GLOBAL GREEN TECH GROUP LIMITED

高寶綠色科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 274

Annual Report 2010

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Yip Chung Wai, David
Mr. Ng Ka Hong
Mr. Jia Xuelei
Mr. Lin Jan
Mr. Chai Xiaojun
Mr. Dong Jixu
Mr. Xue Bing
Mr. Long Xiaobo
Mr. Wu Jun

Independent Non-executive Directors

Ms. Chan Wing
Mr. Ding Yongshun
Mr. Xiong Wei

COMPANY SECRETARY

Mr. Ng Ka Hong

AUDITORS

Parker Randall CF (H.K.) CPA Limited
Certified Public Accountants
Room 201, 2/F., Two Grand Tower
625 Nathan Road
Mongkok
Kowloon

LEGAL ADVISERS

As to Hong Kong law
CHENG WONG LAM & PARTNERS, Lawyers
50th Floor, Bank of China Tower,
1 Garden Road, Central, Hong Kong

LEUNG & LAU, Solicitors
13/F., Public Bank Centre
120 Des Voeux Road Central
Hong Kong

As to Cayman Islands law
Conyers Dill & Pearman
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Room 305-307, 3/F., Empire Centre
68 Mody Road
Tsim Sha Tsui,
Kowloon
Hong Kong

PRINCIPAL BANKERS

Public Bank (Hong Kong) Ltd
19/F., Asia Financial Centre
120 Des Voeux Road Central
Hong Kong

Bank of China (Hong Kong) Ltd
Unit 702-706, The Gateway Tower 3
(Prudential Tower), 21 Canton Road
Tsim Sha Tsui, Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Bank of Butterfield International (Cayman) Ltd
Butterfield House
Fort Street, P.O. Box 705
George Town
Grand Cayman
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

AUTHORISED REPRESENTATIVES

Mr. Yip Chung Wai, David
Mr. Ng Ka Hong

To all shareholders,

On behalf of the Board, we herein present the annual results of Global Green Tech Group Limited ("Global Green"/the "Group") for the year ended 31 December 2010.

The global economy managed to maintain its upturn in growth despite difficulties in 2010, with uneven recovery in various economies.

BUSINESS REVIEW

The Group faces difficult operating environment in 2010.

The Group recorded a turnover of HK$331.10 million, representing an increase of 6.13% from that of HK$311.97 million in the last year. Gross profit was HK$68.93 million, representing an increase of 174% from that of HK$25.10 million in the last year. Loss for the year amounted to HK$1,403 million compared with a loss of HK$629 million in the last year. The basic loss per share was HK$36.82 cents (2009: the basic loss per share of HK$31.69 cents)

The Group still promotes the brand through sales and marketing expenses from HK$27 million in last year to HK$41 million in current year and on the other hand, general and administrative expenses increased significantly from HK$44 million in last year to HK$170 million in current year with the operation for gold mine project.

The cosmetics and skincare business and industrial products and household products are the Group's largest contributor to the revenues.

OUTLOOK

In 2011, one of the key missions in the 12th Five-Year Plan for national economic and social development of China is to boost domestic consumption. The Group, with its solid foundation in China, will continue to benefit from this opportunity. The Group has sought to diversify its business model in order to withstand the adverse impacts on the global economy arising from the threat of inflation in China's economy and the concerns over the earthquake, tsunami and the subsequent nuclear crisis in Japan

For cosmetics and skincare products, our brand, MB, has established its brand name in mainland China. We signed a trademark licensing agreement to grasp an opportunity to generate a stable source of royalty income by keeping the ownership of the trademark.

For industrial products, we will strive to maintain a reasonable profit margin for our traditional industrial surfactants business and industrial enzymes business for the Group with our stable customer base.

At the same time, the gold mining project is still under an introduction stage in the product life cycle, Base on the high speed economy growth in the People's Republic of China ("PRC"), the group's direction is intends to concentrate its efforts and resources to explore the opportunities in the mining products and other natural resources in order to generate rich return for our shareholders in the near future.

In addition, the group also need to strengthen the review and adjustment by some internal control system to improve the product profitability, and provide a stable cashflow for the further development

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OPERATIONAL REVIEW

I. Household Products

For the period under review, turnover of household products was HK$10.94 million, representing an increase of 24.75% from the previous year and accounting for 3.3% of the Group's total turnover.

The gross margin of this segment has gradually deteriorated due to the fierce market competition. The Group will try to maintain its market share by competitive pricing and marketing strategies.

II. Industrial Products

For the year ended 31 December 2010, turnover of industrial products increased by 10.33% to HK$204.92 million, accounting for 61.89% of the Group's total turnover.

Industrial surfactants, with a stable customer base, used to be the Group's primary business. Despite the difficult operating environment in 2009 and 2010 for the PRC textile and garment industry, which is the industry of our major clients, the Group was able to maintain a considerable market shares in the sector.

After years of research and development, and the completion of the construction of the production facility for industrial enzymes in 2008, the Group started selling industrial enzymes to customers in the first half of 2008. We will try our best to improve the profitability.

III. Cosmetics And Skincare Products

During the current year, the turnover of cosmetics and skincare products increased by 14.55% to HK$111.43 million, accounting for 33.65% of the Group's total turnover.

In spite of the manufacturing and distribution network of the cosmetic and skincare business of the Company, there may be Possible Disposal in the near future. The rationale is that the increasing competition from the rivals and the lack of management talent, even the management paid the continuing effort, have led to a continuing substantial loss in cosmetics and skincare products segment of the Group for the years ended 31 December 2009 and 2010. Currently, the company will strengthen negotiations with potential buyers to complete the possible Disposal which can raise cashflow level to lessen the liabilities in order to lessen the loss of the Group.

IV. Biotechnology Products

The biotechnology products business comprises mainly production of patented biotech raw materials for medical companies and internally consumption. There was no biotechnology products sold in the current year.

V. Investments

In 2010, the conditions of the international financial market was in great fluctuation. The Group managed to sell the largest part of the investment with the investment losses of to HK$132 million in current year.

As at 31 December 2010, the total market value of marketable securities held by the Group amounted to HK$3.68 million.

VI. Green Recycle Energy

Regarding the green energy recycling project (the "Project"), the Management changed our investment strategy by returning to the Hong Kong Science and Technology Parks Corporation of the HKSAR Government a site of approximately 24,000 square meters in Yuen Long Industrial Estate leased at approximately HK$25.35 million for the Group. The development phase of the recycle energy project has been stifled by the unexpected waiting time to start our first step. Afterwards, the Management believed that this business may have a better development pace if we set up our production base in the Mainland China to explore the possibility of the application of an Environmental Permit or the possibility of the co-operation with the parties who owned the Environmental Permit.

ANALYSIS OF OPERATING EXPENSES

Selling and distribution expenses for the year ended 31 December 2010 amounted to HK$41.51 million, representing 12.53% of turnover as compared with that of HK$26.98 million or 8.65% of turnover in the last year.

General and administrative expenses was HK$170.23 million or 51.41% of turnover for the year ended 31 December 2010, as compared to HK$44.09 million or 14.13% of turnover in the last year.

The actual finance costs for the year ended 31 December 2010 amounted to HK$50.25 million, mainly due to interest expenses on the syndicated loan of the Group and the provision for interest expenses.

USE OF PROCEEDS FROM THE ISSUE OF SHARES AND WARRANTS

On 31 March 2010, the Company issued 762,022,000 ordinary shares at the price of HK$0.40, as part of the consideration of acquisition of the Westralian Resource Group.

On 12 November 2010, the Company completed a placing of 340,000,000 shares of the Company at a price of HK$0.12 per shares to not less than six independent institutional and professional investors.

During the year, no share options were exercised.

During the year, 1,152,500,000 shares of HK$0.1 each were issued pursuant to the exercise of the conversion rights attaching to the Company's convertible bonds at a conversion price of HK$0.40 per share. No warrants were exercised during the year.

The net proceeds from the placement were used to finance the development of mining business and general working capital requirements. The exercise of the share issue, placement and the conversion of convertible bonds during the year resulted in the issue of 2,254,522,000 additional ordinary shares of the Company.

LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained cash and cash equivalent of approximately HK$78.39 million as at the end of the reporting period. The Group adopts conservative treasury policies in cash and financial management. Most of the retained cash was placed as Renminbi and Hong Kong Dollars short term deposits and therefore exposure to exchange fluctuations was minimal. The Group also invested in a combination of portfolio investments such as marketable securities, bonds, funds, foreign currencies and fixed income assets in order to increase the financial returns. Shareholders' funds as at 31 December 2010 was HK$2,104.41 million, compared with that of HK$2,432.94 million as at 31 December 2009, representing a decrease of HK$328.53 million or 13.50%

A Sale and Purchase Agreement and a Supplemental Sale and Purchase Agreement were entered into on 1 December 2009 and 9 December 2009, respectively. Pursuant to the agreements the Company has conditionally agreed to purchase the entire issued share capital of an Australian company, Westralian Resources Pty. Ltd.,and its mining subsidiary, Hunan Westralian Mining Co., Ltd. at a total consideration of approximately HK$1,173 million, which was satisfied by the issues of new shares of HK$278 million and convertible bond of HK$895 million. On 31 March 2010, the purchase and sale agreement was formally completed.

The Group's capital expenditure for the year ended 31 December 2010 amounted to HK$9.5 million, which was funded from cash generated from operations.

The indebtedness of the Group mainly comprises bank loans and finance leases which are largely denominated in Hong Kong Dollars and Renminbi. The Group's borrowings are closely monitored to ensure a smooth repayment schedule to maturity.

As at 31 December 2010, the Group's banking facilities had been utilized to the extent of approximately HK$196 million, which are short term bank loans.

The Group's inventory turnover period increased from 52 days in last year to 74 days in current year. Debtor's and creditor's turnover periods were 98.86 days and 175.66 days, respectively.

The gearing ratio and the total interest bearing debts over total assets were 22.39% and 15.68%, respectively, whereas the current ratio was 1.02.

ADDITIONAL DISCLOSURE ON FINANCIAL INFORMATION

1. Impairment loss on goodwill

As the announcement on 25 January 2011, the whole board of directors of the Company (the "Board") has received three offers from certain independent parties on acquiring of certain subsidiaries of the Group under the cosmetics and skincare products segment. On 19 March 2011, the Company announced a letter of intent in respect of the possible disposal of Global cosmetic (HK) company limited. Charmfame Investment Limited as the Intended Purchaser, entered into the letter of intent with Global Chemical Investment Limited, a wholly owned subsidiary of the Company, as the Intended Vendor in relation to the Possible Disposal. During the year of 2010, all of the goodwill arising from the acquisition of the issued share capital of Cosmetic HK has totally impaired.

2. Impairment loss on property, plant and equipment

As the announcement on 19 January 2011, the Group has issued the profit warning informing the public that the Group is expected to record a substantial loss in cosmetics and skincare products segment. As the announcement on 25 January 2011, the whole board of directors of the Company (the "Board") has received three offers from certain independent parties on acquiring of certain subsidiaries of the Group under the cosmetics and skincare products segment. On 19 March 2011, the Board announced a letter of intent in respect of the possible disposal of Global Cosmetic (HK) Company Limited. Charmfame Investment Limited as the Intended Purchaser, entered into the letter of intent with Global Chemical Investment Limited, a wholly owned subsidiary of the Company, as the Intended Vendor in relation to the Possible Disposal. With reference to the valuation report provided by independent valuer, the Management of the Company are of the opinion that the recoverable amount of certain property, plant and equipment of the Group is less than the carrying amount. An impairment loss was then recognized and the carrying amount was reduced to the recoverable amount.

3. Prepaid lease payments for land under operating leases

Regarding the green energy recycling project (the "Project"),we changed our investment strategy by returning to the Hong Kong Science and Technology Parks Corporation of the HKSAR Government a site of approximately 24,000 square meters in Yuen Long Industrial Estate leased with a deposit for tenancy of HK$25.35 million refunded. On 19 March 2011, the Board announced a letter of intent in respect of the possible disposal of Global Cosmetic (HK) Company Limited. Charmfame Investment Limited as the Intended Purchaser, entered into the letter of intent with Global Chemical Investment Limited, a wholly owned subsidiary of the Company, as the Intended Vendor in relation to the Possible Disposal. The Management of the Company are of the opinion that the recoverable amount of certain prepaid lease payments for land under operating leases of the Group is less than the carrying amount. An impairment loss of HK$63.96 million was then recognized and the carrying amount was reduced to the recoverable amount of HK$30.68 million and then reclassified as held for sale.

4. Intangible Assets

On 31 March 2010, Group completed the Acquisition of 100% interest in Westralian Resource Group for a consideration of HK$1,173 million which was partly satisfied by issue of new shares of HK$278 million, and partly satisfied by issue of convertible bond of HK$895 million. The increase in intangible assets is related to the fair value of the mining right arising from the acquisition as at the date of acquisition.

5. Impairment loss on Deposits for property, plant and equipment

The deposits are paid for the business line of recycling waste tyres and plastic products into usable oil, diesel, gasoline and natural gas. By reference to the valuation report provided by independent valuer, the Management of the Company are of the opinion that the deposits for property, plant and equipment should be impaired due to the possible abortion of the project and the possible recoverable amount of the equipment.

6. Impairment loss on trade and other receivables

Impairment loss on trade and other receivables are related to the aged analysis of the trade receivables which were past due. The Management of the Company are of the opinion that there may be a clients' default and delinquency in repayment of debts according to the terms of payment. The Group has taken measures and will continue to improve its credit control by engaging the lawyer to take the legal actions to trace the past due debts in due course.

PROSPECTS

Household Products

The gross margin of this segment has gradually deteriorated due to the fierce market competition. The Group will try to maintain its market share by competitive pricing and marketing strategies.

Industrial Products

Industrial surfactants, with a stable customer base, used to be the Group's primary business. Despite the difficult operating environment in 2009 and 2010 for the PRC textile and garment industry, which is the industry of our major clients, the Group was able to maintain a considerable market shares in the sector.

After years of research and development, and the completion of the construction of the production facility for industrial enzymes in 2008, the Group started selling industrial enzymes to customers in the first half of 2008. We will try our best to improve the profitability.

Biotechnology Products

The biotechnology products business comprises mainly production of patented biotech raw materials for medical companies and internally consumption. There was no biotechnology products sold in the current year.

Green Recycle Energy

Regarding the green energy recycling project (the "Project"), the Management changed our investment strategy by returning to the Hong Kong Science and Technology Parks Corporation of the HKSAR Government a site of approximately 24,000 square meters in Yuen Long Industrial Estate leased at approximately HK$25.35 million for the Group. The development phase of the recycle energy project has been stifled by the unexpected waiting time to start our first step. Afterwards, the Management believed that this business may have a better development pace if we set up our production base in the Mainland China to explore the possibility of the application of an Environmental Permit or the possibility of the co-operation with the parties who owned the Environmental Permit.

Cosmetics and Skincare Products

Currently, the Group has both the retail line and professional line of product series which are under the Group's own brand name of "Marjorie Bertagne (MB)" and consistently develops and promotes new series of MB products. On 19 March 2011, the Group entered into the License Agreement with the Licensee whereby the Licensor granted to the Licensee an exclusive worldwide (EXCEPT for use in the Hong Kong Special Administrative Region of People's Republic of China) license to use the Trademarks solely in connection with its business.

In spite of the manufacturing and distribution network of the cosmetic and skincare business of the Company, there may be Possible Disposal in the near future. The rationale is that the increasing competition from the rivals and the lack of management talent, even the management paid the continuing effort, have led to a continuing substantial loss in cosmetics and skincare products segment of the Group for the years ended 31 December 2009 and 2010. Currently, the company will strengthen negotiations with potential buyers to complete the possible Disposal which can raise cashflow level to lessen the liabilities in order to lessen the loss of the Group.

The Directors believe that the possible disposal will stand for the whole interest of the shareholders in the long term.

Mining Products

The Group will leverage on the core skills and expertise of the management team of the group to continue its growth and pursue further value creating opportunities in the gold section and other natural resources in the People's Republic of China ("PRC"). The mining license held by the Mining Company ("Mining License") has been renewed for a further five years from 11 March 2010. The operational issues of mining segments have been under review to make a foundation for large-scale exploration in the future. Within the current year, the Group has conducted the preparation works of the significant activities in exploration. The directors and management believe that high return on this sector will be expected for the group in the future.

EMPLOYEES AND REMUNERATION POLICIES

The Group's clear and effective management policies have enabled it to maintain good staff relations. It has not encountered much difficulties in recruiting personnel except the management talent to assume the major responsibility in running the Group's cosmetics and skincare products segment business and there has not been any interruption to its operations as a result of labour disputes. The Group provides social security benefits encompassing the mandatory provident fund and health insurance scheme to all its employees. It does not shoulder any material liability arising from the relevant statutory retirement scheme.

CONTINGENT LIABILITY AND CHARGE ON GROUP ASSETS

The Group did not have any significant contingent liabilities as at 31 December 2010. As at 31 December 2010, the banking facilities of the Group were secured by corporate guarantees executed by a subsidiary of the Group and certain property, plant and equipment.

EXECUTIVE DIRECTORS

Mr. Yip Chung Wai, David, aged 47, joined the Group on 25 September 2009, is an executive Director, the chief executive officer and an authorized representative of the Company. Mr. Yip is also a director in a number of subsidiaries of the Company. Mr. Yip is responsible for the formulation and the execution of strategic development and the daily operations of the Group. Mr. Yip has substantial experience in the financial and banking industry, particularly in the securities and investment banking areas for over nineteen years. Mr. Yip has worked for different sizable financial groups and corporations in Hong Kong at a senior level. Mr. Yip is well experienced in corporate finance and fund management matters and has indirectly been involved in a number of fund raising exercises. He also has experience in structuring mergers and acquisitions deals during his time in the investments and banking areas. Mr. Yip obtained a Master Degree in Business Administration from the University of Hull in the United Kingdom.

Mr. Ng Ka Hong, aged 41, joined the Group on 4 January 2011, is an executive Director, the chief financial officer, the company secretary and an authorized representative of the Company. Mr. Ng is responsible for the funding needs of the Group, monitoring the Group's operational and financial status such as cash flow and revenue generation, expenses containment and budget forecasting in accordance with the Group's strategic plans. Mr. Ng has had more than 18 years of practical accounting and auditing experience. He has worked for two listed companies, namely Henderson Real Estate Agency Limited and Veeko Fashion Company Limited, for more than seven years where his principal responsibilities were accounting, taxation and financial reporting of Hong Kong enterprises in Hong Kong. Mr. Ng obtained a diploma in Business Studies from the Hang Seng School of Commerce in 1991. He is a Certified Public Accountant in Hong Kong, a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.

Mr. Jia Xuelei, aged 40, joined the Group on 25 September 2009, is an executive Director. Currently, Mr. Jia is the general manager of Global Cosmetics (China) Co., Limited, a subsidiary of the Company. Mr. Jia has substantial experience in trading and in the sale and marketing of cosmetics in the PRC. Mr. Jia has been the senior management of an advertising agency, a trading company and renowned cosmetic distributors in the PRC. The purpose of the appointment of Mr. Jia is to monitor and formulate the sales and marketing strategies of the Group and enhance the future business development of the Company. Mr. Jia has studied in Australia and at the Shanghai Artistic College in the PRC.

Mr. Long Xiaobo, aged 44, joined the Group on 22 November 2010, is an executive Director and a member of the remuneration committee of the Company. He is currently the director and general manager of Cypress House Asset Management Company Limited and Shenzheng City Boien Investment Limited Liability Company (深圳市柏恩投資有限責任公司). Mr. Long has served as the vice president of Dapeng Securities Company Limited, and was in charge of investment banking, asset management and the research business. He was also the founder and the first general manager of Dacheng Fund Management Company Limited. Mr. Long has more than 18 years experience in the capital market business, and has specialised in asset management, securities investment, merger and acquisition, corporate reorganisation, financial consulting and real estates investment and integration. Mr. Long holds a Master Degree in Economics and a Bachelor Degree in Engineering from Fudan University, the People's Republic of China ("PRC").

Mr. Wu Jun, aged 43, joined the Group on 22 November 2010, is an executive Director. He is currently the director of the private equity department of Cypress House Asset Management Company Limited. Mr. Wu has served as the vice general manager of the investment banking department and the general manager of the securities investment department of Dapeng Securities Limited. He was also the senior investment manager of Dapeng Venture Capital Investment Company (大鵬創業投資公司), the chief investment manager of Dapeng Asset Management Company (大鵬資產管理公司), and committee member of the investment committee and the investment director of Merry Venture Capital Fund Limited Partnership (麥瑞有限合伙創業投資基金). Mr. Wu has more than 16 years experience in the capital markets business, and specialised in finance, corporate reorganization, merger and acquisition, asset management, equity investment and financial consulting business. Mr. Wu completed his graduate course at the Financial Science Institute of the Ministry of Finance, the PRC.

Mr. Lin Jan, aged 44, joined the Group on 7 September 2010, is an executive Director, He holds a Master degree of Professional Accounting from Hong Kong Polytechnic University. Mr. Lin has over 20 years of experience in banking, finance, accounting and auditing with financial institutions and holding companies in both Hong Kong and Mainland China. Mr. Lin is a member of Association of Chartered Certified Accountants and Hong Kong Institute of Certified Public Accountants.

Mr. Chai Xiaojun, aged 47, joined the Group on 27 September 2010, is an executive Director. He holds a Bachelor degree in metal and non-metal specialty from the China Wuhan Geoscience College (now China University of Geosciences). Mr. Chai was engaged in geological exploration and technical management in various geologic exploration units and mining groups in the PRC, and has more than 20 years' practical experience in geological exploration, mining right appraisal, energy project investment analysis and evaluation, Mr. Chai is a qualified as certified senior engineer in the PRC. Mr. Chai now assumes the office of general manager in the mining resources department of an investment company in the PRC.

Mr. Dong Jixu, aged 45, joined the Group on 27 September 2010, is an executive Director. He holds a Bachelor degree (economics) in accounting from the Inner Mongolia Finance and Economics College in the PRC. Mr. Dong was employed in financial management with the Chifeng Pharmaceutical Group in Inner Mongolia Autonomous Region and Dadi Real Estate Integrated Development Co., Ltd. (大地房產綜合開發有限公司) in Wuxi City, and has more than 20 years' work experience in financial enterprise management, auditing, investment and finance. Mr. Dong now assumes the office of the asset management director in an investment company. He is an accountant as well as an international finance manager.

Mr. Xue Bing, aged 27, joined the Group on 27 September 2010, is an executive Director. He is graduated from the University of Manchester in Britain with a Master degree in Commercial Project Management. Mr. Xue previously worked in a risk investment firm in the PRC and was involved in financial analysis. He has more than 3 years' work experience in investment and finance, merger and acquisition, and banking. He has served for various investment enterprises in the fields of TMT, clean energy, manufacture and retail, and the like.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Chan Wing, aged 39, is an independent non-executive Director, a member and the chairman of the audit committee and a member of the remuneration committee of the Company. Ms. Chan holds a Bachelor Degree of Accounting from the Jiangxi University of Finance and Economics in the PRC. She is an associate member of The Hong Kong Institute of Certified Public Accountants and The Institute of Chartered Accountants in England and Wales respectively. She is also a member of the Chinese Institute of Certified Public Accountants. Ms. Chan is currently the chief financial officer and company secretary of Inspur International Ltd, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Ms. Chan was an executive director of Ming Fai International Holdings Limited, a company listed on the Stock Exchange, between July 2007 and March 2008. She assumed the position as a non-executive director between March 2008 and September 2008.

Mr. Ding Yongshun, aged 52, is an independent non-executive Director, and a member of the audit committee and the remuneration committee of the Company. Currently, he is the vice general manager of Beijing Fuchun Investment Management Limited（北京富春投資管理有限公司）. Mr. Ding has served as the general manager of Dapeng Securities Company Limited in charge of investment banking. He was also the vice general manager of Dapeng Asset Management Company（大鵬資產管理公司）and the executive director of Argentina Socma (China) Limited（阿根廷索科馬（中國）有限公司）. Mr. Ding holds a Master of Business Administration degree in Economics and Management from Wuhan University, the PRC. He has also completed his graduate course at the Financial Science Institute of the Ministry of Finance, the PRC.

Mr. Xiong Wei, aged 29, is an independent non-executive Director, and a member of the audit committee and the remuneration committee of the Company. He joined China Hightech Investment Management Company Limited（中國高新技術產業投資基金管理有限公司）as a futures trader in 2005, and is currently the vice general manager. He holds a Bachelor degree of Engineering from the National University of Defense Technology, the PRC.

SENIOR MANAGEMENT

Mr. Ko Sik Fong, aged 44, is the General Manager of the industrial surfactant division of the Group. He is responsible for the sales, marketing, purchasing and production of the Group. He has over 17 years of experience in the chemical industry in Hong Kong. He joined the Group in July 1995.

Ms. Lui Wai Mui Grace, aged 61, is the General Manager of the cosmetics section. She joined the cosmetics group in September 2004. Ms. Lui has over 33 years of experience in the skincare and colour cosmetics industry.

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS AND SENIOR MANAGEMENT

Ms. Tsui Pui Kwan, aged 37, is the Vice President of cosmetics division of our Group. Ms. Tsui joined our Group in October 2004 and was a co-founder of Global Idea (Int'l) Co., Limited. She is responsible for the overall strategic planning and business development of our Group's ODM and OEM, and private brand toiletries, skin and personal care businesses. Ms. Tsui has over 15 years of experience in the import and export business. Prior to joining our Group in October 2004, she worked for various companies in the cosmetics and gift products industry and was responsible for implementing sales and marketing strategies as well as product development.

Ms. Leung Yuen Ling, aged 42, is the Manager of the Marketing and Product Development Department of the cosmetics group. Ms. Leung joined the cosmetics group in January 2005 and she is responsible for marketing, product development, sales and promotion, public relations and advertising of our cosmetics business in Hong Kong and greater China. Ms. Leung has over 21 years of experience in sales and marketing in the cosmetics industry.

Ms. Huang Bilian, aged 47, joined the Group as Project Manager of the Research and Development Department in January 2003 and is responsible for the research and development of bio-tech products. Ms. Huang received her bachelor's degree from Xiamen University in 1986. Before joining the Group, she worked for various pharmaceutical companies and hospitals as a senior researcher in the bio-engineering field.

Ms. Man Kwong Fung, aged 59, joined the Group as the Vice General Manager of the Research and Development Department in October 2009 and is responsible for the research and development of industrial and household products for the Group. She had over 25 years of experience in the chemical industry.

Ms. Cai Fang, aged 30, Purchasing Manager, joined the Group in April 2003 and is responsible for the procurement of raw materials for industrial and household products. She has over 13 years of experience in the related fields.

Mr. Tse On Tak, aged 55, Vice Supervisor of the industrial division, joined the Group in May 2010 and is responsible for the production of industrial products. Mr. Tse has over 10 years of experience in the related industry.

Ms. Wu Jian Rong, aged 36, Production Manager of the household division, joined the Group in February 1998 and is responsible for the production of household products. Ms. Wu has over 12 years of experience in the related industry.

CORPORATE GOVERNANCE PRACTICES

The board of directors of the Company (the "Board") is committed to maintaining a high standard of corporate governance. The Board believes that a high standard of corporate governance will provide a framework for the Company and its subsidiaries (collectively the "Group") to formulate the business strategies and policies, and manage the associated risks through effective internal control procedures. The Board also believes that good corporate governance practices are increasingly important for maintaining and promoting shareholder value and investor confidence.

The Company has adopted most of the major code provisions set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). In the opinion of the Board, the Company has complied with the applicable code provisions in the CG Code throughout the year ended 31 December 2010, except for certain deviations that are discussed later in this report.

BOARD OF DIRECTORS

Composition

The Board comprises twelve directors ("Director(s)") of the Company of which nine are executive Directors and three are independent non-executive Directors. The Directors and members of the Board Committee as at the date of this annual report are as follows:

Executive Directors

Mr. Yip Chung Wai, David	(appointed on 25 September 2009)
Mr. Ng Ka Hong	(appointed on 4 January 2011)
Mr. Jia Xuelei	(appointed on 25 September 2009)
Mr. Lin Jan	(appointed on 7 September 2010)
Mr. Chai Xiaojun	(appointed on 27 September 2010)
Mr. Dong Jixu	(appointed on 27 September 2010)
Mr. Xue Bing	(appointed on 27 September 2010)
Mr. Long Xiaobo	(appointed on 22 November 2010)
Mr. Wu Jun	(appointed on 22 November 2010)

Independent Non-executive Directors

Ms. Chan Wing	(appointed on 7 March 2011)
Mr. Ding Yongshun	(appointed on 22 November 2010)
Mr. Xiong Wei	(appointed on 22 November 2010)

The Board formulates overall strategies and policies of the Group. It also ensures the availability of adequate capital and managerial resources to implement the strategies adopted, the adequacy of systems of financial and internal controls and the conduct of business in conformity with applicable laws and regulations. Decisions requiring the Board's approval include, among others, all matters of objective and strategic importance, corporate governance practices, changes in Board members, major transactions and investment and financial policy etc. The day-to-day management, administration and operation of the Company are delegated to senior management of the subsidiaries which is accountable to the Board for the implementation of the Group's overall strategies adopted by the Board and coordination of overall business operations.

The Board members are fully committed to their responsibilities and have always acted, in the best interests of the Company and its shareholders at all times. To the best knowledge of the Company, there is no financial, business, family or other material/relevant relationship amongst the Directors. Biographical details of the Directors are set out on pages 11 to 14 under the section headed "Directors and Senior Management" of this annual report.

During the year ended 31 December 2010 (the "Year"), the Board held 4 regular/special Board meetings. The attendance of each member at the Board meetings is set out below:

Name		Number of meetings attended/Total
Executive Directors		
Mr. Yip Chung Wai, David	(appointed on 25 September 2009)	4/4
Mr. Wong Hiu Tung	(appointed on 25 September 2009 and resigned on 4 January 2011)	4/4
Mr. Jia Xuelei	(appointed on 25 September 2009)	2/4
Mr. Lin Jan	(appointed on 7 September 2010)	2/4
Mr. Chai Xiaojun	(appointed on 27 September 2010)	2/4
Mr. Dong Jixu	(appointed on 27 September 2010)	2/4
Mr. Xue Bing	(appointed on 27 September 2010)	2/4
Mr. Long Xiaobo	(appointed on 22 November 2010)	1/4
Mr. Wu Jun	(appointed on 22 November 2010)	1/4
Independent Non-executive Directors		
Mr. Cheung Kwok Yu	(appointed on 25 September 2009 and resigned on 4 January 2011)	2/4
Mr. Li Yongxiang	(appointed on 25 September 2009 and resigned on 22 November 2010)	2/4
Ms. Lin Ying	(appointed on 25 September 2009 and resigned on 22 November 2010)	2/4
Mr. Ding Yongshun	(appointed on 22 November 2010)	1/4
Mr. Xiong Wei	(appointed on 22 November 2010)	1/4

Notes:

One of the aforesaid Board meeting discussed matters regarding the directors' remuneration and re-election of directors. The roles of the chief executive officer ("CEO") of the Company have been performed by Mr. Yip Chung Wai, David. Our company do not have the Chairman for the past two years.

Mr. Yip Chung Wai, David, being the CEO of the Group since 25 September 2009, has taken the lead in formulating and executing overall strategies and policies of the Group; ensures the effective performance by the Board of its functions, including compliance with good corporate governance practices and encourages and facilitates active contribution of Directors in Board activities. He also ensures that all Directors are properly briefed on issues arising at Board meetings and have received adequate, complete and reliable report and documentary information in a timely manner with the assistance of the company secretary.

Executive Directors

The executive Directors are responsible for running the Group and executing the strategies adopted by the Board. They help CEO and the senior management team in accordance with the directions set by the Board and ensure that a proper internal control system is in place and the Group's business conforms to applicable laws and regulations.

Independent Non-executive Directors

The independent non-executive Directors serve the important function of ensuring and monitoring the basis for an effective corporate governance framework. Their participations provide adequate checks and balances to safeguard the interests of the Group and its shareholders. The Board consists of three independent non-executive Directors and one of them have appropriate professional qualifications or accounting or related financial management expertise. The Company has received from each of the independent non-executive Directors a confirmation of independence for the Year pursuant to Rule 3.13 of the Listing Rules. On this basis, the Company considers all such Directors to be independent.

Service Term of Independent Non-executive Directors

In compliance with code provision A.4.1 of the CG Code, each independent non-executive Director should be appointed for a specific term and subject to re-election. All independent non-executive Directors are appointed for one year but subject to retirement by rotation in accordance with the Articles of Association of the Company.

Ms. Chan Wing has signed an appointment letter with the Company for an initial term of one year commencing on 7 March 2011, which is renewable automatically for successive terms of one year each, commencing from the next date after the expiry of the then current term and shall continue unless terminated by not less than one month's notice in writing served by either party. Her appointment is subject to retirement by rotation and/or re-election in accordance with the Articles of Association. Pursuant to her letter of appointment, Ms. Chan's remuneration is fixed at HK$120,000 per annum, which is commensurate with her duties and responsibilities as the independent non-executive Director and the prevailing market situation. Ms. Chan has no interest in the securities of the Company within the meaning of Part XV of the SFO. Ms. Chan is not connected with other Directors, senior management, substantial or controlling Shareholders.

Mr. Ding Yongshun has signed an appointment letter with the Company for an initial term of one year commencing on 22 November 2010, which is renewable automatically for successive terms of one year each, commencing from the next date after the expiry of the then current term and shall continue unless terminated by not less than one month's notice in writing served by either party. His appointment is subject to retirement by rotation and/or re-election in accordance with the Articles of Association. Pursuant to her letter of appointment, Mr. Ding's remuneration is fixed at HK$120,000 per annum, which is commensurate with his duties and responsibilities as the independent non-executive Director and the prevailing market situation. Ms. Chan has no interest in the securities of the Company within the meaning of Part XV of the SFO. Mr. Ding is not connected with other Directors, senior management, substantial or controlling Shareholders.

Mr. Xiong Wei has signed an appointment letter with the Company for an initial term of one year commencing on 22 November 2010, which is renewable automatically for successive terms of one year each, commencing from the next date after the expiry of the then current term and shall continue unless terminated by not less than one month's notice in writing served by either party. His appointment is subject to retirement by rotation and/or re-election in accordance with the Articles of Association. Pursuant to her letter of appointment, Mr. Xiong's remuneration is fixed at HK$120,000 per annum, which is commensurate with his duties and responsibilities as the independent non-executive Director and the prevailing market situation. Mr. Xiong has no interest in the securities of the Company within the meaning of Part XV of the SFO. Mr. Xiong is not connected with other Directors, senior management, substantial or controlling Shareholders.

Audit Committee

The Company established an audit committee on 28 October 2000. The audit committee currently comprises three independent non-executive Directors. The functions of the audit committee are:

- to make recommendations to the board concerning the appointment, reappointment, retention, evaluation and termination of compensation and overseeing the work of the Company's independent auditor;
- to approve all non-audit services to be provided by the Company's independent auditor;
- to approve the remuneration and terms of engagement of the Company's independent auditor;
- to review the relationships between the Company and the independent auditor;
- to approve the hiring of any employee or former employee of the Company's independent auditor who was a member of the audit team during the preceding two years;
- to review the Company's annual and interim financial statements, accounting policies and practices, the effectiveness of the Company's disclosure controls and procedures and developments in financial reporting practices and requirements;
- to review the Company's risk assessment and management policies;
- to review the adequacy and effectiveness of the Company's legal and regulatory compliance procedures; and
- to obtain and review reports from management and the independent auditor regarding compliance with applicable legal and regulatory requirements.

During the Year, the audit committee held 2 meetings with full attendance, details of which are set out below:

Members		Number of meetings attended/Total
Independent Non-executive Directors		
Mr. Cheung Kwok Yu *(Chairman)*	(appointed on 25 September 2009 and resigned on 4 January 2011)	2/2
Mr. Li Yongxiang	(appointed on 25 September 2009 and resigned on 22 November 2010)	2/2
Ms. Lin Ying	(appointed on 25 September 2009 and resigned on 22 November 2010)	2/2
Mr. Ding Yongshun	(appointed on 22 November 2010)	0/2
Mr. Xiong Wei	(appointed on 22 November 2010)	0/2
Ms. Chan Wing (Chairman)	(appointed on 7 March 2011)	0/2

Under code provisions C.3.4 of the CG Code, the terms of reference of the audit committee are required to be made available on request and included on the issuer's website.

Remuneration and Nomination Committees

The remuneration committee (the "Committee") was established on 27 June 2008. The terms of reference of the Committee were prepared in accordance with the Code on Corporate Governance as set out in Appendix 14 to the Rule Governing of the Listing Securities on the The Stock Exchange of Hong Kong Limited (the "CG Code"). The role and functions of the Committee, among other things, includes the following:

- to recommend to the board on the Company's policies and structure for the remuneration of the directors and senior management of the Group;
- to determine the remuneration packages of all executive directors and senior management;
- to review and approve performance-based remuneration;
- to review and approve the compensation payable to executive directors and senior management in connection with any loss or termination of office or appointment; and
- to ensure that no director or any of his associates is involved in deciding his own remuneration.

Members of the Committee shall be appointed by the Board from amongst the members of the Board and shall consist of not less than three members and a majority of which should be independent non-executive directors of the Company. The chairman of the Committee shall be appointed by the Board. The appointment of the members of the Committee may be revoked, or additional members may be appointed to the Committee by a separate resolution passed by the Board and by the Committee.

During the Year, the remuneration committee held 2 meetings with full attendance, details of which are set out below:

Members		**Number of meetings attended/Total**
Executive Director		
Mr. Long Xiaobo *(Chairman)*	(appointed on 7 March 2011)	0/2
Independent Non-executive Directors		
Mr. Cheung Kwok Yu	(appointed on 25 September 2009 and resigned on 4 January 2011)	2/2
Mr. Li Yongxiang	(appointed on 25 September 2009 and resigned on 22 November 2010)	2/2
Ms. Lin Ying	(appointed on 25 September 2009 and resigned on 22 November 2010)	2/2
Mr. Ding Yongshun	(appointed on 22 November 2010)	0/2
Mr. Xiong Wei	(appointed on 22 November 2010)	0/2
Ms. Chan Wing	(appointed on 7 March 2011)	0/2

The Company has not established any nomination committee and the CEO of the Board is mainly responsible for identifying appropriate candidates to fill the casual vacancy whenever it arises or to add additional member as and when required. The CEO will propose the qualified candidate(s) to the Board for consideration. The Board will approve the appointment based on the suitability and qualification of the candidate.

DIRECTORS' SECURITIES TRANSACTION

The Company has adopted the Model Code for Securities Transactions by Directors (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors.

Having made specific enquiry of all Directors, all Directors confirmed that they had compiled with the required standards as set out in the Model Code throughout the Year.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Directors acknowledge their responsibility for preparing all information and representations contained in the financial statements of the Group for the Year. The Directors consider that the financial statements have been prepared in conformity with the generally accepted accounting standards in Hong Kong, and reflect amounts that are based on the best estimates and reasonable, informed and prudent judgment of the Board and management with an appropriate consideration to materiality.

The Group incurred a loss for the year attributable to equity shareholders of the Company of approximately HK$1,367,871,000 and its current assets exceeds its current liabilities by HK$7,595,000 as at 31 December 2010.

The consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the financial supports from the substantial shareholders to cover the Group's operating costs and meet its financial commitments. The substantial shareholders have confirmed their intention and ability to provide continuing financial support to the Group so as to enable it to meets its liabilities as and when they fall due and to carry on its business for the foreseeable future.

In light of the measures described above, the directors are confident that the Group will have sufficient working capital to meet its financial obligation as and when they fall due. Accordingly, the directors are of the opinion that it is appropriate to prepare these consolidated financial statements on a going concern basis.

The statement of the auditors of the Company regarding their responsibilities on the financial statements is set out in the Auditors' Report on pages 32 to 33 of this annual report.

Internal Controls

The Group's system of internal control includes management structure with limits of authority, and is designed to help the Group achieve its business objectives, safeguard its assets against unauthorized use or disposition, ensure the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensure compliance with relevant laws and regulations. The system is designed to provide reasonable assurance against material misstatement or loss, and to manage risks of failure in the Group's operational systems and in the achievement of the Group's business objectives.

The Group does not have an internal audit department and no formal independent internal control review had been performed for the year 2010. During the current year, the Board has conducted a review of the effectiveness of the Group's internal control system and considered that it is in the best interest of shareholders to set up an internal audit department in the near future.

Auditors' Remuneration

An analysis of the remuneration of the Company's auditors, Parker Randall CF (H.K.) CPA Limited for the current Year (2009: Hopkins CPA Limited) is set out as follows:

Services rendered	Fee paid/payable Approximately HK$
Audit services (Year 2009: HK$2,262,000)	2,200,000
Non-audit services (Year 2009: Nil)	Nil
Taxation services (Year 2009: Nil)	166,000
Other services (Year 2009: Nil)	Nil
Total:	2,366,000

COMMUNICATION WITH SHAREHOLDERS

The Company believes that effective communication with shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Company recognises the importance of transparency and timely disclosure of corporate information which enables shareholders and investors to make the best investment decision.

To promote effective communication, the Company has established, including but not limited to, the following various channels:

1. annual general meeting provides a forum for shareholders of the Company to raise comments and exchange views with the Board. The CEO and the Directors are available at annual general meetings to address shareholders' queries;

2. separate resolutions are proposed at general meetings on each substantially separate issue and procedures for demanding a poll in general meetings are included in circulars to the shareholders to facilitate the enforcement of shareholders' rights;

3. interim and annual results are announced as early as possible so that the shareholders are kept informed of the Group's performance and operations; and

4. corporate website www.globalgreentech.com contains extensive information and updates on the Company's business developments and operations, financial information and other information.

The Directors herewith submit their report together with the audited accounts of the Company and the Group for the year ended 31 December 2010.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The activities of the principal subsidiaries are set out in note 23 to the accounts.

An analysis of the Group's performance for the year by business and geographical segments is set out in note 14 to the accounts.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated statement of comprehensive income on page 34.

The Directors do not recommend payment of a final dividend for the year ended 31 December 2010 (2009: HK$nil).

ACQUISITION OF INTEREST IN A SUBSIDIARY

On 31 March 2010, Group completed the Acquisition of 100% interest in Westralian Resource Group for a consideration of HK$1,173 million which was partly satisfied by issue of new shares of HK$278 million, and partly satisfied by issue of convertible bond of HK$895 million. Details of the acquisition of interest in a subsidiary of the Group are set out in note 40 to the accounts.

DISPOSAL OF A SUBSIDIARY

During the year in 2009, the Group entered into a settlement arrangement with an independent lender to dispose of its entire interest in GCIL and its subsidiary, Dongguan Gao Bao Chemicals Co. Ltd. ("Dongguan Gao Bao") at a consideration of approximately HK$39,936,000 which was satisfied by settlement of cash borrowings (including accrued interests) owing by Dongguan Gao Bao to the Lender. The assets retained by Dongguan Gao Bao that would be transferred to the Lender were certain property, plant and equipment and inventories relating to laundry powder business of Dongguan Gao Bao. Details of the disposal of a subsidiary of the Group are set out in note 41 to the accounts.

RESERVES

Movements in the reserves of the Group and of the Company during the year are set out in note 37 to the accounts.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in note 17 to the accounts.

SHARE CAPITAL

Details of the movements in share capital of the Company are set out in note 36 to the accounts.

DISTRIBUTABLE RESERVES

Details of the distributable reserves of the Company as at 31 December 2010 are set out in note 37 to the accounts.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association and there are no restrictions against such rights under the laws in the Cayman Islands.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company had no purchase, redemption or sales of its own shares during the year ended 31 December 2010.

BANK LOANS

Details of the bank loans of the Group are set out in note 30 to the accounts.

SHARE OPTIONS

Pursuant to an ordinary resolution passed at an extraordinary general meeting of the Company held on 20 December 2001, the share option scheme adopted by the Company on 28 November 2000 (the "Old Scheme") was terminated and another share option scheme (the "New Scheme") was adopted. Upon termination of the Old Scheme, no further options can be granted thereunder but in all other respects, the provisions of the Old Scheme remain in force and all share options granted prior to such termination continue to be valid and exercisable in accordance therewith. As at 31 December 2010, there were 272,079,000 share options outstanding under the New Scheme. Details of the New Scheme are as follows:

(a) Purpose

The Company operates the New Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations.

(b) Eligible participants

Eligible participants of the New Scheme include the Company's Directors, including the Non-executive Directors and Independent Non-executive Directors, other employees of the Group, suppliers of goods or services to the Group, customers of the Group, any minority shareholders of the Company's subsidiaries and any other person or entity determined by the Directors as having contributed or may contribute to the development and growth of the Group.

(c) Maximum number of issuable share options

The maximum number of unexercised share options currently permitted to be granted under the New Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. At 31 December 2010, share options could be granted under the New Scheme with the 10% general limit refreshed and approved by the shareholders in a general meeting.

(d) Maximum entitlement of each eligible participant

The maximum number of shares issued and to be issued upon exercise of the share options granted to each eligible participant under the New Scheme in any 12-month period is limited to 1% of the shares of the Company in issue. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a Director, Chief Executive or substantial shareholder of the Company, or to any of their associates, are subject to approval by the Independent Non-executive Directors of the Company. In addition, any share options granted to a substantial shareholder or an Independent Non-executive Director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company's shares at the date of the grant) in excess of HK$5 million, in any 12-month period, are subject to shareholders' approval in a general meeting.

(e) Exercisable period

The exercisable period of the share options granted is determined by the Directors, and commences after a certain vesting period, if any, and ends on a date which is not later than 10 years from the date of the offer. The share options which are granted and remain unexercised immediately prior to the end of the expiry date of the New Scheme shall continue to be exercisable in accordance with their terms of grant, notwithstanding the expiry of the New Scheme.

(f) Payment on acceptance of option

The offer of a grant of share options shall deemed to be accepted when the acceptance letter is duly signed by the grantee and the nominal consideration for the grant of HK$1 is received by the Company within 28 days from the date of the offer.

(g) Basis of determining the exercise price

The exercise price of the share option is determined by the Directors, but not less than the highest of (i) the closing price of the Company's shares as stated in the daily quotations sheet of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of the offer of the grant, which must be a trading day; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet for the five trading days immediately preceding the date of the offer of the grant; and (iii) the nominal value of the Company's shares.

(h) Remaining life of the scheme

The New Scheme became effective on 20 December 2001 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

As at 31 December 2010, there were no outstanding share options which were granted under the Old Scheme and 262,078,130 share options which was granted under the New Scheme.

Details of the share options outstanding as at 31 December 2010 which have been granted under the New Scheme are as follows:

			Number of share options			Company Share Price	
Participant	Date of grant	Original exercise price HK$	1 January 2010 HK$	Granted during the year	31 December 2010	At date of grant HK$	At date of exercise HK$
Suppliers of goods or services, customers and others							
In aggregate	7 July 2009 [1]	0.44	10,000,985	–	10,000,985	0.44	0.51
	25 February 2010 [1]	0.349	–	262,078,130	262,078,130	0.349	0.349
Share options granted under the New Scheme			10,000,985	262,078,130	272,079,115		

Notes:

(1) The exercisable period of the above share options is 3 years from the date of grant as determined by the Directors.

(2) The price of the Company's shares disclosed as at the date of grant of the share options is the Stock Exchange's closing price on the trading day immediately prior to the date of grant of the share options. The price of the Company's shares disclosed as at the date of exercise of the share options is the weighted average closing price of the shares immediately before the dates on which share options were exercised.

(3) 262,078,130 share options were granted to the suppliers of goods or services, customers and others on 25 February 2010.

Summary of details of the Company's share option schemes are also set out in note 33 to the accounts.

The fair value of share options granted is recognised in profit and loss account taking into account the probability that the options will vest over the vesting period. Upon the exercise of the options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Options which lapsed, if any, prior to their exercise date are deleted from the outstanding options.

DIRECTORS

The Directors who held office during the year and up to the date of this report were:

Executive Directors

Mr. Yip Chung Wai, David	(appointed on 25 September 2009)
Mr. Wong Hiu Tung	(appointed on 25 September 2009 and resigned on 4 January 2011)
Mr. Ng Ka Hong	(appointed on 4 January 2011)
Mr. Jia Xuelei	(appointed on 25 September 2009)
Mr. Lin Jan	(appointed on 7 September 2010)
Mr. Chai Xiaojun	(appointed on 27 September 2010)
Mr. Dong Jixu	(appointed on 27 September 2010)
Mr. Xue Bing	(appointed on 27 September 2010)
Mr. Long Xiaobo	(appointed on 22 November 2010)
Mr. Wu Jun	(appointed on 22 November 2010)

Independent Non-executive Directors

Mr. Cheung Kwok Yu	(appointed on 25 September 2009 and resigned on 4 January 2011)
Mr. Li Yongxiang	(appointed on 25 September 2009 and resigned on 22 November 2010)
Ms. Lin Ying	(appointed on 25 September 2009 and resigned on 22 November 2010)
Ms. Chan Wing	(appointed on 7 March 2011)
Mr. Ding Yongshun	(appointed on 22 November 2010)
Mr. Xiong Wei	(appointed on 22 November 2010)

In accordance with the Company's Articles of Association, Mr. Yip Chung Wai, Mr. Ng Ka Hong, Mr. Lin Jan, Mr. Chai Xiaojun, Mr. Dong Jixu, Mr. Xue Bing, Mr. Long Xiaobo, Mr. Wu Jun, Ms. Chan Wing, Mr. Ding Yongshun, Mr. Xiong Wei will retire from office of Director by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

The Directors of the Company are subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the provisions of the Company's Articles of Association. The Executive Directors are appointed for three years and the Independent Non-executive Directors are appointed for one year, but are subject to retirement by rotation in accordance with the Company's Articles of Association.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of Directors and senior management are set out from page 11 to page 14.

DIRECTORS' SERVICE CONTRACTS

Each of the Executive Directors has entered into a service contract with the Company for a term of three years commencing from the announcement date (the "Contracts"). The Contracts continue thereafter until terminated by either party giving not less than one month's notice in writing to the other party.

None of the Directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

Save for the service contracts of Directors disclosed above, no other contracts of significance in relation to the Group's business to which the Company or its subsidiaries was a party, and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

CONNECTED TRANSACTIONS

There were no significant connected transactions were entered into by the Group during the year ended 31 December 2010, which constitute connected transactions under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN EQUITY OR DEBT SECURITIES OR WARRANTS

At 31 December 2010, no directors, chief executives or their associates had any interest or short position in the shares or underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

SUBSTANTIAL SHAREHOLDERS

So far as the Directors are aware, as at 31 December 2010, the register of substantial shareholders maintained under Section 336 of the SFO showed that, the Company had been notified of the following substantial shareholders' interests, being 5% or more of the Company's issued share capital:

Name of shareholder	Number of ordinary shares	Percentage of the Company's share capital
Star Sino International Limited	762,022,000	15.63%
Double Chance Investments Limited	569,046,976	11.67%

All the interests disclosed above represent long positions in the shares of the Company.

Save as disclosed above and so far as the Directors are aware, the Company has not been notified by any other person (other than a director of the Company disclosed above) who has an interest or short position in the shares or underlying shares of the Company pursuant to Section 336 of the SFO as at 31 December 2010.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2010.

COMPETING INTEREST

None of the Director or their respective associates (as defined in the Listing Rules) had an interest in a business, which competes or may compete with the business of the Group.

EMOLUMENT POLICY

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

The emoluments of the directors of the Company are decided by the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to directors, employees and eligible participants, details of the scheme is set out in note 33 to the accounts.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2010.

MAJOR SUPPLIERS AND CUSTOMERS

The percentages of purchases and sales for the year attributable to the Group's major suppliers and customers are as follows:

Purchases	
– the largest supplier	15.66%
– five largest suppliers combined	23.52%
Sales	
– the largest customer	8.6%
– five largest customers combined	21.79%

None of the Directors, their associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in the major suppliers or customers noted above.

MAJOR LITIGATION AND ARBITRATION

The Company and the Group were no major litigation or arbitration during the reporting period.

COMPLIANCE OF CODE OF CORPORATE GOVERNANCE PRACTICE OF LISTING RULES

Information on the Company's compliance of the Code of Corporate Governance Practice ("CG Code") as set out in Appendix 14 of the Listing Rules and deviations from certain code provisions of the CG Code for the year is set out in the Corporate Governance Report in this annual report.

AUDIT COMMITTEE

The existing Company's Audit Committee comprises three Independent Non-executive Directors, namely Ms. Chan Wing, Mr. Ding Yongshun, Mr. Xiong Wei.

The written terms of reference which describe the authority and duties of the Audit Committee were prepared and adopted with reference to "A Guide for The Formation of An Audit Committee" published by the Hong Kong Society of Accountants. The principal activities of the Audit Committee include the review and supervision of the Group's financial reporting process and internal controls.

The Audit Committee met twice during the year of 2010 in conjunction with the auditors to review the internal controls, interim results and final accounts of the Group prior to recommending them to the Board for approval.

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the directors have an interest in any business constituting a competing business to the Group.

PENSION SCHEME ARRANGEMENTS

On 1 December 2000, the Group set up a Mandatory Provident Fund Scheme (the "MPF Scheme") in accordance with the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong). The assets of the MPF Scheme are held separately from those of the Group and under control of an independent trustee.

Both the Group and its employees located in Hong Kong are required to contribute 5% of the employees' monthly salaries. The mandatory contributions required to be made by the Group and an employee are capped at HK$1,000 per month. Members are entitled to 100% of the employers' mandatory contributions as soon as they are paid to the relevant MPF Scheme but all benefits derived from the mandatory contributions must be preserved until the employee reaches the retirement age of 65 or in accordance with the rules of the MPF Scheme.

Pursuant to the relevant regulations of the government of the PRC, a subsidiary of the Company operates a local municipal government retirement benefits scheme (the "PRC Scheme") for its employees located in the PRC. The subsidiary is required to make contributions to the PRC Scheme at rates specified by the local practice and regulations and the local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of the subsidiary. The only obligation of the Group is to make the ongoing required contributions to the PRC Scheme.

The Group's retirement benefit costs are charged to the consolidated income statement when incurred and the aggregate contributions paid or payable by the Group was approximately HK$1,241,448 for the year ended 31 December 2010 (2009: HK$897,000). There were no provisions under the Group's retirement schemes whereby forfeited contributions may be used to reduce future contributions

AUDITORS

On 7 January 2011, the Board of Directors accepted the resignation of Hopkins CPA Limited, who acted as auditors of the Company for the past two years and Parker Randall CF (H.K.) CPA Limited was then appointed as auditors of the Company to fill in the casual vacancy.

The financial statements for the year ended 31 December 2010 were audited by Parker Randall CF (H.K.) CPA Limited.

On behalf of the Board

Yip Chung Wai, David
Chief Executive Officer

Hong Kong, 15 April 2011

To the Shareholders of Global Green Tech Group Limited
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Global Green Tech Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 34 to 119, which comprise the consolidated and company statements of financial position as at 31 December 2010, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes determine, designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the 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 financial statements based on our audit. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements 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 financial statements.

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2010, and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Parker Randall CF (H.K.) CPA Limited
Seto Man Fai
Practising Certificate Number: P05229
Hong Kong

31 March 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 HK$'000	2009 HK$'000
Turnover	6	**331,099**	311,977
Cost of sales		**(262,163)**	(286,870)
Gross Profit		**68,936**	25,107
Other revenue and net income	7	**44,885**	10,496
Selling and distribution expenses		**(41,517)**	(26,987)
General and administrative expenses		**(170,233)**	(97,723)
Fair value gain on investment properties		**–**	8,895
Impairment loss on property, plant and equipment		**(1,396)**	(185,747)
Impairment loss on goodwill		**(403,570)**	(55,858)
Impairment loss on intangible assets		**(12,940)**	(15,539)
Impairment loss on trade and other receivables		**(98,888)**	–
Impairment loss on deposits for property, plant and equipment		**(222,475)**	–
Bad debts written off		**–**	(113,473)
Finance costs	8(a)	**(50,253)**	8,875
(Loss) before taxation	8	**(887,451)**	(441,954)
Income tax	9(a)	**(5)**	(1,717)
(Loss) for the year from continuing operations		**(887,456)**	(443,671)
(Loss) for the year from discontinued operations	28	**(515,738)**	(185,835)
Total (Loss) for the year		**(1,403,194)**	(629,506)
Other comprehensive income for the year			
Exchange difference on translation of financial statements of overseas subsidiaries		**90,744**	23,738
Total comprehensive income for the year		**(1,312,450)**	(605,768)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 HK$'000	2009 HK$'000
(Loss)/Profit attributable to:			
Equity shareholders of the Company			
– Continuing operation		**(887,203)**	(447,214)
– Discontinued operation		**(480,668)**	(173,198)
Non-controlling interests			
– Continuing operation		**(253)**	3,543
– Discontinued operation		**(35,070)**	(12,637)
		(1,403,194)	(629,506)
Total comprehensive income attributable to:			
Equity shareholders of the Company			
– Continuing operation		**(823,479)**	(432,624)
– Discontinued operation		**(456,523)**	(162,897)
Non-controlling interests			
– Continuing operation		**860**	1,638
– Discontinued operation		**(33,308)**	(11,885)
		(1,312,450)	(605,768)
(Loss) per share			
Basic		**(36.82 cents)**	(31.69 cents)
Diluted		**(30.15 cents)**	(31.69 cents)

The notes on pages 42 to 119 form part of these financial statements.

	Note	2010 HK$'000	2009 HK$'000
Non-current Assets			
Goodwill	16	**508,596**	912,166
Property, plant and equipment	17	**713,940**	1,171,136
Investment properties	18	**34,948**	34,075
Prepaid lease payments for land under operating leases	19	**9,907**	139,992
Intangible assets	20	**1,345,263**	12,203
Deposits for property, plant and equipment	21	**71,000**	279,123
Other deposits and club debenture	22	**350**	350
		2,684,004	2,549,045
Current Assets			
Prepaid lease payments for land under operating leases	19	**1,237**	2,365
Financial assets at fair value through profit or loss	24	**3,688**	19,866
Inventories	25	**51,166**	56,141
Trade and other receivables	26	**89,681**	149,020
Tax recoverable		**727**	–
Cash and cash equivalents	27	**78,396**	35,514
		224,895	262,906
Assets of disposal group classified as held for sale	28	**150,240**	–
		375,135	262,906
Current Liabilities			
Trade and other payables	29	**126,168**	76,162
Bank loans	30	**127,583**	215,308
Loans and borrowings	31	**23,549**	–
Current portion of obligations under finance leases	32	**–**	3
Tax payables	33	**–**	29,827
		277,300	321,300
Liabilities of disposal group classified as held for sale	28	**90,240**	–
		367,540	321,300
Net Current Assets/(Liabilities)		**7,595**	(58,394)
Total Assets less Current Liabilities		**2,691,599**	2,490,651

	Note	2010 HK$'000	2009 HK$'000
Non-current liabilities			
Deferred tax liabilities	35	**1,106**	1,106
Convertible notes	29	**328,820**	–
		329,926	1,106
NET ASSETS		**2,361,673**	2,489,545
CAPITAL AND RESERVES			
Share capital	36	**487,530**	262,078
Reserves	37	**1,616,886**	2,170,860
Total equity attributable to equity shareholders of the Company		**2,104,416**	2,432,938
Non-controlling interests		**257,257**	56,607
TOTAL EQUITY		**2,361,673**	2,489,545

Approved and authorised for issue by the Board of Directors on 31 March 2011.

Mr. Yip Chung Wai, David
Director

Mr. Ng Ka Hong
Director

The notes on pages 42 to 119 form part of these financial statements.

STAEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2010

	Note	2010 HK$'000	2009 HK$'000
Non-current Assets			
Investments in subsidiaries	23	**1,754,000**	580,671
Current Assets			
Trade and other receivables	26	**5,807**	733
Amounts due from subsidiaries		**1,208,284**	1,179,892
Cash and cash equivalents	27	**8,091**	2,744
		1,222,182	1,183,369
Current Liabilities			
Trade and other payables	29	**(3,339)**	(751)
Amounts due to subsidiaries		**(430,010)**	(423,518)
		(433,349)	(424,269)
Net Current Assets		**788,833**	759,100
Non-current Liabilities			
Convertible notes	31	**(328,820)**	–
		(328,820)	–
NET ASSETS		**2,214,013**	1,339,771
CAPITAL AND RESERVES			
Share capital	36	**487,530**	262,078
Reserves	37	**1,726,483**	1,077,693
TOTAL EQUITY		**2,214,013**	1,339,771

Approved and authorised for issue by the board of directors on 31 March 2011.

	Attributable to owners of the Company												
	Share capital HK$'000	Share premium HK$'000	Share reserve HK$'000	Capital redemption reserve HK$'000	Share-based compensation reserve HK$'000	Statutory reserve HK$'000	Exchange fluctuation reserve HK$'000	Convertible bond reserve HK$'000	Convertible preference share reserve HK$'000	Retained profits HK$'000	Total HK$'000	Non-controlling interest HK$'000	Total HK$'000
At 1 January 2009	133,321	1,092,905	166,159	300	24,754	110,121	79,461	–	26,635	986,552	2,620,208	66,854	2,687,062
Net loss for the year	–	–	–	–	–	–	–	–	–	(620,412)	(620,412)	(9,094)	(629,506)
Exchange difference on translation of financial statements of overseas subsidiaries	–	–	–	–	–	–	24,891	–	–	–	24,891	(1,153)	23,738
Total comprehensive income for the year	–	–	–	–	–	–	24,891	–	–	(620,412)	(595,521)	(10,247)	(605,768)
Issue of convertible bonds	–	–	–	–	–	–	–	160,000	–	–	160,000	–	160,000
Exercise of share options	19,851	95,461	–	–	(23,582)	–	–	–	–	–	91,730	–	91,730
Exercise of convertible bonds	44,444	115,556	–	–	–	–	–	(160,000)	–	–	–	–	–
Allotment through open offer	64,462	93,862	–	–	–	–	–	–	–	–	158,324	–	158,324
Equity settled share-based payment transactions	–	–	–	–	24,832	–	–	–	–	–	24,832	–	24,832
Share options lapsed during the year	–	24,754	–	–	(24,754)	–	–	–	–	–	–	–	–
Repurchase of convertible preference shares of a subsidiary	–	–	–	–	–	–	–	–	(26,635)	–	(26,635)	–	(26,635)
	128,757	329,633	–	–	(23,504)	–	24,891	–	(26,635)	(620,412)	(187,270)	(10,247)	(197,517)
At 31 December 2009	262,078	1,422,538	166,159	300	1,250	110,121	104,352	–	–	366,140	2,432,938	56,607	2,489,545
Transfer to retained profits	–	–	–	–	–	(18,693)	–	–	–	18,693	–	–	–
Net loss for the year	–	–	–	–	–	–	–	–	–	(1,367,871)	(1,367,871)	(35,323)	(1,403,194)
Exchange difference on translation of financial statements of overseas subsidiaries	–	–	–	–	–	–	87,869	–	–	–	87,869	2,875	90,744
Total comprehensive income for the year	–	–	–	–	–	–	87,869	–	–	(1,367,871)	(1,280,002)	(32,448)	(1,312,450)
Issue of ordinary shares	76,202	201,936	–	–	–	–	–	–	–	–	278,138	–	278,138
Acquisition of subsidiaries	–	–	–	–	–	–	–	–	–	–	–	233,098	233,098
Issue of convertible bonds	–	–	–	–	–	–	–	277,526	–	–	277,526	–	277,526
Issue of placing shares	34,000	5,783	–	–	–	–	–	–	–	–	39,783	–	39,783
Exercise of convertible bonds	115,250	345,750	–	–	–	–	–	(128,818)	–	–	332,182	–	332,182
Equity settled share-based payment transactions	–	–	–	–	23,851	–	–	–	–	–	23,851	–	23,851
	225,452	553,469	–	–	23,851	–	–	148,708	–	–	951,480	233,098	1,184,578
At 31 December 2010	487,530	1,976,007	166,159	300	25,101	91,428	192,221	148,708	–	(983,038)	2,104,416	257,257	2,361,673

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 HK$'000	2009 HK$'000
Cash flows operating activities		
(Loss)/Profit before taxation		
– From continuing operations	**(887,456)**	(441,954)
– From discontinued operations	**(515,738)**	(179,713)
	(1,403,194)	(621,667)
Adjustments for:		
Depreciation	**96,388**	93,632
Amortisation		
– Prepaid lease payments for land under operating leases	**3,248**	3,166
– Intangible assets	**15,638**	8,909
Interest income	**(1,024)**	(900)
Provision for loss on re-measurement to fair value less estimated cost to sell in respect of disposal group held for sale	**80,690**	–
Loss on disposal of property, plant and equipment	**–**	342
Valuation loss on financial assets at fair value through profit or loss	**–**	3,722
Gain on disposal of a subsidiary	**–**	(2,180)
Write-down of inventories	**490**	3,407
Fair value gain on investment properties	**(873)**	(8,896)
Impairment loss on property, plant and equipment	**319,932**	245,666
Impairment loss on prepaid lease for land under operating lease	**63,964**	36,180
Impairment loss on goodwill	**403,570**	55,858
Impairment loss on intangible assets	**12,940**	15,539
Impairment loss on trade and other receivables	**102,562**	–
Impairment loss on deposit for acquisition of PPE	**222,476**	–
Write off of bad debts	**–**	167,106
Write back of provision for redemption loss	**–**	(17,462)
Equity settled share-based payments expenses	**–**	24,831
Other borrowing costs	**54,309**	3,795
Interest element of finance lease rentals	**1**	5
Interest expense on bank advances and other borrowings	**232**	6,962
Operating cash flows before movements in working capital	**(28,651)**	18,015
Decrease in financial assets at fair value through profit or loss	**16,178**	6,407
(Increase)/Decrease in inventories	**(16,844)**	6,612
Decrease/(Increase) in trade and other receivables	**53,825**	(4,576)
Decrease in prepaid lease payments for land under operating leases	**39,449**	–
(Decrease) in tax payables	**(30,554)**	–
Decrease in trade and other payables	**89,102**	12,972
Cash generated from operations	**122,505**	39,430
Income taxes (paid)/refunded	**(5)**	168
Net cash generated from operating activities	**122,500**	39,598

	2010 HK$'000	2009 HK$'000
Investing activities		
Acquisition of subsidiary, net of cash acquired	**2,724**	–
Acquisition of additional interest in a subsidiary	**–**	(159,801)
Purchase of property, plant and equipment	**(30,623)**	(24,562)
Proceeds on disposal of property, plant and equipment	**–**	16
Deposits paid for acquisition of property, plant and equipment	**(14,352)**	(103,499)
Interest received	**–**	900
Decrease in fixed bank deposits	**–**	5,000
Net cash used in investing activities	**(42,251)**	(281,946)
Financing activities		
Repayment for convertible preference shares of a subsidiary	**–**	(181,969)
Net borrowings raised from short-term bank loans	**196,965**	215,308
Payment for repurchase of shares	**–**	–
Repayment of long-term bank loans	**(215,308)**	(180,000)
Proceeds from share placing	**39,783**	–
Proceeds from exercise share options	**–**	91,730
Proceeds from open offer subscription	**–**	158,324
Capital element of finance lease rentals paid	**–**	(34)
Interest element of finance lease rentals paid	**–**	(5)
Interest paid on bank advances and other borrowings	**(232)**	(6,962)
Other borrowing costs paid	**(54,309)**	(3,795)
Net cash generated from financing activities	**(33,101)**	92,597
Effect of foreign exchange rate changes	**1,556**	(2,654)
Net Increase/(Decrease) in Cash and Cash Equivalents	**48,704**	(152,405)
Cash and cash equivalents at the beginning of the year	**35,514**	187,919
Cash and cash equivalents at the end of the year	**84,218**	35,514

1 GENERAL INFORMATION

Global Green Tech Group Limited (the "Company") was incorporated as an exempted Company with limited liability in the Cayman Islands on 25 September 2000 under the Companies Act, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company is listed on Main Board of the Stock Exchange of Hong Kong Limited (the "SEHK"). The registered office and principal place of business of the Company are disclosed in the "Corporate Information" section to the annual report.

The principal activities of the Company are investment holding and its subsidiaries are principally engaged in manufacturing and sale of household products, industrial products, cosmetics and skincare products and bio-technology products with medical and cosmetics applications, provision of loan financing services and investment and/or trading in market securities, bonds, foreign currencies, various funds and other income generated fixed assets' portfolios.

2 SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for current accounting period of the Group and the Company. Note 3 provides information on the changes in accounting policies resulting from initial application of these developments to the extent they are relevant to the Group for the current and prior accounting periods reflect in these financial statements.

b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2010 comprise the Company and its subsidiaries (collectively referred to as the "Group"). The Group incurred a loss for the year attributable to equity shareholders of the Company of approximately HK$1,367,871,000 and its current assets exceeds its current liabilities by HK$7,595,000 as at 31 December 2010. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Basis of preparation of the financial statements (continued)

The consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the financial supports from the substantial shareholders to cover the Group's operating costs and meet its financial commitments. The substantial shareholders have confirmed their intention and ability to provide continuing financial support to the Group so as to enable it to meets its liabilities as and when they fall due and to carry on its business for the foreseeable future.

In light of the measures described above, the directors are confident that the Group will have sufficient working capital to meet its financial obligation as and when they fall due. Accordingly, the directors are of the opinion that it is appropriate to prepare these consolidated financial statements on a going concern basis. These consolidated financial statements do not include any adjustments relating to the carrying amount and reclassification of assets and liabilities that might be necessary should the Group be unable to continue as a going concern.

The measurement basis used in the preparation of the financial statements is the historical cost basis except the following assets and liabilities which are stated at their fair values:

– Financial instruments classified as financial assets at fair value through profit or loss;

– Investment properties

The preparation of the financial statements is in conformity with HKFRSs which requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 5.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Subsidiaries and Non-controlling interests

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the portion of the net assets of subsidiaries attributable to interests that are not owned by the Company, whether directly or indirectly through subsidiaries, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of comprehensive income as total comprehensive income for the year between Non-controlling interests and the equity shareholders of the Company.

Where losses applicable to the Non-controlling shareholders exceed the their interest in the equity of a subsidiary, the excess, and any further losses applicable to the Non-controlling shareholders, are charged against the Group's interest except to the extent that the Non-controlling shareholders has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits until the Non-controlling share of losses previously absorbed by the Group has been recovered.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(l)).

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Goodwill

Goodwill represents the excess of the cost of a business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Goodwill is allocated to cash generating units and is tested annually for impairment (see note 2(l)).

Any excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination or an investment in an associate or a jointly controlled entity is recognised immediately in profit or loss.

On disposal of a cash generating unit, an associate or a jointly controlled entity during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

e) Other investments in debt and equity securities

The Group's and the Company's policies for investments in debt and equity securities, other than investments in subsidiaries, associates and jointly controlled entities, are as follows:

Investments in debt and equity securities are initially stated at fair value, which is their transaction price unless fair value can be more reliably estimated using valuation techniques whose variables include only data from observable markets. Cost includes attributable transaction costs, except where indicated otherwise below. These investments are subsequently accounted for as follows, depending on their classification:

Investments in securities held for trading are classified as current assets. Any attributable transaction costs are recognised in profit or loss as incurred. At the end of the reporting period, the fair value is re-measured, with any resultant gain or loss being recognised in statement of comprehensive income.

Dated debt securities that the Group and/or the Company have the positive ability and intention to hold to maturity are classified as held-to-maturity securities. Held-to-maturity securities are stated in the statement of financial position at amortised cost less impairment losses (see note 2(l)).

Investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recognised in the statement of financial position at cost less impairment losses (see note 2(l)).

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Other investments in debt and equity securities (continued)

Investments in securities which do not fall into any of the above categories are classified as available-for-sale securities and are initially recognised at fair value plus transaction costs. At the end of the reporting period, the fair value is re-measured, with any resultant gain or loss being recognised directly in equity, except for impairment losses (see note 2(l)) and, in the case of monetary items such as debt securities, foreign exchange gains and losses which are recognised in the statement of comprehensive income. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the statement of comprehensive income.

Investments are recognised/derecognised on the date the Group and or the Company commits to purchase/sell the investments or they expire.

f) Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see note 2(h)) to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment properties are stated in the statement of financial position at fair value, unless they are still in the course of construction or development at the end of the reporting period and their fair value cannot be reliably determined at that time. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in profit or loss. Rental income from investment properties is accounted for as described in note 2(w)(ii).

When the Group holds a property interest under an operating lease to earn rental income and/or for capital appreciation, the interest is classified and accounted for as an investment property on a property-by-property basis. Any such property interest which has been classified as an investment property is accounted for as if it were held under a finance lease (see note 2(h)), and the same accounting policies are applied to that interest as are applied to other investment properties leased under finance leases. Lease payments are accounted for as described in note 2(h).

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Property, plant and equipment

The following items of property, plant and equipment are stated in the statement of financial position at cost less accumulated depreciation and impairment losses (see note 2(l)):

– buildings held for own use which are situated on leasehold land, where the fair value of the building could be measured separately from the fair value of the leasehold land at the inception of the lease (see note 2(h)); and

– other items of plant and equipment.

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see note 2(y)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in the statement of comprehensive income on the date of retirement or disposal.

Depreciation is calculated to write off the cost or valuation of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

–	Building held for own use	over 50 years and the unexpired term of the relevant lease whichever is shorter
–	Leasehold improvements	2–20 years
–	Plant and machinery	5–20 years
–	Furniture, fixtures and equipment	2–20 years
–	Motor vehicles	5–10 years

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, with the following exceptions:

– property held under operating leases that would otherwise meet the definition of an investment property is classified as investment property on a property-by property basis and, if classified as investment property, is accounted for as if held under a finance lease (see note 2(f)); and

– land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets is included in fixed assets and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost or valuation of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset, as set out in note 2(g). Impairment losses are accounted for in accordance with the accounting policy as set out in note 2(l). Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Leased assets (continued)

iii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term except where the property is classified as an investment property (see note 2(f)).

i) Intangible assets (other than goodwill)

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. The expenditure capitalised includes the costs of materials, direct labour, and an appropriate proportion of overheads and borrowing costs, where applicable (see note 2(y)). Capitalised development costs are stated at cost less accumulated amortisation and impairment losses (see note 2(l)). Other development expenditure is recognised as an expense in the period in which it is incurred.

Other intangible assets that are acquired by the Group are stated in the statement of financial position at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see note 2(l)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

– licenses 10 years

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Intangible assets (other than goodwill) (continued)

Both the period and method of amortisation are reviewed annually.

Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

j) Mining rights

Mining rights with definite useful lives are carried at cost less accumulated amortisation and any accumulated impairment loss. Amortisation is provided using the unit of production method based on the actual production volume over the estimated total proved and portable reserves of the ore mine.

k) Exploration and evaluation assets

These are stated at cost less impairment loss. Exploration and evaluation assets included topographical and geological survey drilling, exploratory drilling, sampling and trenching and expenditure incurred for the technical feasibility studies and incurred to secure further mineralisation in the mine ore. Expenditure incurred prior to obtaining the exploration and evaluation rights to explore an area are written off as expense as incurred. Once the technical feasibility and commercial viability of extracting the mineral resource had been determined and that the project reached development phase, exploration and evaluation costs capitalised are amortised. Amortisation will be charged over the mine's estimated useful lives using the units of production method calculated on the basis of proven and probable reserves. If exploration property is abandoned during the evaluation stage, the total expenditure thereon will be written off.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amounts of exploration and evaluation assets may exceed its recovery amount.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Impairment of assets

i) Impairment of investments in debt and equity securities and other receivables

Investments in debt and equity securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale securities are reviewed at the end of the reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

– significant financial difficulty of the debtor;

– a breach of contract, such as a default or delinquency in interest or principal payments;

– it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

– significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and

– a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

If any such evidence exists, any impairment loss is determined and recognised as follows:

– For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities carried at cost are not reversed.

– For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective Group.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Impairment of assets (continued)

i) Impairment of investments in debt and equity securities and other receivables (continued)

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

– For available-for-sale securities, the cumulative loss that has been recognised in the fair value reserve is reclassified to profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised in other comprehensive income.

Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss were recognised. Reversals of impairment losses in such circumstances are recognised in profit or loss.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors and bills receivable included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors and bills receivable directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Impairment of assets (continued)

ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of the reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

– property, plant and equipment (other than properties carried at revalue amounts);

– pre-paid interests in leasehold land classified as being held under an operating lease;

– intangible assets;

– investments in subsidiaries; and

– goodwill.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

– Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest Group of assets that generates cash inflows independently (i.e. a cash-generating unit).

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Impairment of assets (continued)

ii) Impairment of other assets

– Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

– Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

m) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

n) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less and allowance for impairment of doubtful debts (see note 2(l)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

o) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

p) Convertible bonds

The component of convertible bonds that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs. On issuance of convertible bonds, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond; and this amount is carried as a long term liability on the amortised cost basis until extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible bonds based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

q) Dividend distribution

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

r) Trade and other payables

Trade and other payables are initially recognised at fair value and are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

s) Cash and cash equivalents

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

t) Employee benefits

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

ii) *Share-based payments*

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the binomial lattice model, taking into accounts the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to share premium).

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

t) Employee benefits (continued)

iii) Termination benefits

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

u) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

u) Income tax (continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of the reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

– in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

– in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

– the same taxable entity; or

– different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

v) Financial guarantees issued, provisions and contingent liabilities

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

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

w) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Sale of goods

Revenue is recognised when goods are delivered at the customers' premises which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

(ii) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(iii) Dividends

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

– Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

w) Revenue recognition (continued)

(iv) *Interest income*

Interest income is recognised as it accrues using the effective interest method.

(v) *Royalty income*

Royalty income is recognised on monthly basis in accordance with the terms and condition of the royalty agreement.

x) Translation of foreign currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of primary economic environment in which the entry operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Nonmonetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. The statement of financial position items, including goodwill arising on consolidation of foreign operations acquired on or after 1 January 2005, are translated into Hong Kong dollars at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve. Goodwill arising on consolidation of a foreign operation acquired before 1 January 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

y) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

z) Related parties

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

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

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

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

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

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

aa) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations, economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

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

3 CHANGES IN ACCOUNTING POLICIES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements but have no significant impact on the Group's consolidated financial statements.

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

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

3 CHANGES IN ACCOUNTING POLICIES (continued)

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

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

The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements.

4 ISSUED BUT NOT YET EFFECTIVE HKFRSS

The Group has not applied the following new and revised HKFRS that have been issued but are not yet effective in these consolidated financial statements.

		Effective for annual periods beginning on or after
HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 July 2011
HKFRS 7 (Amendments)	Transfers of Financial Assets	1 July 2011
HKFRS 9	Financial instruments	1 January 2013
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets	1 January 2012
HKAS 24 (revised)	Related Party Disclosures	1 January 2011
HKAS 32 (Amendments)	Classification of Rights Issues	1 February 2010
HK (IFRIC) Int-14 (Amendments)	Prepayments of a Minimum Funding Requirement	1 January 2011
HK (IFRIC) Int-19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2010
HKFRS (Amendments)	Improvements to HKFRSs 2010	
	– amendments to HKFRS 3 and 7	1 July 2010
	– amendments to other HKFRSs	1 January 2011

The Group is in the process of making an assessment of what the impact of these new and revised HKFRSs is to be expected in the period of initial application. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a) Impairment of property, plant and equipment

In determining whether an asset is impaired or the event previously causing the impairment no longer exists, the Group has to exercise judgement in the area of asset impairment, particularly in assessing: (i) whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence; (ii) whether the carrying value of an asset can be supported by the net present value of future cash flows which are estimated based upon the continued use of the asset or de-recognition; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test. The Group determines whether an asset is impaired at least on an annual basis or where an indication of impairment exists. This requires an estimation of the value in use of the asset. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the assets and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

b) Useful lives and residual values of property, plant and equipment

Management determines the estimated useful lives and residual values for the Group's property, plant and equipment. The Group will revise the depreciation charge where useful lives and residual values are different to previous estimates, or will write off or write down technically obsolete or on-strategic assets that have been abandoned or sold.

c) Investment properties

The fair values of investment properties are determined by the Group's management on an open market basis.

In making the judgement, consideration has been given to assumptions that are mainly based on market conditions existing at the end of the reporting period and appropriate capitalisation rates. These estimates are regularly compared to actual market date and actual transactions entered into by the Group.

5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

d) Impairment of intangible assets and goodwill

The Group performs annual tests on whether there has been impairment of intangible assets and goodwill in accordance with the accounting policy stated in note 2(d). The recoverable amounts of cash generating units are determined based on value in-use calculations. These calculations require the use of estimates and assumptions made by management on the future operation of the business, pre-tax discount rates, and other assumptions underlying the value-in use calculations.

e) Amortisation of intangible assets

Intangible assets are amortised on a straight-line basis over their estimated useful lives. The determination of the useful lives involves management's estimation. The Group re-assesses the useful life of the intangible assets and if the expectation differs from the original estimate, such a difference may impact the amortisation in the year and the estimate will be changed in the future period.

f) Inventories

The Group performs regular review of the carrying amounts of inventories with the aged inventories analysis expected future consumption and management judgment. Based on this review, write down of inventories will be made when the carrying amount of inventories decline below the estimated net realisable value. However, actual consumption may be different from estimation and profit or loss could be affected by differences in this estimation.

g) Impairment of receivables

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

h) Taxation

The Group is subject to various taxes in the People's Republic of China ("PRC"). Significant judgement is required in determining the provision for taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that are initially recorded, such differences will impact the tax provisions in the period in which such determination is made.

5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

i) Mine resources and reserves

Mining rights and mining development assets are amortised over the estimated useful lives of the mines in accordance with the production plans of the entities concerned and the mineral resources and reserves of the mines using the units of production method.

The process of estimating the quantities of the Group's gold reserve and resources is inherently imprecise and represent only approximate amounts because of the subjective judgments involved in developing such information based on available geological, geophysical, engineering and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting mineral prices and costs change.

6 TURNOVER

The principal activities of the Group are manufacturing and sale of household products, industrial products, cosmetics and skincare products, mining products and biotechnology products with medical and cosmetic applications, provision of loan financing services and investment and/or trading in marketable securities, bonds, foreign currencies, various funds and other income generated fixed assets' portfolios.

	2010 **HK$'000**	2009 HK$'000
Continuing operations		
Household products	**10,947**	8,775
Industrial products	**204,923**	185,732
Cosmetics and skincare products	**111,437**	97,276
Biotechnology products	**–**	553
Investments	**–**	19,641
Mining products	**3,792**	–
	331,099	311,977
Discontinued operations		
Cosmetics and skincare products	**17,144**	85,242
	17,144	85,242

7 OTHER REVENUE AND NET INCOME

	2010 HK$'000	2009 HK$'000
Continuing operations		
Other revenue:		
Interest income	1,009	900
Rental income from operating leases	3	1,680
Valuation gain on financial assets at fair value through profit and loss account	1,909	–
Others	38,465	2,940
	41,386	5,520
Other net income:		
Gain on disposal of a subsidiary	–	2,180
Net exchange gain	3,499	2,796
	3,499	4,976
	44,885	10,496

8 (LOSS)/PROFIT BEFORE TAXATION

(Loss)/Profit before taxation is arrived at after charging/(crediting):

		2010 HK$'000	2009 HK$'000
a)	**Finance costs**		
	Continuing operations		
	Written back of provision for redemption loss	–	(17,462)
	Finance charges on obligations under finance leases	1	5
	Convertible bond interest	43,339	–
	Bank loan interest	6,678	–
	other borrowing costs	235	8,582
		50,253	(8,875)
b)	**Staff costs (excluding directors' remuneration)**		
	Continuing operations		
	Salaries, wages and other benefits	45,846	42,715
	Equity settled share-based payment expenses	–	24,831
	Contributions to defined contribution retirement plans	1,109	789
		46,955	68,335
c)	**Other items**		
	Continuing operations		
	Auditors' remuneration	3,446	2,262
	Cost of inventories	244,217	208,047
	Depreciation		
	– assets held under finance leases	–	18
	– other assets	50,244	48,701
	Amortisation		
	– prepaid lease payments for land under operating leases	326	295
	– intangible assets	15,638	8,909
	Loss on disposal of property, plant and equipment	–	342
	Loss on disposal of land	13,665	–
	Operating lease charges: minimum lease payments-property rentals	7,397	13,763
	Research and development costs	1,343	2,340
	Valuation loss on financial assets at fair value through profit or loss	–	3,722
	Write-down of inventories	490	–
		336,766	288,399

9 INCOME TAX IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

a) Income tax in the consolidated statement of comprehensive income represents:

	2010 HK$'000	2009 HK$'000
Current tax – Hong Kong profits tax		
Provision for the year	–	865
Under-provision in prior years	5	852
	5	1,717
Current tax – Overseas income tax		
Provision for the year	–	6,122
Deferred tax		
Origination of temporary differences	–	–
	5	7,839

Provision for Hong Kong Profits Tax is calculated at 16.5% (2009: 16.5%) on the estimated assessable profits for the year. Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

9 INCOME TAX IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

b) Reconciliation between tax expense and accounting (loss)/profit at applicable tax rates is as follows:

	2010 HK$'000	2009 HK$'000
(Loss)/Profit before taxation	**(1,403,189)**	(621,667)
Notional tax on (loss)/profit before taxation, calculated at the rates applicable to profits in the countries concerned	**(272,772)**	(182,027)
Tax effect of non-deductible expenses	**252,393**	175,774
Tax effect of non-taxable income	**(7,722)**	(5,837)
Tax effect of movement in unrecognised temporary differences	**–**	144
Tax effect of unused tax losses not recognised	**47,069**	3,227
Preferential tax treatment	**–**	–
Over-provision in prior years	**(18,963)**	852
Others	**–**	15,706
	5	7,839

9 INCOME TAX IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

b) Reconciliation between tax expense and accounting (loss)/profit at applicable tax rates is as follows: (continued)

Note:

Overseas tax provision is required to be made in respect of Dongguan Proamine Chemical Co., Limited ("Dongguan Proamine"), Global Cosmetics (China) Co., Limited ("Global Cosmetics"), Dongguan Polygene Biotech R&D Co., Limited ("Dongguan Polygene"), and Hunan Westralian Mining Co., Ltd. ("Hunan Mining") all of them are subsidiaries of the Company established in the PRC. On 16 March 2007, the Fifth Plenary Session of the Tenth National People's Congress passed the Corporate Income Tax Law of the PRC (the "new tax law"), which imposes a single tax rate of 25% for domestic enterprises and foreign investment enterprises ("FIE"). The new tax law is effective on 1 January 2008. In December 2007, the Implementation Rules of the Corporate Income Tax Law of the PRC (the "implementation rules") and "Guo Fa [2007] No. 39" were promulgated to specify certain implementation details and grandfathering arrangements of the new tax law. Enterprises which enjoy the preferential policies of low tax rates in the past shall be gradually transferred to the statutory tax rate within 5 years after carrying out the EITL as of January 1, 2008. Among them, the enterprises which enjoy the enterprise income tax rate of 15% shall be subject to the enterprise income tax rate of 18% in 2008, 20% in 2009, 22% in 2010, 24% in 2011 and 25% in 2012.

Pursuant to the income tax rules and regulations of the PRC, including the new tax law above, the PRC subsidiaries of the Group are liable to PRC enterprise income tax as follows:

On 27 December 2007, Global Cosmetics was further awarded Hi-and-New Tech Enterprise of Guangdong Province ("高新技術企業外商投資企業") by the Guangdong Science and Technology Council. Due to the accreditation of this award Global Cosmetics enjoys a preferential income tax rate of 15% for years 2009 to 2013.

On 30 May 2003, Dongguan Proamine was accredited by the Department of Science and Technology of Guangdong Province as a Hi-and-New Tech Enterprise ("高新技術企業外商投資企業") of Guangdong Province. On 16 January 2004, Dongguan Proamine received a written confirmation from Dongguan Local Tax Bureau that it was entitled to a reduced income tax rate of 15% for the period from 1 January 2003 to 31 December 2005. On 1 June 2005, Dongguan Proamine continued to be accredited as a Hi-and-New Tech Enterprise of Guangdong Province and the income tax rate remained as 15% for two years. On 28 April 2007, Dongguan Proamine renewed its status as Hi-and-New Tech Enterprise of Guangdong Province and continued to enjoy income tax rate of 15% for two years. On 16 December 2008, Dongguan Proamine renewed its accredition as Hi-and-New Tech Enterprise of Guangdong Province for three years and it continued to enjoy preferential income tax rate of 15%.

10 DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

For the year ended 31 December 2010

	Directors' fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Share-based payments HK$'000	Retirement scheme contributions HK$'000	Total HK$'000
Executive Directors					
Yip Chung Wai (Note 1)	–	936	–	11	947
Wong Hiu Tung (Note 1)	–	600	–	11	611
Jia Xuelei (Note 1)	–	180	–	8	188
Lin Jan (Note 2)	–	189	–	3	192
Chai Xiao Jun (Note 3)	–	150	–	–	150
Dong Ji Xu (Note 3)	–	150	–	–	150
Xue Bing (Note 3)	–	150	–	–	150
Long Xiao Bo (Note 4)	–	65	–	–	65
Wu Jun (Note 4)	–	65	–	–	65
Independent Non-executive Directors					
Cheung Kwok Yu (Note 1)	120	–	–	–	120
Mr. Ding Yong Shun (Note 4)	–	–	–	–	–
Mr. Xiong Wei (Note 4)	–	–	–	–	–
Ms. Lin Ying (Note 5)	13	–	–	–	13
Mr. Li Yong Xiong (Note 5)	13	–	–	–	13
	146	2,485	–	33	2,664

Note 1: Appointed on 25 September 2009.

Note 2: Appointed on 7 September 2010.

Note 3: Appointed on 27 September 2010.

Note 4: Appointed on 22 November 2010.

Note 5: Resigned on 22 November 2010.

10 DIRECTORS' REMUNERATION (continued)

For the year ended 31 December 2009

	Directors' fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Share-based payments HK$'000	Retirement scheme contributions HK$'000	Total HK$'000
Executive Directors					
Lau Jin Wei, Jim (Note 3)	–	720	–	12	732
Wong Ying Yin (Note 3)	–	433	–	12	445
Bang Young-Bae, Ray (Note 3)	–	600	–	12	612
Yip Chung Wai (Note 1)	–	252	–	12	264
Wong Hiu Tung (Note 1)	–	162	–	12	174
Jia Xuelei (Note 1)	–	45	–	–	45
Independent Non-executive Directors					
Ho Yik Leung (Note 2)	120	–	–	–	120
Ou Ying Ji	–	–	–	–	–
Lin Jian (Note 3)	–	–	–	–	–
Lee Pak Chung (Note 3)	–	–	–	–	–
Cheung Kwok Yu (Note 1)	30	–	–	–	30
	150	2,212	–	60	2,422

Note 1: Appointed on 25 September 2009.

Note 2: Retired on 6 July 2009.

Note 3: Retired on 25 September 2009.

11 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with highest emoluments in the Group, no (2009: one) director of the Company whose emoluments was included in the disclosure in note 10 above. The emoluments of the five (2009: remaining four) individuals were as follows:

	2010	2009
	HK$'000	HK$'000
Salaries and other benefits	**4,052**	3,757
Retirements benefits schemes contributions	**60**	48
	4,112	3,805

The emoluments of the five (2009: four) individuals with the highest emoluments are within the following bands:

Their emoluments were within the following bands:

	2010	2009
	No. of employees	No. of employees
HK$Nil – HK$1,000,000	**5**	3
HK$1,000,001 – HK$1,500,000	**–**	1

12 LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The consolidated loss attributable to equity holders of the Company includes a loss of approximately HK$77,238,000 (2009: HK$400,085,000) which has been dealt with in the financial statements of the Company respectively.

13 DIVIDENDS

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

14 (LOSS)/EARNINGS PER SHARE

a) Basic (loss) per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of approximately HK$1,367,871,000 (2009: HK$620,412,000) and the weighted average number of approximately 3,714,954,100 shares (2009: 1,957,995,000 shares) in issue during the year, calculated as follows:

	2010 '000	2009 '000
Issued ordinary shares at 1 January	**2,620,781**	1,333,211
Issue of ordinary shares	**576,214**	–
Effect of share options exercised	**–**	82,840
Effect of open offer subscription	**–**	518,238
Effect of convertible bonds exercised	**469,521**	23,706
Place of shares	**48,438**	–
Weighted average number of ordinary shares at 31 December	**3,714,954**	1,957,995

b) Diluted (loss) per share

The calculation of diluted loss per share is based on the loss attributable to ordinary equity shareholders of the Company of approximately HK$1,367,871,000 (2009: HK$620,412,000) and the weighted average number of diluted ordinary shares of approximately 4,535,754,000 shares (2009: 1,957,995,000 shares), calculated as follows:

	2010 '000	2009 '000
Weighted average number of ordinary shares at 31 December	**3,714,954**	1,957,995
Effect of deemed issue of shares attributable to the Company's convertible bonds	**820,800**	–
Weighted average number of ordinary shares diluted at 31 December	**4,535,754**	1,957,995

15 SEGMENT REPORTING

Segment revenues and result

The Group has adopted HKFRS 8 Operating Segments with effect from 1 January 2009. HKFRS 8 is a disclosure Standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker for the purposes of allocating resources to segments and assessing their performance.

Business segments

The Group comprises the following main business segments:

a) Household products segment – manufacture of household products for sale to wholesalers and retailers in the general consumer market;

b) Industrial products segment – manufacture of industrial surfactants for sale principally to textile and garment manufacturers and traders;

c) Cosmetics and skincare products segment – manufacture of cosmetics and skincare products under the brand name of Marjorie Bertagne for sale to authorised distributors and retailers in the general consumer market;

d) Biotechnology products segment – manufacture of biotechnology products with medical applications; and

e) Investments segment – engaged in provision of loan financing services and investment and/ or trading in market securities, bonds, foreign currencies, various funds and other income generated fixed assets' portfolios.

f) Mining products segment – engaged in gold exploration, development and mining

15 SEGMENT REPORTING (continued)

Primary reporting format – business segments

Continuing operations

	Household products		Industrial products		Cosmetics and skincare products		Mining products		Biotechnology products		Investments		Others		Consolidated	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Revenue from external customers	10,947	8,775	204,923	185,732	111,437	97,276	3,792	–	–	553	–	19,641	–	–	331,099	311,977
Inter-segment sales	–	6,005	–	33,598	–	–	–	–	–	–	–	–	–	–	–	39,603
Reportable segment revenue	10,947	14,780	204,923	219,330	111,437	97,276	3,792	–	–	553	–	19,641	–	–	331,099	351,580
Reportable segment results	(27,708)	(8,025)	(518,692)	(346,370)	(77,839)	(53,813)	(43,100)	–	–	(7,217)	(354,834)	(6,700)	–	–	(866,495)	(422,125)
Unallocated operating income and expenses															29,297	(28,704)
(Loss)/Profit from operations															(837,198)	(450,829)
Finance costs															(50,253)	8,875
(Loss)/Profit before taxation															(887,451)	(441,954)
Income tax															(5)	(1,717)
(Loss)/Profit for the year															(887,456)	(443,671)
Depreciation	2,322	612	43,468	9,085	3,080	37,092	682	–	–	23	–	–	692	676	50,244	47,488
Amortisation	17	580	309	8,603	–	–	15,638	–	–	22	–	–	–	–	15,964	9,205
Loss on disposal of property, plant and machinery	–	–	–	–	–	342	–	–	–	–	–	–	–	–	–	342
Net unrealised loss on financial assets at fair value through profit or loss	–	–	–	–	–	–	–	–	–	–	–	3,722	–	–	–	3,722
Impairment loss on trade and other receivables	3,900	–	74,691	–	–	–	4,621	–	–	–	–	–	15,586	–	98,888	–
Impairment loss on property, plant and equipment	71	–	1,325	185,415	–	332	–	–	–	–	–	–	–	–	1,396	185,747
Impairment loss on deposits to property, plant and equipment	–	–	–	–	–	–	–	–	–	–	–	–	222,475	–	222,475	–
Impairment loss on goodwill	–	–	–	–	403,570	55,858	–	–	–	–	–	–	–	–	403,570	55,858
Impairment loss on intangible assets	–	–	–	15,539	–	–	–	–	12,940	–	–	–	–	–	12,940	15,539
Write-down of inventories	–	–	–	3,407	–	–	–	–	–	–	–	–	–	–	–	3,407
Write off of bad debts	–	15,121	–	89,074	–	–	–	–	–	–	–	9,278	–	–	–	113,473
Reportable segment assets	49,280	61,339	922,507	699,984	561,572	426,341	1,544,670	–	–	29,812	5,688	67,193	–	–	3,083,717	1,284,669
Investment properties															34,948	34,075
Cash and cash equivalents															78,396	35,514
Other unallocated assets															(288,162)	824,896
Total assets															2,908,899	2,179,154
Reportable segment liabilities	10,842	11,133	202,949	165,196	85,694	16,169	102,871	–	–	–	–	577	–	–	402,356	193,075
Unallocated liabilities															204,870	7,847
Total liabilities															607,226	200,922
Capital expenditure	269	349	5,043	5,172	–	2,166	1,996	–	–	–	–	–	–	–	7,308	3,355
															7,308	3,355

15 SEGMENT REPORTING (continued)

Primary reporting format – business segments (continued)

Discontinued operations

	Cosmetics and skincare products	
	2010	2009
	HK$'000	HK$'000
Revenue from external customers	**17,144**	85,242
Inter-segment sales	**55,576**	57,907
Reportable segment revenue	**72,720**	143,149
Reportable segment results		
(Loss) from operations	**(511,682)**	(177,538)
Finance costs	**(4,056)**	(2,175)
(Loss) before taxation	**(515,738)**	(179,713)
Income tax	**–**	(6,112)
(Loss) for the year	**(515,738)**	(185,835)
Depreciation	**46,144**	44,913
Amortisation	**2,922**	2,871
Impairment loss on property, plant and equipment	**318,536**	59,919
Impairment loss on prepaid lease payments to land under operating leases	**63,964**	36,180
Write-down of inventories	**–**	3,407
Write off of bad debts	**–**	53,633
Reportable segment assets	**150,240**	632,797
Total assets	**150,240**	632,797
Reportable segment liabilities	**90,240**	121,484
Total liabilities	**90,240**	121,484
Capital expenditure	**2,279**	21,207
	2,279	21,207

15 SEGMENT REPORTING (continued)

Geographical segments

The Group operates in two main geographical areas:

The PRC – manufacturing and trading of household products, industrial products, cosmetics and skincare products, mining products and biotechnology products with medical applications.

Hong Kong – trading of household products, industrial products and cosmetic and skincare products and provision of loan financing services and investments and/or trading in marketable securities, bonds, foreign currencies, various funds and other income generated fixed assets' portfolios.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of Company's subsidiaries. Segment assets and capital expenditure are based on the geographical location of the assets.

Continuing operations:

	Hong Kong		The PRC		Australia	
	2010	2009	**2010**	2009	**2010**	2009
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Revenue from external customers	**141,743**	123,829	**189,356**	188,148	**–**	–
Reportable segment results	**(833,572)**	(60,042)	**(53,881)**	(353,786)	**(3)**	–
Reportable segment assets	**454,037**	786,938	**2,426,900**	497,731	**27,962**	–
Capital expenditure incurred during the year	**5,210**	3,355	**2,098**	–	**–**	–

Discontinued operations:

	Hong Kong		The PRC	
	2010	2009	**2010**	2009
	HK$'000	HK$'000	**HK$'000**	HK$'000
Revenue from external customers	**3,549**	8,360	**13,595**	76,882
Inter-segment sales	**6,070**	3,014	**49,506**	54,893
Reportable segment results	**16,617**	(1,826)	**(532,355)**	(184,009)
Reportable segment assets	**2,266**	6,687	**147,974**	606,110
Capital expenditure incurred during the year	**–**	63	**2,279**	21,144

Revenue from major customers

There is no single customer contributing over 10% of total sales of the Group for both years.

16 GOODWILL

	The Group
	HK$'000
Cost	
At 1 January 2009	645,566
Arising from acquisition of additional interest in subsidiary	322,458
At 31 December 2009 and 1 January 2010	968,024
At 31 December 2010	968,024
Accumulated impairment loss	
At 1 January 2009	
Impairment loss for the year	55,858
At 31 December 2009	55,858
Impairment loss for the year	403,570
At 31 December 2010	459,428
Carrying amount	
At 31 December 2010	508,596
At 31 December 2009	912,166

Pursuant to an acquisition agreement dated 2 January 2007, the Group acquired 6,800,000 shares of HK$1 each in the issued share capital of Global Cosmetics (HK) Company Limited ("Cosmetics HK") (representing 17% of the entire issued share capital of Cosmetics HK) from Cristal Marketing Management Company Limited ("Cristal Marketing"), a Non-controlling shareholder of a subsidiary of the Company which held 30% in Cosmetics HK, for a consideration of HK$241,090,000. The consideration was determined having regard to the net asset value and earnings of Cosmetics HK and its subsidiary and the market potential of their business. After the acquisition, the percentage of the issued share capital of Cosmetics HK held by the Group was changed from 70% to 87% and the goodwill arising from the acquisition by the Group amounted to approximately HK$222,963,000 with reference to the consideration paid amounting to approximately HK$241,090,000 and the carrying amounts of the net assets acquired amounting to approximately HK$18,127,000.

16 GOODWILL (continued)

Pursuant to an acquisition agreement dated 16 August 2007, the Group acquired 5,200,000 shares of HK$1 each in the issued share capital of Cosmetics HK (representing 13% of the entire issued share capital of Cosmetics HK) from Cristal Marketing, for a consideration of approximately HK$274,058,000 which was paid by the Company by transfer of 13,936,390 ordinary shares of HK$0.10 each of the Bio Beauty Group Ltd. ("Bio Beauty"). The consideration was determined based on (i) profitability of Cosmetics HK and Bio Beauty for the year ended 31 December 2006 and (ii) the profit earnings ratio of Bio Beauty calculated with reference to the subscription price of the convertible preference share in issue. After the acquisition, the percentage of the issued share capital of Cosmetics HK held by the Group was changed from 87% to 100% and the goodwill arising from the acquisition by the Group amounted to approximately HK$236,465,000 with reference to the consideration paid amounting to approximately HK$274,058,000 and the carrying amounts of the net assets acquired amounting to approximately HK$37,593,000.

By the announcement dated 12 September 2008, the Company entered into the acquisition agreement in relation to the sales and purchase of approximately 8.54% of the entire issued share capital of Bio Beauty at cash consideration of approximately HK$265.34 million. Goodwill arose from the transaction was HK$186.14 million. The acquisition will increase earnings of the Group by the amount of the increase in Group's sharing of profits after tax of BBG and its subsidiaries from 84.6% to 93.2%.

On 1 July 2009, the Group acquired 100% interest in Supreme China Limited and its subsidiary, Cristal Marketing (collectively called the "Supreme China Group") for a consideration of HK$320 million which was satisfied by cash of HK$160 million and issue of convertible bond of HK$160 million.

On January 2011, the directors decide to dispose of the entire interest in two subsidiaries of the Group's cosmetics and skincare product operations, Global Cosmetics (HK) Company Limited and Global Cosmetics (China) Co., Limited. On 19 March 2011, the company entered into a letter of intent with a third independent party-Charmfame Investment Limited.

During the year of 2010, all of the goodwill arising from the acquisition of the issued share capital of Cosmetic HK has totally impaired.

All of the goodwill is allocated to the Cash Generating Unit ("CGU") of cosmetics business in Hong Kong.

The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

During the year ended 31 December 2010, the Group performed impairment review for goodwill based on cash flow forecasts derived from the most recent financial budgets for the next five years approved by management using the discount rate of 15% which reflects current market assessments of the time value of money and the credit risk specific to the CGUs.

17 PROPERTY, PLANT AND EQUIPMENT

a) The Group

	Buildings held for own use HK$'000	Leasehold improvement HK$'000	Plant and machinery HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Construction in progress HK$'000	Total HK$'000
COST							
At 1 January 2009	286,809	82,888	822,339	202,666	9,664	–	1,404,366
Exchange adjustment	14,936	2,824	47,328	11,348	125	23,150	99,711
Additions							
– continuing operations	–	428	392	69	–	357,008	357,897
– discontinued operations	–	–	20,235	259	–	713	21,207
Acquired on acquisition of subsidiaries	–	–	–	2,188	–	–	2188
At 31 December 2009	301,745	86,140	890,294	216,530	9,789	380,871	1,885,369
Exchange adjustment	10,588	2,944	31,083	7,084	253	14,292	66,244
Additions							
– continuing operations	11	–	248	2,080	–	2,973	5,312
– discontinued operations	–	–	1,864	1,141	–	(727)	2,278
Acquired on acquisition of subsidiaries	2,911	–	7,455	1,996	2,031	29,942	44,335
Disposals	–	–	(748)	(7)	–	–	(755)
Reclassified as held for sale	(243,207)	–	(300,003)	(201,043)	(2,488)	–	(746,741)
At 31 December 2010	72,048	89,084	630,193	27,781	9,585	427,351	1,256,042
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSS							
At 1 January 2009	33,081	18,183	266,878	35,692	6,934	–	360,768
Exchange adjustment	1,594	427	13,343	784	58	–	16,206
Charge for the year							
– continuing operations	1,641	8,574	35,146	1,101	217	–	46,679
– discontinued operations	10,566	–	24,359	9,712	275	–	44,912
Impairment loss for the year							
– continuing operations	19,454	7,853	18,888	987	–	138,566	185,748
– discontinued operations	9,833	–	–	50,086	–	–	59,919
At 31 December 2009	76,169	35,037	358,614	98,362	7,484	138,566	714,232
Exchange adjustment	1,873	1,050	12,828	1,436	132	–	17,319
Charge for the year							
– continuing operations	2,205	8,646	37,019	3,058	770	–	52,198
– discontinued operations	10,757	–	25,548	9,613	226	–	46,144
Impairment loss for the year							
– continuing operations	–	1,396	–	–	–	–	1,396
– discontinued operations	129,032	–	86,114	103,390	–	–	318,536
Disposals	–	–	(395)	(5)	–	–	(400)
Reclassified as held for sale	(186,580)	–	(226,634)	(192,412)	(1,697)	–	(607,323)
At 31 December 2010	33,456	46,129	293,094	23,942	6,915	138,566	542,102
Net book value							
At 31 December 2010	38,592	42,955	337,099	3,839	2,670	288,785	713,940
At 31 December 2009	225,576	51,103	531,680	118,168	2,305	242,305	1,171,136

17 PROPERTY, PLANT AND EQUIPMENT (continued)

b) As at 31 December 2009, the net book value of furniture, fixtures and equipment of approximately HK$118,168,000 included an amount of approximately HK$6,000 in respect of assets held under finance leases. As at 31 December 2010, no assets of the Group were held under finance leases.

c) The net book value of the Group's buildings located in the PRC, which are pledged to secure bank loans to the Group, is approximately HK$91,219,000 (2009: HK$216,887,000) (see Notes 30 & 42). This amount is comprised of HK$38,616,000 from continuing operation and HK$ 52,603,000 from discontinued operation (see Notes 28).

18 INVESTMENT PROPERTIES

	2010 HK$'000	2009 HK$'000
At 1 January	**34,075**	25,181
Fair value gain	**–**	8,896
Exchange adjustment	**873**	(2)
At 31 December	**34,948**	34,075

Investment properties are interests in land and buildings held in the People's Republic of China under medium term leases.

The Group's investment properties were valued on 31 December 2010 at HK$34,948,000, which was estimated by reference to available similar market information. The valuation was carried out by an independent firm of surveyors, Roma Appraisals Limited., who have among them staff fellows of the Hong Kong Institute of Surveyors with recent experience in the location and category of property valued.

All of the Group's properties held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

19 PREPAID LEASE PAYMENTS FOR LAND UNDER OPERATING LEASES

	The Group	
	2010	2009
	HK$'000	HK$'000
At 1 January	**142,357**	181,719
Acquired on acquisition of subsidiaries	**917**	–
Amortisation	**(3,248)**	(3,166)
Exchange adjustment	**4,783**	(16)
Impairment loss for the year	**(63,964)**	(36,180)
Lease Returned	**(39,015)**	–
Reclassified as held for sale	**(30,686)**	–
At 31 December	**11,144**	142,357

The net book value of the Group's prepaid lease payments for land under operating leases is analysed as follows:

	The Group	
	2010	2009
	HK$'000	HK$'000
In Hong Kong, held on:		
Lease between 30 to 40 years	**–**	39,015
Outside Hong Kong, held on:		
Leases of 50 years	**11,144**	103,342
	11,144	142,357
Analysed for reporting purposes as:		
Current portion	**1,237**	2,365
Non-current portion	**9,907**	139,992
	11,144	142,357

19 PREPAID LEASE PAYMENTS FOR LAND UNDER OPERATING LEASES (continued)

During the year, as the land lease terminated in Hong Kong, a deposit for the tenancy of HK$25,350,000 was refunded.

The amortisation charge for the year is included in cost of sales in the consolidated statement of comprehensive income.

The leasehold land located in the PRC with a net book value of approximately HK$10,226,000 (2009: HK$103,342,000) has been pledged to secure the bank loans (see Notes 30 & 42).

20 INTANGIBLE ASSETS

	Mining rights HK$'000	Exploration and evaluation assets HK$'000	Licenses HK$'000	Total HK$'000
Cost				
At 1 January 2009	–	–	108,899	108,899
Exchange adjustment	–	–	10	10
At 31 December 2009	–	–	108,909	108,909
Exchange adjustment	–	–	3,777	3,777
Acquired on acquisition of subsidiaries	1,339,750	17,839	–	1,357,589
At 31 December 2010	1,339,750	17,839	112,686	1,470,275
Accumulated amortisation and impairment				
At 1 January 2009	–	–	72,244	72,244
Exchange adjustment	–	–	14	14
Amortisation for the year	–	–	8,909	8,909
Impairment for the year	–	–	15,539	15,539
At 31 December 2009 and 1 January 2010	–	–	96,706	96,706
Exchange adjustment	–	–	3,040	3,040
Amortisation for the year	12,326	–	–	12,326
Impairment for the year	–	–	12,940	12,940
At 31 December 2010	12,326	–	112,686	125,012
Carrying amount				
At 31 December 2010	1,327,424	17,839	–	1,345,263
At 31 December 2009	–	–	12,203	12,203

20 INTANGIBLE ASSETS (continued)

Licences comprise licence rights acquired from independent third parties to exploit technical knowhow for the manufacture of certain biotechnology products with medical applications. The underlying products relating to the licences acquired have been put into commercial production. Amortisation on the cost of licences has been provided on a straight-line basis over their estimated useful lives to the Group. Licenses have been written off during the year since the management believe that no benefit is expected to flow into the group in the foreseeable future.

The amortisation charge for the year is included in cost of sales in the consolidated statement of comprehensive income.

21 DEPOSITS FOR PROPERTY, PLANT AND EQUIPMENT

At 31 December 2010, the Group paid a total sum of approximately HK$71,000,000 (2009: HK$279,123,000) as deposits for a new business line of recycling waste tyres and plastic products into usable oil, diesel, gasoline and natural gas.

Capital commitments of the Group in respect of the remaining unpaid balances of approximately HK$33,204,000 (2009: HK$47,977,000) for these purchases are disclosed in note 43(a) to the financial statements.

22 OTHER DEPOSITS AND CLUB DEBENTURE

	The Group	
	2010	2009
	HK$'000	HK$'000
Club debenture	**170**	460
Other deposits	**180**	180
Less: Impairment loss on club debenture	**–**	(290)
	350	350

23 INVESTMENTS IN SUBSIDIARIES

	The Company	
	2010	2009
	HK$'000	HK$'000
Unlisted shares, at cost	**1,754,000**	580,671

a) Amounts due from/(to) subsidiaries are unsecured, interest-free and repayable on demand.

b) Particulars of the major subsidiaries at 31 December 2010 are as follows:

Name	Place of incorporation/ establishment	Principal activities/ place of operation	Particulars of issued and paid-up share/ contributed capital	Interest held
Bio Beauty Group Ltd.	The Cayman Islands	Investment holding/ Hong Kong	90,850,000 ordinary shares of HK$0.1 each	93.20%
Global Success Properties Limited	The British Virgin Islands ("BVI")	Investment holding/ Hong Kong	200 ordinary shares of US$1 each	100%
GCC Finance Company Limited	Hong Kong	Provision of loan financing services/Hong Kong	2 ordinary shares of HK$1 each	100%
Global Power and Energy Company Limited	Hong Kong	Energy recycling business/ Hong Kong	10,000 ordinary shares of HK$1 each	100%
Global Chemicals (China) Company Limited (Note (i))	Hong Kong	Trading of household products and industrial products/ Hong Kong	10,000 ordinary shares of HK$1 each and 1,000,000 non-voting deferred shares of HK$1 each	93.2%

23 INVESTMENTS IN SUBSIDIARIES (continued)

b) (continued)

Name	Place of incorporation/ establishment	Principal activities/ place of operation	Particulars of issued and paid-up share/ contributed capital	Interest held
Global Cosmetics (HK) Company Limited	Hong Kong	Investment holding and trading of cosmetics and skincare products/ Hong Kong	40,000,000 ordinary shares of HK$1 each	93.2%
Global Idea (Int'l) Company Limited	Hong Kong	Trading of cosmetics and skincare products/ Hong Kong	1,000 ordinary shares of HK$1 each	93.2%
Dongguan Proamine Chemical Co., Limited (Note (ii))	PRC	Manufacture and sale of household products and industrial products/PRC	Approximately HK$111,319,000	100%
Global Cosmetics (China) Co., Limited (Note (iii))	PRC	Manufacture and sale of cosmetics and skincare products/PRC	HK$160,000,000	93.2%
Cristal Marketing Management Company Limited	Hong Kong	Retailing of cosmetics and provision of beauty treatment services/ Hong Kong & Macau	5,010,000 ordinary shares of HK$1 each	100%
Dongguan Polygene Biotech R&D Co., Limited (Note (iv))	PRC	Research and development of bio-technology products/ PRC	Approximately HK16,000,000	100%
High Billion Investment Limited	Hong Kong	Holding of licence/ Hong Kong	10,000 ordinary shares of HK$1 each	93.2%
Hunan Westralian Mining Co., Ltd.	PRC	Gold Mining	762,022,000 ordinary share of HK$0.4 each and HK$895,191,200 convertible bonds	80%

Shares held directly by the Company

23 INVESTMENTS IN SUBSIDIARIES (continued)

b) (continued)

Notes:

i) The non-voting deferred shares carry no rights as to dividends, no rights to attend or vote at general meetings, and no rights to receive any surplus in return of capital in a winding-up of Global Chemicals (China) Company Limited ("Global Chemicals") (other than 1% of the surplus assets of Global Chemicals available for distribution after a total of HK$1,000,000,000,000 has been distributed to holders of the ordinary shares of Global Chemicals in such winding-up).

ii) Dongguan Proamine is a foreign wholly owned enterprise established by the Company in the PRC for an operating period of 16 years commencing from the date of the issuance of its business licence on 29 August 1995. The registered capital of Dongguan Proamine was HK$112,000,000 of which approximately HK$111,319,000 was paid up by the Group as at 31 December 2009 and 2010.

iii) Global Cosmetics is a foreign wholly owned enterprise established by the Company in the PRC for an operating period of 30 years commencing from the date of the issuance of its business licence on 1 April 2005. The registered capital of Global Cosmetics was HK$160,000,000 which was fully paid up by the Group as at 31 December 2009 and 2010.

iv) Dongguan Polygene is a foreign wholly owned enterprise established by the Company in the PRC for an operating period of 30 years commencing from the date of the issuance of its business licence on 18 July 2003. The registered capital of Dongguan Polygene was HK$20,000,000 of which approximately HK$16,000,000 was paid up by the Group as at 31 December 2009 and 2010.

v) Hunan Westralian Mining Co., Ltd. is a foreign owned enterprise established by the Company in the PRC for an operating period of 30 years commencing from the date of the issuance of its business licence on 6 July 2005. The registered capital of Hunan Westralian Mining Co., Ltd. was US$29,700,000 of which was fully paid up by the Group as at 31 December 2010.

24 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group	
	2010	2009
	HK$'000	HK$'000
Listed equity securities at market value		
– in Hong Kong	**3,688**	18,540
– outside Hong Kong	**–**	1,326
	3,688	19,866

25 INVENTORIES

	The Group	
	2010	2009
	HK$'000	HK$'000
Raw materials	**26,785**	35,016
Work in progress	**2,458**	–
Finished goods	**22,413**	24,532
	51,656	59,548
Less: Write-down of inventories	**(490)**	(3,407)
	51,166	56,141

26 TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2010	2009	**2010**	2009
	HK$'000	HK$'000	**HK$'000**	HK$'000
Trade receivables	**60,490**	64,486	**–**	–
Bills receivables	**7,146**	2,040	**–**	–
Loan receivables (d)	**2,000**	44,907	**–**	–
Prepayments, deposits and other receivables	**53,212**	68,314	**5,807**	733
	122,848	179,747	**5,807**	733
Less: Allowance for doubtful debts	**(33,167)**	(30,727)	**–**	–
	89,681	149,020	**5,807**	733

26 TRADE AND OTHER RECEIVABLES (continued)

a) The aging analysis of the trade and bills receivables is as follows:

	The Group	
	2010	2009
	HK$'000	HK$'000
Within 30 days	**19,291**	28,965
31 – 60 days	**7,189**	15,600
61 – 90 days	**6,382**	4,943
Over 90 days	**34,774**	17,018
	67,636	66,526
Less: Impairment loss on trade receivables	**(4,711)**	(30,727)
	62,925	35,799

The normal credit period granted to the customers of the Group is 30 to 180 days (2009: 30 to 180 days). Impairment loss on trade receivables was made and thereafter written off when collection of full amount was no longer probable. Bad debts are written off as incurred.

b) Included in trade and bills receivables in the statement of financial position are mainly the following amounts denominated in a currency other than the functional currency of the Company to which they relate:

	The Group	
	2010	2009
	HK$'000	HK$'000
Renminbi ("RMB")	**54,504**	40,551
United States Dollars ("US$")	**4,563**	10,385

26 TRADE AND OTHER RECEIVABLES (continued)

c) The movement in the allowance for doubtful debts on trade and other receivables is as follows:

	The Group	
	2010	2009
	HK$'000	HK$'000
At 1 January	**30,727**	51,692
Uncollectable amounts written off	**(96,958)**	(21,118)
Provision written back	**(28,465)**	–
Impairment loss recognised during the year	**127,353**	–
Exchange adjustment	**510**	153
At 31 December	**33,167**	30,727

d) No single loan receivable is individually material, and the terms and conditions of all loan receivables are presented as follows:

	The Group	
	2010	2009
	HK$'000	HK$'000
Fixed-rate loan receivables	**2,000**	44,907

The ranges of effective interest rates on the Group's loan receivables are as follows:

	2010	2009
Effective interest rate:		
Fixed-rate loan receivables	**2.00% to 5.00%**	2.00% to 5.00%

The loan receivables are unsecured and repayable within 1 year and denominated in HK$.

The Group has policy for allowance of bad and doubtful debts which is based on the evaluation of collectability and aging analysis of accounts and on management's judgement, including the current creditworthiness and the past collection history of each client.

In determining the recoverability of the loan receivables, the Group considers any change in the credit quality of the loan receivables from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that no impairment is required.

27 CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2010	2009	**2010**	2009
	HK$'000	HK$'000	**HK$'000**	HK$'000
Cash at bank and in hand	**78,396**	35,514	**8,091**	2,744

Included in cash and cash equivalents in the statement of financial position are mainly the following amounts denominated in currencies other than the functional currency of the Company to which they relate:

	The Group	
	2010	2009
	HK$'000	HK$'000
RMB	**26,885**	20,591
US$	**18,675**	836
Euro ("EUR")	**241**	241
AUD	**2,677**	–

28 DISPOSAL GROUP HELD FOR SALE

On January 2011, the directors decide to dispose of the entire interest in two subsidiaries of the Group's cosmetics and skincare product operations, Global Cosmetics (HK) Company Limited and Global Cosmetics (China) Co., Limited. On 19 March 2011, the company entered into a letter of intent with a third independent party-Charmfame Investment Limited. The assets and liabilities attributable to the business which are expected to be sold within twelve months have been classified as a disposal group held for sale and are presented separately in the consolidated statement of financial position.

The results of the cosmetic and skincare product operations for the year were as follows:

	Note	2010 HK$'000	2009 HK$'000
Turnover	6	**17,144**	85,242
Cost of sales		**(41,789)**	(60,463)
Gross (Loss)/Profit		**(24,645)**	24,779
Other revenue and net income		**17,649**	4,290
Selling and distribution expenses		**(11,825)**	(31,893)
General and administrative expenses		**(25,997)**	(24,982)
Provision for loss on re-measurement to fair value less estimated cost to sell in respect of disposal group held for sale		**(80,690)**	–
Impairment loss on property, plant and equipment		**(318,536)**	(59,919)
Impairment loss on prepaid lease payments for land under operating leases		**(63,964)**	(36,180)
Impairment loss on trade and other receivables		**(3,674)**	–
Bad debts written off		**–**	(53,633)
Finance costs		**(4,056)**	(2,175)
(Loss) before taxation		**(515,738)**	(179,713)
Income tax		**–**	(6,122)
(Loss) for the year		**(515,738)**	(185,835)

28 DISPOSAL GROUP HELD FOR SALE (continued)

During the year, the discontinued operation contributed approximately HK$55,528,000 to the group's net operating cash flows, paid approximately HK$2,279,000 in respect of investing activities and to approximately HK$50,224,000 cash outflow in respect of financing activities.

The assets and liabilities of the disposal group as at 31 December 2010, which have been presented separately in the consolidated statement of financial position, are as follows:

	2010
	HK$'000
Non-current Assets	
Property, plant and equipment	139,419
Prepaid lease payments for land under operating leases	29,993
	169,412
Current Assets	
Inventories	21,819
Trade and other receivables	5,513
Cash and cash equivalents	5,822
Prepaid lease payments for land under operating leases	694
Prepayments, deposits and other receivables	27,670
	61,518
Total Assets	230,930
Less: Provisions for the loss on re-measurement to fair value less estimated cost to sell in respect of disposal group held for sale	(80,690)
Assets of disposal group classified as held for sale	150,240

28 DISPOSAL GROUP HELD FOR SALE (continued)

	2010 HK$'000
Current Liabilities	
Trade and other payables	5,310
Bank loans	45,834
Amount due to fellow company	45,843
Other payables and accruals	39,096
Non-current liabilities	136,083
Total liabilities	136,083
Amounts to be eliminated in group consolidation	(45,843)
Liabilities of the disposal group classified as held for sale	90,240

The net book value of buildings of disposal group has been pledged to secure bank loans granted to the Group is show as follows:

	2010 HK$'000
Leasehold buildings (Note 17)	52,603
	52,603

29 TRADE AND OTHER PAYABLES

	The Group		The Company	
	2010	2009	**2010**	2009
	HK$'000	HK$'000	**HK$'000**	HK$'000
Trade payables	**32,466**	31,493	**–**	–
	32,466	31,493	**–**	–
Accrued liabilities and other payables	**93,702**	44,669	**3,339**	751
	126,168	76,162	**3,339**	751

The aging analysis of the trade and bills payable is as follows:

	The Group	
	2010	2009
	HK$'000	HK$'000
Within 30 days	**14,099**	12,760
31 – 60 days	**4,202**	7,211
61 – 90 days	**7,230**	5,468
Over 90 days	**6,935**	6,054
	32,466	31,493

Included in trade payables in the statement of financial position are mainly the following amounts denominated in a currency other than the functional currency of the Company to which they relate:

	The Group	
	2010	2009
	HK$'000	HK$'000
RMB	**25,357**	18,152
US$	**5,843**	3,636

30 BANK LOANS

	The Group		The Company	
	2010	2009	**2010**	2009
	HK$'000	HK$'000	**HK$'000**	HK$'000
Bank loans repayable:				
Secured	**127,583**	215,308	**–**	–
Total bank loans	**127,583**	215,308	**–**	–
Less: Amount due within 1 year shown under current liabilities	**(127,583)**	(215,308)	**–**	–
	–	–	**–**	–

The secured bank loans were short term loans that borrowed from the banks in PRC by the PRC subsidiaries of the Group and secured by the properties in the PRC (see Notes 17 & 19). The interest rate ranged from 4.62% to 6.372% per annum.

31 INTEREST-BEARING LOANS AND BORROWINGS

(a) The analysis of the carrying amount of loans and borrowings is as follows:

	The Group		The Company	
	2010	2009	**2010**	2009
	HK$'000	HK$'000	**HK$'000**	HK$'000
Loans and borrowings repayable:				
Convertible notes (Note 31(b)(i))	**328,820**	–	**–**	–
Loans to other entities (Note 31(b)(ii))	**23,549**	–	**–**	–
Total	**352,369**	–	**–**	–
Less: Amount due within 1 year shown under current liabilities	**(23,549)**	–	**–**	–
	328,820	–	**–**	–

All the loans and borrowings are carried at amortised cost.

31 INTEREST-BEARING LOANS AND BORROWINGS (continued)

(b) Significant terms and repayment schedule of non-bank borrowings

(i) Convertible notes

On 31 March 2010, the Company issued HK$895,191,200 convertible notes as part of consideration of acquisition 100% shares of Westralian Resources Group (see Note 40) and a maturity date of 30 March 2013. The notes bear nil interest and are unsecured. However the effective interest rate is assumed to be 12.76% as valued by Asset Appraisal Limited in March 2010.

The rights of the noteholders to convert the notes into ordinary shares are as follows:

- Conversion rights are exercisable at any time up to maturity at the noteholders' option.
- If a noteholder exercises its conversion rights, the Company is required to deliver ordinary shares at a rate of one ordinary share for every 0.4 convertible notes converted.

Any convertible notes have not been exercised will be redeemed at prevailing conversion price on 30 March 2013.

(ii) Loans from other entities

The loans from other entities due within 1 year bear interest at benchmark bank loan interest rate per annum, are unsecured and the terms of repayment ranged from 1 April 2011 to 23 November 2011.

32 OBLIGATIONS UNDER FINANCE LEASES

At 31 December 2009, the Group had obligations under finance leases repayable as follows:

The Group	**2010** Present value of the minimum lease payments HK$'000	Interest expenses relating to future periods HK$'000	Total minimum lease payments HK$'000	**2009** Present value of the minimum lease payments HK$'000	Interest expenses relating to future periods HK$'000	Total minimum lease payments HK$'000
Within 1 year shown under current liabilities	–	–	–	3	1	4
After 1 year but within 2 years	–	–	–	–	–	–
Total	–	–	–	3	1	4

33 TAX PAYABLE

During the year, several subsidiaries of the Company have been asked by the Hong Kong Inland Revenue Department (the "IRD") to provide information for the IRD to determine amounts of the assessable profits. At it is still at a preliminary fact-finding stage, its outcome cannot be ascertained. The Management of the Company has reviewed the situation and considered that sufficient tax related provisions have been made.

34 EQUITY SETTLED SHARE-BASED TRANSACTIONS

The Company has a share option scheme which was adopted on 20 December 2001 whereby the directors of the Company are authorised, at their discretion, to invite employees and other eligible suppliers and customers of the Group, including directors of any Company in the Group, to take up options at nil consideration to subscribe for shares of the Company. The options vest immediately from the date of grant and are then exercisable within a period of three years. Each option gives the holder the right to subscribe for one ordinary share in the Company.

a) The terms and conditions of the grants that existed during the years are as follows, whereby all options are settled by physical delivery of shares:

	Number of instruments '000	**Vesting conditions**	**Contractual life of options**
Options granted to others:			
– on 7 July 2009	10,001	Immediately from	up to 6 July 2012
– on 25 Feb 2010	262,078	the date of grant	up to 24 Feb 2013

b) The number and weighted average exercise price of share options are as follows:

	2010		2009	
	Weighted average exercise price HK$	**Number of option '000**	Weighted average exercise price HK$	Number of option '000
Outstanding at the beginning of the year	**0.44**	**10,001**	0.96	177,986
Exercised during the year	**–**	**–**	0.44	(198,505)
Granted during the year	**0.349**	**262,078**	0.44	198,758
Lapsed during the year	**–**	**–**	0.96	(168,238)
Outstanding at the end of the year	**0.35**	**272,079**	0.44	10,001

34 EQUITY SETTLED SHARE-BASED TRANSACTIONS (continued)

The weighted average share price at the date of exercise for shares options exercised during the year was HK$0.35 (2009: HK$0.44). The options outstanding at 31 December 2010 had an exercise price of HK$0.349 or HK$0.44 (2009: HK$0.44) and a weighted average remaining contractual life of 2.14 years (2009: 2.5 years).

c) Fair value of share options and assumptions

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on binomial lattice model. The contractual life of the option is used as an input into this model. Expectations of early exercise are incorporated into the binomial lattice model.

Fair value of share options and assumptions

Date of grant	25 Feb 2010
Fair value at measurement date	HK$0.12
Share price	HK$0.34
Exercise price	HK$0.349
Expected volatility (expressed as weighted average volatility used in the modeling under binomial lattice model)	75.17%
Option life (expressed as weighted average life used in the modelling under binomial lattice model)	3 years
Risk-free interest rate (based on Exchange Fund Notes)	0.936%

The expected volatility is based on the historical volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility due to publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumption could materially affect the fair value estimate.

35 DEFERRED TAX LIABILITIES

The major components of the deferred tax liabilities provided for at the end of reporting period and for the year ended are as follows:

	The Group					
	Depreciation in excess of the related depreciation allowances		Impairment loss		Total	
	2010	2009	**2010**	2009	**2010**	2009
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
At the beginning of the year	**(280)**	(280)	**(826)**	(826)	**(1,106)**	(1,106)
Charged/(credited) to consolidated statement of comprehensive income	**–**	–	**–**	–	**–**	–
At the end of the year	**(280)**	(280)	**(826)**	(826)	**(1,106)**	(1,106)

The Group has unused tax losses of approximately HK$500,646,000 (2009: HK$285,268,000) available for offset against future profits. No deferred tax assets in respect of these unused tax losses have been recognised due to the unpredictability of future taxable profits streams. The tax losses do not expire under current tax legislation.

36 SHARE CAPITAL

a) Authorised and issued share capital

	2010		2009	
	No. of shares '000	**HK$'000**	No. of shares '000	HK$'000
Authorised:				
Ordinary shares of HK$0.10 each	**8,000,000**	**800,000**	6,000,000	600,000

By the ordinary resolution passed in Extraordinary General Meeting on 19 February 2010, the authorised share capital of the Company increased from HK$600,000,000 to HK$800,000,000 by the creation of an additional 2,000,000,000 shares of HK$0.10 each.

36 SHARE CAPITAL (continued)

a) Authorised and issued share capital (continued)

Ordinary shares, issued and fully paid:

	2010		2009	
	No. of shares '000	HK$'000	No. of shares '000	HK$'000
At 1 January	**2,620,781**	**262,078**	1,333,211	133,321
Issue of ordinary shares	**762,022**	**76,202**	–	–
Issue of placing shares	**340,000**	**34,000**	–	–
Exercise of share options	**–**	**–**	198,506	19,851
Allotment through open offer	**–**	**–**	644,620	64,462
Exercise of convertible bonds	**1,152,500**	**115,250**	444,444	44,444
	4,875,303	**487,530**	2,620,781	262,078

b) Issue of ordinary shares

On 31 March 2010, the Company issued 762,022,000 ordinary shares as part of the consideration of acquisition of the Westralian Resource Group (see Notes 39 & 40).

c) Issue of placing shares

On 12 November 2010, the Company completed a placing of 340,000,000 shares of the Company at a price of HK$0.12 per shares to not less than six independent institutional and professional investors.

d) Exercise of share options

During 2009, share options were exercised to subscribe for 198,506,000 ordinary shares in the Company at a consideration of HK$91,429,000 of which HK$19,851,000 was credited to share capital and the balance of HK$95,461,000 was credited to share premium. HK$23,582,000 has been transferred from the share-based compensation reserve to the share premium in accordance with policy set out in note 2(r)(ii) to the financial statements. During the year, no share options were exercised.

e) Exercise of open offer

During the year, the Company did not raise open offer. During 2009, the Company raised not less than approximately HK$161,000,000 before expenses by way of open offer of 644,620,488 offer shares to the qualifying shareholders at a price of HK$0.25 per offer share, payable in full on application, on the basis of twelve offer shares for every twenty five shares held on the record date.

36 SHARE CAPITAL (continued)

f) Exercise of convertible bonds

During the year, 1,152,500,000 (2009: 444,444,444) shares of HK$0.1 each were issued pursuant to the exercise of the conversion rights attaching to the Company's convertible bonds at a conversion price of HK$0.4 (2009: HK$0.36) per share.

g) Repurchase of shares

No repurchase of shares was made by the Company during the year and 2009 or subsequent to the end of the reporting date.

h) Terms of unexpired and unexercised share options at the end of the reporting period

Exercise period	Exercise price	2010 Number '000	2009 Number '000
7 July 2009 to 6 July 2012	HK$0.44	**10,001**	10,001
25 Feb 2010 to 24 Feb 2013	HK$0.349	**262,078**	–
		272,079	10,001

Each option entitles the holders to subscribe for one ordinary share in the Company. Further details of these options are set out in note 34 to the financial statements.

i) Capital management

The Group's objectives when managing capital are to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The management reviews the capital structure by considering the cost of capital and the risks associated with each class of capital. In view of this, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt as it sees fit and appropriate.

36 SHARE CAPITAL (continued)

i) Capital management (continued)

During the year, the gearing ratios at 31 December 2010 and 2009 were as follows:

	2010	2009
	HK$'000	HK$'000
Total liabilities	**607,226**	322,406
Less: Cash and cash equivalents (Note 27)	**(78,396)**	(35,514)
Net debt	**528,830**	286,892
Total equity	**2,361,673**	2,489,545
Gearing ratio	**22.39%**	11.52%

37 RESERVES

a) The Group

	Attributable to owners of the Company									
	Share premium	Capital reserve	Capital redemption reserve	Share-based compensation reserve	Statutory reserve	Exchange fluctuation reserve	Convertible bond reserve	Convertible preference share reserve	Retained profits	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 January 2009	1,092,905	166,159	300	24,754	110,121	79,461	–	26,635	986,552	2,486,887
Net loss for the year	–	–	–	–	–	–	–	–	(620,412)	(620,412)
Exchange difference on translation of financial statements of overseas subsidiaries	–	–	–	–	–	24,891	–	–	–	24,891
Total comprehensive income for the year	–	–	–	–	–	24,891	–	–	(620,412)	(595,521)
Issue of convertible bonds	–	–	–	–	–	–	160,000	–	–	160,000
Exercise of share options	95,461	–	–	(23,582)	–	–	–	–	–	71,879
Exercise of convertible bonds	115,556	–	–	–	–	–	(160,000)	–	–	(44,444)
Allotment through open offer	93,862	–	–	–	–	–	–	–	–	93,862
Equity settled share-based payment transactions	–	–	–	24,832	–	–	–	–	–	24,832
Share options lapsed during the year	24,754	–	–	(24,754)	–	–	–	–	–	–
Repurchase of convertible preference shares of a subsidiary	–	–	–	–	–	–	–	(26,635)	–	(26,635)
	329,633	–	–	(23,504)	–	–	–	(26,635)	–	279,494
At 31 December 2009	1,422,538	166,159	300	1,250	110,121	104,352	–	–	366,140	2,170,860
Transfer to retained profits	–	–	–	–	(18,694)	–	–	–	18,694	–
Net loss for the year	–	–	–	–	–	–	–	–	(1,367,871)	(1,367,871)
Exchange difference on translation of financial statements of overseas subsidiaries	–	–	–	–	–	87,869	–	–	–	87,869
Total comprehensive income for the year	–	–	–	–	–	87,869	–	–	(1,367,871)	(1,280,002)
Issue of ordinary shares	201,936	–	–	–	–	–	–	–	–	201,936
Issue of convertible bonds	–	–	–	–	–	–	277,526	–	–	277,526
Issue of placing shares	5,783	–	–	–	–	–	–	–	–	5,783
Exercise of convertible bonds	345,750	–	–	–	–	–	(128,818)	–	–	216,932
Equity settled share-based payment transactions	–	–	–	23,851	–	–	–	–	–	23,851
	553,469	–	–	23,851	–	–	148,708	–	–	726,028
At 31 December 2010	1,976,007	166,159	300	25,101	91,428	192,221	148,708	–	(983,038)	1,616,886

37 RESERVES (continued)

a) The Group (continued)

i) Capital reserve

The capital reserve of the Group includes the difference between the nominal value of the share/registered capital of the subsidiaries acquired pursuant to the Group reorganisation carried on 28 November 2000, over the nominal value of the share capital of the Company issued in exchange; and amount arising from the acquisition by the Group in respect of additional interest of 13% in Cosmetics HK for a consideration of approximately HK$274,058,000 which was paid by the Company on behalf of Bio Beauty by transfer of 13,936,390 ordinary shares of HK$0.10 each of Bio Beauty on 29 October 2007.

The capital reserve of the Company arose as a result of the above-mentioned Group reorganisation and represents the excess of the combined net assets of the subsidiaries acquired over the nominal value of the share capital of the Company issued in exchange.

ii) Capital redemption reserve

The capital redemption reserve represents the nominal value of the cancelled shares arising from share repurchase as set out in note 36(g).

iii) Share-based compensation reserve

The fair value of the actual or estimated number of unexercised options in accordance with the accounting policy adopted for share-based payments in note 2(t)(ii).

iv) Statutory reserve

Subsidiaries of the Group in the PRC, which are wholly-owned-foreign enterprises, follow the accounting principles and relevant financial regulations of the PRC applicable to wholly-owned foreign enterprises ("PRC GAAP–WFOE"), in the preparation of its accounting records and financial statements. Pursuant to the accounting regulations for business enterprises（企業會計制度[財會(2000) 25號]）, the subsidiaries are required to appropriate 10% of the profit arrived at in accordance with PRC GAAP–WFOE for each year to a statutory reserve. The profit arrived at must be used initially to set off against any accumulated losses. The appropriations to statutory reserve, after offsetting against any accumulated losses, must be made before the distribution of dividends to shareholders. The appropriation is required until the statutory reserve reaches 50% of the registered capital. This statutory reserve is not distributable in the form of cash dividends, but may be used to set off losses or be converted into paid-in capital.

v) Exchange fluctuation reserve

The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with the accounting policy set out in note 2.

37 RESERVES (continued)

a) The Group (continued)

vi) Distributability of reserves

Under the Companies Law (2001 Revision) of the Cayman Islands, the share premium and capital reserve are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay its debts as they fall due in the ordinary course of business.

At 31 December 2010, the aggregate amount of reserves available for distribution to equity holders of the Group was HK$ nil (2009: HK$366,140,000).

b) The Company

	Attributable to owners of the Company						
	Share premium HK$'000	Capital reserve HK$'000	Capital redemption reserve HK$'000	Share-based compensation reserve HK$'000	Convertible bonds reserve HK$'000	Retained profits HK$'000	Total HK$'000
At 1 January 2009	1,092,905	89,247	300	24,754	–	(35,557)	1,171,649
Net profit for the year	–	–	–	–	–	(400,085)	(400,085)
Total comprehensive income for the year	–	–	–	–	–	(400,085)	(400,085)
Exercise of share options	95,461	–	–	(23,582)	–	–	71,879
Exercise of convertible bonds	115,556	–	–	–	–	–	115,556
Allotment through open offer	93,862	–	–	–	–	–	93,862
Grant of share options	–	–	–	24,832	–	–	24,832
Share options lapsed during the year	24,754	–	–	(24,754)	–	–	–
	329,633	–	–	(23,504)	–	–	306,129
At 31 December 2009	1,422,538	89,247	300	1,250	–	(435,642)	1,077,693

37 RESERVES (continued)

b) The Company (continued)

	Attributable to owners of the Company						
	Share premium HK$'000	Capital reserve HK$'000	Capital redemption reserve HK$'000	Share-based compensation reserve HK$'000	Convertible bonds reserve HK$'000	Retained profits HK$'000	Total HK$'000
Net loss for the year	–	–	–	–	–	(77,238)	(77,238)
Total comprehensive income for the year	–	–	–	–	–	(77,238)	(77,238)
Issue of ordinary shares	201,936	–	–	–	–	–	201,936
Issue of placing shares	5,783	–	–	–	–	–	5,783
Issue of convertible bonds	–	–	–	–	277,526	–	277,526
Exercise of convertible bonds	345,750	–	–	–	(128,818)	–	216,932
Equity settled share-based payment transactions	–	–	–	23,851	–	–	23,851
	553,469	–	–	23,851	148,708	–	726,028
At 31 December 2010	1,976,007	89,247	300	25,101	148,708	(512,880)	1,726,483

38 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial assets include cash and cash equivalents, trade and other receivables, loan receivables and financial assets at fair value through profit or loss. The Group's financial liabilities include bank loans, loans and borrowings due to other entities, trade and other payables.

The Group does not have nor has issued financial instruments for trading purposes. Exposure to credit, liquidity, interest rate, foreign currency fair value, economic and business risks arises in the normal course of the Group's business.

(a) Credit risk

i) As at 31 December 2010, the maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position after deducting any impairment allowance.

ii) In respect of trade and other receivables and loan receivables, in order to minimize risk, the management has a credit risk are monitored on an ongoing basis. Credit evaluations of its customers' financial position and condition is performed each and every major customer periodically. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer operates. The Group does not require collateral in respect of its financial assets. Debts are usually due within a normal credit period of 30-180 days from the date of billing.

iii) The majority of the Group's investment is listed on a recognised stock exchange. Given their high credit standing, management does not expect any investment counterparty to fail to meet its obligation.

iv) The credit risk on liquid funds is limited because the counterparties are bank with high credit standing, management does not expect any investment counterparty to fall to meet its obligations.

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management. Including the short term investment of cash surprises and the raising of loans to cover expected cash demands, subject to board approval. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient amount of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term. The Group relies on bank borrowings as a source of liquidity.

38 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity risk (continued)

Details of the remaining contractual maturities of the financial liabilities as at the end of the reporting period were as follows:

	The Group	
	2010	2009
	HK$'000	HK$'000
Total amounts of contractual undiscounted obligations:		
Trade and other payables	**126,168**	76,162
Bank loans	**127,583**	215,308
Loans and borrowings due to other entities	**352,369**	–
Obligations under finance leases	**–**	3
	606,120	291,473
Due to payment:		
Within 1 year	**277,300**	291,473
Between 1 and 5 years	**328,820**	–
	606,120	291,473

	The Company	
	2010	2009
	HK$'000	HK$'000
Total amounts of contractual undiscounted obligations:		
Amount due to subsidiaries	**430,010**	423,518
Trade and other payables	**3,339**	751
	433,349	424,269
Due to payment:		
Within 1 year	**433,349**	424,269
Between 1 and 5 years	**–**	–
	433,349	424,269

38 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

c) Interest rate risk

i) The Group's exposure to changes in interest rates relates primarily to the Group's cash and cash equivalents, bank deposits and bank loans. The Group does not use financial derivatives to hedge against the interest rate risk.

ii) *Sensitivity analysis*

At 31 December 2010, it is estimated that a general increase/decrease of 100 basis points (2009: increase of 100 basis points) in interest rates, with all other variables held constant, would decrease/increase the Group's profit after taxation and retained profits by approximately HK$1,511,000 (2009: decrease of HK$2,153,000).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the statement of financial position and had been applied to the exposure to interest rate risk for both derivative and non-derivative financial instruments in existence at that date. The 100 basis points increase/decrease represents management's assessment of a reasonably possible change in interest rates over the period until the end of the reporting period. The analysis is performed on the same basis for 2009.

d) Foreign currency risk

Presently, there is no hedging policy with respect to the foreign exchange exposure. The Group's transactional currencies are RMB and HK$ as substantially all the turnover are within Hong Kong and other parts in the PRC. With the natural hedging of the revenue and costs being denominated in RMB and HK$, the Group is subject to transactional foreign exchange exposure. RMB is not a freely convertible currency in the international market. The exchange rate of RMB is determined by the government of the PRC and remittance of these funds out of the PRC is subject to exchange restriction imposed by the government of the PRC.

Should HK$ at the end of the reporting period devalue/appreciate by 1% (2009: 1%) against all the foreign currencies, the effect on profit after taxation and retained profits would be an increase/decrease by a net amount of approximately HK$560,300 (2009: HK$429,900). The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next end date of the reporting period. The analysis is performed on the same basis for 2009.

38 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

f) Fair value

i) Financial instruments carried at fair value

The following table present the carrying value of financial instruments measured at fair value at the end of the reporting period across the three levels of the fair value hierarchy defined in HKFRS 7, Financial Instruments: Disclosures, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

– Level 1 (highest level): fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments

– Level 2: fair values measured using quoted prices in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data

– Level 3 (lowest level): fair values measured using valuation techniques in which any significant input is not based on observable market date

2010	**The Group**			
	Level 1	**Level 2**	**Level 3**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000
Assets				
Financial assets at fair value through profit or loss	3,688	–	–	3,688
	3,688	–	–	3,688

During the year there were no transfers between instruments in Level 1 and Level 2.

ii) Fair value of financial instruments carried at other than fair value

The management consider that the carrying amounts of the Group's and the Company's financial assets and liabilities carried at cost or amortised cost are not materially different from their fair values as at 31 December 2010 and 2009.

38 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

g) Economic risk

The Group's operations may be adversely affected by significant political, economic and social uncertainties in the PRC. Although the government of the PRC has been pursuing economic reform policies for the past years, no assurance can be given that the PRC government will continue to pursue such policies or that such policies may not be significantly altered.

h) Business risk

A substantial portion of the Group's operations is conducted in the PRC. This includes risks associated with, among others, the political, economic and legal environment in the PRC.

39 MAJOR NON-CASH TRANSACTION

During the year, the Group entered into the following non-cash investing and financing activities which are not reflected in the consolidated statement of cash flows:

i The Group acquired 100% interest in Westralian Resources Pty. Ltd. and its subsidiary (collectively called the "Westralian Resources Group") for a consideration of HK$1,173 million which was partly satisfied by issue of new shares of HK$278 million, and partly satisfied by issue of convertible bond of HK$895 million, which was partially exercised to convert into ordinary shares of 1,152,500,000 of HK$0.1 each at HK$0.4 per share during the year (see note 40).

ii During the year in 2009, the Group acquired 100% interest in Supreme China Limited and its subsidiary (collectively called the "Supreme China Group") for a consideration of HK$320 million which was partly satisfied by issue of convertible bond of HK$160 million, which was exercised to convert into ordinary shares of 444,444,444 of HK$0.1 each at HK$0.36 per share during the year.

iii During the year in 2009, the Group disposed of a subsidiary, Global Chemical International Limited ("GCIL") and its subsidiary at a consideration of approximately HK$39,881,000 which was satisfied by settlement of cash borrowings owing by a subsidiary of GCIL.

40 ACQUISITION OF INTEREST IN A SUBSIDIARY

On 31 March 2010, Group completed the Acquisition of 100% interest in Westralian Resource Group for a consideration of HK$1,173 million which was partly satisfied by issue of new shares of HK$278 million, and partly satisfied by issue of convertible bond of HK$895 million. Details of the net assets and goodwill as at the date of acquisition are as follows:

	2010
	HK$'000
Purchase consideration:	
Consideration shares and convertible bonds	1,173,329
Less: Fair value of net assets acquired shown below	(1,406,427)
Add: Fair value of non-controlling interest	233,098
Goodwill (note 16)	–

The fair value of the identifiable assets and liabilities arising from the acquisition as at the date of acquisition and the corresponding carrying amounts immediately prior to the acquisition are as follows:

	Fair value	**Carrying amounts**
	HK$'000	HK$'000
Property, plant and equipment	44,401	44,401
Intangible assets	1,335,344	225,580
Other assets	54,793	54,793
	1,434,538	324,774
Trade and other payables	(28,111)	(28,111)
Net Assets	1,406,427	296,663
Cash and cash equivalents in subsidiaries acquired	2,724	
Purchase consideration settled in cash	–	
Net cash inflow	2,724	

41 DISPOSAL OF A SUBSIDIARY

During the year in 2009, the Group entered into a settlement arrangement with an independent lender to dispose of its entire interest in GCIL and its subsidiary, Donggguan Gao Bao Chemicals Co. Ltd. ("Dongguan Gao Bao") at a consideration of approximately HK$39,936,000 which was satisfied by settlement of cash borrowings (including accrued interests) owing by Dongguan Gao Bao to the Lender. The assets retained by Dongguan Gao Bao that would be transferred to the Lender were certain property, plant and equipment and inventories relating to laundry powder business of Dongguan Gao Bao.

Details of the transaction are set out as follows:

	HK$'000
Net assets disposal of:	
Property, plant and equipment	1
Inventories	37,755
	37,756
Gain on disposal of a subsidiary	2,180
Consideration	39,936
Satisfied by:	
Settlement of cash borrowings owing by Dongguan Gao Bao to the Lender	39,936

There was no disposal of the subsidiary during the year of 2010.

42 PLEDGE OF ASSETS

The following assets have been pledged to secure bank loans granted to the Group:

	The Group	
	2010	2009
	HK$'000	HK$'000
Leasehold buildings (Note 17)	**91,219**	216,887
Prepaid lease payments for land under operating leases (Note 19)	**10,226**	103,342
	101,445	320,229

43 COMMITMENTS

a) Capital commitments outstanding at the end of the reporting period not provided for in the financial statements were as follows:

	The Group	
	2010	2009
	HK$'000	HK$'000
Contracted for:		
– Property, plant and equipment	**33,204**	47,977
– Acquisition of a subsidiary	**–**	1,200,000
	33,204	1,247,977

b) At the end of the reporting period, the total future minimum lease payments under non-cancellable operating leases in respect of office properties and land are payable as follows:

	The Group	
	2010	2009
	HK$'000	HK$'000
Within 1 year	**11,299**	2,171
After 1 year but within 5 years	**7,245**	–
After 5 years	**646**	
	19,190	2,171

The Group is the lessee in respect of a number of properties held under operating leases. The leases typically run for an initial period of one to five years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

43 COMMITMENTS (continued)

c) At the end of the reporting period, the total future minimum lease income under non-cancellable operating leases in respect of office properties are receivable as follows:

	The Group	
	2010	2009
	HK$'000	HK$'000
Within 1 year	**74**	1,260
After 1 year but within 5 years	**–**	105
	74	1,365

44 FINANCIAL GUARANTEE

During the years ended 2010, the Company had cancelled corporate guarantee to a bank in connection with banking facilities granted by the bank to subsidiaries. At 31 December 2009, such facilities were drawn down by the subsidiaries to the extent of HK$20,000,000.

45 SUBSEQUENT EVENT

a) As the announcement on 25 January 2011, the whole board of directors of the Company (the "Board") has received three offers from certain independent parties on acquiring of certain subsidiaries of the Group under the cosmetics and skincare products segment. On 19 March 2011, the Board announced a letter of intent in respect of the possible disposal of Global cosmetic (HK) company limited. Charmfame Investment Limited as the Intended Purchaser, entered into the letter of intent with Global Chemical Investment Limited, a wholly owned subsidiary of the Company, as the Intended Vendor in relation to the Possible Disposal.

Under the letter of intent, (I) it is proposed that the Intended Purchaser will acquire the Sale Shares, being the entire issued share capital of Global Cosmetics (HK), from the Intended Vendor; and (II) the Intended Vendor granted to the Intended Purchaser an extended due diligence period of an additional 60 days as an exclusive 60-day period for the Possible Disposal from 20 March 2011.

Purchase price of the Sale Shares shall be the sum of HK$60,000,000.00 and shall be paid by the Intended Purchaser to the Intended Vendor in the manner as follows:

(i) RMB 20,000,000.00 (equivalent to approximately HK$23,670,000.00) has been paid by the Intended Purchaser to the related company of the Intended Vendor prior to the signing of the letter of intent as a refundable amount to secure the exclusive right for doing the due diligence exercise on Global Cosmetic (HK), which shall form part of the purchase price and become non-refundable then;

45 SUBSEQUENT EVENT (continued)

a) (continued)

(ii) HK$20,000,000.00 out of the remaining balance shall be paid by the Intended Purchaser to the Intended Vendor on the date of completion of the possible forthcoming Definitive Sale and Purchase Agreement; and

(iii) The final remaining balance after the payment of (i) and (ii) above be payable by the Intended Purchaser within the next 24 months.

c) On 19 March 2011, the Company's 93.2% owned subsidiary, Bio Beauty Group Limited (the "Licensor"), entered into a trademark license agreement (the "License Agreement") with Charmfame Investment Limited (the "Licensee"), which is a third party independent of and not connected with the Company or any of its connected persons (as defined under the Listing Rules).

The Licensor is the beneficial owner of certain trademarks in respect of the cosmetics and skincare business of the Company and its subsidiaries known as (a) "Marjorie Bertagne" registered in Hong Kong; (b) "Marjorie Bertagne" and "曼詩貝丹" registered in the People's Republic of China; and (c) "MB Marjorie Bertagne Paris" registered in France (collectively, the "Trademarks").

Pursuant to the License Agreement, the Licensor grants to the Licensee an exclusive worldwide (EXCEPT for use in the Hong Kong Special Administrative Region of People's Republic of China) license to use the Trademarks solely in connection with its business, subject to the limitations set forth in the License Agreement.

In consideration of the rights granted under the License Agreement, the Licensee shall pay to the Licensor a total royalty of 10% of the Licensee's annual gross revenue of those merchandise or articles being manufactured by the Licensee for 10 years whereas the minimum guaranteed amount of HK$60,000,000.00 in aggregate for such 10 years be agreed in such manner:

(i) A non-refundable sum of HK$40,000,000.00 payable immediately upon the signing and execution of the License Agreement;

(ii) HK$20,000,000.00 payable in 5 equal instalments as part of the minimum guaranteed royalty on each of the anniversary of the signing and execution of the License Agreement until full payment of the guaranteed amount; and

(iii) Once that the cumulative payment of royalty exceeded such minimum guaranteed amount of HK$60,000,000.00, there would be a waiver of the HK$20,000,000.00 committed in point (ii) above and the Licensee shall pay to the Licensor a royalty of 10% of the licensee's annual gross revenue actually made by the Licensee from that following year.

46 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board on 31 March 2011.

The following is a summary of the published consolidated results and of the assets and liabilities of the Group for each of the five years ended 31 December 2010 prepared on the basis set out in the note below:

RESULTS

	Year ended 31 December				
	2010	2009	2008	2007	2006
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Turnover	**348,243**	397,219	1,339,707	1,071,833	846,916
(Loss)/Profit before taxation	**(1,403,189)**	(621,667)	85,060	418,581	301,360
Income tax	**(5)**	(7,839)	(51,495)	(60,122)	(30,219)
(Loss)/Profit for the year	**(1,403,194)**	(629,506)	33,565	358,459	271,141
Attributable to:					
Equity shareholders of the Company	**(1,367,871)**	(620,412)	8,187	311,772	197,039
Non-controlling interests	**(35,323)**	(9,094)	25,378	46,687	74,102
(Loss)/Profit for the year	**(1,403,194)**	(629,506)	33,565	358,459	271,141

	As at 31 December				
	2010	2009	2008	2007	2006
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Goodwill	**508,596**	912,166	645,566	459,428	–
Property, plant and equipment	**713,940**	1,171,136	1,484,614	1,085,699	940,350
Investment properties	**34,948**	34,075	25,181	23,500	19,240
Prepaid lease payments for land under operating leases	**9,907**	139,992	178,602	172,964	128,255
Intangible assets	**1,345,263**	12,203	36,655	27,563	32,791
Deposits for acquisition of property, plant and equipment	**71,000**	279,123	175,624	173,737	207,110
Deposits for acquisition of interests in leasehold land held for own use under operating leases	**–**	–	–	–	39,015
Deposits for acquisition of intangible assets	**–**	–	–	14,070	13,272
Other deposits and club debenture	**350**	350	170	170	170
Deferred tax assets	**–**	–	–	–	7,355
Current assets	**375,135**	262,906	624,545	1,120,890	769,977
Total assets	**3,059,139**	2,811,951	3,170,957	3,078,021	2,157,535
Current liabilities	**367,540**	321,300	482,784	268,496	275,171
Non-current liabilities	**329,926**	1,106	1,111	315,051	140,503
Total liabilities	**697,466**	322,406	483,895	583,547	415,674
Net assets	**2,361,673**	2,489,545	2,687,062	2,494,474	1,741,861
Total equity attributable to:					
Equity holders of the Company	**2,104,416**	2,432,938	2,620,208	2,373,793	1,733,907
Non-controlling interests	**257,257**	56,607	66,854	120,681	7,954
Total equity	**2,361,673**	2,489,545	2,687,062	2,494,474	1,741,861

LIST OF PRINCIPAL PROPERTIES

INVESTMENT PROPERTIES

Location	Lot number	Existing use	Lease term	Group's interest
a) Global Green Tech Industrial City, Chang Ping, Tu Tang District, Dongguan City, Guangdong Province, PRC.	N/A*	Commercial	Medium	100%

* Property located in PRC without lot number.