,700,000. The transaction is expected to be completed within twelve months and therefore, it is classified as current available-for-sale investments at the reporting period ended 31 December 2013.

15. GOODWILL

	HK$'000
COST	
At 1 January, 2012	55,454
Impairment loss	(24,000)
Exchange adjustment	2,557
At 1 January, 2013	34,011
Impairment loss	(25,000)
Exchange adjustment	(732)
As 31 December, 2013	8,279

For the impairment testing, goodwill, trade name and the customer relationship are allocated to the Group's cash generating units ("CGU") identified according to business segment which is the business travel segment.

The recoverable amount of the travel business CGUs was based on its value in use and was determined with the assistance of Ascent Partners Valuation Service Limited, an independent professional qualified valuer not connected with the Group. The calculation uses cash flow projections based on financial budgets approved by management covering a five-year period, and at a discount rate of 16.52% (2012: 16.63%). Cash flows after the five-year period were extrapolated using a 2.86% (2012: 2.67%) growth rate in considering the economic condition of the market.

15. GOODWILL *(Continued)*

The growth rates used to extrapolate cash flow projections beyond the five-year period do not exceed the long-term average growth rate for the industry. Other key assumptions for the value in use calculations relate to the estimation of cash inflows which include budgeted sales and gross margin. Such estimation is based on the unit's past performance and management's expectations for the market development including the slow down in travel business in the current economic environment. Both actual sales and profit generated from the travel business segment in Singapore have fallen below expectation, and therefore the management has revised the cash flow projections.

The carrying amount of the assets allocated to the unit was determined to be higher than its recoverable amount and an impairment loss of HK$25,000,000 (2012: HK$24,000,000) was recognised. The impairment loss was allocated fully to reduce the carrying amount of goodwill.

16. INTANGIBLE ASSETS

The intangible assets were purchased as part of the acquisition of the Safe2Travel Pte Ltd ("Safe2Travel") and are recognised at their fair value at the date of acquisition.

The trade name has no legal life. The directors of the Company are of the opinion that the Group has the ability to use the trade name continuously. Various studies including product life cycle studies, market, competitive and environmental trends, and brand extension opportunities have been performed by management of the Group, which supports that the trade name has no foreseeable limit to the period over which the services provided are expected to generate net cash flows for the Group.

As a result, the trade name is considered by the management of the Group as having an indefinite useful life because it is expected to contribute to net cash inflows indefinitely. The trade name will not be amortised until its useful life is determined to be finite. Instead it will be tested for impairment annually and whenever there is an indication that it may be impaired.

Other than the trade name, the customer relationship below has an estimated useful life of 7 years and is amortised on a straight-line basis.

16. INTANGIBLE ASSETS *(Continued)*

	Trade name HK$'000	Customer relationship HK$'000	Total HK$'000
COST			
At 1 January 2012	55,978	61,086	117,064
Exchange adjustment	3,267	3,565	6,832
At 31 December 2012	59,245	64,651	123,896
Exchange adjustment	(2,038)	(2,224)	(4,262)
At 31 December 2013	57,207	62,427	119,634
AMORTISATION			
At 1 January 2012	—	6,545	6,545
Provided for the year	—	8,982	8,982
Exchange adjustment	—	636	636
At 31 December 2012	—	16,163	16,163
Provided for the year	—	9,077	9,077
Exchange adjustment	—	(715)	(715)
At 31 December 2013	—	24,525	24,525
CARRYING VALUES			
At 31 December 2013	57,207	37,902	95,109
At 31 December 2012	59,245	48,488	107,733

Details of the impairment test on the recoverable amount of the CGUs of travel business in Singapore, to which the intangible assets are allocated, are set out in note 15.

17. INTEREST IN A JOINT VENTURE

On 30 July 2013, Jade Emperor International Limited ("Jade Emperor"), a wholly-owned subsidiary of the Group, entered into a venture participation agreement (the "Participation Agreement") with Matrix Triumph Sdn. Bhd. ("MTSB") and Discover Orient Holidays Sdn. Bhd. ("DOH") for participation and involvement in the business being conducted by DOH at a cash consideration of HK$14 million. DOH engages principally in the business of operating as tours and travel agents in Malaysia.

Pursuant to the terms of the Participation Agreement, DOH shall pay to Jade Emperor a management fee which is equivalent to 90% of the profit before taxation of DOH. MTSB unconditionally and irrevocably guaranteed to Jade Emperor that the profit before taxation for the three financial years commencing from the financial year ended 31 December 2013 shall be no less than one million Malaysian Ringgit for each financial year.

In addition to the Participation Agreement, MTSB and Jade Emperor also entered into an option agreement on the same day, pursuant to which MTSB granted a call option to Jade Emperor to acquire the entire issued share capital in DOH at a price to be agreed by the parties with reference to the profit before taxation of DOH or such comparables at the time of exercise of the option. In the opinion of the directors, in the view of the price of the call option will be at market value on a mutually agreed basis by the parties at the time of exercise of the option, and therefore the value of the call option has no material financial impact to the Group.

The transaction was completed on 31 August 2013.

As the Participation Agreement requires the consent of both parties on major decision in the operation and control of DOH, DOH is treated as a joint venture of the Group accordingly.

Details of the Group's investment in a joint venture are as follows:

	2013 **HK$'000**	2012 HK$'000
Cost of investment in a joint venture	**14,000**	—
Share of post-acquisition profits and other comprehensive income	**1,100**	—
	15,100	—

17. INTEREST IN A JOINT VENTURE *(Continued)*

The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with HKFRSs.

	31 December 2013 HK$'000
Current assets	15,849
Non-current assets	6,330
Current liabilities	7,505
Non-current liabilities	976

	1 September to 31 December 2013 HK$'000
Revenue	5,482
Profit for the period	1,222
Other comprehensive income	—
Total comprehensive income for the year	1,222
Dividends received from the joint venture during the year	—

Significant restriction

There are no significant restrictions on the ability of the joint venture of transfer funds to the Group in the form of cash dividends, or to repay loans or advance made by the Group.

18. OTHER NON-CURRENT ASSETS

	2013 HK$'000	2012 HK$'000
Membership licenses, at cost	—	1,180
Less: Impairment loss	—	(930)
	—	250

The membership licenses are measured at cost less accumulated impairment loss at the end of the 31 December 2012. The Group has entered into a conditional sale and purchase agreement with an independent third party to dispose of the membership during the year. Therefore, it is reclassified to asset classified as held for sale, details of which are set out in note 21.

19. TRADE AND OTHER RECEIVABLES

	2013 HK$'000	2012 HK$'000
Trade receivables	129,900	110,862
Brokers receivables	—	958
Deposits, prepayments and other receivables	10,774	22,810
	140,674	134,630

The Group allows an average credit period range from 90–180 days to its trade customers of the travel business. The following is an aged analysis of trade receivables presented based on the invoice date at the end of the report period.

	2013 HK$'000	2012 HK$'000
0–30 days	83,839	84,521
31–60 days	17,031	8,141
61–90 days	12,938	6,538
91–180 days	5,609	9,023
181–365 days	10,483	2,639
	129,900	110,862

Trade receivables comprise of the gross amounts billed to customers.

These receivables relate to a number of independent customers that have a good track record with the Group. The management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit risk and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

19. TRADE AND OTHER RECEIVABLES *(Continued)*

As at 31 December 2013, it included in the Group's trade receivable balance are debtors with aggregate carrying amount of approximately HK$16,092,000 (31 December 2012: HK$11,662,000) which are past due as at the reporting date for which the Group has not provided for impairment loss. The average age of these receivables is 126 days (2012: 117 days).

Aging of trade receivables which are past due but not impaired

	2013 HK$'000	2012 HK$'000
91–180 days	5,609	9,023
181–365 days	10,483	2,639
Total	16,092	11,662

The Group's trade and other receivables that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

	2013 HK$'000	2012 HK$'000
United States dollar ("US$")	—	958

20. BANK BALANCES AND CASH

Bank balances carry interest at market rates which range from 0.01% to 0.5% (2012: 0.01% to 4.23%) per annum.

The Group's bank balances and cash that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

	2013 HK$'000	2012 HK$'000
US$	40	93
Australian dollar ("AU$")	1,096	256
New Zealand dollar ("NZ$")	456	173

21. ASSET CLASSIFIED AS HELD FOR SALE

On 15 November 2013, the Group, through its wholly-owned subsidiary, Wing Shing Loong, entered into a conditional sale and purchase agreement with an independent third party to dispose of the unlisted equity shares (details set out in note 14) and the membership license of The Chinese Gold & Silver Exchange Society (the "Society") at a total consideration of HK$12,700,000 subject to the approval by the Society. As the disposal is expected to be completed within twelve months, the relevant asset with the carrying amount of HK$250,000 is classified as an asset held for sale.

22. TRADE AND OTHER PAYABLES

	2013 **HK$'000**	2012 HK$'000
Trade payables	**40,745**	21,424
Accruals	**11,839**	9,597
Deposits received	**9,864**	5,121
Other payables	**5,247**	7,533
	67,695	43,675

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

	2013 **HK$'000**	2012 HK$'000
0–30 days	**40,305**	20,635
31–60 days	**10**	740
61–90 days	**1**	47
Over 90 days	**429**	2
	40,745	21,424

23. DEFERRED TAX LIABILITIES

The following are the major deferred tax liabilities recognised and movements thereon during the current and prior year.

	Fair value adjustments HK$'000
At 1 January 2012	18,787
Credit to profit or loss	(1,527)
Exchange adjustment	1,056
At 31 December 2012	18,316
Credit to profit or loss	(1,544)
Exchange adjustment	(604)
At 31 December 2013	16,168

At the end of the reporting period, the Group has unutilised tax losses of approximately HK$91,147,000 (2012: HK$81,794,000) available to offset against future profits. No deferred tax asset has been recognised in respect of the unutilised tax losses due to the unpredictability of future profits stream. Such tax losses can be carried forward indefinitely.

24. SHARE CAPITAL OF THE COMPANY

	Number of shares	Share capital HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 January 2012, 31 December 2012 and 2013	180,000,000,000	1,800,000
Issued and fully paid:		
At 1 January 2012, 31 December 2012 and 2013	124,932,300	1,249

25. SHARE-BASED PAYMENT TRANSACTIONS

The Company adopted an old share option scheme ("Old Scheme") and terminated the same pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 19 May 2011, and the Company adopted a new share option scheme ("2011 Scheme") at the same meeting. The purpose of both share option schemes is to enable the Board, at its discretion, to grant options to any eligible participants who include Directors and employees as incentives or rewards for their contribution to the Group. Under both schemes, the directors of the Company may grant options to eligible participants, including directors of the Company, its subsidiaries, to subscribe for shares in the Company. Under the Old Scheme, a share option may be exercised in accordance with the terms of the scheme prior to the expiry of three years from the date of acceptance.

25. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

During the year ended 31 December 2013 and 2012, there was no share option granted or exercised.

The following tables disclose movements of the Company's share options held by the Directors and eligible participants during the years ended 31 December 2013 and 2012:

For the year ended 31 December 2013

Date of grant	Exercise price per share HK$	Outstanding at 1 January 2013	Granted during the year	Exercised during the year	Outstanding at 31 December 2013
Directors					
13 May 2011	1.058	500,000	—	—	500,000
Other eligible participants					
13 May 2011	1.058	1,750,000	—	—	1,750,000
		2,250,000	—	—	2,250,000
Exercisable at the end of the year					2,250,000

For the year ended 31 December 2012

Date of grant	Exercise price per share HK$	Outstanding at 1 January 2012	Granted during the year	Exercised during the year	Outstanding at 31 December 2012
Directors					
13 May 2011	1.058	500,000	—	—	500,000
Other eligible participants					
13 May 2011	1.058	1,750,000	—	—	1,750,000
		2,250,000	—	—	2,250,000
Exercisable at the end of the year					2,250,000

26. PLEDGE OF ASSETS

At 31 December 2013, trade receivable amounting to Singapore Dollar ("S$") 21,603,000 (equivalent to approximately HK$132,208,000) (31 December 2012: HK$99,355,000) have been pledged to banks by way of a floating charge. The banks have provided performance guarantees to a subsidiary of the Company in an aggregate amount of approximately S$13,500,000 (equivalent to approximately HK$82,617,000) (2012: S$14,000,000 (equivalent to approximately HK$107,742,000) of which the amounts utilised as at 31 December 2013 were approximately S$4,029,000 (equivalent to approximately HK$24,654,000) (31 December 2012: S$7,793,000 (equivalent to approximately HK$49,390,000)). The performance guarantees have been given in favour to international airlines.

27. OPERATING LEASES

The Group as lessee

	2013 HK$'000	2012 HK$'000
Minimum lease payments recognised under operating leases for premises during the year	**5,315**	5,317

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

	2013 HK$'000	2012 HK$'000
Within one year	**3,213**	2,845
In the second to fifth years inclusive	**1,400**	3,043
	4,613	5,888

Operating lease payments represent rentals paid or payable by the Group for certain of its office premises and office equipment. Leases are negotiated for lease term of one to three years (31 December 2012: three years).

28. RETIREMENT BENEFITS PLANS

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") for all qualified employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% or HK$1,250 of relevant salaries and allowances to the MPF Scheme, which contribution is matched by the employees.

The employees of the Group's subsidiary in Singapore are members of the Central Provident Fund Scheme ("CPF Scheme"), a state-managed retirement benefit scheme operated by Singapore Government. The Group is required to contribute ranging from 12% to 16% of payroll costs to the Central Provident Fund Scheme to fund the benefit. The only obligation of the Group with respect of the Central Provident Fund Scheme is to make the specific contributions. Contributions to the national pension scheme are recognised as an expense in the period in which the related service is performed.

The total cost charged to consolidated statement of profit or loss and other comprehensive income approximately of HK$3,773,000 (2012: HK$3,659,000) represents contributions payable to the MPF Scheme and CPF Scheme by the Group in respect of the year ended 31 December 2013. As at 31 December 2013, contributions of HK$797,000 (31 December 2012: HK$812,000) due in respect of the year ended 31 December 2013 (2012) had not been paid over to the plans. The amounts were paid subsequent to the end of the reporting period.

29. FINANCIAL INFORMATION OF THE COMPANY

The information about the statement of financial position of the Company at the end of reporting period is as follows:

	Notes	2013 HK$'000	2012 HK$'000
Total assets			
Interest in a subsidiary	(a)	**1**	1
Amount due from subsidiaries		**277,675**	319,007
Other receivables		**77**	121
Bank balances and cash		**15**	15
		277,768	319,144
Total liability			
Other payables		**(2,925)**	(3,524)
Net assets		**274,843**	315,620
Capital and reserves			
Share capital	24	**1,249**	1,249
Reserves	(b)	**273,594**	314,371
		274,843	315,620

Notes:

(a) The interest in a subsidiary represents the unlisted share measured at cost less impairment loss recognised.

(b) **Reserves**

	Share premium HK$'000	Distributable reserve HK$'000 (Note)	Share option reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 January 2012	349,134	32,589	852	(50,515)	332,060
Loss for the year	—	—	—	(17,689)	(17,689)
At 31 December 2012	349,134	32,589	852	(68,204)	314,371
Loss for the year	—	—	—	(40,777)	(40,777)
At 31 December 2013	349,134	32,589	852	(108,981)	273,594

The distributable reserves of the Company is amounted to HK$272,742,000 (2012: HK$313,519,000).

Note: The distributable reserve represented credit arising from capital reduction effected by the Company during the year ended 31 December 2009.

30. 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 stakeholders 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 cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and various reserves.

At the end of both reporting periods, the Group had no external financing.

31. FINANCIAL INSTRUMENTS

31a. Categories of financial instruments

	2013 HK$'000	2012 HK$'000
Financial assets		
Loans and receivables (including cash and cash equivalents)	225,794	210,887
Available-for-sale investments	136	136
Financial liabilities		
Amortised cost	45,993	28,957

31b. Financial risk management objectives and policies

The Group's major financial instruments include available-for-sale investments, trade and other receivables, bank balances and cash and trade and other payables. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) *Currency risk*

Certain subsidiaries of the Group have trade and other receivables, bank balances in foreign currencies, which expose the Group to currency risk.

The carrying amounts of the Group's monetary assets and monetary liabilities denominated in foreign currencies at the reporting date are as follows:

	Assets		Liabilities	
	2013 HK$'000	2012 HK$'000	2013 HK$'000	2012 HK$'000
US$	40	1,051	—	—
AU$	1,096	256	—	—
NZ$	456	173	—	—

31. FINANCIAL INSTRUMENTS *(Continued)*

31b. Financial risk management objectives and policies *(Continued)*

Market risk *(Continued)*

(i) *Currency risk (Continued)*

Sensitivity analysis
The following table details the Group's sensitivity to a 5% (2012: 5%) increase and decrease in the functional currencies of each group entity against the above foreign currencies. 5% (2012: 5%) is the sensitivity rate used when 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 only outstanding foreign currency denominated monetary items other than the items denominated in US$ as the directors consider that the Group's exposure to US$ is insignificant on the ground that HK$ is pegged to US$. A positive number below indicates an increase in post-tax loss where functional currency of each group entity strengthen 5% (2012: 5%) against the relevant currencies. For a 5% (2012: 5%) weakening of functional currency of each group entity against the relevant currencies, there would be an equal and opposite impact on the post-tax loss and the balances below would be negative.

	2013 **HK$'000**	2012 HK$'000
AU$	**55**	11
NZ$	**23**	7

(ii) *Interest rate risk*
The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances (note 20). The Group's cash flow interest rate is mainly resulted from the fluctuation of market interest rate.

The sensitivity analysis below have been determined based on the exposure to interest rates on bank balances. The analysis is prepared assuming the amounts at the end of reporting date were deposited with the bank for the whole year.

A 50 basis point increase is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. If interest rates had been 50 basis points higher and all other variables were held constant, the Group's loss for the year ended 31 December 2013 would decrease by approximately HK$422,000 (2012: decrease by approximately HK$492,000). Management does not expect a significant decrease of interest rate.

In management's opinion, the sensitivity analysis is unrepresentative of inherent interest rate risk as the year end exposure does not reflect the exposure during the year.

31. FINANCIAL INSTRUMENTS (Continued)

31b. Financial risk management objectives and policies (Continued)

Credit risk

As at 31 December 2013, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group credit risk is primarily attributable to its trade receivables. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with good reputation.

Other than concentration of credit risk on liquid funds which are deposited with several banks with good reputation, the Group does not have any other significant concentration of credit risk. Trade receivables consist of a large number of customers.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. As at 31 December 2013 and 2012, the Group had no external borrowings.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

	Weighted average interest rate	**Less than one month or on demand and total undiscounted cash flows**	**Carrying amount**
	%	HK$'000	HK$'000
2013			
Non-derivative financial liabilities			
Trade and other payables	—	**45,993**	**45,993**
2012			
Non-derivative financial liabilities			
Trade and other payables	—	28,957	28,957

31. FINANCIAL INSTRUMENTS *(Continued)*

31c. Fair values

The directors consider that the carrying amounts of other financial assets and financial liabilities at amortised cost in the consolidated financial statements approximate their fair values due to short maturity.

32. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

The remuneration of directors and other members of key management compensation during the year was as follows:

	2013	2012
	HK$'000	HK$'000
Short-term employee benefits	**960**	960
Post-employment benefits	**28**	26
	988	986

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

33. EVENTS AFTER THE REPORTING PERIOD

(a) The disposal of the unlisted equity shares and the membership license by Wing Shing Loong was completed on 18 February 2014 after the necessary approval was obtained. Details of the disposal was disclosed in the Company's announcement dated 15 November 2013.

(b) On 11 February 2014, the Company completed the placing of 24,986,000 new shares under the general mandate (pursuant to an ordinary resolution which passed at the Company's annual general meeting on 29 May 2013) to not less than six placees at the placing price of HK$1.00 per placing share. The net proceeds from the placing, after deducting the placing commission and other related expenses payable by the Company, were approximately HK$24.14 million, subsequently used as general working capital and for future potential investment opportunities of the Group. Details of the placing was disclosed in the Company's announcements dated 22 January 2014, 24 January 2014, 30 January 2014 and 11 February 2014.

34. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the Company's principal subsidiaries at 31 December 2013 and 31 December 2012 are as follows:

Name of subsidiary	Place of incorporation	Issued and paid up capital	Proportion ownership interest held by the Company				Proportion of voting power held by the Company				Principal activities/ place of operation
			Direct		Indirect		Direct		Indirect		
			2013 %	2012 %	2013 %	2012 %	2013 %	2012 %	2013 %	2012 %	
Durable Gold Investments Limited	British Virgin Islands	Ordinary US$1	100	100	—	—	100	100	—	—	Investment holding/Hong Kong
Wing Shing Loong Goldsmith & Refinery Co Limited	Hong Kong	Ordinary HK$15,000,000	—	—	100	100	—	—	100	100	Gold bullion licence holding and precious metals trading/Hong Kong
Trasy Holdings Limited	Hong Kong	Ordinary HK$2	—	—	100	100	—	—	100	100	Management services/Hong Kong
United Goldnet Limited	Hong Kong	Ordinary HK$2	—	—	100	100	—	—	100	100	Treasury management and securities trading/Hong Kong
Harvest Well International Limited	British Virgin Islands	Ordinary US$1	—	—	100	100	—	—	100	100	Investment holding/Hong Kong
Safe2Travel Pte Ltd.	Singapore	Ordinary SG$9,981,000	—	—	100	100	—	—	100	100	Licensed travel agent/Singapore
Jade Emperor International Limited	British Virgin Islands	Ordinary US$1	—	—	100	—	—	—	100	—	Investment holding/Hong Kong

The above table listed the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.