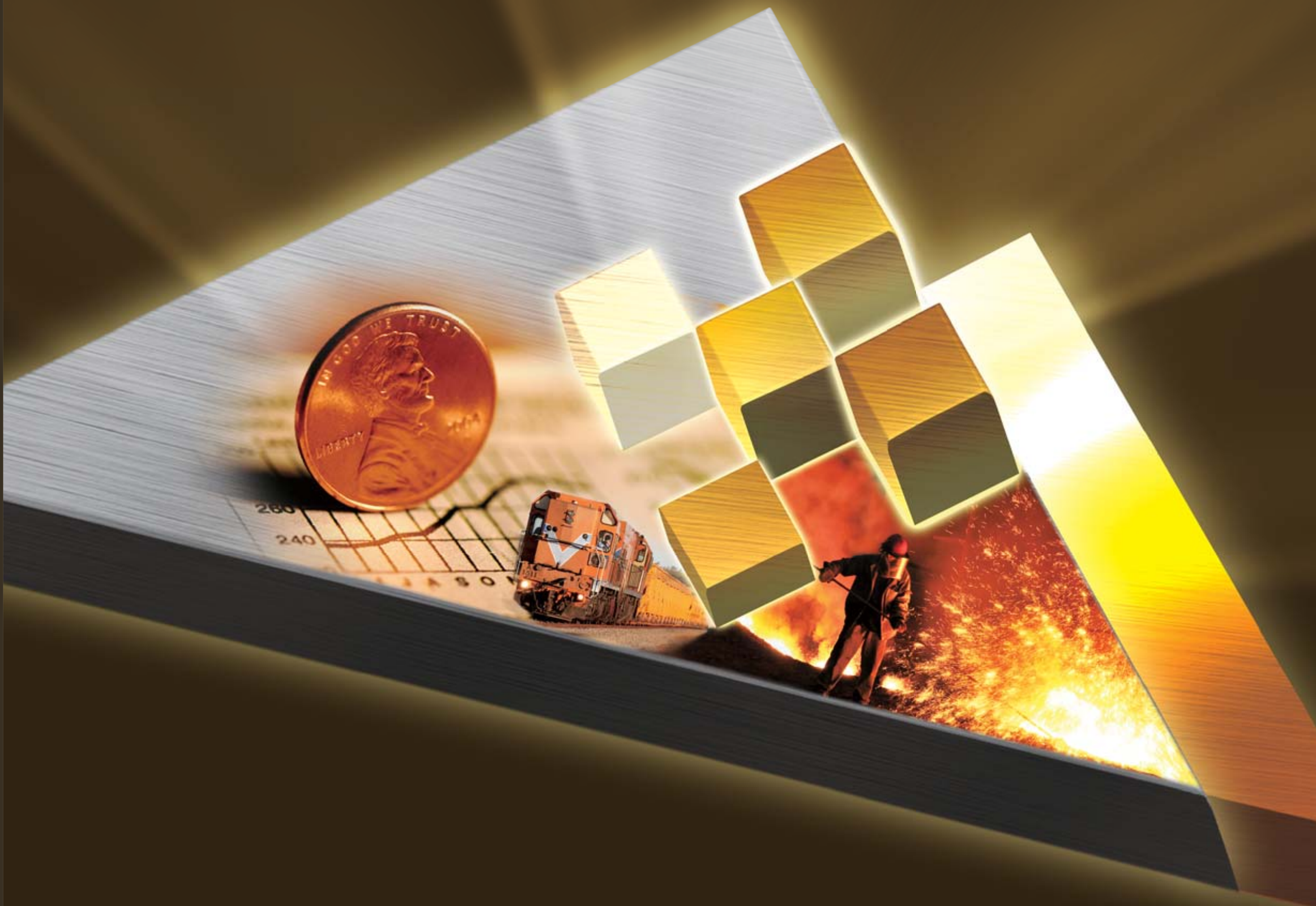
APAC RESOURCES

APAC Resources Limited
亞 太 資 源 有 限 公 司*

(Incorporated in Bermuda with limited liability)
Stock Code: 1104



Annual Report 2010/2011

* For identification purpose only


MSA

Focused on natural resources, APAC's business lines comprise Primary Strategic Investment; Resource Investment; and Commodity Business.

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors:

Ms. Chong Sok Un *(Chairman)*
Mr. Andrew Ferguson *(Chief Executive Officer)*
Mr. Yue Jialin
Mr. Kong Muk Yin

Non-Executive Directors:

Mr. Lee Seng Hui
Mr. So Kwok Hoo
Mr. Liu Yongshun
Mr. Peter Anthony Curry

Independent Non-Executive Directors:

Dr. Wong Wing Kuen, Albert
Mr. Chang Chu Fai, Johnson Francis
Mr. Robert Moyse Willcocks

AUDIT COMMITTEE

Dr. Wong Wing Kuen, Albert *(Chairman)*
Mr. Chang Chu Fai, Johnson Francis
Mr. Robert Moyse Willcocks
Mr. Lee Seng Hui

REMUNERATION COMMITTEE

Ms. Chong Sok Un *(Chairman)*
Mr. Lee Seng Hui
Dr. Wong Wing Kuen, Albert
Mr. Chang Chu Fai, Johnson Francis
Mr. Robert Moyse Willcocks

COMPANY SECRETARY

Mr. Wong Wai Keung, Frederick

AUDITOR

Deloitte Touche Tohmatsu

LEGAL ADVISERS

P.C. Woo & Co
Robertsons
Conyers Dill & Pearman
Steinepreis Paganin

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

32/F China Online Centre
333 Lockhart Road
Wanchai
Hong Kong
Tel: +852 2541 0338
Fax: +852 2541 9133

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM08
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

WEBSITE

www.apacresources.com
www.irasia.com/listco/hk/apac/index.htm
apac.quamir.com

STOCK CODE

1104

APAC's Commodity Business ships high grade iron ore from Australia to China. We aim to expand and diversify our commodity range to meet China's demand.

APAC's Investments are split into two lines: Resource Investment & Primary Strategic Investment. Our aim is to build our Resource Investments to Primary Strategic Investments which will provide off-take to our Commodity Business to deliver to China.

Mount Gibson Iron Limited ("Mount Gibson")

is the 5th largest iron ore producer in Australia mining high grade ore from the Koolan Island & Tallering Peak mines. A third mine, Extension Hill, is to come into production this year.

RESOURCE INVESTMENT

A portfolio of junior emerging resource investments with a view to grow to Primary Strategic Investment e.g. Kalahari Minerals plc.

Kalahari Minerals plc ("Kalahari")

is the largest shareholder of Extract Resources Limited ("Extract") holding 42.7%. Extract's main asset is the Husab Uranium project in Namibia, one of the world's largest undeveloped uranium deposits.

PRIMARY STRATEGIC INVESTMENT

Metals X Limited ("Metals X")

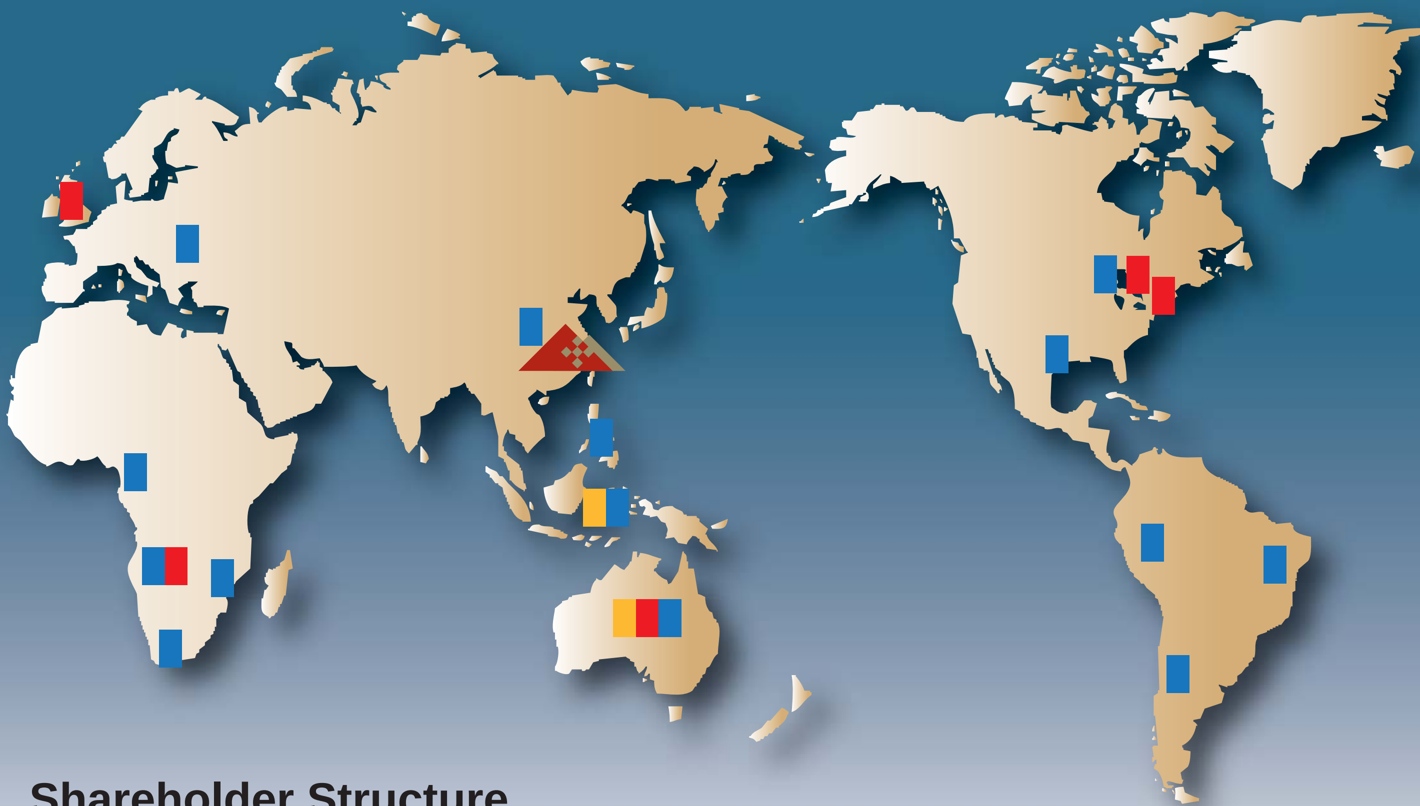
is a diversified group exploring and developing minerals and metals in Australia. It is Australia's largest tin producer and holds a pipeline of assets from exploration to development, including the Renison tin mine and the world scale Wingellina Nickel Project.

Principal listing of investments

Operations of investments

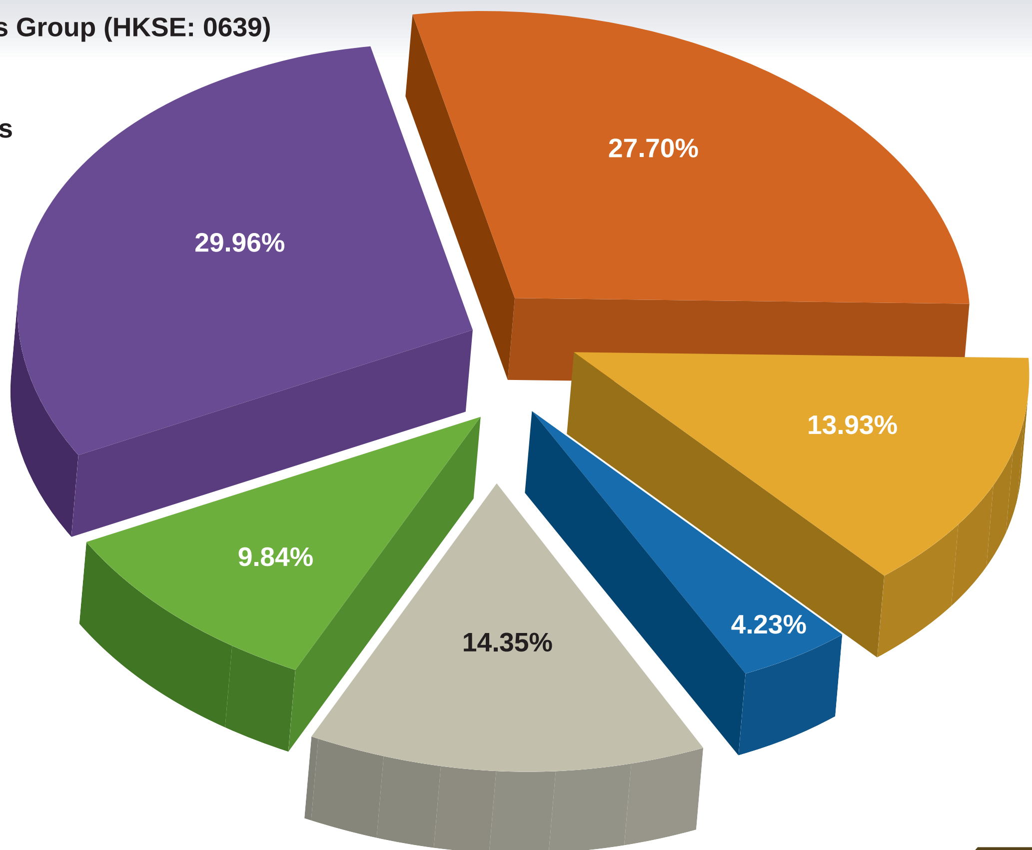
Commodity off-takes to China

Headquartered in Hong Kong
with office in Shanghai



Shareholder Structure

- COL Capital (HKSE: 0383)
- Shougang Fushan Resources Group (HKSE: 0639)
- CCB International AM
- Other Corporate Stakeholders
- Other Institutional Investors
- Retail Investors & Others



PRIMARY STRATEGIC INVESTMENT - OPERATIONS

IRON ORE

Iron ore prices likely to remain at elevated levels into the medium term, supported by delays to new supply and growth in Chinese steel production.

TIN

Due to health and safety, tin has replaced lead in solder in electronics creating an increased demand for tin. Indonesian supply has been weak lifting tin prices to new highs.

Mount Gibson – Koolan Island

Current iron ore production at 4Mtpa

Mount Gibson – Tallering Peak

Current iron ore production at 3Mtpa

Metals X – Wingellina

Nickel project in development stage to produce 40,000tpa of nickel and 3,000tpa of cobalt

Mount Gibson – Extension Hill

To enter into production Q4 2011 at rate of 3Mtpa of iron ore

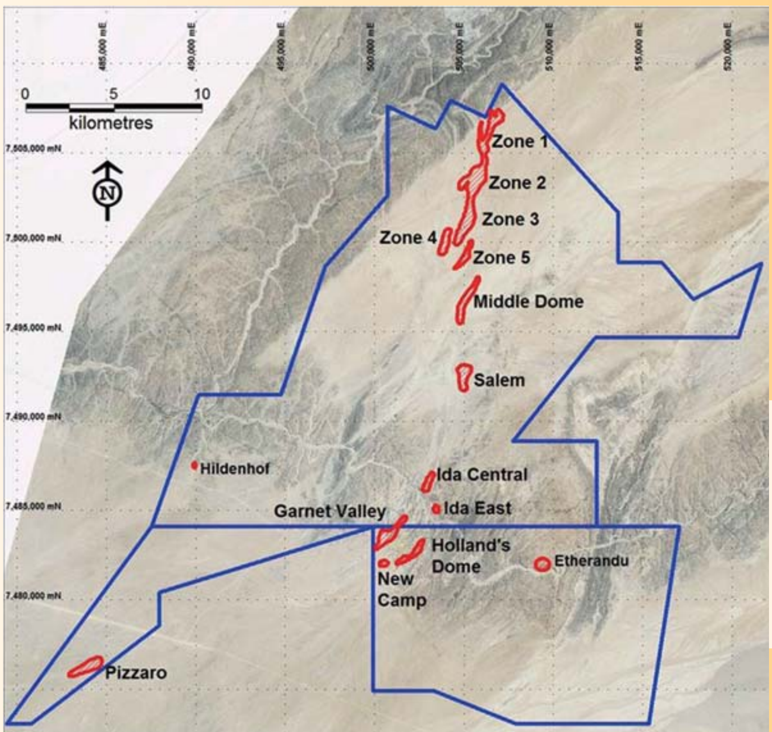
Metals X – Tasmania

Current tin production at 6,000tpa

AUSTRALIA

RESOURCE INVESTMENT -KALAHARI / EXTRACT OPERATIONS

NAMIBIA



The Husab Uranium Project

Located in Namibia, the Husab Uranium Project has a Mineral Resource of 513Mlb which is the world's 4th largest uranium deposit. Production is planned at 15Mlbpa for a minimum of 20 years at good cash costs.

URANIUM

China plans for 200 nuclear reactors to be built by 2020.

While the Fukushima incident impacted the uranium market, China remains committed to growing the contribution of nuclear in their energy mix.

Kalahari owns 42.7% of Extract and has significant strategic value as evidenced by substantial shareholdings held by Rio Tinto and Japan's Itochu Corporation, and the proposed bid from China Guang Dong Nuclear Power Corporation (since withdrawn).

(Source: Capital, Issue 289, June 2011)

CEO Message
Andrew Ferguson

Dear Investor,

It gives me great pleasure to report stronger than anticipated financial results for the eighteen months ending 30th June 2011. Our profit for the most recent half year increased 149% from the previous corresponding period to HK$357,622,000. Primary Strategic Investments increased by 93% from the previous half year to HK$333,403,000.

Faced with a bleak and uncertain backdrop for much of the period under review, it makes the achievements of your company all the more remarkable. The change in year end has been driven by the need to report in-line with our Primary Strategic Investments.

In the last 18 months, your management has refocused the business and strategy of the company. Put simply, this manifests itself into capturing as much of the available value from the mine to the end customer. It is envisaged that the full benefits of these changes will be felt in due course with our sole aim of unlocking the considerable value hidden in the company.

The ability to identify new value accretive natural resource investments demanded by growing Asia Pacific region remains our core strength. Using our combined market insight, experience, and a multitude of macro economic parameters including the current tightness in numerous commodities has helped us enormously in determining our direction.

These investments hopefully will lead to increasing our underlying net asset value and in certain circumstances securing additional income via the associated marketing and off-take business. 2010 provided us with record profits for all business groups. 2011 has to date proven to be a far greater challenge than any of us imagined. The US and European debt issues have plagued the financial system and the added threat of a double dip recession in many developed western nations has only heightened the nervousness felt by the world's financial markets. The Chinese government has been aggressively trying to fight inflation, tightening credit and constantly increasing bank reserve ratio requirements, meaning the world's fastest growing large-economy has not been without issues. Japan's devastating earthquake in March set the global nuclear renaissance back despite the levels of radiation recorded in nearby population centres being well within acceptable levels. The world sensationalist press have ensured that we will now be breathing polluted hydrocarbon air for decades longer. Weak politicians in the west have changed tack to appease short term populist sentiment, however, we do not expect emerging Asian economies to change their nuclear strategies. Australia has had more than its fair share of natural disasters during the period, with cyclone activity and severe flooding hitting large parts of the country and seemingly most of the major natural resource producing centres.

Our single largest investment, Mount Gibson, benefitted from continued strong iron ore prices while struggling with the adverse weather conditions which led to lower than anticipated production from its two mines. This resulted in reduced cargos available for sale through our Commodity Business.

Metals X's earnings were buoyed by the strong tin price. The insightful and well timed sale of the company's holding in Jabiru to Independence Group was exceptional and helped Metals X post a H1 profit of A$55.3 million for the investment.

Our Resource Investment was seriously impacted by the devastating earthquake and ensuing tsunami that hit the north-east coast of Japan. This led to a short-term panic and a downgrading of the global natural resource sector, in particular, the emerging uranium space. Whilst we continue to believe in the energy space and the greener alternatives, public perception has understandably become considerably more cautious since.

Given the tricky and highly volatile backdrop to the period under review our Commodity Business performed exceptionally well. Bulk commodity prices remained high due to market tightness, however, margins fell as new off-take agreements with Mount Gibson took effect. Discussions are ongoing with various parties for future additional off-take.

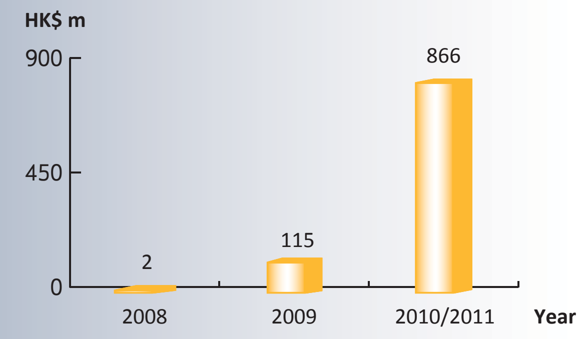
Despite the continuing sovereign debt crisis, aggravating global markets, we are still positive on the commodity sector given the ongoing imbalances between supply and demand. We remain supremely confident in the natural resources markets for the foreseeable future. Markets seem to be a greater challenge than ever, however, we are totally committed to the special situations your company owns. The improvement of living standards for billions of people will maintain the upward pressure on commodity prices. Thus, the rise in demand especially in industrial commodities is expected, with basics such as energy and iron ore leading the way.

We are here for the long term and are committed to delivering shareholder value. I would like to take this opportunity to thank the board, my team and of course you, our shareholders, for your ongoing support.

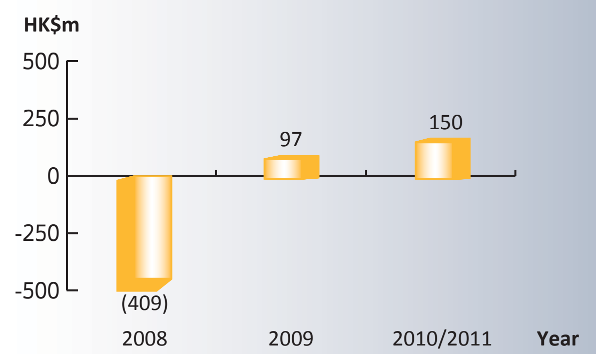
Best Wishes,

Andrew Ferguson
Chief Executive Officer

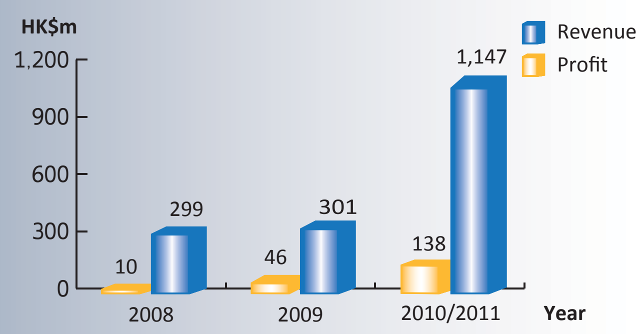
Attributable profit from Primary Strategic Investment



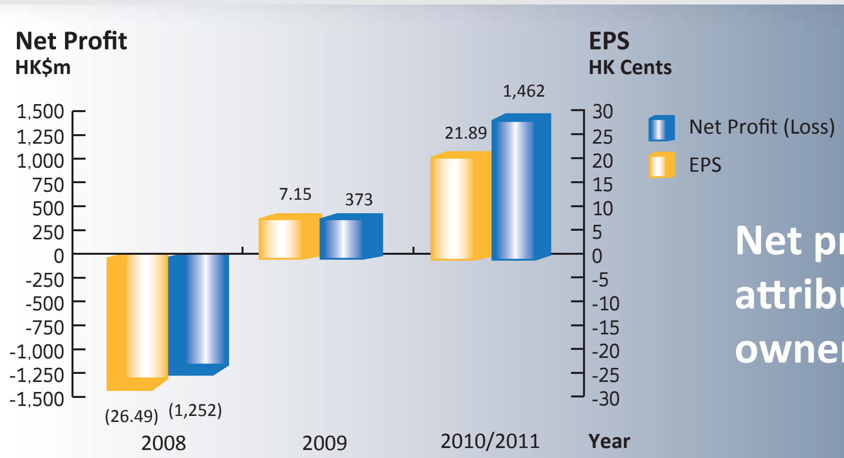
Net gain (loss) in Resource Investment



Commodity Business



Net profit (loss) attributable to owners and EPS



Management Discussion and Analysis

The current set of financial accounts have been prepared to a 30 June year end to align with the reporting of our Primary Strategic Investments, and relate to an 18 month period. Therefore, the figures will not be directly comparable with the previous 12 months. For reference, there is a comparison of the twelve months ended 31 December 2010 ("**2010 Period**") against the twelve months ended 31 December 2009 ("**2009 Period**"). This is followed by a more in-depth comparison of the results for the six months ended 30 June 2011 ("**2011 1H**") against the six months ended 30 June 2010 ("**2010 1H**").

2010 PERIOD VS. 2009 PERIOD

With improved profitability in all business segments, our net profit attributable to owners at HK$1,104,447,000 (2009: HK$372,603,000), translating to a 196% increase. Our Primary Strategic Investments reported solid operational performances while commodity prices strengthened in the second half. This led to attributable profits from our Primary Strategic Investments of HK$536,379,000 (2009: HK$118,028,000), representing a 354% increase. The fragile global economic environment which had adversely affected the equity markets in the first half of 2010, had improved in the second half of 2010, underpinning strong results in our Resource Investment portfolio which posted a net gain of HK$350,025,000 (2009: HK$124,702,000), representing an increase of 181%. With greater shipments of iron ore, our Commodity Business achieved a net profit of HK$125,772,000 (2009: HK$46,092,000) representing an increase of 173% over 2009. (As detailed in the Second Interim Report 2010)

2011 1H VS. 2010 1H

FINANCIAL RESULTS

The resources sector continued to be volatile in 2011 1H. Early investor optimism was based on signs of economic recovery in the developed world and QE2-induced inflows into the space. However, following the Fukushima disaster in March, risk tolerance levels were rapidly reigned in on increasing inflation concerns in emerging markets and a refocus on Eurozone and US sovereign debt issues. Nevertheless, 2011 1H net profit after tax was HK$357,622,000 (2010 1H: HK$143,382,000) mainly driven by the attributable profits from our Primary Strategic Investments of HK$333,403,000 (2010 1H: HK$172,407,000), up 93% from 2010 1H. However, this was offset by the underperformance in Resource Investment of HK$199,626,000 loss (2010 1H: loss of HK$106,334,000), up 88% from 2010 1H.

PRIMARY STRATEGIC INVESTMENT

Our two Primary Strategic Investments are Mount Gibson and Metals X, both located in Australia. The attributable profits from our Primary Strategic Investments for the first half of 2011 were HK$333,403,000 (2010 1H: HK$172,407,000), representing a 93% rise.

Mount Gibson

Mount Gibson is an Australian listed iron ore mining company. Current production capacity is 7 million tonnes per year from its Koolan Island and Tallering Peak mines, increasing to 10 million tonnes later this year when the new Extension Hill mine starts production. All three projects are located in Western Australia and are Direct Ship Operations, which is a large cost advantage on mines that need to beneficiate ore prior to selling. Company reserves are 56.4 million tonnes at a grade of 62.0% Fe with a total resource of 108.6 million tonnes as of 30 June 2010 and will be updated in September 2011.

Management Discussion and Analysis

Mount Gibson reported a disappointing 2011 1H result due to an extreme tropical wet season in the first quarter, causing widespread flooding at its two mines, plus a number of operational issues which have since been mostly remedied. Production of 2.3 million tonnes and sales of 2.1 million tonnes were down 36% and 32% respectively from 2010 1H. Audited net profit after tax, however, increased marginally from A$93 million to A$100 million on higher received iron ore prices. Mount Gibson is well position for the current financial year with A$386 million in cash on hand and their new mine at Extension Hill to start later this year and mentioned a maiden dividend of A$0.04 per share in August.

Iron ore prices were strong during the period, with the Platts IODEX 62% CFR China index hitting all time highs and averaging US$177 per dry metric tonne. Chinese steel production is exceeding expectations and could top 700 million tonnes this year, while supply remains constrained by export bans in India and delays to major expansions in Australia and Brazil, underpinning a firm medium term outlook.

Metals X

Metals X is an Australian-based emerging diversified resource group with a primary focus on tin via its 50% interest in the producing Renison mine in Tasmania and nickel via its world scale Wingellina nickel development. Metals X also has a portfolio of strategic investments, namely Independence Group NL ("**IGO**") (3.2%), Westgold Resources Limited ("**Westgold**") (25.0%), Mongolian Resource Corporation (formerly Alamar Resources Limited) (17.0%) and Aziana Limited (25.0%) giving it significant exposure to copper, gold, nickel, zinc and bauxite.

During 2011 1H, Renison produced 2,577 tonnes of tin in concentrate (all 100% basis), which was down 25% from 2010 1H on delays in accessing higher grade stopes in the northern part of the mine. However, mine EBITDA increased to A$31 million on higher tin prices and Area 4 exploration results continue to impress. Progress continued at Wingellina, with a Native Title Agreement signed and plans to cancel Jinchuan Group's 12.9% interest in Metals X in return for a 20% direct interest in the project, subject to Chinese regulatory approvals. Other items of note include the sale of its 19.9% stake in Jabiru Metals Limited for cash of A$48 million plus shares in IGO, the merger of Westgold and Aragon Resources Ltd, and the announcement of an on-market buyback up to 10% of issued capital. Metals X finished the period in excellent financial shape with A$97m cash and working capital, and minimal debt.

Despite a pullback during May and June, tin prices averaged $29,300 per tonne over the period, up 26% from the second half of 2010. Tin prices should remain supported by the tight market fundamentals, with continuing issues with Indonesian supply and ongoing demand growth from the electronics sector. Industry expert ITRI predicts global stockpiles will fall to historically very low levels of 2 to 3 weeks' supply over the next few years in its "most likely" scenario.

RESOURCE INVESTMENT

Resource Investment posted a loss in 2011 1H of HK$199,626,000 (2010 1H loss: HK$106,334,000) up 88%.

Our Resource Investment portfolio is dominated by a 14.79% interest in Kalahari which represents nearly three-quarters of the portfolio. This was impacted by negative sentiment surrounding the uranium sector following the tragic events at Fukushima in March. The remaining investments comprise mostly minor holdings in various emerging natural resource companies listed on major stock exchanges including Australia, Canada, Hong Kong, the United Kingdom and the United States of America. Many of these positions are in exploration or development stage companies, and this sector of the market has been negatively impacted by increased risk aversion in the second quarter. Investors have become increasingly concerned with rising inflation in China and an escalating sovereign debt crisis in the Eurozone region. Our uranium holdings were additionally affected by the Fukushima incident.

Kalahari

Kalahari's key asset remains its 42.7% holding in ASX-listed Extract which is developing the Husab Uranium Project in Namibia. The project advanced considerably during the half, including an increase in resources to over 500 million pounds of uranium and initial JORC reserves of 225 million pounds. Environmental permits were received and a Definitive Feasibility Study confirmed positive economics on a 15 million pounds per annum operation, which would be one of the three largest uranium mines globally. Discussions are continuing with prospective investors and off-take partners with regard to the standalone financing of project construction, and significant progress with the Mine Optimisation and Resource Programme was made subsequent to the period end including an increase in ore reserves to 280 million pounds and a reduction in the mining strip ratio.

At the corporate level, Extract confirmed in February that it was in discussions with Rio Tinto for a potential combination of Husab with the neighbouring Rossing Uranium Mine. The following month, China Guangdong Nuclear Power Corporation ("**CGNPC**") made an indicative cash bid for Kalahari at GBP2.90 per share, prior to the Fukushima incident. After a ruling from the UK Takeover Panel that CGNPC was not allowed to reduce its takeover offer, CGNPC withdrew the proposed offer but reserved its rights to rebid for Kalahari in certain circumstances.

Uranium prices performed well up until March, peaking at US$73 per pound on a spot basis before the Fukushima incident significantly dented near-term Japanese demand and sentiment, and closed the half at US$54 per pound. Long-term prices remain relatively stable at US$68 per pound, underpinned by expectations that China's nuclear expansion programme from 11GW in 2010 to 80-90GW by 2020 remain mostly intact, albeit with a small delay.

COMMODITY BUSINESS

For the period, Commodity Business turnover fell by 21% to HK$298,795,000 (2010 1H: HK$378,219,000) as a result of lower shipments, arising from weather-related issues at Mount Gibson's mining operations. Net profit fell to HK$12,239,000 (2010 1H: HK$75,837,000), largely due to new long term purchase agreements with Mount Gibson that we entered in November 2010 as a result of the end of the Benchmark Pricing System. Under the old contracts, we were able to arbitrage the divergence between benchmark pricing and spot Chinese pricing to deliver outsized returns in 2009 and 2010. However, with the breakdown of the Benchmark Pricing System, these returns are no longer available as the new agreements are based on the Platts IODEX 62% CFR China index and provide closer to industry-standard margins for this type of off-take agreement.

Tighter credit conditions in China, particularly for the smaller and midtier steelmills that are our main customer base, also impacted profitability.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2011, our non-current assets amounted to HK$3,889,336,000 (2009: HK$2,454,951,000) and net current assets amounted to HK$1,509,264,000 (2009: HK$507,063,000) with a current ratio of 3.13 times (2009: 16.96 times) calculated on the basis of its current assets over current liabilities.

Management Discussion and Analysis

As at 30 June 2011, we had borrowings of HK$689,530,000 (2009: nil) and had undrawn banking and loan facilities amounting to HK$567,482,000 secured against certain of our investments in listed associates and available-for-sale investments, term deposits and corporate guarantee of the Company. As at 30 June 2011, we had a gearing ratio of 0.13 (2009: Nil), calculated on the basis of total borrowings over equity attributable to owners of the Company.

During the eighteen months ended 30 June 2011 (the "**2010/2011 Period**"), we successfully placed 1,100,000,000 shares at HK$0.50 per share to new investors, raising gross proceeds of HK$550,000,000 and thereby increasing our working capital base to enable us to take advantage of market opportunities as they arise. As a result of this placement, the exercise of warrants and cancellation of the buy-back shares by the Company, the issued share capital of the Company increased from 5,690,343,455 to 6,863,287,990 during the 2010/2011 Period.

FOREIGN EXCHANGE EXPOSURE

For the 2010/2011 Period, the Group's assets were mainly denominated in Australian dollars, British Pounds and Hong Kong dollars while the liabilities were mainly denominated in Hong Kong Dollars. As a substantial portion of the assets is held as long-term investments, there would be no material immediate effect on the cash flows of the Group from adverse movements in foreign exchange. In light of this, the Group did not actively hedge for the risks arising from the Australian Dollars and British Pounds denominated assets.

PLEDGE OF ASSETS

As at 30 June 2011, certain of the Group's investment in listed associates and available-for-sale investments of HK$2,744,285,000 (2009: HK$1,929,666,000) were pledged to a stock-broking firm to secure margin loan facilities made available to the Group. The Group's bank deposits of HK$339,158,000 (2009: HK$89,324,000) were pledged to banks to secure various trade and other banking facilities granted to the Group.

EMPLOYEES INFORMATION

Employees and Remuneration Policy

The Group ensured that its employees are remunerated according to the prevailing manpower market conditions and individual performance with its remuneration policies reviewed on a regular basis. All employees are entitled to participate in the Company's benefit plans including medical insurance, share options scheme and Mandatory Provident Fund Scheme (subject to the applicable laws and regulations of the PRC for its employees in the PRC). Further details relating to the Company's share option scheme are set out in Note 25 to the consolidated financial statements.

Employee Number and Remuneration

As at 30 June 2011, the Group, including its subsidiaries but excluding associates, had 21 (2009: 19) employees. Total remuneration together with pension contributions incurred for the 2010/2011 Period amounted to HK$25,478,000 (2009: HK$7,161,000).

SIGNIFICANT INVESTMENTS

Save as those disclosed in this report, the Group did not hold any significant investment as at 30 June 2011.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

Save as those disclosed in this report, the Group did not make any material acquisitions or disposals of subsidiaries or affiliated companies during the 2010/2011 Period.

CAPITAL COMMITMENTS

As at 30 June 2011, the Group had no material capital commitments contracted but not provided for (as at 31 December 2009: HK$Nil).

CONTINGENT LIABILITIES

As of the date of this report and as at 30 June 2011, the Board is not aware of any material contingent liabilities.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this report, the Group does not plan to have any other material investments or acquisition of material capital assets.

FORWARD LOOKING OBSERVATIONS

The macro environment is now at a critical juncture, with a number of dark clouds on the investment horizon, including the ongoing sovereign debt issues in the Eurozone and the United States of America, inflation concerns still prevalent in many emerging economies, and weakening economic data in the developed world. In the absence of QE3, resources could be impacted by investment outflows as speculators generally remain long commodities and commodity currencies like the Australian Dollar against short United States Dollar positions. This is a risk given our Primary Strategic Investments are denominated to Australian Dollars.

In this difficult investment climate, we believe our Primary Strategic Investments are well positioned. Both Mount Gibson and Metals X have strong net cash balances and are current producers, while Kalahari controls a world class uranium development asset, which remains highly strategic as evidenced by previous corporate interest. In terms of our Resource Investments, we will continue to be selective in adding positions and are focused on commodities where China is short, like iron ore, uranium and copper.

We continue to look for opportunities to grow the Commodity Business. We remain in negotiations with Mount Gibson regarding an iron ore off-take agreement at their new Extension Hill mine and expect to receive a greater share of Koolan Island off-take after Mount Gibson cancelled agreements with CITIC and Marubeni.

With the ongoing support from our shareholders, we look forward to continuing to evaluate emerging opportunities that have the potential to significantly enhance the three key planks of our company - our Primary Strategic Investment, our Resource Investment and our Commodity Business.

Directors, Members of the Audit Committee and the Remuneration Committee and Senior Management

DIRECTORS

The Company has four Executive Directors, four Non-Executive Directors and three Independent Non-Executive Directors. Their details are set out below:

Executive Directors

Ms. Chong Sok Un (莊舜而), MH, aged 56, was appointed as an Executive Director of the Company on 6 July 2007 and has been re-designated as Chairman of the Company since 20 October 2009. Ms. Chong is currently an executive director and chairman of COL Capital Limited *(stock code: 383)*, the shares of which are listed on the main board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). She has been the chairman of Long Island Golf & Country Club, Dongguan, China since September 1998. Ms. Chong is awarded the Medal of Honour (M.H.) by the Government of the Hong Kong Special Administrative Region in 2011. She is the Honorary Director of the Chinese Red Cross Foundation, Permanent Honorary Chairman of the Hong Kong Federation of Fujian Associations and Vice Chairman of the Hong Kong Federation of Fujian Associations Ladies Committee. She is now the namer and director of YOT Chong Sok Un Medical Fund (cancer aid) and a member of Yan Oi Tong Advisory Board. Ms. Chong was the chairman of the 31st Term of the Board of Directors of Yan Oi Tong 2010-2011. She was a non-executive director of ChinaVision Media Group Limited (formerly known as Shanghai Allied Cement Limited) *(stock code: 1060)* from 25 June 2007 to 23 April 2009.

Mr. Andrew Ferguson, aged 38, has been appointed as an Executive Director and the Chief Executive Officer of the Company since 12 January 2010. Mr. Ferguson holds a Bachelor of Science Degree in Natural Resource Development. He has worked in the finance industry with more than 13 years experience specialising in global natural resources and was licenced to advise on Securities (Type 4 licence) and carry on asset management (Type 9 Licence) under the Securities and Futures Ordinance (Cap. 571). Being a Fund Manager and Senior Portfolio Manager for financial institutions in London and Hong Kong previously, he was responsible for day to day management of portfolios, risk management, business development, relationship management and working with independent boards, custodians and auditors to ensure that all shareholders' funds were managed properly. He has a proven track record in fund management and was the former co-fund manager of City Natural Resources High Yield Trust, which was awarded best UK Investment Trust in 2006. He also worked for CQS LLP ("**CQS**") in Hong Kong as the Chief Investment Officer for New City Investment Managers CQS and a Senior Portfolio Manager for CQS, both of which are reputable financial institutions providing investment management services to a variety of investors. Due to the nature of this job, he acquired knowledge of Hong Kong financial market and has developed good relations with other working partners (such as banks, financial institutions and accounting firms) in Hong Kong.

Mr. Yue Jialin（岳家霖）, aged 43, was appointed as Chairman and Executive Director of the Company on 26 April 2004 and has been re-designated as an Executive Director of the Company since 3 May 2007. Mr. Yue has established in-depth knowledge of the PRC economic development and policies through his previous role as a judge in the Economic Court of People's Court in Luowu District, Shenzhen, the PRC during 1989 to 1992. Mr. Yue also sits on the school of business administration of Changchun Industrial University as visiting professor. Mr. Yue has engaged in legal consultation in respect of the acquisition of state owned assets and foreign investments in the PRC.

Directors, Members of the Audit Committee and the Remuneration Committee and Senior Management

Mr. Kong Muk Yin（江木賢）, aged 45, has been appointed as an Executive Director of the Company since 4 November 2009. Mr. Kong graduated from City University of Hong Kong with a Bachelor's Degree in Business Studies. He is a fellow member of The Association of Chartered Certified Accountants, a member of the Hong Kong Institute of Certified Public Accountants and a Chartered Financial Analyst and he has extensive experience in corporate finance, financial management, accounting and auditing. Mr. Kong is currently an executive director of COL Capital Limited *(stock code: 383)* and a non-executive director of ChinaVision Media Group Limited *(stock code: 1060)* after his re-designation from executive director to non-executive director on 30 December 2010, both of which are companies with shares listed on the main board of the Stock Exchange. He is also a director of Mabuhay Holdings Corporation and Interport Resources Corporation, companies listed in the Philippine Stock Exchange, Inc. He was an executive director of Greenfield Chemical Holdings Limited *(stock code: 582)* from 13 October 2009 to 21 January 2010.

Non-Executive Directors

Mr. Lee Seng Hui（李成輝）, aged 42, has been appointed as a Non-Executive Director of the Company since 2 October 2009. Mr. Lee is the chief executive of Allied Group Limited *(stock code: 373)* ("**AGL**") since January 1998. He was appointed as a non-executive director of AGL in July 1992 and became an executive director of AGL in December 1993. Mr. Lee graduated from the Law School of the University of Sydney with Honours. Previously, he worked with Baker & McKenzie and N M Rothschild & Sons (Hong Kong) Limited. He is also the chairman and a non-executive director of Tian An China Investments Company Limited *(stock code: 28)*, the shares of which are listed on the main board of the Stock Exchange. He is a non-executive director of Tanami Gold NL *(stock code: TAM)* and also Mount Gibson Iron Limited *(stock code: MGX)*, an associated company of the Company, both of which are listed on the Australian Stock Exchange. Mr. Lee was previously the chairman and an executive director of Yu Ming Investments Limited (now known as SHK Hong Kong Industries Limited) *(stock code: 666)*, the shares of which are listed on the main board of the Stock Exchange.

Mr. So Kwok Hoo（蘇國豪）, aged 57, has been appointed as a Non-Executive Director of the Company since 20 October 2009. Mr. So has over 21 years of experience in marketing of electrochemical and industrial products sales in Asia Pacific Region together with property investment experience in Hong Kong as well. Mr. So holds Bachelor degrees in both Applied Science with major in Chemical Engineering and Business Administration obtained in Canada. He is an executive director of Shougang Fushan Resources Group Limited (formerly known as Fushan International Energy Group Limited) *(stock code: 639)*, a substantial shareholder of the Company.

Mr. Liu Yongshun（劉永順）, aged 50, was appointed as a Non-Executive Director of the Company on 29 May 2007, re-designated as Chief Executive Officer and an Executive Director of the Company on 27 July 2007, re-designated as an Executive Director of the Company on 11 December 2009, and has been re-designated as a Non-Executive Director since 23 April 2010. Mr. Liu obtained his Bachelor's Degree in Iron Making from Maanshan Institute of Iron and Steel (East China University of Metallurgy/Anhui University of Technology) in 1983. He subsequently obtained his Executive Master of Business Administration degree from China Europe International Business School in 2005. Mr. Liu has had a number of major appointments in the raw iron and steel resources industry. He was the president of the Department of Mineral Resources, Shanghai Baosteel Group International Economic and Trading Co., Ltd. from November 2001 to May 2005. He was appointed as both the deputy general manager of Baosteel Corporation and the general manager of its No. 1 Department of the Purchase Centre of Baosteel Corporation from May 2005 to April 2006. He acted as deputy general manager of Baosteel Trading Co., Ltd. from May 2006 to April 2007.

Directors, Members of the Audit Committee and the Remuneration Committee and Senior Management

Mr. Peter Anthony Curry, aged 59, was appointed as an Executive Director and the Chief Financial Officer of the Company on 1 March 2010 and has been re-designated as Non-Executive Director of the Company since 24 November 2010. Mr. Curry is currently an executive director and the group chief financial officer of Sun Hung Kai & Co. Limited *(stock code: 86)*. Mr. Curry graduated from the University of New South Wales with a Bachelor's Degree of Commerce in 1974 and a Bachelor's Degree of Laws in 1976. He became a chartered accountant and a barrister (non-practising) in Australia in 1978. He was elected as a fellow of The Institute of Directors in Australia in 1989. In 2002, he completed the PS 146 Compliance Program organised by Securities Institute in Australia. Mr. Curry has over 36 years of business experience. He joined Peat Marwick Mitchell (now known as "KPMG") in Australia in 1974 upon graduation and worked as Tax Partner in 1983. Since that time he has worked in different listed and unlisted companies in Australia as executive director/managing director specialising in natural resources, corporate finance, financial services investments, mergers and acquisitions etc. Since 1995, Mr. Curry has been a director and shareholder in a corporate advisory firm which holds an Australian Financial Services licence. He has been involved in a range of public and private capital raisings, initial public offering related services and providing corporate and financial advisory services in relation to a range of business transactions including a wide range of mining projects. Mr. Curry is currently a non-executive director of Ormil Energy Limited *(stock code: OMX)* (formerly known as Golden Tiger Mining NL) a company with shares listed on the Australian Stock Exchange. He is also an alternate director to Mr. Lee Seng Hui of Mount Gibson Iron Limited (*stock code: MGX)*, an associated company of the Company. He was previously also a non-executive director of Forest Enterprises Australia Limited which was removed from official listing on Australian Stock Exchange in August 2010.

Independent Non-Executive Directors

Dr. Wong Wing Kuen, Albert（王永權）, aged 60, has been appointed as an Independent Non-Executive Director of the Company since 6 July 2004. Dr. Wong holds a Doctor of Philosophy in Business Administration degree from the Bulacan State University, Republic of the Philippines. He is a fellow member of The Institute of Chartered Secretaries and Administrators, a fellow member of The Hong Kong Institute of Chartered Secretaries, a fellow member of the Taxation Institute of Hong Kong, a member of Hong Kong Securities Institute, a fellow member of Association of International Accountants, a fellow member of Society of Registered Financial Planners, a member of The Chartered Institute of Arbitrators, a member of The Chartered Institute of Bankers in Scotland and a full member of Macau Society of Certified Practising Accountants. Currently, Dr. Wong is the managing director of Charise Financial Planning Limited, a private professional consulting firm in Hong Kong. He is also an independent non-executive director of Solargiga Energy Holdings Limited *(stock code: 757)*, a company with shares listed on the main board of the Stock Exchange.

Mr. Chang Chu Fai, Johnson Francis（鄭鑄輝）, aged 57, was appointed as an Independent Non-Executive Director of the Company since 6 July 2007. Mr. Chang holds a Bachelor's Degree in Commerce from Concordia University in Montreal, Canada since 1976 and a Master's Degree in Business Administration from York University in Toronto, Canada since 1977. He has over 33 years of experience in banking, corporate finance, investment and management and has held various executive positions at financial institutions and directorships of listed companies. Mr. Chang is currently the Managing Director of Ceres Consultancy Limited and a registered person under the Securities and Futures Ordinance. He is also the deputy chairman and an independent non-executive director of Allied Overseas Limited (formerly known as Quality HealthCare Asia Limited) *(stock code: 593)*; and an independent non-executive director of Tian An China Investments Company Limited *(stock code: 28)* and Royale Furniture Holdings Limited *(stock code: 1198)*, all of which are companies with shares listed on the main board of the Stock Exchange. Mr. Chang was previously the chairman and an executive director of Trasy Gold Ex Limited, an executive director of China Financial Leasing Group Limited and the managing director of Ceres Capital Limited.

Directors, Members of the Audit Committee and the Remuneration Committee and Senior Management

Mr. Robert Moyse Willcocks, aged 62, has been appointed as an Independent Non-Executive Director of the Company since 27 July 2007. Mr. Willcocks holds a Bachelor's Degree in Arts and a Bachelor's Degree of Laws from Australian National University in Australia and a Master's Degree in Law from the University of Sydney in Sydney, Australia. He has been an advisor to companies in the mining and resources industry for more than 28 years. He has been a partner of Mallesons Stephen Jaques, an Australian law firm, director of Ban-Pu Australia Pty Ltd, Oakbridge Pty Ltd, Energy World Corporation Limited, eStar Online Trading Limited, Bond University Limited and Member of the Australian International Legal Advisory Committee. Mr. Willcocks held and holds directorships in various resources companies which are listed on the Australian Stock Exchange including being a director of Emperor Mines Limited from February 1999 to June 2006, a former chairman of RIMCapital Limited, a former non-executive director of CBH Resources Limited (delisted on 30 September 2010), a non-executive director of Orion Petroleum Limited *(stock code: OIP)* from April 2010 to March 2011 and chief executive and chairman from March 2011 to June 2011, and an alternate director to Mr. Cao Zhong / Mr. Lee Seng Hui of Mount Gibson Iron Limited *(stock code: MGX)* from December 2008 to February 2011. He is currently a non-executive director of ARC Exploration Limited *(stock code: ARX)* and an independent director of Living Cell Technologies Limited *(stock code: LCT)*. He is also the chairman of Trilogy Funds Management Limited, a responsible entity under Australian Law (since October 2009).

AUDIT COMMITTEE

The Audit Committee comprises the following four Directors, majority of whom are Independent Non-Executive Directors and all of whom are Non-Executive Directors:

Dr. Wong Wing Kuen, Albert *(Chairman)*
Mr. Chang Chu Fai, Johnson Francis
Mr. Robert Moyse Willcocks
Mr. Lee Seng Hui

REMUNERATION COMMITTEE

The Remuneration Committee comprises the following five Directors, three of whom are Independent Non-Executive Directors and majority of whom are Non-Executive Directors:

Ms. Chong Sok Un *(Chairman)*
Mr. Lee Seng Hui
Dr. Wong Wing Kuen, Albert
Mr. Chang Chu Fai, Johnson Francis
Mr. Robert Moyse Willcocks

Directors, Members of the Audit Committee and the Remuneration Committee and Senior Management

SENIOR MANAGEMENT TEAM

Hong Kong

Mr. Andrew Ferguson joined the Company in January 2010 as Chief Executive Officer and an Executive Director. Prior to joining APAC, he was a Co-Founder of New City Investment Manager. As part of the CQS' acquisition of New City, Mr. Ferguson became Chief Investment Officer and Senior Portfolio Manager at CQS in Hong Kong. Mr. Ferguson holds a Bachelor of Science Degree in Natural Resource Development and has more than 12 years experience in global financial markets and natural resources.

Mr. Wong Wai Keung, Frederick（黃煒強）joined the Company in January 2011 as Chief Financial Officer and appointed as the Company Secretary of the Company on 21 April 2011. He is a fellow member of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants, and holds a master degree in electronic commerce. Mr. Wong has over 30 years of accounting, finance, audit, tax and corporate finance experience with international CPA firm and listed companies in the United Kingdom, New Zealand, Hong Kong and Thailand. Prior to joining APAC, Mr. Wong was the chief financial officer and company secretary of CIG Yangtze Ports PLC *(stock code: 8233)*, shares of which are listed on the Growth Enterprise Board of the Stock Exchange and executive director of Hwa Kay Thai Holdings Limited (now known as China Solar Energy Holdings Limited) *(stock code: 155)*, shares of which are listed on the main board of the Stock Exchange.

Mr. John Ellis joined the Company in July 2010 as Investment Manager. Prior to joining APAC, he was Portfolio Manager - Global Resources with Colonial First State in Sydney, and Director – Mining Research Sales with the Royal Bank of Canada in Sydney and London. Mr. Ellis holds a Bachelor of Arts as well as a number of industry accreditations including the Canadian Securities Course, the ASX/ACH Responsible Executive, and the Finsia Graduate Certificate of Applied Finance and Investment.

Mr. To Yung Kan, Kenneth（杜容根）joined the Company as Financial Controller and Company Secretary in January 2007. He resigned in July 2008 and joined COL Capital Limited *(stock code: 0383)*, a substantial shareholder of the Company. Mr. To then re-joined the Company in January 2011 as Financial Controller. He is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. Mr. To has extensive experience in corporate finance, financial management, accounting and auditing.

Ms. Frances Tse（謝詠茜）joined the Company in June 2010 as Investor Relations Manager. Prior to joining APAC, Ms. Tse held a number of senior marketing roles for multinational financial services firms, including Regional Sales Director - Asia Pacific and Product Specialist. She holds a Bachelor of Arts and brings an extensive network of broking and fund manager contacts.

Directors, Members of the Audit Committee and the Remuneration Committee and Senior Management

Shanghai

Mr. Zhou Luyong（周魯勇）joined the Company in July 2007 and now is the Deputy General Manager. Mr. Zhou has more than 20 years experience within the natural resource sector including commodity trading and bulk carrier chartering. Prior to joining APAC, Mr. Zhou was the Manager of Baosteel's overseas subsidiaries (in both Hong Kong and Europe), and worked as the General Manager of Coal & Coke Department at Shanghai Baosteel International Economic and Trading Co., Ltd. from 2002, responsible for coal & coke purchase and sales for Baosteel Group. He also established Shanghai Baoding Energy Co., Ltd, a subsidiary of Baosteel Group.

Mr. Jiang Zhineng（姜志能）joined our Shanghai team in July 2007 as Senior Manager. Mr. Jiang has extensive experience in mine design, research and technical economic evaluation. He has also been responsible for a number of mining investment projects and is a registered evaluator of exploration and mining rights. Prior to joining APAC, Mr. Jiang was an engineer and project manager at Maanshan Steel Mining Design and Research Center from 1991. He was also a senior expert in Fuxing Group engaged in mineral resources project evaluation and analysis since November 2003.

Corporate Governance Report

The Company strives to attain and maintain a high standard of corporate governance as it believes that effective corporate governance practices are fundamental to enhancing shareholders' value and safeguarding interests of shareholders and other stakeholders. Accordingly, the Board attributes a high priority to identifying and implementing appropriate corporate governance practices to ensure transparency, accountability and effective internal controls.

CODE OF CORPORATE GOVERNANCE PRACTICES

For the 2010/2011 Period, the Company has complied with the code provisions of The Code on Corporate Governance Practices ("**CG Code**") as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), except for the deviation in respect of the specific term of Non-Executive Directors' appointment under the code provision A.4.1 of the CG Code which is detailed below.

BOARD COMPOSITION

The Board is charged with the responsibility of the leadership and control of the Group. The Board promotes the success of the Group and makes decisions objectively in the best interests of the Group. The Board's role is mainly to direct and supervise the affairs of the Group, establishing its strategic direction and setting objectives and business development plans. In addition, the Board has also delegated various responsibilities to the Board committees.

The Board currently comprises eleven Directors, with four Executive Directors, four Non-Executive Directors and three Independent Non-Executive Directors. During the 2010/2011 Period, six Board meetings were held and the attendance of each director is set out as follows:

	Number of Board meetings attended / eligible to attend
Executive Directors:	
Ms. Chong Sok Un *(Chairman)*	3/6
Mr. Andrew Ferguson *(Chief Executive Officer)*	6/6
Mr. Yue Jialin	5/6
Mr. Kong Muk Yin	6/6
Non-Executive Directors:	
Mr. Lee Seng Hui	6/6
Mr. So Kwok Hoo	5/6
Mr. Liu Yongshun (formerly an Executive Director; re-designated as a Non-Executive Director on 23 April 2010)	6/6
Mr. Peter Anthony Curry (appointed as an Executive Director on 1 March 2010 and re-designated as a Non-Executive Director on 24 November 2010)	6/6

	Number of Board meetings attended / eligible to attend
Independent Non-Executive Directors:	
Dr. Wong Wing Kuen, Albert	5/6
Mr. Chang Chu Fai, Johnson Francis	6/6
Mr. Robert Moyse Willcocks	5/6

The Board members have no financial, business, family or other material relationships with each other. Such balanced board composition is formed to ensure strong independence exists across the Board. The Board has three Independent Non-Executive Directors ("**INEDs**") and at least one of the INEDs has appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10 of the Listing Rules. The brief biographical details of the Directors are set out on pages 16 to 19, which demonstrates a diversity of skills, expertise, experience and qualifications. The Board has received annual confirmation of independence from the INEDs and considers all of them to be independent pursuant to Rule 3.13 the Listing Rules.

Every Director is entitled to have access to Board papers and related materials and has access to the advice and services of the Company Secretary, and has the liberty to seek independent professional advice if so required. Directors will be continuously updated on the major development of the Listing Rules and other applicable regulatory requirements to ensure compliance and upkeep of good corporate governance practices.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman and the Chief Executive Officer of the Company are Ms. Chong Sok Un and Mr. Andrew Ferguson respectively. The roles of the Chairman and the Chief Executive Officer are segregated and assumed by two separate individuals who have no relationship with each other to strike a balance of power and authority so that the job responsibilities are not concentrated on any one individual. The Chairman of the Board is responsible for the leadership and effective running of the Board, while the Chief Executive Officer is delegated with the authorities to manage the business of the Group in all respects effectively.

APPOINTMENTS AND RE-ELECTION OF DIRECTORS

All the INEDs were not appointed for a specific term since they are subject to retirement by rotation and re-election at least once every three years at the annual general meetings of the Company in accordance with the relevant provisions of the Company's Bye-laws. As such, the Company considers that sufficient measures have been taken to ensure the Company's corporate practices are no less exacting than those in CG Code.

REMUNERATION COMMITTEE

The Remuneration Committee comprises one Executive Director, one Non-Executive Director and all three INEDs, namely, Ms. Chong Sok Un *(Chairman)*, Mr. Lee Seng Hui, Dr. Wong Wing Kuen, Albert, Mr. Chang Chu Fai, Johnson Francis and Mr. Robert Moyse Willcocks. The Remuneration Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice in accordance with the Company's policy if considered necessary.

The written terms of reference have been formulated to stipulate the authorities and duties of the Remuneration Committee which conform to the code provisions of the CG Code.

The Remuneration Committee shall meet at least once a year. During the 2010/2011 Period, one meeting was held by the Remuneration Committee and attended by all members.

Details of the Directors' emoluments are set out in Note 12 to the financial statements of this annual report.

The primary duties of the Remuneration Committee are:

1. to make recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;

2. to have the delegated responsibility to determine the specific remuneration packages of all Executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss of office or termination of their office or appointment, and make recommendations to the Board of the remuneration of INEDs and Non-Executive Directors;

3. to review and approve performance-based remuneration and the granting of share options by reference to corporate goals and objectives resolved by the Board from time to time;

4. to review and approve the compensation payable to Executive Directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company;

5. to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate;

6. to ensure that no Director or any of his associates is involved in deciding his own remuneration; and

7. to advise shareholders on how to vote with respect to any service contracts of Directors that require shareholders' approval under Listing Rules.

AUDIT COMMITTEE

The Audit Committee comprises all three INEDs and one Non-Executive Director, namely, Dr. Wong Wing Kuen, Albert *(Chairman)*, Mr. Chang Chu Fai, Johnson Francis, Mr. Robert Moyse Willcocks and Mr. Lee Seng Hui. To retain independence and objectivity, the Audit Committee has been chaired by an INED with appropriate professional qualifications or accounting or related financial management expertise.

The written terms of reference have been formulated to stipulate the authorities and duties of the Audit Committee which conform to the code provisions of the CG Code.

The Audit Committee shall meet at least twice a year. During the 2010/2011 Period, three meetings were held by the Audit Committee and attended by all members.

The primary duties of the Audit Committee are:

1. to recommend to the Board on the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of such auditor;

2. to consider and discuss with the external auditor the nature and scope of each year's audit;

3. to review and monitor the external auditor' independence and objectivity;

4. to review the interim and annual financial statements before submission to the Board and to discuss any problem and reservation arising therefrom;

5. to review the external auditor's management letters and management's response;

6. to review the Group's financial controls, internal control and risk management systems; and

7. to consider any findings of major investigations of internal control matters as delegated by the Board and management's response.

During the 2010/2011 Period, the Audit Committee reviewed and discussed the financial reporting matters, including the review of the interim, second interim and annual financial statements.

Corporate Governance Report

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 of the Listing Rules as its code for securities transactions by Directors ("**Code for Securities Transactions**"). All Directors have confirmed, following specific enquiry by the Company, that they had complied with the Code for Securities Transactions for the 2010/2011 Period.

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility for preparing, with the support from the finance department, the consolidated financial statements for each financial year which give true and fair view of the state of affairs of the Group in presenting the interim, second interim and annual financial statements, and announcements to shareholders. The Directors aim to present a clear and understandable assessment of the Group's position and prospects. The Board is not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern, the Board therefore continues to adopt the going concern approach in preparing the financial statements of the Group. The Board acknowledges its responsibility to present a clear and understandable assessment in the Company's annual and interim reports, other price-sensitive announcements and other financial disclosures required under the Listing Rules, and reports to the regulators.

The responsibility of the external auditor with respect to the financial reporting are set out in the section "Independent Auditor's Report" on pages 38 and 39.

INTERNAL CONTROLS

The Board is responsible for overseeing the Group's system of internal controls. However, such a system is designed to manage the Group's risks within an acceptable risk profile, rather than to eliminate the risk of failure, to achieve the business objectives of the Group. Accordingly, it can only provide reasonable assurance but not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.

The Board, through the Audit Committee, has discussed the effectiveness of the internal controls of the Group. The Board is of the view that the system of internal controls in place for the 2010/2011 Period and up to the date of issuance of the annual report and financial statements is sufficient to safeguard the interests of the shareholders and the Group's assets.

AUDITOR'S REMUNERATION

During the 2010/2011 Period, the remuneration paid/payable to the Company's auditors, Messrs. Graham H. Y. Chan & Co. which resigned on 27 June 2011 and Messrs. Deloitte Touche Tohmatsu which was appointed with effect from 5 July 2011 are set out as follows:

Services rendered	Fee paid/payable HK$'000
Graham H.Y. Chan & Co.	
Audit services	73
Non-audit services	
– review of first and second interim review	420
	493
Deloitte Touche Tohmatsu	
Audit services	650

COMMUNICATIONS WITH SHAREHOLDERS

The Board recognises the importance of good communication with shareholders. Information in relation to the Group is disseminated to shareholders in a timely manner through a number of formal channels, which include interim and annual reports, announcements and circulars.

The Company's general meetings are valuable forum for the Board to communicate directly with the shareholders. Shareholders are encouraged to attend the general meetings of the Company.

A special general meeting of the Company was held on 14 April 2010 ("**SGM**") at which ordinary resolutions in respect of placement of 1,100,000,000 new shares of the Company at HK$0.50 per share under specific mandate were proposed. A notice convening the SGM was despatched to the shareholders in the circular dated 25 March 2010. The ordinary resolutions proposed at the SGM were duly passed by the shareholders by way of poll. The results of the poll were published on the websites of Stock Exchange and of the Company.

Corporate Governance Report

An annual general meeting of the Company was held on 29 June 2010 ("**2010 AGM**"). A notice convening the 2010 AGM was despatched to the shareholders in the circular dated 27 May 2010 together with the 2009 Annual Report. All the resolutions proposed at the 2010 AGM were duly passed by the shareholders by way of poll. The results of the poll were published on the websites of Stock Exchange and of the Company.

The forthcoming annual general meeting of the Company will be held on 28 September 2011. The notice convening the annual general meeting will be published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.apacresources.com, www.irasia.com/listco/hk/apac/index.htm and apac.quamir.com, and despatched to shareholders of the Company on or around 29 August 2011.

The Directors present their annual report and the audited financial statements of the Company and of the Group for the 2010/2011 Period.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are set out in Note 31 to the financial statements.

RESULTS

The results of the Group for the 2010/2011 Period are set out in the consolidated income statement on page 40.

DIVIDEND

The Directors do not recommend the payment of a dividend for 2010/2011 Period (2009: nil).

SEGMENTAL INFORMATION

An analysis of the Group's turnover and contribution to results by business activities for the 2010/2011 Period is set out in Note 6 to the financial statements.

SHARE CAPITAL

Details of movements in share capital of the Company during the 2010/2011 Period are set out in Note 23 to the financial statements.

RESERVES

Details of movements in reserves of the Company and of the Group during the 2010/2011 Period are set out in Note 24 to the financial statements and in the consolidated statement of changes in equity on page 43, respectively.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment during the 2010/2011 Period are set out in Note 15 to the financial statements.

DIRECTORS

The Directors of the Company during the 2010/2011 Period and up to the date of this report were:

Executive Directors:

Ms. Chong Sok Un *(Chairman)*
Mr. Andrew Ferguson *(Chief Executive Officer)* (appointed on 12 January 2010)
Mr. Yue Jialin
Mr. Kong Muk Yin

Non-Executive Directors:

Mr. Lee Seng Hui
Mr. So Kwok Hoo
Mr. Liu Yongshun (formerly an Executive Director; re-designed as a Non-Executive Director on 23 April 2010)
Mr. Peter Anthony Curry (appointed as an Executive Director on 1 March 2010; re-designated as a Non-Executive Director on 24 November 2010)

Independent Non-Executive Directors:

Dr. Wong Wing Kuen, Albert
Mr. Chang Chu Fai, Johnson Francis
Mr. Robert Moyse Willcocks

In accordance with Bye-law 87 of the Company's Bye-laws (the "**Bye-laws**"), Mr. Liu Yongshun, Dr. Wong Wing Kuen, Albert, Mr. Chang Chu Fai, Johnson Francis and Mr. Robert Moyse Willcocks will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

No director being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2011, the interests and short positions held by each Director and Chief Executive of the Company and their associates in the shares, underlying shares or debentures of the Company or any of its associated corporations, if any, (within the meaning of Part XV of the Securities and Futures Ordinance ("**SFO**")), as recorded in the register required to be kept by the Company under section 352 of the SFO or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") contained in the Rules Governing the Listing of Securities on the Stock Exchange were as follows:

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES *(Continued)*

Long positions in shares and underlying shares of the Company

Name of Director	Capacity in which interests are held	Number of shares/underlying shares held in the Company: Interests in shares	Interests under equity derivatives *(Note 2)*	Total Interests	Total interests as to % to the issued share capital of the Company as at 30 June 2011 *(Note 1)*
Ms. Chong Sok Un	Beneficial owner	—	150,000,000	150,000,000	2.19%
Mr. Andrew Ferguson	Beneficial owner	25,000,000	250,000,000	275,000,000	4.01%
Mr. Kong Muk Yin	Beneficial owner	—	20,000,000	20,000,000	0.29%
Mr. Yue Jialin	Beneficial owner	—	2,000,000	2,000,000	0.03%
Mr. Lee Seng Hui	Interest of controlled corporation *(Note 3)*	1,900,939,562	—	1,900,939,562	27.70%
Mr. So Kwok Hoo	Beneficial owner	—	2,000,000	2,000,000	0.03%
Mr. Liu Yongshun	Beneficial owner	—	2,000,000	2,000,000	0.03%
Mr. Peter Anthony Curry	Beneficial owner	—	60,000,000	60,000,000	0.87%
Dr. Wong Wing Kuen, Albert	Beneficial owner	—	2,000,000	2,000,000	0.03%
Mr. Chang Chu Fai, Johnson Francis	Beneficial owner	—	2,000,000	2,000,000	0.03%
Mr. Robert Moyse Willcocks	Beneficial owner	—	2,000,000	2,000,000	0.03%

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES *(Continued)*

Long positions in shares and underlying shares of the Company *(Continued)*

Notes:

1. The percentage of shareholding is calculated on the basis of the Company's issued share capital of 6,863,287,990 shares as at 30 June 2011.

2. The relevant interests are share options granted pursuant to the Company's share option scheme adopted on 22 September 2004 (the "**Scheme**"). Upon exercise of the share options in accordance with the Scheme, ordinary shares of HK$0.10 each in the share capital of the Company are issuable. The share options are personal to the respective Directors and the holders thereof are entitled to subscribe for shares of the Company. Further details of the share options are set out in Note 25 to the financial statements.

3. Lee and Lee Trust, a discretionary trust of which Mr. Lee Seng Hui is one of the trustees, owned approximately 52.32% interest in the issued share capital of Allied Group Limited ("**AGL**") which in turn is deemed to be interested in 27.70% of the issued share capital of the Company as at 30 June 2011. Accordingly, Lee and Lee Trust is deemed to have the same long position as AGL under the SFO and Mr. Lee Seng Hui, being a trustee of Lee and Lee Trust, is therefore deemed to have interests in the shares of the Company in which Lee and Lee Trust is interested.

Save as disclosed above, as at 30 June 2011, none of the Company's Directors, Chief Executive or their respective associates had any other personal, family, corporate and other interests or short positions in shares, underlying shares or debentures 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 pursuant to the Model Code.

SHARE OPTION SCHEME

The detailed disclosures relating to the Company's share option scheme and valuation of options are set out in Note 25 to the financial statements.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed under the section headed "DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES" and Note 25 to the financial statements, at no time during the 2010/2011 Period was the Company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company, their respective spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance, to which the Company or any of 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 or at any time during the 2010/2011 Period.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2011, the following persons, other than a Director or Chief Executive of the Company or any of its subsidiaries, were interested or had short positions in more than 5% of the shares and underlying shares of the Company or its subsidiaries according to the register required to be kept under section 336 of the SFO in the respective amounts as follows:

Long positions in shares and underlying shares of the Company

Name of Shareholders	Capacity in which interests are held	Number of shares/underlying shares held in the Company			Total interests as to % to the issued share capital of the Company as at 30 June 2011 *(Note 1)*
		Interests in shares	Interests under equity derivatives	Total Interests	
Benefit Rich Limited	Beneficial owner *(Note 2)*	956,000,000	—	956,000,000	13.93%
Shougang Fushan Resources Group Limited	Interest of controlled corporation *(Note 2)*	956,000,000	—	956,000,000	13.93%
Rise Cheer Investments Limited	Beneficial owner *(Note 3)*	1,124,640,000	—	1,124,640,000	16.39%
Taskwell Limited	Beneficial owner *(Note 3)*	776,299,562	—	776,299,562	11.31%
New Able Holdings Limited	Interest of controlled corporation *(Note 3)*	1,900,939,562	—	1,900,939,562	27.70%
Allied Overseas Limited	Interest of controlled corporation *(Note 4)*	1,900,939,562	—	1,900,939,562	27.70%
Wah Cheong Development (B.V.I.) Limited	Interest of controlled corporation *(Note 5)*	1,900,939,562	—	1,900,939,562	27.70%
Famestep Investments Limited	Interest of controlled corporation *(Note 6)*	1,900,939,562	—	1,900,939,562	27.70%

SUBSTANTIAL SHAREHOLDERS *(Continued)*

Long positions in shares and underlying shares of the Company *(Continued)*

		Number of shares/underlying shares held in the Company			
Name of Shareholders	Capacity in which interests are held	Interests in shares	Interests under equity derivatives	Total Interests	Total interests as to % to the issued share capital of the Company as at 30 June 2011 *(Note 1)*
Allied Properties (H.K.) Limited	Interest of controlled corporation *(Note 7)*	1,900,939,562	—	1,900,939,562	27.70%
Allied Group Limited	Interest of controlled corporation *(Note 8)*	1,900,939,562	—	1,900,939,562	27.70%
Mr. Lee Seng Hui	Interest of controlled corporation *(Note 9)*	1,900,939,562	—	1,900,939,562	27.70%
Ms. Lee Su Hwei	Interest of controlled corporation *(Note 9)*	1,900,939,562	—	1,900,939,562	27.70%
Mr. Lee Seng Huang	Interest of controlled corporation *(Note 9)*	1,900,939,562	—	1,900,939,562	27.70%

SUBSTANTIAL SHAREHOLDERS *(Continued)*

Long positions in shares and underlying shares of the Company *(Continued)*

Notes:

1. The percentage of shareholding was calculated on the basis of the Company's issued share capital of 6,863,287,990 shares as at 30 June 2011.

2. These shares are held by Benefit Rich Limited ("**Benefit Rich**"), a wholly-owned subsidiary of Shougang Fushan Resources Group Limited (formerly known as Fushan International Energy Group Limited) ("**Shougang Fushan**"). Accordingly, Shougang Fushan is deemed to have the same long position as Benefit Rich under the SFO.

3. These shares are held by: (i) Rise Cheer Investments Limited ("**Rise Cheer**") as to 1,124,640,000 shares, and (ii) Taskwell Limited ("**Taskwell**") as to 776,299,562 shares, both of which are wholly-owned subsidiaries of Besford International Limited ("**Besford**") and Besford is a wholly-owned subsidiary of COL Capital Limited. Pursuant to an acquisition agreement dated 24 May 2011, Besford conditionally agreed to sell and New Able Holdings Limited ("**New Able**") conditionally agreed to buy all interests in Rise Cheer and Taskwell with a long stop date of 24 September 2011 for completion (the "**Transaction**"). As at the date of this report, the Transaction has not yet been completed. Accordingly, New Able is deemed to have the same long position as Rise Cheer and Taskwell under the SFO.

4. New Able is a wholly-owned subsidiary of Allied Overseas Limited ("**AOL**"). Accordingly, AOL is deemed to have the same long position as New Able under the SFO.

5. AOL is a non wholly-owned subsidiary of Wah Cheong Development (B.V.I.) Limited ("**Wah Cheong**"). Accordingly, Wah Cheong is deemed to have the same long position as AOL under the SFO.

6. Wah Cheong is a wholly-owned subsidiary of Famestep Investments Limited ("**Famestep**"). Accordingly, Famestep is deemed to have the same long position as Wah Cheong under the SFO.

7. Famestep is a wholly-owned subsidiary of Allied Properties (H.K.) Limited ("**APL**"). Accordingly, APL is deemed to have the same long position as Famestep under the SFO.

8. APL is a non wholly-owned subsidiary of Allied Group Limited ("**AGL**"). Accordingly, AGL is deemed to have the same long position as APL under the SFO.

9. Mr. Lee Seng Hui, Ms. Lee Su Hwei and Mr. Lee Seng Huang are the trustees ("**Trustees**") of Lee and Lee Trust, being a discretionary trust which owned approximately 53.32% interest in the issued share capital of AGL as at 30 June 2011. Accordingly, Lee and Lee Trust and each of the Trustees are deemed to have the same long position as AGL under the SFO.

Save as disclosed above, no other person had interest or short position in the shares and underlying shares of the Company or its subsidiaries, which are recorded in the register required to be kept by the Company pursuant to section 336 of the SFO as at 30 June 2011.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

The Directors are of the opinion that during the 2010/2011 Period, the Directors of the Company had no interests in any businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the 2010/2011 Period, the Company repurchased a total of 61,840,000 of its own shares on the Stock Exchange at an aggregate consideration (before expenses) of HK$28,845,750. All the repurchased shares were subsequently cancelled.

Particulars of the repurchases are as follows:

Month	Number of shares repurchased	Purchase Price Highest (HK$)	Purchase Price Lowest (HK$)	Aggregate consideration (before expenses) (HK$)
November 2010	9,840,000	0.530	0.480	5,005,400
December 2010	1,720,000	0.495	0.490	850,500
April 2011	30,500,000	0.490	0.465	14,600,250
May 2011	9,280,000	0.450	0.435	4,114,600
June 2011	10,500,000	0.415	0.390	4,275,000
Total	**61,840,000**			**28,845,750**

The repurchases were made for the benefit of the Company and its shareholders as a whole with a view to enhancing the earnings per share of the Company.

Save as disclosed above and in Note 23 (a), neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities during the 2010/2011 Period.

MAJOR CUSTOMERS AND SUPPLIERS

During the 2010/2011 Period, the Group's five customers in aggregate accounted for approximately 82% of the turnover of the Group and the largest customer accounted for approximately 36% of the total turnover of the Group.

The aggregate purchases attributable to the Group's three suppliers during the 2010/2011 Period accounted for the entire purchases of the Group and the largest supplier accounted for approximately 70% of the total purchases of the Group.

At no time during the 2010/2011 Period did a Director, an associate of a Director or a shareholder of the Company, which to the knowledge of the Directors owns more than 5% of the Company's issued share capital, have an interest in any of the five largest customers and any of the three suppliers of the Group.

EMOLUMENT POLICY

The Group's employees are selected, remunerated and promoted based on their merit, qualifications and competence.

The emoluments of the Directors of the Company are decided by the Remuneration Committee, having regard to the Directors' duties and responsibilities within the Group and the prevailing market conditions.

The Company has adopted a share option scheme to provide incentives to Directors, employees and consultants. The details of the scheme are set out in Note 25 to the financial statements.

PRE-EMPTIVE RIGHTS

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

PUBLIC FLOAT

As at the date of this report, the Company has maintained a sufficient public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of its Directors.

AUDITORS

The auditor, Messrs. Graham H. Y. Chan & Co., which was reappointed by the shareholders of the Company at the annual general meeting of the Company held on 29 June 2010, resigned as the auditor of the Group with effect from 27 June 2011. On 5 July 2011, in accordance with the power granted to the Directors under the relevant provisions of the Companies Act 1981 of Bermuda, the Board approved the appointment of Messrs. Deloitte Touche Tohmatsu as the new auditor of the Group to fill the casual vacancy following the resignation of Messrs. Graham H. Y. Chan & Co. and to hold office until the conclusion of the next annual general meeting of the Company.

The financial statements of the Group for the 2010/2011 Period were audited by Messrs. Deloitte Touche Tohmatsu. A resolution to reappoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Chong Sok Un
Chairman

Hong Kong, 23 August 2011

Deloitte.
德勤

TO THE MEMBERS OF APAC RESOURCES LIMITED

(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of APAC Resources Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 40 to 99, which comprise the consolidated statement of financial position as at 30 June 2011, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the eighteen months ended 30 June 2011, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 30 June 2011, and of the Group's profit and cash flows for the eighteen months ended 30 June 2011 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.

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2009 were audited by another auditor who expressed an unmodified opinion on those statements on 23 April 2010.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

23 August 2011

Consolidated Income Statement

For the eighteen months ended 30 June 2011

	Notes	**1.1.2010 to 30.6.2011 HK$'000**	1.1.2009 to 31.12.2009 HK$'000
Revenue from sales of goods	*5*	**1,147,494**	301,420
Cost of sales		**(1,005,459)**	(262,822)
		142,035	38,598
Other gains and losses	*7*	**571,118**	275,552
Other income	*8*	**10,492**	22,785
Administrative expenses			
– General administrative expenses		**(54,572)**	(32,333)
– Equity-settled share option expenses		**(61,530)**	(14,783)
Finance costs	*9*	**(12,373)**	(13,468)
Share of results of associates		**870,007**	118,028
Profit before taxation	*10*	**1,465,177**	394,379
Income tax expense	*11*	**(3,108)**	(21,776)
Profit for the period/year attributable to owners of the Company		**1,462,069**	372,603
Earnings per share (expressed in HK cents)			
– basic	*13*	**21.89**	7.15
– diluted	*13*	**21.89**	7.07

Consolidated Statement of Comprehensive Income

For the eighteen months ended 30 June 2011

	1.1.2010 to 30.6.2011 HK$'000	1.1.2009 to 31.12.2009 HK$'000 (Restated) (Note)
Profit for the period/year	**1,462,069**	372,603
Other comprehensive income, net of tax		
Exchange difference arising from translation of associates	**456,388**	306,501
Exchange difference arising from translation of other foreign operations	**15,115**	2,319
Fair value change of available-for-sale investments	**(48,858)**	2,946
Impairment loss on available-for-sale investments	**17,738**	28,174
Reclassification adjustment of cumulative gain upon partial disposal of investment in an associate	**(24,675)**	–
Share of other comprehensive income of associates	**(50,673)**	144,692
	365,035	484,632
Total comprehensive income for the period/year attributable to owners of the Company	**1,827,104**	857,235

Note: The comparative figures have been adjusted to present directly in the consolidated statement of changes in equity.

Consolidated Statement of Financial Position

As at 30 June 2011

	Notes	30.6.2011 HK$'000	31.12.2009 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	*15*	**1,370**	992
Interests in associates	*16*	**3,835,439**	2,357,583
Available-for-sale investments	*17*	**52,527**	96,376
		3,889,336	2,454,951
Current assets			
Trade and other receivables and loan receivable	*18*	**54,641**	59,415
Investments held for trading	*19*	**1,440,946**	71,899
Pledged bank deposits	*20*	**339,158**	89,324
Bank balances and cash	*20*	**384,090**	318,203
		2,218,835	538,841
Total assets		**6,108,171**	2,993,792
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	*23*	**686,329**	569,034
Reserves		**3,554,350**	2,885,162
Accumulated profits (losses)		**1,157,921**	(492,182)
		5,398,600	2,962,014
Current liabilities			
Trade and other payables	*21*	**6,773**	10,020
Borrowings	*22*	**689,530**	–
Tax payable		**13,268**	21,758
		709,571	31,778
Total equity and liabilities		**6,108,171**	2,993,792
Net current assets		**1,509,264**	507,063
Total assets less current liabilities		**5,398,600**	2,962,014

The financial statements on pages 40 to 99 were approved and authorised for issue by the Board of Directors on 23 August 2011 and are signed on its behalf by:

Chong Sok Un
DIRECTOR

Andrew Ferguson
DIRECTOR

Consolidated Statement of Changes in Equity

For the eighteen months ended 30 June 2011

	Attributable to owners of the Company								
	Share capital HK$'000	Share premium HK$'000	Special reserve HK$'000 (Note 24(a))	Investment revaluation reserve HK$'000	Exchange reserve HK$'000	Share option reserve HK$'000	Capital redemption reserve HK$'000	Accumulated (losses) profits HK$'000	Total HK$'000
At 1 January 2009	472,866	1,988,220	(14,980)	(56,925)	(64,586)	262,627	–	(1,315,961)	1,271,261
Reversal of previously recognised changes in fair value of investments held for trading (note 16)	–	–	–	–	–	–	–	442,409	442,409
Share of accumulated losses and other comprehensive income of an associate on previously held interest (note 16)	–	–	–	3,221	(11,604)	–	–	(74,725)	(83,108)
	472,866	1,988,220	(14,980)	(53,704)	(76,190)	262,627	–	(948,277)	1,630,562
Profit for the year	–	–	–	–	–	–	–	372,603	372,603
Other comprehensive income for the year	–	–	–	175,812	308,820	–	–	–	484,632
Total comprehensive income for the year	–	–	–	175,812	308,820	–	–	372,603	857,235
Issue of shares upon exercise of warrants	6,168	12,337	–	–	–	–	–	–	18,505
Issue of shares upon placement	90,000	360,000	–	–	–	–	–	–	450,000
Transaction cost attributable to placement	–	(9,071)	–	–	–	–	–	–	(9,071)
Equity-settled share option expenses	–	–	–	–	–	14,783	–	–	14,783
Forfeiture of equity-settled share options	–	–	–	–	–	(83,492)	–	83,492	–
At 31 December 2009	569,034	2,351,486	(14,980)	122,108	232,630	193,918	–	(492,182)	2,962,014
Profit for the period	–	–	–	–	–	–	–	1,462,069	1,462,069
Other comprehensive income for the period	–	–	–	(95,380)	460,415	–	–	–	365,035
Total comprehensive income for the period	–	–	–	(95,380)	460,415	–	–	1,462,069	1,827,104
Issue of shares upon exercise of warrants	13,179	26,359	–	–	–	–	–	–	39,538
Issue of shares upon placement	110,000	440,000	–	–	–	–	–	–	550,000
Transaction cost attributable to placement	–	(13,851)	–	–	–	–	–	–	(13,851)
Shares repurchased and cancelled	(5,884)	(21,851)	–	–	–	–	5,884	(5,884)	(27,735)
Equity-settled share option expenses	–	–	–	–	–	61,530	–	–	61,530
Lapse of equity-settled share options	–	–	–	–	–	(193,918)	–	193,918	–
At 30 June 2011	686,329	2,782,143	(14,980)	26,728	693,045	61,530	5,884	1,157,921	5,398,600

Consolidated Statement of Cash Flows

For the eighteen months ended 30 June 2011

	1.1.2010 to 30.6.2011 HK$'000	1.1.2009 to 31.12.2009 HK$'000
OPERATING ACTIVITIES		
Profit before taxation	**1,465,177**	394,379
Adjustments for:		
Depreciation of property, plant and equipment	**1,003**	658
Deemed loss on partial disposal of interest in an associate	**1,727**	–
Equity-settled share option expenses	**61,530**	14,783
Excess of the Group's interest in the net fair value of an associate's identifiable assets, liabilities and contingent liabilities over cost of investment	**–**	(21,244)
Fair value change of investments held for trading	**(123,636)**	(6,389)
Gain on partial disposal of interest in a an associate	**(118,284)**	–
Interest income	**(7,637)**	(7,839)
Interest expenses	**12,373**	13,468
Impairment loss on available-for-sale investments	**17,738**	28,174
Loss on disposal of property, plant and equipment	**–**	1
Reversal of impairment loss on interest in an associate	**(304,024)**	(466,553)
Share of results of associates	**(870,007)**	(118,028)
Impairment loss on interest in an associate	**–**	304,024
Operating cash flows before movements in working capital	**135,960**	135,434
Decrease in trade and other receivables	**47,070**	411,316
Decrease in trade and other payables	**(3,247)**	(5,103)
Increase in investments held for trading	**(1,245,411)**	(163,786)
Cash (used in) generated from operations	**(1,065,628)**	377,861
Income tax paid	**(11,598)**	(355)
Net cash (used in) from operating activities	**(1,077,226)**	377,506

Consolidated Statement of Cash Flows

For the eighteen months ended 30 June 2011

	1.1.2010 to 30.6.2011 HK$'000	1.1.2009 to 31.12.2009 HK$'000
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	–	13
Purchase of available-for-sale investments	(5,106)	(8,845)
Purchase of property, plant and equipment	(1,350)	(15)
Investment in an associate	(18,249)	(441,295)
Loan to an investee company	(42,296)	–
Placement of / redemption in pledged bank deposits	(249,834)	680
Proceeds from partial disposal of interest in an associate	212,020	–
Repayment of loan from an associate	136,110	–
Loan to an associate	(136,110)	–
Interest received	7,637	7,839
Net cash used in investing activities	(97,178)	(441,623)
FINANCING ACTIVITIES		
Proceeds from placing shares, net of expenses	536,149	440,929
Proceeds from share upon exercise of warrants	39,538	18,505
Payments on repurchase of shares	(27,735)	–
Interest paid	(12,373)	(13,468)
New borrowings raised	831,898	–
Repayments of borrowings	(142,368)	(161,043)
Repayments of bills payables	–	(35,934)
Net cash from financing activities	1,225,109	248,989
Net increase in cash and cash equivalents	50,705	184,872
Effect of foreign exchange rate change	15,182	2,312
Cash and cash equivalents at beginning of the period/year	318,203	131,019
Cash and cash equivalents at end of the period/year, represented by bank balances and cash	384,090	318,203

1. GENERAL

The Company is incorporated as an exempted company with limited liability in Bermuda under the Companies Act 1981 of Bermuda (as amended) and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section of the annual report.

The Company is an investment holding company. The principal activities of its subsidiaries are set out in Note 31.

During the current financial period, the reporting period end date of the Group was changed from 31 December to 30 June as a result of the decision of the directors of the Company to bring the annual reporting period end date of the Group in line with that of the Company's principal overseas listed associates which are the Group's substantial investments. Accordingly, the consolidated financial statements for the current period cover eighteen months from 1 January 2010 to 30 June 2011. The corresponding comparative amounts shown for the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and related notes cover a twelve months period from 1 January 2009 to 31 December 2009 and therefore may not be comparable with amounts shown for the current period.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is the Company's functional and presentation currency. All values are rounded to the nearest thousand except when otherwise indicated.

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

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

HKAS 27 (Revised 2008)	Consolidated and separate financial statements
HKAS 39 (Amendments)	Eligible hedged items
HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs issued in 2008
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009
HKFRS 2 (Amendments)	Group cash-settled share-based payment transactions
HKFRS 3 (Revised 2008)	Business combinations
HK(IFRIC) – INT 17	Distributions of non-cash assets to owners
HK – INT 5	Presentation of financial statements - Classification by borrower of a term loan that contains a repayment on demand clause

The application of the new and revised HKFRSs in the current period has had no material effect on the amounts reported in these consolidated financial statements of the Group and/or disclosures set out in these consolidated financial statements.

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

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

HKAS 1 (Amendments)	Presentation of items of other comprehensive income[7]
HKAS 12 (Amendments)	Deferred tax: Recovery of underlying assets[6]
HKAS 19 (Revised 2011)	Employee benefits[8]
HKAS 24 (Revised 2009)	Related party disclosures[4]
HKAS 27(Revised 2011)	Separate financial statements[8]
HKAS 28 (Revised 2011)	Investments in associates and joint ventures[8]
HKAS 32 (Amendments)	Classification of rights issues[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2010[3]
HKFRS 7 (Amendments)	Disclosures - Transfers of financial assets[5]
HKFRS 9	Financial instruments[8]
HKFRS 10	Consolidated financial statements[8]
HKFRS 11	Joint arrangements[8]
HKFRS 12	Disclosure of interests in other entities[8]
HKFRS 13	Fair value measurement[8]
HK(IFRIC) – INT 14 (Amendments)	Prepayments of a minimum funding requirement[4]
HK(IFRIC) – INT 19	Extinguishing financial liabilities with equity instruments[2]

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

HKFRS 9 "Financial instruments" (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 "Financial instruments" (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

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

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

In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted. The directors of the Company anticipate that HKFRS 9 will be adopted in the Group's consolidated financial statements for financial year ending 30 June 2014. Based on the Group's financial assets and financial liabilities as at 30 June 2011, the application of HKFRS 9 will affect the classification and measurement of the Groups' available-for-sale investments.

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

Basis of consolidation

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

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Basis of consolidation *(Continued)*

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

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

Investments in associates

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Investments in associates *(Continued)*

Investments held for trading to investments in associates that took place prior to 1 January 2010

For acquisition of associates which involved successive share purchases for which the investment was previously accounted for at fair value with changes in fair value included in profit or loss, cumulative changes in the fair value of previously held ownership interests are restated to cost and reversed through profit or loss and retained profits respectively. The Group's share of investee's profit or loss, other comprehensive income after each exchange transaction are included in the profit or loss, retained profits or the relevant reserves respectively to the extent that they relate to the previously held ownership interests.

Acquisition of additional interests in associates

Goodwill is recognised at each acquisition date, being the excess of the consideration paid over the share of carrying amount of net assets attributable to the additional interests in associates acquired.

Partial disposal of interests in associates

For partial disposal of interests in associate that does not result in the Group losing significant influence over the associate, the difference between the carrying amount of the associate attributable to the interests disposed and its fair value is included in the determination of the gain or loss on the partial disposal. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if the associate had directly disposed of the related assets or liabilities. Therefore, the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest is reclassified to profit or loss given that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities (i.e. exchange reserve and investment revaluation reserve).

Revenue recognition

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

Revenue from the sale of goods is recognised when the goods are delivered and title has passed at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue recognition *(Continued)*

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

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HKD) at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (the exchange reserve).

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Foreign currencies *(Continued)*

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

Taxation

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Taxation *(Continued)*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Leasing

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

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease.

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

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme and local municipal government retirement scheme in the Peoples' Republic of China are charged as an expense when employees have rendered service entitling them to the contributions.

Share-based payment transactions

Equity-settled share-based payment transactions for employees and others providing similar service

The fair value of services received is determined by reference to the fair value of share options granted at the grant date. The estimation of fair value the relevant options takes into account performance conditions based on the target market price of the Company.

The Group's share options contain both a market condition (a specified increase in share price) and a non-market service condition (continuing employment), the fair value of options is recognised as share option expenses over the expected vesting period on a straight-line basis for employees who satisfy the non-market service condition, irrespective of whether the market condition is satisfied. The expected vesting period is consistent with the assumptions used in estimating the fair value of the options granted and is not revised subsequently.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Share-based payment transactions *(Continued)*

Equity-settled share-based payment transactions for employees and others providing similar service (Continued)

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest, based on the most likely outcome of the non-market service condition. The impact of the revision of the estimates during the vesting period, if any, is recognised in profit or loss, with a corresponding adjustment to share option reserve.

At the time when the share options are exercised, the amount previously recognised in share options reserve will be transferred to accumulated profits. When the share options are forfeited after the expected vesting period or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to accumulated profits.

Property, plant and equipment

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

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

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

Impairment losses on assets

At the end of the reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments

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

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

Financial assets

The Group's financial assets are classified into one of the three categories, including financial assets at fair value through profit or loss ("**FVTPL**"), loans and receivables and available-for-sale financial assets. All regular way purchases and sales of financial assets are recognised and derecognised on the trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

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

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL, of which interest income is included in net gains or losses.

Financial assets at fair value through profit or loss

Financial assets at FVTPL are mainly financial assets held for trading.

A financial asset is classified as held for trading if:

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise except for changes in fair value attributable to investee in which the Group obtained significant influence subsequently (see accounting policy for investment in associates). The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets.

Available-for-sale financial assets

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

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

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

Loans and receivables

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

Impairment of financial assets

Financial assets, other than at FVTPL, are assessed for indicators of impairment at the end of the reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of financial asset, the estimated future cash flows of the investment have been affected.

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets (Continued)

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

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

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivable could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets (Continued)

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

Impairment losses on available-for-sale equity investments will not be reversed in profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognised directly in other comprehensive income and accumulated in investment revaluation reserve. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by an entity are classified according to the substance of the contractual arrangement entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liabilities and of allocating interest payment over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Interest expense is recognised on an effective interest basis.

Financial liabilities

Financial liabilities including trade and other payables and borrowings are subsequently measured at amortised cost using the effective interest rate method.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments (Continued)

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

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

Warrants that will be settled by the exchange of a fixed amount of cash for a fixed number of the Company's own equity instruments is classified as an equity instrument. Any premium received is recognised in warrant reserve. At the time when warrants are exercised, the amount previously recognised in warrant reserve will be transferred to share premium. At expiry date, the amount previously recognised in warrant reserve that are still not exercised will be transferred to accumulated profits.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets.

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

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. CAPITAL RISK MANAGEMENT

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

The directors of the Company review the capital structure by considering the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

5. REVENUE

	1.1.2010 to 30.6.2011 HK$'000	1.1.2009 to 31.12.2009 HK$'000
Revenue from trading of commodities	**1,147,494**	301,420

6. SEGMENTAL INFORMATION

Segment information is presented based on the internal reports about components of the Group that are regularly reviewed by the chief operating decision maker, represented by the board of directors of the Company, for the purpose of allocating resources to segments and assessing their performance. The Group's reportable segments under HKFRS 8 are therefore as follows:

(i) trading of commodities; and

(ii) trading of and investment in listed securities

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit earned by each segment without allocation of central administration costs, directors' salaries, share of results of associates, reversal of impairment loss on interest in an associate, deemed loss on partial disposal of interest in an associate, gain on disposal of interest in an associate and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

Information regarding the Group's reportable segments is presented below.

6. SEGMENTAL INFORMATION *(Continued)*

Segment revenue and result

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

For eighteen months ended 30 June 2011

	Trading of commodities HK$'000	Trading of and investment in listed securities HK$'000	Total HK$'000
Revenue	1,147,494	–	1,147,494
Gross sales proceeds from trading of and investment in listed securities	–	252,069	252,069
Segment profit	138,011	150,399	288,410
Share of results of associates			870,007
Reversal of impairment loss on interest in an associate			304,024
Deemed loss on partial disposal of interest in an associate			(1,727)
Gain on partial disposal of interest in an associate			118,284
Unallocated corporate income			4,280
Unallocated corporate expenses			(105,728)
Finance costs			(12,373)
Profit before taxation			1,465,177
Income tax expense			(3,108)
Profit for the period			1,462,069

6. SEGMENTAL INFORMATION *(Continued)*

Segment revenue and result *(Continued)*

For twelve months ended 31 December 2009

	Trading of commodities HK$'000	Trading of and investment in listed securities HK$'000	Total HK$'000
Revenue	301,420	–	301,420
Gross sales proceeds from trading of and investment in listed securities	–	268,671	268,671
Segment profit	46,092	96,528	142,620
Share of results of associates			118,028
Excess of the Group's interest in the net fair value of an associate's identifiable assets, liabilities and contingent liabilities over cost of investment			21,244
Reversal of impairment loss on interest in an associate			466,553
Impairment loss on interest in an associate			(304,024)
Unallocated corporate income			2,079
Unallocated corporate expenses			(38,653)
Finance costs			(13,468)
Profit before taxation			394,379
Income tax expense			(21,776)
Profit for the year			372,603

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the current period and prior year.

6. SEGMENTAL INFORMATION *(Continued)*

Other segment information

Other segment information included in the consolidated income statement for the eighteen months ended 30 June 2011 are as follows:

Amounts included in the measure of segment profit or loss or segment assets:

	Trading of commodities HK$'000	Trading of and investments in listed securities HK$'000	Unallocated HK$'000	Total HK$'000
Depreciation of property, plant and equipment	4	–	999	1,003
Interest income	4,995	1,196	1,446	7,637
Change in fair value of investments held for trading	–	165,462	–	165,462
Addition to non-current assets excluding financial instruments	–	–	19,599	19,599

Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:

	Trading of commodities HK$'000	Trading of and investments in listed securities HK$'000	Unallocated HK$'000	Total HK$'000
Interests in associates	–	–	3,835,439	3,835,439
Share of results of associates	–	–	870,007	870,007

6. SEGMENTAL INFORMATION *(Continued)*

Other segment information *(Continued)*

Other segment information included in the consolidated income statement for the twelve months ended 31 December 2009 are as follows:

Amounts included in the measure of segment profit or loss or segment assets:

	Trading of commodities HK$'000	Trading of and investments in listed securities HK$'000	Unallocated HK$'000	Total HK$'000
Depreciation of property, plant and equipment	3	–	655	658
Interest income	6,962	762	115	7,839
Change in fair value of investments held for trading	–	118,522	–	118,522
Addition to non-current assets excluding financial instruments	–	–	441,310	441,310

Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:

	Trading of commodities HK$'000	Trading of and investments in listed securities HK$'000	Unallocated HK$'000	Total HK$'000
Interests in associates	–	–	2,357,583	2,357,583
Share of results of associates	–	–	118,028	118,028

6. SEGMENTAL INFORMATION *(Continued)*

Segment assets and liabilities

An analysis of the Group's assets and liabilities by reportable segment is set out below:

	30.6.2011	31.12.2009
	HK$'000	HK$'000
Trading of commodities	**656,271**	424,729
Trading of and investment in listed securities	**1,553,930**	168,631
Total segment assets	**2,210,201**	593,360
Interests in associates	**3,835,439**	2,357,583
Unallocated	**62,531**	42,849
Consolidated assets	**6,108,171**	2,993,792
Trading of commodities	**246,873**	6,212
Trading of and investment in listed securities	**447,275**	329
Total segment liabilities	**694,148**	6,541
Unallocated	**15,423**	25,237
Consolidated liabilities	**709,571**	31,778

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

- all assets are allocated to reportable segments other than interests in associates, property, plant and equipment, other receivables and certain bank balances and cash.
- all liabilities are allocated to reportable segments other than certain other payables and tax payable.

6. SEGMENTAL INFORMATION *(Continued)*

Geographical information

The Group's revenue from external customers and information about non-current assets (excluding available-for-sale investments) by geographical location of the customers and assets respectively are detailed below.

	Revenue from external customers		Non-current assets	
	1.1.2010 to 30.6.2011 HK$'000	**1.1.2009 to 31.12.2009 HK$'000**	**30.6.2011 HK$'000**	**31.12.2009 HK$'000**
Hong Kong	**1,127,338**	301,420	**1,048**	375
The PRC	**20,156**	–	**31,251**	26,215
Australia	**–**	–	**3,804,510**	2,331,985
	1,147,494	301,420	**3,836,809**	2,358,575

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are under segment of trading of commodities and as follows:

	1.1.2010 to 30.6.2011 HK$'000	1.1.2009 to 31.12.2009 HK$'000
Customer A	**414,038**	N/A[1]
Customer B	**227,113**	45,749
Customer C	**152,326**	45,950
Customer D	**N/A[2]**	163,967
Customer E	**N/A[2]**	45,754

1 There was no transaction with Customer A during the year ended 31 December 2009.

2 The transactions with Customer D and Customer E did not contribute over 10% of the total sales of the Group during the current period.

7. OTHER GAINS AND LOSSES

	1.1.2010 to 30.6.2011 HK$'000	1.1.2009 to 31.12.2009 HK$'000
Change in fair value of investments held for trading (Note)	**165,462**	118,522
Deemed loss on partial disposal of interest in an associate	**(1,727)**	–
Excess of the Group's interest in the net fair value of an associate's identifiable assets, liabilities and contingent liabilities over cost of investment	**–**	21,244
Gain on partial disposal of interest in an associate	**118,284**	–
Impairment loss on interest in an associate	**–**	(304,024)
Impairment loss on available-for-sale investments	**(17,738)**	(28,174)
Reversal of impairment loss on interest in an associate	**304,024**	466,553
Net foreign exchange gain	**2,813**	1,431
	571,118	275,552

Note:

Net realised gain of approximately HK$41,826,000 (2009: Net realised gain of HK$112,133,000) on disposal of investments held for trading are included in change in fair value of investments held for trading.

8. OTHER INCOME

	1.1.2010 to 30.6.2011 HK$'000	1.1.2009 to 31.12.2009 HK$'000
Dividend income from investments held for trading	**1,136**	796
Interest income from bank deposits	**7,637**	7,839
Others	**1,719**	14,150
	10,492	22,785

9. FINANCE COSTS

	1.1.2010 to 30.6.2011 HK$'000	1.1.2009 to 31.12.2009 HK$'000
Interest on borrowings wholly repayable within five years:		
Bank borrowings	**2,317**	5,202
Securities margin financing	**10,056**	8,266
	12,373	13,468

10. PROFIT BEFORE TAXATION

	1.1.2010 to 30.6.2011 HK$'000	1.1.2009 to 31.12.2009 HK$'000
Profit before taxation has been arrived at after charging:		
Staff costs, including directors' emoluments		
– salaries and allowances	**21,506**	15,221
– equity-settled share option expenses (included in administrative expenses)	**61,530**	14,783
– staff quarter	**1,678**	220
– retirement benefits schemes contributions	**316**	181
Total staff costs	**85,030**	30,405
Auditor's remuneration	**1,148**	340
Depreciation of property, plant and equipment	**1,003**	658
Loss on disposal of property, plant and equipment	**–**	1

11. INCOME TAX EXPENSE

	1.1.2010 to 30.6.2011 HK$'000	1.1.2009 to 31.12.2009 HK$'000
Current tax		
Hong Kong Profits Tax	**18,346**	20,543
PRC Enterprise Income Tax	**426**	1,233
	18,772	21,776
Overprovision in prior years	**(15,664)**	–
Total income tax expense	**3,108**	21,776

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for current period and prior year.

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

The tax charge for the period/year can be reconciled to the profit before taxation per the consolidated income statement as follow:

	1.1.2010 to 30.6.2011 HK$'000	1.1.2009 to 31.12.2009 HK$'000
Profit before taxation	**1,465,177**	394,379
Tax at Hong Kong profits tax rate of 16.5%	**241,754**	65,072
Tax effect of expenses not deductible for tax purpose	**14,170**	60,318
Tax effect of income not taxable for tax purpose	**(99,108)**	(82,455)
Tax effect of tax losses not recognised	**4,850**	–
Tax effect of share of results of associates	**(143,551)**	(19,475)
Overprovision in prior years	**(15,664)**	–
Utilisation of tax losses previously not recognised	**–**	(2,170)
Effect of different tax rate of subsidiaries and associates operating in other jurisdictions	**657**	419
Others	**–**	67
Tax charge for the period/year in respect of Hong Kong and the PRC	**3,108**	21,776

At 30 June 2011, the Group had unused tax losses of approximately HK$35,928,000 (31.12.2009: HK$6,534,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

An analysis of remuneration paid and payable to directors of the Company for the eighteen months ended 30 June 2011 and twelve months ended 31 December 2009 is set as follows:

Eighteen months ended 30 June 2011

	Fee HK$'000	Salaries and other benefits in kind HK$'000	Share option benefits HK$'000	Retirement schemes contributions HK$'000	Total HK$'000
Executive directors					
Ms. Chong Sok Un	40	1,800	12,859	–	14,699
Mr. Andrew Ferguson (note a)	–	4,760	21,431	18	26,209
Mr. Kong Muk Yin	360	–	3,579	–	3,939
Mr. Yue Jialin	–	–	215	–	215
Non-executive directors					
Mr. Lee Seng Hui	211	–		–	211
Mr. So Kwok Hoo	–	–	215	–	215
Mr. Liu Yongshun (note c)	633	365	215	6	1,219
Mr. Peter Anthony Curry (note b)	–	1,627	9,733	–	11,360
Independent non-executive directors					
Dr. Wong Wing Kuen, Albert	280	–	215	–	495
Mr. Chang Chu Fai, Johnson Francis	280	–	215	–	495
Mr. Robert Moyse Willcocks	280	–	215	–	495
	2,084	8,552	48,892	24	59,552

12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS *(Continued)*

Twelve months ended 31 December 2009

	Fee HK$'000	Salaries and other benefits in kind HK$'000	Share option benefits HK$'000	Retirement schemes contributions HK$'000	Total HK$'000
Executive directors					
Ms. Chong Sok Un	–	1,220	–	–	1,220
Mr. Kong Muk Yin (note d)	–	37	–	–	37
Mr. Yue Jialin	–	–	–	–	–
Mr. Liu Yongshun	–	2,708	10,494	14	13,216
Mr. Cao Zhong (note e)	–	977	–	–	977
Mr. Zhou Luyong (note f)	–	1,447	1,508	12	2,967
Mr. Chen Zhaoqiang (note g)	–	1,357	2,781	10	4,148
Non-executive directors					
Mr. Lee Seng Hui (note h)	41	–	–	–	41
Mr. So Kwok Hoo (note i)	–	–	–	–	–
Independent non-executive directors					
Dr. Wong Wing Kuen, Albert	170	–	–	–	170
Mr. Chang Chu Fai, Johnson Francis	170	–	–	–	170
Mr. Alan Stephen Jones (note j)	128	–	–	–	128
Mr. Robert Moyse Willcocks	170	–	–	–	170
	679	7,746	14,783	36	23,244

12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS *(Continued)*

Notes:

(a) Mr. Andrew Ferguson was appointed as an executive director on 12 January 2010.

(b) Mr. Peter Anthony Curry was appointed as an executive director on 1 March 2010, re-designated as non-executive director on 24 November 2010.

(c) Mr. Liu Yongshun was appointed as an non-executive director on 29 May 2007, re-designated as an executive director on 27 July 2007 and re-designated as non-executive director on 23 April 2010.

(d) Mr. Kong Muk Yin was appointed as an executive director on 4 November 2009.

(e) Mr. Cao Zhong was appointed as executive director on 26 April 2007 and resigned on 20 October 2009.

(f) Mr. Zhou Luyong was appointed as non-executive director on 29 May 2007, re-designated as executive director on 27 July 2007 and resigned on 20 October 2009.

(g) Mr. Chen Zhaoqiang was appointed as non-executive director on 6 July 2007, re-designated as an executive director on 7 September 2007 and resigned on 20 October 2009.

(h) Mr. Lee Seng Hui was appointed as non-executive director on 2 October 2009.

(i) Mr. So Kwok Hoo was appointed as non-executive director on 20 October 2009.

(j) Mr. Alan Stephen Jones was appointed as independent non-executive director on 27 July 2007 and resigned on 30 September 2009.

During the eighteen months ended 30 June 2011, Mr. Yue Jialin waived his emoluments to the amount of HK$180,000 (year ended 31 December 2009: HK$120,000). The waived emoluments were excluded from the above disclosure.

Apart from the above, there was no arrangement under which a director waived or agreed to waive any remuneration during the eighteen months ended 30 June 2011 and twelve months ended 31 December 2009.

Certain directors were granted share options, based on their performance and services render to the Group, under the share option scheme of the Company, further details of which are set out in note 25. The fair value of such options, which has been amortised to profit or loss, was determined as at the date of the grant and included in the above directors' remuneration disclosures.

No emoluments were paid by the Group to any of the directors or the five highest paid individuals, as an inducement to join or upon joining the Group or as compensation for loss of office during the eighteen months ended 30 June 2011 and twelve months ended 31 December 2009.

12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS *(Continued)*

Employees' emoluments

Of the five individuals with the highest emoluments in the Group, four (year ended 31 December 2009: five) were directors of the Company whose emoluments are included in the disclosures set out above. The emoluments of the remaining one (year ended 31 December 2009: nil) individual were as follows:

	1.1.2010 to 30.6.2011 HK$'000	1.1.2009 to 31.12.2009 HK$'000
Salaries and allowances	**2,850**	–
Share option benefit	**1,622**	–
Retirement benefits schemes contributions	**18**	–
	4,490	–

Their emoluments were within the following bands:

	1.1.2010 to 30.6.2011 No. of employees	1.1.2009 to 31.12.2009 No. of employees
HK$4,000,001 to HK$4,500,000	**1**	–

13. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of HK$1,462,069,000 (year ended 31 December 2009: HK$372,603,000) and weighted average number of 6,679,962,107 (year ended 31 December 2009: 5,212,630,859) ordinary shares in issue during the eighteen months ended 30 June 2011.

13. EARNINGS PER SHARE *(Continued)*

Diluted earnings per share

The earnings used in the calculation of diluted earnings per share are the same as those for the basic earnings per share, as set out above.

The weighted average number of ordinary shares for the purposes of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows.

	1.1.2010 to 30.6.2011	1.1.2009 to 31.12.2009
Weighted average number of ordinary shares used in the calculation of basic earnings per share	**6,679,962,107**	5,212,630,859
Effect of dilutive potential ordinary share in respect of:		
– warrants	**–**	55,272,054
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**6,679,962,107**	5,267,902,913

The calculation of the diluted earnings per share did not assume the exercise of the Company's outstanding share options as their exercise prices were higher than the average market price of the Company's shares for the period.

14. DIVIDENDS

No dividend was paid or proposed during the eighteen months ended 30 June 2011, nor has any dividend been proposed since the end of the reporting period (year ended 31 December 2009: nil).

15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvement, furniture and fixtures HK$'000	Office equipment HK$'000	Computers HK$'000	Motor Vehicles HK$'000	Total HK$'000
COST					
At 1 January 2009	1,289	87	592	584	2,552
Additions	–	–	15	–	15
Disposals	–	–	(19)	–	(19)
Reclassification	(3)	–	–	–	(3)
Exchange adjustments	–	–	3	6	9
At 31 December 2009	1,286	87	591	590	2,554
Additions	24	10	178	1,138	1,350
Exchange adjustments	–	12	14	34	60
At 30 June 2011	**1,310**	**109**	**783**	**1,762**	**3,964**
DEPRECIATION					
At 1 January 2009	636	18	144	111	909
Charge for the year	399	17	130	112	658
Eliminated on disposals	–	–	(6)	–	(6)
Reclassification	(1)	–	–	–	(1)
Exchange adjustments	–	–	1	1	2
At 31 December 2009	1,034	35	269	224	1,562
Charge for the period	218	33	236	516	1,003
Exchange adjustments	–	3	10	16	29
At 30 June 2011	**1,252**	**71**	**515**	**756**	**2,594**
CARRYING AMOUNTS					
At 30 June 2011	**58**	**38**	**268**	**1,006**	**1,370**
At 31 December 2009	252	52	322	366	992

15. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

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

Leasehold improvement, furniture and fixtures	Over the lease terms - 5 years
Office equipment	5 years
Computers	5 years
Motor vehicle	5 years

16. INTERESTS IN ASSOCIATES

	30.6.2011 HK$'000	31.12.2009 HK$'000
Cost of investments in associates		
Listed in Australia	**2,082,850**	2,141,346
Unlisted	**22,716**	22,716
Share of post-acquisition profits and other comprehensive income, net of dividends received	**1,729,873**	497,545
	3,835,439	2,661,607
Less: Impairment loss	**–**	(304,024)
	3,835,439	2,357,583
Fair value of listed investments	**5,102,095**	3,573,413

16. INTERESTS IN ASSOCIATES *(Continued)*

Details of the Group's associates at 30 June 2011 and 31 December 2009 are as follow:

Name of entity	Place of incorporation and operation	Class of shares held	Proportion of ownership interest and voting power held 30.6.2011	Proportion of ownership interest and voting power held 31.12.2009	Principal activities
平港(上海)貿易有限公司 ("平港貿易")	PRC	N/A	**40%**	40%	Wholesales, import and export, agency service and relevant service for coal, coke, material for metallurgy, mineral products, chemical engineering products, mechanical and electrical equipment and spare parts, steel and steel products, construction material and related products and technology
Mount Gibson Iron Limited ("MGX")	Australia	Ordinary	**25.46%**	26.75% *(note 1)*	Mining of hematite deposits at Tallering Peak and Koolan Island; development of hematite mining operations at Extension Hill; and exploration of hematite deposits in Western Australia
Metals X Limited ("MLX")	Australia	Ordinary	**29.08%**	29.08% *(note 2)*	Exploration for and the mining, treatment and marketing of tin concentrate and nickel in Australia; exploration for phosphate in Australia; the development and construction of tin mine projects and exploration for precious and base metals through significant shareholding in other companies

16. INTERESTS IN ASSOCIATES *(Continued)*

Notes:

(1) In January 2009, the Group subscribed 115,729,630 new shares of MGX at an aggregate consideration of A$69,437,777 (equivalent to approximately HK$366,496,000). The Group's interest in MGX was increased to 26.03%. During September to December 2009, the Group further acquired 8,214,504 shares of MGX which increased the Group's interest in MGX to 26.75% as at 31 December 2009.

During the current period, the Group's shareholdings in MGX have decreased from 26.75% to 25.46% due to the following changes:

(a) The Group disposed of total number of 13,615,000 shares of MGX at an aggregate consideration of A$28,220,000 (equivalent to approximately HK$212,020,000) with a decrease in equity interest in MGX by 1.28% and resulted in a gain of approximately HK$118,284,000 recognised in profit or loss.

(b) The Group's equity interest was diluted by 0.13% due to the exercise of share options by certain shareholders of MGX, as a result, a deemed loss of approximately HK$1,727,000 was recognised in profit or loss.

(c) The Group acquired of total number of 1,189,000 shares at an aggregate consideration of approximately HK$18,249,000 with an increase in equity interest in MGX by 0.12%.

On the other hand, the recoverable amount of MGX which represented the fair value less cost to sell was significantly higher than its carrying amount. Accordingly, HK$466,553,000 of impairment loss on interest in the associate recognised in previous year was reversed in the profit or loss in the year ended 31 December 2009. The fair value of MGX referred to its market closing price at 31 December 2009.

(2) Prior to 3 December 2009, the Group acquired equity interest in MLX through various subsidiaries for trading purpose. The equity interest in MLX was accounted for as trading securities. On 3 December 2009, the Group, accepted a placement of 178,000,000 shares through a subsidiary of the Group. The Group's interest in MLX was increased from 18.45% to 29.08%. Since then the Group has had power to participate in the financial and operating policy decisions of MLX, accordingly, MLX was treated as an associate of the Group in compliance with HKAS 28. On 3 December 2009, the carrying amount of the Group's previously held ownership interest of 18.45% were restated and adjusted below.

(a) Restated the previously held ownership interest to cost by reversing cumulative fair value changes of HK$442,409,000 as of 31 December 2008 from the accumulated losses and the fair value change between 1 January 2009 and 2 December 2009 from the profit or loss in the year ended 31 December 2009.

(b) Determined the amount of any goodwill associated with the previously held ownership interest based on the original cost and the fair value information at the respective original purchase dates.

(c) Accounted for the post-acquisition share of MLX's loss of HK$74,725,000 and other comprehensive income of HK$8,383,000 as of 31 December 2008 in the accumulated losses and the relevant reserves respectively. The Group's share of results and other comprehensive income of MLX from 1 January 2009 to 2 December 2009 were included in the profit or loss and other comprehensive income in the year ended 31 December 2009.

In addition, the Group performed impairment assessment of MLX at 31 December 2008 and no impairment loss noted.

16. INTERESTS IN ASSOCIATES *(Continued)*

Notes: (Continued)

During the year ended 31 December 2009, the Group performed impairment assessment with reference to the recoverable amount of all the interests in associates. The recoverable amount of MLX which represented the fair value less cost to sell was less than its carrying amount. An impairment loss of HK$304,024,000 was recognised in the profit or loss in the year ended 31 December 2009. The fair value of MLX was referred to as its market closing price at 31 December 2009.

There is no movement of shareholding in MLX in current period.

During the current period ended 30 June 2011, the recoverable amount of MLX which represented the fair value less cost to sell was higher than its carrying amount. An impairment loss of HK$304,024,000 recognised in prior year was reversed in profit or loss. The fair value of MLX referred to its market closing price at 30 June 2011.

Summarised financial information of associates is set out below:

	30.6.2011 HK$'000	31.12.2009 HK$'000
Total assets	**15,390,069**	9,810,170
Total liabilities	**3,355,879**	2,601,791
Net assets	**12,034,190**	7,208,379
Group's share of net assets of associates	**3,154,622**	1,966,770

	1.1.2010 to 30.6.2011 HK$'000	1.1.2009 to 31.12.2009 HK$'000
Revenue	**12,056,928**	5,096,187
Profit of the period/year	**3,165,318**	477,200
Group's share of results of associates	**870,007**	118,028
Other comprehensive income	**(167,382)**	533,931
Group's share of other comprehensive income of associates	**(50,673)**	144,692

17. AVAILABLE-FOR-SALE INVESTMENTS

	30.6.2011 HK$'000	31.12.2009 HK$'000
Listed investments:		
– Equity securities listed in Hong Kong	**14,309**	23,816
– Equity securities listed in Australia	**33,112**	72,560
	47,421	96,376
Unlisted investments:		
– Unlisted equity securities	**5,106**	–
	52,527	96,376

The above unlisted equity investments represent investments in unlisted equity securities issued by two private entities incorporated in United Kingdom and British Virgin Islands. They are measured at cost less impairment at the end of the reporting period because of the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that fair values cannot be measured reliably.

18. TRADE AND OTHER RECEIVABLES AND LOAN RECEIVABLE

	30.6.2011 HK$'000	31.12.2009 HK$'000
Trade receivables	**1,828**	48,660
Interest receivables	**–**	5,685
Loan receivable	**42,296**	–
Other deposits and prepayment	**10,517**	5,070
	54,641	59,415

The Group allows an average credit period of 90 days to its trade customers. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management.

18. TRADE AND OTHER RECEIVABLES AND LOAN RECEIVABLE *(Continued)*

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

	30.6.2011 HK$'000	31.12.2009 HK$'000
0 to 90 days	**1,828**	48,660

The trade receivables disclosed above are neither past due nor impaired at the end of the reporting period.

During the period ended 30 June 2011, the Group has paid a lump sum of HK$42,296,000 in form of shareholder's loan to an unlisted company ("**Borrower**"), which is one of its available-for-sale investments. The loan receivable has no fixed repayment term and is expected to be repaid within the twelve months from the end of the reporting period and interest bearing. Taking into consideration of the financial information of the Borrower, the management is of the view that the loan is recoverable and no impairment loss is recognised.

19. INVESTMENTS HELD FOR TRADING

	30.6.2011 HK$'000	31.12.2009 HK$'000
Listed securities:		
– Equity securities listed in Hong Kong	**–**	7,839
– Equity securities listed in United Kingdom	**1,082,368**	–
– Equity securities listed in United States of America	**4,967**	–
– Equity securities listed in Australia	**260,167**	64,060
– Equity securities listed in Canada	**93,444**	–
	1,440,946	71,899

As at 30 June 2011, particulars of the Group's investments included in investments held for trading which exceed 10% of the assets of the Group disclosed pursuant to Section 129(2) of the Hong Kong Companies Ordinance are as follows:

Name of company	Place of incorporation	Class of shares	Number of shares held by the Group	Percentage of issued share capital held by the Group
Kalahari Minerals plc	United Kingdom	Ordinary	36,296,059	14.79%

20. PLEDGED BANK DEPOSITS AND BANK BALANCES AND CASH

Cash at banks earns interest at floating rates based on daily bank deposit rates, range from 0.05% to 4.92% (2009: 0.01% to 3.85%) per annum. Short term deposits during the period are made for varying periods of between one day and one month depending on the immediate cash requirements of the Group, and earn interest at respective short term time deposits rates.

Pledged bank deposits represent deposits pledged to banks to secure the Group's securities margin loans, carried interest rate with a range from 0.11% to 3.25% (2009: 0.02% to 0.08%) per annum.

21. TRADE AND OTHER PAYABLES

	30.6.2011 **HK$'000**	31.12.2009 HK$'000
Trade payables	**4,144**	6,716
Other payables	**2,629**	3,304
	6,773	10,020

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

	30.6.2011 **HK$'000**	31.12.2009 HK$'000
0 to 90 days	**4,144**	6,716

22. BORROWINGS

The following table provides an analyses of the borrowings:

	30.6.2011 **HK$'000**	31.12.2009 HK$'000
Secured bank loan	**242,500**	–
Secured margin loans	**447,030**	–
	689,530	–
Carrying amount repayable:		
On demand or within one year	**689,530**	–

22. BORROWINGS *(Continued)*

(a) Secured bank loan

The term loan is denominated in HKD with interest bearing and will be matured in June 2012.

(b) Securities margin loans

This represents securities margin financing received from stock broking, futures and options broking house and were secured by certain collateral of the Group as disclosed in note 28. Additional funds or collateral are required if the balance of the borrowings exceeds the eligible margin value of securities pledged to the broking house. The collateral can be sold at the broking house's discretion to settle any outstanding borrowings owed by the Group. The loans are repayable on demand and interest bearing.

23. SHARE CAPITAL

Authorised and issued share capital

	30.6.2011		31.12.2009	
	Number of shares	**Amount HK$'000**	Number of shares	Amount HK$'000
Ordinary shares of HK$0.10 each				
Authorised	**20,000,000,000**	**2,000,000**	8,000,000,000	800,000
Issued and fully paid:				
At beginning of the period/year	**5,690,343,455**	**569,034**	4,728,659,055	472,866
Issue of shares upon placement (a)	**1,100,000,000**	**110,000**	900,000,000	90,000
Issue of shares upon exercise of warrants (b)	**131,784,535**	**13,179**	61,684,400	6,168
Shares repurchased and cancelled (c)	**(58,840,000)**	**(5,884)**	–	–
At end of the reporting period	**6,863,287,990**	**686,329**	5,690,343,455	569,034

(a) For reduction of borrowings and for general working capital of the Group, on 12 March 2010, the Company and the placing agent entered into a placing arrangement to place a total of 1,100,000,000 shares to independent investors at a price of HK$0.5 per placing share. The new shares rank pari passu with the existing shares in all respects.

23. SHARE CAPITAL *(Continued)*

Authorised and issued share capital *(Continued)*

(b) On 5 February 2007, the Company issued a total of 251,800,000 bonus warrants (the "**Warrants**"), as a result of the completion of rights issue on 1 February 2007, with an aggregate subscription amount of HK$75,540,000. Each of the Warrants entitled the warrant-holder to subscribe for one ordinary share of the Company of HK$0.10 each at the initial subscription price of HK$0.30.

During the eighteen months period ended 30 June 2011, 131,784,535 Warrants were exercised for 131,784,535 ordinary shares (year ended 31 December 2009: 61,684,400 Warrants were exercised for 61,684,400 ordinary shares) at a price of HK$0.30 each. The rights attaching to the outstanding 309,515 Warrants expired on 4 February 2010.

(c) Repurchase of shares

During the period ended 30 June 2011, the Company repurchased its own shares through the Stock Exchange for cancellation as follows:

Month of repurchase and cancellation	Number of ordinary shares of HK$0.10 each	Price per share Highest	Price per share Lowest	Aggregate amount paid
		HK$	HK$	HK$'000
November 2010	9,840,000	0.530	0.480	5,023
December 2010	1,720,000	0.495	0.490	854
April 2011	30,500,000	0.490	0.465	14,645
May 2011	9,280,000	0.450	0.435	4,128
June 2011	7,500,000	0.415	0.390	3,085
	58,840,000			27,735

The repurchased shares were cancelled during the period and the issued share capital of the Company was reduced by the nominal value thereof. The premium payable on repurchase of the shares of HK$21,851,000 (year ended 31 December 2009: nil) has been charged to the share premium account. An amount equivalent to the nominal value of the shares cancelled has been transferred from the accumulated profits to the capital redemption reserve.

The repurchase of the Company's shares during the period were effected by the directors of the Company, pursuant to the mandate from shareholders, with a view to benefiting shareholders as a whole by enhancing the net asset value per share and earnings per share of the Group.

24. RESERVES

(a) Special reserve

The special reserve represents the difference between the nominal value of aggregate share capital of the subsidiaries acquired and the nominal value of the share capital of the Company issued for the acquisition at the time of a group reorganisation in 1998.

(b) Investment revaluation reserve

	1.1.2010 to 30.6.2011 HK$'000	1.1.2009 to 31.12.2009 HK$'000
At beginning of period/year	**122,108**	(56,925)
Share of other comprehensive income of associates	**(50,673)**	144,692
Change in equity of associate on previously held interest	**–**	3,221
Reclassification adjustment of cumulative gain upon partial disposal of investment in an associate	**(13,587)**	–
Fair value change of available-for-sale investments	**(48,858)**	2,946
Impairment loss on available-for-sale investments	**17,738**	28,174
At ending of period/year	**26,728**	122,108

(c) Exchange reserve

	1.1.2010 to 30.6.2011 HK$'000	1.1.2009 to 31.12.2009 HK$'000
At beginning of period/year	**232,630**	(64,586)
Exchange difference arising from translation of associates	**456,388**	306,501
Exchange difference arising from translation of other foreign operations	**15,115**	2,319
Change in equity of associates on previously held interest	**–**	(11,604)
Reclassification adjustment of cumulative gain upon partial disposal of investment in an associate	**(11,088)**	–
At ending of period/year	**693,045**	232,630

25. SHARE OPTIONS SCHEME

The Company has a share option scheme (the "**Scheme**") which was adopted on 22 September 2004 ("**Adoption Date**") whereby the board of directors of the Company may grant options to eligible persons, including directors of the Company and its subsidiaries, as incentives to directors and eligible employees to subscribe for shares in the Company. The Scheme will expire on 21 September 2014.

Options granted must be taken up within 28 days of the date of grant, upon payment of HK$1 per grant. Options may be exercised in accordance with the terms of the Scheme at any time during the option period and not more than ten years after the Adoption Date. The option period will be determined by the board of directors and communicated to each grantee. The exercise price is determined by the board of directors, and will not be less than the highest of the closing price of the Company's shares on the date of grant, the nominal value of the Company's shares and the average closing price of the shares for the five business days immediately preceding the date of grant.

The total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme must not exceed 30% of the shares in issue from time to time. The number of shares in respect of which options may be granted to any individual in any 12-month period up to the date of grant is not permitted to exceed 1% of the shares of the Company in issue at the date of grant without approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's share capital or with a value in excess of HK$5 million must be approved by the Company's shareholders in general meeting taken on a poll.

25. SHARE OPTIONS SCHEME *(Continued)*

No share option was exercised under the Scheme during the eighteen months ended 30 June 2011. Details of the share options outstanding as at 30 June 2011 under the Scheme are as follows:

Grantee	Date of grant	Exercise period	Exercise price per share HK$	Outstanding as at 1 January 2010	Number of share options lapsed during the period	Number of share options granted during the period	Outstanding as at 30 June 2011	Closing price immediate before date of grant HK$	*Note*
Directors									
Ms. Chong Sok Un	15 August 2007	15 August 2007 to 5 July 2010	1.50	110,000,000	(110,000,000)	–	–	–	*(b)(v)*
	29 June 2010	7 July 2010 to 6 July 2013	1.00	–	–	52,500,000	52,500,000	0.55	*(a)(i)(1)*
	29 June 2010	7 July 2011 to 6 July 2013	1.00	–	–	52,500,000	52,500,000	0.55	*(a)(i)(2)*
	29 June 2010	7 July 2012 to 6 July 2013	1.00	–	–	45,000,000	45,000,000	0.55	*(a)(i)(3)*
Mr. Andrew Ferguson	29 June 2010	7 July 2010 to 6 July 2013	1.00	–	–	87,500,000	87,500,000	0.55	*(a)(i)(1)*
	29 June 2010	7 July 2011 to 6 July 2013	1.00	–	–	87,500,000	87,500,000	0.55	*(a)(i)(2)*
	29 June 2010	7 July 2012 to 6 July 2013	1.00	–	–	75,000,000	75,000,000	0.55	*(a)(i)(3)*
Mr. Kong Muk Yin	4 May 2010	7 July 2010 to 6 July 2013	1.00	–	–	10,000,000	10,000,000	0.71	*(a)(i)(1)*
	4 May 2010	7 July 2011 to 6 July 2013	1.00	–	–	5,000,000	5,000,000	0.71	*(a)(i)(2)*
	4 May 2010	7 July 2012 to 6 July 2013	1.00	–	–	5,000,000	5,000,000	0.71	*(a)(i)(3)*
Mr. Yue Jialin	4 May 2010	7 July 2010 to 6 July 2013	1.00	–	–	2,000,000	2,000,000	0.71	*(a)(ii)*
Mr. So Kwok Hoo	4 May 2010	7 July 2010 to 6 July 2013	1.00	–	–	2,000,000	2,000,000	0.71	*(a)(ii)*
Mr. Liu Yongshun	27 July 2007	27 July 2007 to 28 May 2010	1.20	150,000,000	(150,000,000)	–	–	–	*(b)(iv)*
	4 May 2010	7 July 2010 to 6 July 2013	1.00	–	–	2,000,000	2,000,000	0.71	*(a)(ii)*
Mr. Peter Anthony Curry	4 May 2010	7 July 2010 to 6 July 2013	1.00	–	–	21,000,000	21,000,000	0.71	*(a)(i)(1)*
	4 May 2010	7 July 2011 to 6 July 2013	1.00	–	–	21,000,000	21,000,000	0.71	*(a)(i)(2)*
	4 May 2010	7 July 2012 to 6 July 2013	1.00	–	–	18,000,000	18,000,000	0.71	*(a)(i)(3)*
Dr, Wong Wing Kuen, Albert	6 July 2007	6 July 2007 to 5 July 2010	1.50	3,000,000	(3,000,000)	–	–	–	*(b)(i)*
	4 May 2010	7 July 2010 to 6 July 2013	1.00	–	–	2,000,000	2,000,000	0.71	*(a)(ii)*
Mr. Chang Chu Fai, Johson Francis	6 July 2007	6 July 2007 to 5 July 2010	1.50	2,000,000	(2,000,000)	–	–	–	*(b)(i)*
	4 May 2010	7 July 2010 to 6 July 2013	1.00	–	–	2,000,000	2,000,000	0.71	*(a)(ii)*
Mr. Robert Moyse Willcocks	4 May 2010	7 July 2010 to 6 July 2013	1.00	–	–	2,000,000	2,000,000	0.71	*(a)(ii)*
Others									
Employees	6 July 2007	6 July 2007 to 5 July 2010	1.50	1,000,000	(1,000,000)	–	–	–	*(b)(i)*
Employees	29 May 2007	29 May 2007 to 28 May 2010	1.20	33,000,000	(33,000,000)	–	–	–	*(b)(i)*
	4 May 2010	7 July 2010 to 6 July 2013	1.00	–	–	9,000,000	9,000,000	0.71	*(a)(i)(1)*
	4 May 2010	7 July 2011 to 6 July 2013	1.00	–	–	9,000,000	9,000,000	0.71	*(a)(i)(2)*
	4 May 2010	7 July 2012 to 6 July 2013	1.00	–	–	7,000,000	7,000,000	0.71	*(a)(i)(3)*
Employees	28 February 2011	28 February 2011 to 6 July 2013	1.00	–	–	8,500,000	8,500,000	0.50	*(a)(i)(4)*
	28 February 2011	7 July 2011 to 6 July 2013	1.00	–	–	8,500,000	8,500,000	0.50	*(a)(i)(2)*
	28 February 2011	7 July 2012 to 6 July 2013	1.00	–	–	8,000,000	8,000,000	0.50	*(a)(i)(3)*
Consultant	6 July 2007	6 July 2007 to 5 July 2010	1.50	10,000,000	(10,000,000)	–	–	–	*(b)(i)*
Consultant	3 October 2007	3 October 2007 to 2 October 2010	1.40	25,000,000	(25,000,000)	–	–	–	*(b)(i)*
Consultant	4 May 2010	7 July 2010 to 6 July 2013	1.00	–	–	20,000,000	20,000,000	0.71	*(a)(i)(1)*
	4 May 2010	7 July 2011 to 6 July 2013	1.00	–	–	20,000,000	20,000,000	0.71	*(a)(i)(2)*
	4 May 2010	7 July 2012 to 6 July 2013	1.00	–	–	10,000,000	10,000,000	0.71	*(a)(i)(3)*
				334,000,000	(334,000,000)	592,000,000	592,000,000		
Weighted average exercise price				HK$1.33	HK$1.33	HK$1.00	HK$1.00		

25. SHARE OPTIONS SCHEME *(Continued)*

No share option was exercised under the Scheme during the twelve months ended 31 December 2009. Details of the share options outstanding as at 31 December 2009 under the Scheme are as follows:

Grantee	Date of grant	Exercise period	Exercise price per share HK$	Outstanding as at 1 January 2009	Number of share options forfeited during the year	Number of share options granted during the year	Outstanding as at 31 December 2009	Closing price immediate before date of grant HK$	*Note*
Directors									
Ms. Chong Sok Un	15 August 2007	15 August 2007 to 5 July 2010	1.50	110,000,000	–	–	110,000,000	1.02	*(h)(i)*
Mr. Cao Zhong	29 May 2007	29 May 2007 to 28 May 2010	1.20	33,000,000	(33,000,000)	–	–	–	*(b)(ii), (g)(i)*
	15 August 2007	15 August 2007 to 5 July 2010	1.50	100,000,000	(100,000,000)	–	–	–	*(b)(ii)*
Mr. Liu Yongshun	27 July 2007	27 July 2007 to 28 May 2010	1.20	150,000,000	–	–	150,000,000	1.45	*(h)(ii)*
Mr. Zhou Luyong	29 May 2007	29 May 2007 to 28 May 2010	1.20	33,000,000	–	–	33,000,000	1.09	*(b)(ii), (g)(ii)*
Mr. Chen Zhaoqiang	6 July 2007	6 July 2007 to 5 July 2010	1.50	33,000,000	(33,000,000)	–	–	–	*(b)(ii), (g)(ii)*
Dr, Wong Wing Kuen, Albert	6 July 2007	6 July 2007 to 5 July 2010	1.50	3,000,000	–	–	3,000,000	1.47	*(g)(iii)*
Mr. Chang Chu Fai, Johson Francis	6 July 2007	6 July 2007 to 5 July 2010	1.50	2,000,000	–	–	2,000,000	1.47	*(g)(iii)*
Others									
Employees	6 July 2007	6 July 2007 to 5 July 2010	1.50	1,000,000	–	–	1,000,000	1.47	*(g)(iii)*
Consultant	6 July 2007	6 July 2007 to 5 July 2010	1.50	10,000,000	–	–	10,000,000	1.47	*(b)(iii), (g)(iii)*
Consultant	3 October 2007	3 October 2007 to 2 October 2010	1.40	25,000,000	–	–	25,000,000	1.22	*(h)(iii)*
				500,000,000	(166,000,000)	–	334,000,000		
Weighted average exercise price				HK$1.37	HK$1.44	–	HK$1.33		

Notes:

(a) The relevant options are exercisable subject to the grantees remain as employees of the Group and the following market conditions:

(i) The options granted to these grantees:

(1) Exercisable only if the closing price of the shares has reached HK$1.20 or above per share at any time between 7 July 2010 and 6 July 2011 (both dates inclusive) and will lapse if the share price does not hit HK$1.20 or above during such period. As the market price of the Company's share did not reach the required level during the exercisable period, these share options became lapsed on 6 July 2011. The options are estimated to be vested at 31 December 2010.

25. SHARE OPTIONS SCHEME *(Continued)*

Notes: (Continued)

(2) Exercisable only if the closing price of the shares has reached HK$1.60 or above per share at any time between 7 July 2011 and 6 July 2012 (both dates inclusive) and will lapse if the share price does not hit HK$1.60 or above during such period, or not exercise by 6 July 2012. The options are estimated to be vested at 31 December 2011.

(3) Exercisable only if the closing price of the shares has reached HK$2.00 or above per share at any time between 7 July 2012 and 6 July 2013 (both dates inclusive) and will lapse if the share price does not hit HK$2.00 or above during such period, or not exercise by 6 July 2013. The options are estimated to be vested at 31 December 2012.

(4) Exercisable only if the closing price of the shares has reached HK$1.20 or above per share at any time between 28 February 2011 and 6 July 2011 (both dates inclusive) and will lapse if the share price does not hit HK$1.20 or above during such period. As the market price of the Company's share did not reach the required level during the exercisable period, these share options became lapsed on 6 July 2011. The options are estimated to be vested at 30 June 2011.

(ii) The options granted to these grantees were exercisable only if the closing price of the shares has reached HK$1.20 or above per share at any time between 7 July 2010 and 6 July 2013 (both dates inclusive) and will lapse if the share price does not hit HK$1.20 or above during such period, or not exercise by 6 July 2013. The options are estimated to be vested at 31 December 2011.

(b) (i) These share options became lapsed in 2010.

(ii) With the cessation of the directorship, share options granted to Mr. Cao Zhong and Mr. Chen Zhaoqiang were forfeited on 31 December 2009. For Mr. Zhou Luyong, his directorship ceased on 20 October 2009 and he was re-designated as deputy general manager of a PRC subsidiary of the Company, therefore, the respective share options granted remained.

(iii) The consultant became an employee of the Group from 1 October 2010.

(iv) The options lapsed on 28 May 2010.

(v) The options lapsed on 5 July 2010.

(c) The options granted during the current period are measured using Trinominal Pricing Model. The inputs into the model are summarised as follows:

Date of grant	**4 May 2010**	**29 June 2010**	**28 February 2011**
Expected volatility	78.87%	77.28%	66.60%
Risk-free interest rate	1.34%	1.14%	0.85%
Expected annual dividend yield	Nil	Nil	Nil
Barrier/Knock price (HK$)	1.2, 1.6 or 2.0	1.2, 1.6 or 2.0	1.2, 1.6 or 2.0
Average fair value per option (HK$)	0.24 to 0.29	0.12 to 0.18	0.01 to 0.09

(d) Expected volatility was determined by using the historical volatility of the Company's share price over the previous three years.

(e) The risk free rate is being yield of 3-year Exchange Fund Note at the date of grant.

25. SHARE OPTIONS SCHEME *(Continued)*

Notes: (Continued)

(f) The Group recognised total expenses of approximately HK$61,530,000 for the eighteen months ended 30 June 2011 (year ended 31 December 2009: HK$14,783,000) in relation to share options granted. Besides, the Group transferred the previously recognised expenses from share option reserve of approximately HK$193,918,000 (year ended 31 December 2009: HK$83,492,000) to accumulated profits for the 334,000,000 share options being lapsed during the eighteen months ended 30 June 2011 (year ended 31 December 2009: 166,000,000 share options being forfeited).

(g) The relevant options are exercisable subject to grantees remain as employees of the Group and the following market conditions:

(i) 33,000,000 options granted to Mr. Cao Zhong on 29 May 2007 were exercisable when the price of shares has reached HK$1.50 or above per share and will lapse if the share price does not hit HK$1.50 or above during such exercisable period

(ii) The options granted to Mr. Zhou Luyong and Mr. Chen Zhaoqiang on 29 May 2007 and 6 July 2007 respectively were exercisable as follows:

– 22,000,000 options granted are exercisable only if the closing price of the share was reached HK$1.50 at any time on or after the respective date of grant upto and including the respective date of maturity and will lapse if the closing price of the shares does not hit HK$1.50 or above during such period

– 22,000,000 options granted are exercisable only if the closing price of the share was reached HK$2.00 after one year from the respective grant date up to and including the respective date of maturity and will lapse if the closing price of the shares does not hit HK$2.00 or above during such period

– 22,000,000 options granted are exercisable only if the closing price of the share was reached HK$2.50 after two years from the respective grant date up to and including the respective date of maturity and will lapse if the closing price of the shares does not hit HK$2.50 or above during such period

(iii) The options granted to grantees were exercisable only if the closing price of the shares has reached HK$1.50 or above per share at any time between 6 July 2007 to 5 July 2010 (both date inclusive) and will lapse if the share price does not hit HK$1.50 or above during such period.

(h) The relevant options are exercisable subject to grantees remain as employees of the Group and the following market conditions:

(i) 110,000,000 options were granted on 15 August 2007 conditional upon approval at special general meeting which was eventually obtained on 15 August 2007. The closing price of the Company on the last trading day before 15 August 2007 was HK$1.02.

(ii) 150,000,000 options were granted on 27 July 2007 conditional upon approval at special general meeting which was eventually obtained on 27 July 2007. The closing price of the Company on the last trading day before 27 July 2007 was HK$1.45.

(iii) 25,000,000 options were granted on 3 October 2007. The closing price of the Company on the last trading day before 3 October 2007 was HK$1.22.

No share options were exercisable at the end of the reporting period.

26. COMMITMENTS

Operating lease - The Group as lessee

	1.1.2010 to 30.6.2011 HK$'000	1.1.2009 to 31.12.2009 HK$'000
Minimum lease payments under operating leases in respect of rented premises during the period/year	**3,980**	2,985

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

	30.6.2011 HK$'000	31.12.2009 HK$'000
Within one year	**1,434**	1,885
After one year but within five years	**12**	1,006
	1,446	2,891

Operating lease payments represent rental payable by the Group for its office premises, car parking space, director's quarters and a photocopying machine. Leases are negotiated for the terms of between six months to five years.

Capital Commitments

The Group had capital commitments in respect of the acquisition of property, plant and equipment as follows:

	30.6.2011 HK$'000	31.12.2009 HK$'000
Contracted but not provided for	**–**	1,024

Apart from the above, the Group did not have any significant commitments as at the end of the reporting period.

27. MATERIAL RELATED PARTY TRANSACTIONS

(a) During the period/year, the Group entered into the following material related party transactions.

	1.1.2010 to 30.6.2011 HK$'000	1.1.2009 to 31.12.2009 HK$'000
Purchase from Mount Gibson Mining Limited and Koolan Island Ore Pty Limited *(note)*	**829,865**	197,377

Notes: Both companies are subsidiaries of MGX.

(b) Compensation of key management personnel

Remuneration for key management personnel, including amounts paid to the Company's directors and the highest paid employees as disclosed in note 12, is as follows:

	1.1.2010 to 30.6.2011 HK$'000	1.1.2009 to 31.12.2009 HK$'000
Short-term employee benefits	**11,437**	7,746
Post-employment benefits	**36**	36
Share option benefits	**49,224**	14,783
	60,697	22,565

28. PLEDGED OF ASSETS

At the end of reporting period, the following assets of the Group were pledged to banks and securities brokers to secure credit facilities.

	30.06.2011 HK'000	31.12.2009 HK'000
Investments in associates	**2,711,173**	1,857,107
Available-for-sale investments	**33,112**	72,559
Pledged bank deposits	**339,158**	89,324
	3,083,443	2,018,990

29. RETIREMENT BENEFITS SCHEME

The Group operates a Mandatory Provident Fund scheme for all qualifying employees of its Hong Kong incorporated subsidiaries. The assets of the scheme are held separately from those of the Group in funds under the control of trustees. The Group contributed 5% of the relevant payroll costs to the scheme. The Group's contributions to each employee are subject to a cap of monthly relevant payroll cost of HK$20,000.

The total cost charged to the consolidated income statement of HK$316,000 (year ended 31 December 2009: HK$181,000) represents contributions payable to the scheme by the Group at rates specified in the rules of the scheme.

In addition, the Group's contribution to local municipal government retirement scheme in the PRC are expensed as fall due at the rates specified in the rules of the schemes while the local municipal government in the PRC undertakes to assume the retirement benefit obligations of all existing and future retirees of the qualified staff in the PRC.

30. FINANCIAL INSTRUMENTS

Categories of financial instruments

	30.6.2011 **HK$'000**	31.12.2009 HK$'000
Financial assets		
Investments held for trading	**1,440,946**	71,899
Available-for-sale investments	**52,527**	96,376
Loans and receivables (including cash and cash equivalents)	**767,371**	461,872
	2,260,844	630,147
Financial liabilities		
Amortised cost	**695,470**	9,126

Financial risk management objectives

The Group's major financial instruments include trade and other receivables and loan receivable, pledged bank deposits, bank balances and cash, trade and other payables, borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

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

30. FINANCIAL INSTRUMENTS *(Continued)*

Foreign currency risk

The Group has foreign currency sales and purchases, which expose the Group to foreign currency risk. The Group has trading activities denominated in United States Dollars ("**USD**") and with pledged bank deposits of USD10 million to secure trade finance facilities. As HK$ is pegged to USD, the Group does not expect any significant movements in the HK$/USD exchange rate.

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period mainly included bank balances, trade receivables, trade and other payables are as follows:

	Assets		Liabilities	
	30.6.2011	31.12.2009	**30.6.2011**	31.12.2009
	HK$'000	HK$'000	**HK$'000**	HK$'000
USD	**121,777**	183,255	**4,260**	6,923

No foreign currency sensitivity is disclosed as in the opinion of the directors of the Company, the foreign currency sensitivity does not give additional value in view of insignificant movement in the USD/HK$ exchange rates and insignificant exposure of other foreign currencies as at the end of the reporting period.

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate borrowings and bank deposits (see note 20 for details of bank balances and note 22 for details of borrowings). The Group currently does not have any interest rate hedging policy. The directors of the Company monitor the interest rate exposure and will consider other necessary actions when significant interest rate exposure is anticipated.

No interest rate sensitivity is disclosed as in the opinion of the directors of the Company, the interest rate sensitivity does not give additional value in view of insignificant exposure of interest bearing bank balances and borrowings as at the end of the reporting period.

The Group's exposure to interest rates on financial liabilities is detailed in the liquidity risk management section of this note.

30. FINANCIAL INSTRUMENTS *(Continued)*

Price risk

The Group is exposed to equity price risk through its investments in listed equity securities. The management manages this exposure by maintaining a portfolio of investments with different risk and return profiles.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risk at the end of the reporting period. For sensitivity analysis purpose, the sensitivity rate is increased to 30% in the current period as a result of the volatile financial market.

If equity price had been 30% higher/lower (2009: 10% higher/lower):

- post-tax profit for the eighteen months ended 30 June 2011 would increase/decrease by HK$360,957,000 (year ended 31 December 2009: would decrease/increase by HK$6,004,000). This is mainly due to the changes in fair value of trading securities; and

- investment revaluation reserve would increase by/impairment loss would charge to profit or loss amounting to HK$13,158,000 (year ended 31 December 2009: investment revaluation reserve would increase by/impairment loss would charge to profit or loss amounting to HK$8,047,000) as a result of the changes in fair value of available-for-sale investments.

Credit risk

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management reviews that recoverable amount of each individual debtor at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. The creditworthiness of these debtors is considered by reviewing their financial strength prior to finalisation of any contract and transaction. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit rating assigned by international credit-rating agencies.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. At the end of the reporting period, the Group has a certain level of concentrations of credit risk as 3% (31.12.2009: 3%) and 100% (31.12.2009: 100%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 18.

30. FINANCIAL INSTRUMENTS *(Continued)*

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

As at 30 June 2011, the Group has available unutilised trade finance facilities and margin facilities of approximately HK$461,512,000 (31.12.2009: HK$478,000,000) and HK$105,970,000 (31.12.2009: HK$483,000,000) respectively.

Liquidity tables

The following tables details the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Such non-derivative financial liabilities outstanding at the end of the reporting period are considered as if outstanding for whole period. The table includes both interest and principal cash flows.

As at 30 June 2011

	Weighted average interest rate %	Within one year or on demand HK$'000	Total contractual undiscounted cash flow HK$'000	Carrying amount HK$'000
Non-derivative financial liabilities				
Borrowings	7.04	738,053	738,053	689,530
Trade and other payables	–	5,940	5,940	5,940
		743,993	743,993	695,470

30. FINANCIAL INSTRUMENTS *(Continued)*

Liquidity risk *(Continued)*

Liquidity tables (Continued)

As at 31 December 2009

	Weighted average interest rate %	Within one year or on demand HK$'000	Total contractual undiscounted cash flow HK$'000	Carrying amount HK$'000
Non-derivative financial liabilities				
Trade and other payables	–	9,126	9,126	9,126

The amounts included above for variable interest rate instruments for non-derivative financial liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

Fair value of financial instruments

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

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

- the fair value of other financial assets and liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors of the Company consider that the carrying amounts of the Group's other financial asset and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

30. FINANCIAL INSTRUMENTS *(Continued)*

Fair value hierarchy of financial instruments

HKFRS 7 requires disclosure of financial instruments that are measured at fair value by level of the following fair value measurement hierarchy.

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 - inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs).

The following table presents the financial instruments that are measured at fair value as at the end of the reporting period.

As at 30 June 2011

	Level 1 HK$'000	Total HK$'000
Investments held for trading	1,440,946	1,440,946
Available-for-sale investments	47,421	47,421
	1,488,367	1,488,367

As at 31 December 2009

	Level 1 HK$'000	Total HK$'000
Investments held for trading	71,899	71,899
Available-for-sale investments	96,376	96,376
	168,275	168,275

31. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Name of company	Place of incorporation/ establishment and operation	Particulars of issued and paid up capital	As at 30.6.2011 and 31.12.2009 Proportion of ownership interest Group's effective interest	Held by the company	Held by the subsidiary	Principal activities
APAC Resources Capital Limited (formerly known as Net Success Investments Limited)	British Virgin Islands	US$1 ordinary share	100%	100%	–	Investment holding
APAC Resources Management Limited (formerly known as Sky Joy Management Limited)	Hong Kong	HK$1 ordinary share	100%	100%	–	Provision of management services
APAC Resources Investments Limited	British Virgin Islands	US$1 ordinary share	100%	100%	–	Investment holding
APAC Resources Strategic Holdings Limited	British Virgin Islands	US$1 ordinary share	100%	100%	–	Investment holding
Asia Cheer Trading Limited	Hong Kong	HK$1 ordinary share	100%	100%	–	Investment holding
First Landmark Limited	British Virgin Islands	US$1 ordinary share	100%	100%	–	Investment holding
Fortune Desire Investments Limited	British Virgin Islands	US$1 ordinary share	100%	100%	–	Investment holding
Mount Sun Investments Limited	British Virgin Islands	US$1 ordinary shares	100%	100%	–	Investment holding
Sino Chance Trading Limited	Hong Kong	HK$1 ordinary share	100%	100%	–	Trading in base metals
Super Grand Investments Limited	British Virgin Islands	US$1 ordinary shares	100%	100%	–	Investment holding
亞太資源(青島)有限公司 *(note 1)*	PRC	US$29,800,000	100%	–	100%	Trading of mineral resources
瑞域(上海)投資諮詢有限公司 *(note 1)*	PRC	US$3,600,000	100%	100%	–	Provision of consultancy service in corporate management, metallurgy technology, investment and development in mineral resources

Notes:

(1) 亞太資源(青島)有限公司 and 瑞域(上海)投資諮詢有限公司 are wholly-owned foreign investment enterprises registered in the PRC.

(2) The above list contains only the particular of subsidiaries which principally affected the results, assets or liabilities of the Group.

Financial Summary

The results and the assets and liabilities of the Group for the past five financial period/years, as extracted from the Group's published consolidated financial statements are set out below:

RESULTS

	Eighteen months ended 30 June 2011	Year ended 31 December			
	2011	2009	2008	2007	2006
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**1,147,494**	301,420	298,613	24,751	19,920
Profit (loss) before taxation	**1,465,177**	394,379	(1,251,713)	345,313	25,220
Income tax expense	**(3,108)**	(21,776)	(616)	–	(238)
Profit (loss) for the period/year attributable to the owners of the Company	**1,462,069**	372,603	(1,252,329)	345,313	24,982

ASSETS AND LIABILITIES

	As at 30 June	As at 31 December			
	2011	2009	2008	2007	2006
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Total assets	**6,108,171**	2,993,792	1,483,698	4,749,348	279,373
Total liabilities	**(709,571)**	(31,778)	(212,437)	(11,052)	(149,397)
Equity attributable to the owners of the Company	**5,398,600**	2,962,014	1,271,261	4,738,296	129,976