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

(Incorporated in Hong Kong with limited liability)

Stock Code: 00021

INTERIM REPORT 2012

The Board of Directors (the "Board") of Waytung Global Group Limited (the "Company") announces the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2012 together with the selected explanatory notes and comparative information for the corresponding period in 2011 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2012

		Six months ended 30 June	
	Notes	**2012** ***HK$'000*** **(Unaudited)**	2011 *HK$'000* (Unaudited)
Turnover	*3*	**6,972**	7,737
Change in fair value of held for trading investments		**35**	(181)
Change in fair value of investment properties		**(2,108)**	(131)
Other operating income		**134**	58
Administrative and operating expenses		**(9,423)**	(9,389)
Loss before taxation	*5*	**(4,390)**	(1,906)
Taxation	*6*	**(183)**	(627)
Loss for the period		**(4,573)**	(2,533)
Attributable to:			
Owners of the Company		**(4,573)**	(2,533)
Non-controlling interests		**–**	–
		(4,573)	(2,533)
Loss per share – basic and diluted	*8*	**(0.39)cents**	(0.33)cents
Loss for the period		**(4,573)**	(2,533)
Other comprehensive income:			
Exchange differences arising on translation of foreign subsidiaries		**(2,156)**	4,047
Total comprehensive (loss) income for the period		**(6,729)**	1,514
Attributable to:			
Owners of the Company		**(6,729)**	1,514
Non-controlling interests		**–**	–
		(6,729)	1,514

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2012

	Notes	30 June 2012 HK$'000 (Unaudited)	31 December 2011 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment	9	2,771	3,369
Investment properties	10	105,773	104,280
Goodwill		–	–
Prepayment for acquisition of plant and equipment		650	656
Prepayment for investment properties under development		38,215	38,612
Prepayment for acquisition of subsidiaries	11	99,383	82,898
Prepaid lease payment		140	198
		246,932	230,013
Current assets			
Other receivables	12	11,199	5,209
Held for trading investments		703	668
Bank balances and cash		56,429	85,000
		68,331	90,877
Current liabilities			
Other payables, deposit received and accrued charges		21,936	20,867
Tax liabilities		760	50
		22,696	20,917
Net current assets		45,635	69,960
Total assets less current liabilities		292,567	299,973
Capital and reserves			
Share capital	13	463,827	463,827
Share premium and reserves		(185,510)	(178,781)
Total equity attributable to owners of the Company		278,317	285,046
Non-controlling interests		(1)	(1)
Total equity		278,316	285,045
Non-current liabilities			
Deferred tax liabilities		14,251	14,928
		292,567	299,973

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2012

	Share capital	Share premium	Translation reserve	Accumulated losses	Total	Non-controlling interests	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2011 (audited)	309,218	37,978	5,749	(206,964)	145,981	–	145,981
Exchange difference arising on translation of foreign subsidiaries	–	–	4,047	–	4,047	–	4,047
Loss for the period	–	–	–	(2,533)	(2,533)	–	(2,533)
Total comprehensive income (loss) for the period	–	–	4,047	(2,533)	1,514	–	1,514
At 30 June 2011 (unaudited)	309,218	37,978	9,796	(209,497)	147,495	–	147,495
At 1 January 2012 (audited)	463,827	35,767	15,607	(230,155)	285,046	(1)	285,045
Exchange difference arising on translation of foreign subsidiaries	–	–	(2,156)	–	(2,156)	–	(2,156)
Loss for the period	–	–	–	(4,573)	(4,573)	–	(4,573)
Total comprehensive loss for the period	–	–	(2,156)	(4,573)	(6,729)	–	(6,729)
At 30 June 2012 (unaudited)	463,827	35,767	13,451	(234,728)	278,317	(1)	278,316

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2012

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES		
Loss before taxation	**(4,390)**	(1,906)
Adjustments for:		
Interest income	**(7)**	(3)
Change in fair value of held for trading investments	**(35)**	181
Depreciation	**584**	485
Change in fair value of investment properties	**2,108**	131
Operating cash flows before movements in working capital	**(1,740)**	(1,112)
(Increase) decrease in other receivables	**(6,036)**	629
Increase in other payables, deposit received and accrued charges	**1,187**	1,685
Cash (used in) generated from operations	**(6,589)**	1,202
Interest received	**7**	3
Tax paid	**–**	(2,961)
NET CASH USED IN OPERATING ACTIVITIES	**(6,582)**	(1,756)
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	**–**	26
Purchase of property, plant and equipment	**(9)**	(163)
Payment for investment properties under development	**(4,661)**	(3,021)
Prepayment for purchase of plant and equipment	**–**	(107)
Prepayment for investment properties under development	**–**	(10,312)
Prepayment for acquisition of subsidiaries	**(17,337)**	(40,942)
NET CASH USED IN INVESTING ACTIVITIES	**(22,007)**	(54,519)
FINANCING ACTIVITIES		
Share application money received	**–**	7,548
Rights issue expenses	**–**	(2,342)
Advance from a director	**7,902**	32,292
Repayment to a director	**(7,902)**	–
NET CASH GENERATED FROM FINANCING ACTIVITIES	**–**	37,498
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(28,589)**	(18,777)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	**85,000**	28,573
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**18**	692
CASH AND CASH EQUIVALENTS AT 30 JUNE represented by cash at bank and in hand	**56,429**	10,488

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2012

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the requirements of Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The unaudited condensed consolidated financial statements for the six months ended 30 June 2012 have been prepared on the historical cost basis except for certain financial instruments and investment properties, which are measured at fair values.

A number of new and revised standards, amendments to standards and interpretations are effective for the financial year beginning on 1 January 2012. Except as described below, the same accounting policies, presentation and methods of computation have been followed in these condensed consolidated financial statements as were applied in the preparation of the Group's financial statements for the year ended 31 December 2011.

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 to standards and interpretations ("new and revised HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning on 1 January 2012.

HKFRS 1 (Amendment)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
HKFRS 7 (Amendments)	Disclosures – Transfer of Financial Assets
HKAS 12 (Amendment)	Deferred Tax – Recovery of Underlying Assets

The adoption of the new and revised HKFRSs has not had any material impact on the amounts reported in the financial statements of the Group and the Company for the current or prior accounting periods.

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

HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income[1]
HKAS 19 (Revised in 2011)	Employee Benefits[2]
HKAS 27 (Revised in 2011)	Separate Financial Statements[2]
HKAS 28 (Revised in 2011)	Investment in Associates and Joint Ventures[2]
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities[3]
HKFRS 1 (Amendments)	Government Loans[2]
HKFRS 7 (Amendments)	Offsetting Financial Assets and Financial Liabilities[2]
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[4]
HKFRS 9	Financial Instruments[4]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in other Entities: Transition Guidance[2]
HKFRS 13	Fair Value Measurement[2]
Amendments to HKFRSs	Annual improvement to HKFRSs 2009-2011 cycle[2]
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine[2]

(1) Effective for annual periods beginning on or after 1 July 2012.

(2) Effective for annual periods beginning on or after 1 January 2013.

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

(4) Effective for annual periods beginning on or after 1 January 2015.

The directors of the Company have commenced their assessments of the impact of the above new and revised HKFRSs, but it is not yet in a position to state whether these new and revised HKFRSs would have a material impact on the results and the financial position of the Group.

3. TURNOVER

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Rental income	**6,972**	7,737

4. SEGMENT INFORMATION

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

The accounting policies of the reportable segment are the same as the Group's accounting policies. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of segment profit/(loss). The segment profit/(loss) is measured consistently with the Group's profit/(loss) except that administrative and operating expenses, dividend income from held for trading investments, change in fair value of held for trading investments and directors' remuneration under the heading of unallocated other operating income and unallocated expenses are excluded from such measurement. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

For management purposes, the Group's reportable segment is as follows:–

Property development and investment:

Development of property or investment in property to generate rental income.

Segment revenue and results

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

Six months ended 30 June 2012

	Property Development and investment ***HK$'000*** **(Unaudited)**
Segment revenue	**6,972**
Segment profit	**74**
Unallocated other operating income	**167**
Unallocated expenses	**(4,631)**
Loss before taxation	**(4,390)**

Six months ended 30 June 2011

	Property Development and investment *HK$'000* (Unaudited)
Segment revenue	7,737
Segment profit	1,445
Unallocated other operating income	13
Unallocated expenses	(3,364)
Loss before taxation	(1,906)

Segment revenue represents revenue generated from external customers. There were no inter-segment sales in the current period. (Six months ended 30 June 2011: Nil (unaudited))

Segment assets and liabilities

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

Segment assets

	30 June 2012 ***HK$'000*** **(Unaudited)**	31 December 2011 *HK$'000* (Audited)
Property development and investment	**257,163**	233,942
Total segment assets	**257,163**	233,942
Unallocated assets	**58,100**	86,948
Consolidated assets	**315,263**	320,890

Segment liabilities

	30 June 2012 HK$'000 (Unaudited)	31 December 2011 HK$'000 (Audited)
Property development and investment	**18,018**	17,814
Total segment liabilities	**18,018**	17,814
Unallocated liabilities	**18,929**	18,031
Consolidated liabilities	**36,947**	35,845

For the purposes of monitoring segment performance and allocating resources to segment:

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

5. LOSS BEFORE TAXATION

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

	Six months ended 30 June	
	2012 HK$'000 (Unaudited)	2011 HK$'000 (Unaudited)
Directors' remuneration	**578**	570
Other staff costs	**1,614**	3,198
Retirement benefit scheme contributions (excluding directors' remuneration)	**166**	236
Total staff costs	**2,358**	4,004
Auditor's remuneration	**221**	216
Depreciation of property, plant and equipment	**584**	485
Minimum lease rentals in respect of rented premises	**1,255**	1,131
Net foreign exchange (gain) loss	**(115)**	97
Dividend income from held for trading investments	**(12)**	(11)
Interest income	**(7)**	(3)
Gross rental income from investment properties	**(6,972)**	(7,737)
Direct operating expenses from investment properties that generated rental income during the period	**720**	1,538
	(6,252)	(6,199)

6. TAXATION

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current tax		
Hong Kong Profits Tax		
– Provision for the period	**710**	660
Deferred tax	**(527)**	(33)
	183	627

Hong Kong Profits Tax is calculated at 16.5% (2011: 16.5%) of the estimated assessable profit for the period.

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% (2011: 25%).

7. DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2012 (six months ended 30 June 2011: Nil).

8. LOSS PER SHARE

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

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss for the period attributable to owners of the Company for the purpose of basic loss per share	**(4,573)**	(2,533)
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic loss per share	**1,159,567**	773,045

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

9. PROPERTY, PLANT AND EQUIPMENT

	Furniture and fixtures *HK$'000*	Computer equipment *HK$'000*	Machinery *HK$'000*	Motor vehicles *HK$'000*	Leasehold improvement *HK$'000*	Total *HK$'000*
NET BOOK VALUE						
At 1 January 2012 (Audited)	524	1,031	407	744	663	3,369
Additions	9	–	–	–	–	9
Disposals	–	(1)	–	–	–	(1)
Depreciation	(139)	(145)	(36)	(168)	(96)	(584)
Written back	–	1	–	–	–	1
Exchange alignment	(3)	(10)	(4)	(5)	(1)	(23)
At 30 June 2012 (Unaudited)	**391**	**876**	**367**	**571**	**566**	**2,771**

10. INVESTMENT PROPERTIES

	Investment properties completed (at fair value) *HK$'000* (Unaudited)	Investment properties under development (at cost) *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
FAIR VALUE			
At 1 January 2012 (Audited)	89,374	14,906	104,280
Additions	–	4,661	4,661
Exchange alignment	(907)	(153)	(1,060)
Net decrease in fair value recognised in profit or loss	(2,108)	–	(2,108)
At 30 June 2012 (Unaudited)	**86,359**	**19,414**	**105,773**

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

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

(c) Investment properties under development are carried at cost as the management of the Company considers the fair value of investment properties under development cannot be reliably determined due to some construction not even started yet at 30 June 2012.

11. PREPAYMENT FOR ACQUISITION OF SUBSIDIARIES

The amount comprised (i) a prepayment of RMB75,000,000 (equivalent to approximately HK$92,527,000) and other capital outlay of approximately HK$1,856,000 paid in relation to the acquisition of 99.99% equity interests of 唐海中泰信和房地產開發有限公司 (Tanghai Zhongtai Xinhe Real Estate Company Limited*) by a wholly-owned subsidiary of the Company, 滙通天下控股(中國)有限公司 (Waytung Global Holding (China) Limited*), at a total consideration of RMB104,489,550 (equivalent to approximately HK$128,909,000) which was approved by the shareholders of the Company at the extraordinary general meeting held on 13 December 2010; and (ii) a refundable deposit of HK$5,000,000 paid in relation to the acquisition of the entire share capital of Guo Rong Limited by a wholly-owned subsidiary of the Company, Asiatic Talent Limited, at a consideration of RMB230,000,000 (subject to downward adjustment, if any) (equivalent to approximately HK$282,900,000 and subject to corresponding downward adjustments) which was approved by the independent shareholders of the Company at the extraordinary general meeting held on 20 August 2012. Details of those acquisitions were set out in the circulars of the Company dated 25 November 2010 and 25 July 2012 respectively.

12. OTHER RECEIVABLES

Included in the other receivables of approximately HK$11,199,000, an amount of HK$9,478,000 (31 December 2011: HK$3,705,000) represented advance to 唐海中泰信和房地產開發有限公司 (Tanghai Zhongtai Xinhe Real Estate Company Limited*) which is unsecured, non-interest bearing and repayable on demand.

13. SHARE CAPITAL

	Number of shares *'000*	Share capital *HK$'000*
Ordinary shares of HK$0.4 each		
Authorised		
At 31 December 2011 and 30 June 2012	2,500,000	1,000,000
Issue and fully paid		
At 31 December 2011 and 30 June 2012	1,159,567	463,827

14. OPERATING LEASE COMMITMENTS

The Group as lessee

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

	30 June 2012 *HK$'000* (Unaudited)	31 December 2011 *HK$'000* (Audited)
Within one year	**2,863**	2,617
In the second to fifth years inclusive	**2,383**	3,563
After five years	**6,964**	7,098
	12,210	13,278

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

The Group as lessor

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

	30 June 2012 *HK$'000* (Unaudited)	31 December 2011 *HK$'000* (Audited)
Within one year	**11,844**	4,051
In the second to fifth years inclusive	**8,882**	–
	20,726	4,051

15. CAPITAL COMMITMENTS

	30 June 2012 HK$'000 (Unaudited)	31 December 2011 HK$'000 (Audited)
Capital expenditure in respect of the acquisition of plant and equipment contracted for but not provided for in the financial statements	22	23
Capital expenditure in respect of the investment properties under development contracted for but not provided for in the financial statements	54,414	56,284
Capital expenditure in respect of the acquisition of a subsidiary contracted for but not provided for in the financial statements	36,381	49,224
Capital expenditure in respect of the acquisition of a subsidiary contracted for (subject to independent shareholders' approval) but not provided for in the financial statements	277,900	–

16. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

Remuneration for key management personnel of the Group, including the Company's directors, is as follows:

	Six months ended 30 June	
	2012 HK$'000 (Unaudited)	2011 HK$'000 (Unaudited)
Fees, salaries and other benefits	578	570

The remuneration of directors and key management is determined by the remuneration committee of the Company, having regard to the Company's operating results, individual performance and comparable market statistics.

Advances from a director

During the six months ended 30 June 2012, Mr. Huang Shih Tsai, the chairman and a non-executive director of the Company, has provided interest-free loans to the Company's subsidiaries, 海豐金麗灣度假村有限公司 (Haifeng Jinliwan Resort Company Limited*) and 滙通天下控股(中國)有限公司 (Waytung Global Holding (China) Limited*), in the sum of RMB6,500,000 (equivalent to approximately HK$7,902,000) for funding the subsidiaries' working capital requirements (six months ended 30 June 2011: HK$32,292,000).

During the six months ended 30 June 2012, the Group has repaid loans amounted to RMB6,500,000 (equivalent to approximately HK$7,902,000) to Mr. Huang Shih Tsai on his demand.

Other transactions with related parties

The Group has leased (through Ms. Huang Wenxi) an office property from 大中華國際集團(中國)有限公司 (Great China International Group (China) Company Limited*) ("GCI") with a monthly rental payment of RMB28,913 since 1 February 2010 for a fixed term of three years. GCI is wholly-owned by Great China International Investment (Groups) Limited ("Great China Groups"). Mr. Huang Shih Tsai, the chairman and a non-executive director of the Company, who founded Great China Groups in Hong Kong during 1980s, is the chairman of the board of Great China Groups. Ms. Huang Wenxi, an executive director of the Company, is also the deputy chairman of GCI. The total rentals payable by the Group to GCI for the six months ended 30 June 2012 amounted to approximately HK$215,000 (six months ended 30 June 2011: HK$211,000).

The Group has leased a car park space from 深圳市大中華第一太平物業管理有限公司 (Shenzhen City Great China First Pacific Building Management Company Limited*) ("First Pacific") with a monthly rental payment of RMB1,300 since 1 July 2010. First Pacific is wholly-owned by Great China Groups indirectly. The total rentals paid by the Group to First Pacific for the six months ended 30 June 2012 amounted to approximately HK$18,000 (six months ended 30 June 2011: HK$9,000).

As at 30 June 2012, the rental deposit paid of approximately HK$71,000 (30 June 2011: HK$70,000) to GCI and the rental prepayment of approximately HK$2,000 (30 June 2011: Nil) to First Pacific, which are unsecured and non-interest bearing, are recorded in "other receivables". The rental payable of approximately HK$642,000 (30 June 2011: HK$211,000) to GCI is recorded in "other payables".

17. EVENTS AFTER THE REPORTING PERIOD

(A) The Company issued an announcement and a circular dated 14 June 2012 and 25 July 2012 respectively in respect of the following proposals:

(1) Capital reduction under which (i) the issued share capital of the Company will be reduced from HK$463,826,880 divided into 1,159,567,200 existing shares of HK$0.40 each to HK$11,595,672 divided into 1,159,567,200 new shares of HK$0.01 each by cancelling HK$0.39 of the paid up capital on each issued existing share; and (ii) the authorised but unissued share capital of the Company will be reduced from HK$536,173,120 divided into 1,340,432,800 existing shares of HK$0.40 each to HK$13,404,328 divided into 1,340,432,800 new shares of HK$0.01 each by reducing HK$0.39 of the nominal value of each authorised but unissued existing share (the "Proposed Capital Reduction"), subject to court confirmation.

(2) Upon completion of the Proposed Capital Reduction, increase of the authorised share capital of the Company from HK$25,000,000 divided into 2,500,000,000 new shares to HK$200,000,000 divided into 20,000,000,000 new shares by the creation of an additional 17,500,000,000 new shares of nominal value HK$0.01 each in order to facilitate any future expansion in the issued share capital of the Company.

(3) In view of the changes that would result from the completion of the Proposed Capital Reduction and the proposed increase of authorised share capital of the Company, amendments to the memorandum and articles of association of the Company (the "M&A") to incorporate such changes.

(4) Acquisition of the entire share capital of Guo Rong Limited (the "Proposed Acquisition") at a consideration of RMB230,000,000 (subject to downward adjustments, if any) (equivalent to approximately HK$282,900,000 and subject to corresponding downward adjustments) under a sale and purchase agreement entered into by Asiatic Talent Limited, a wholly-owned subsidiary of the Company, with Mr. Huang Shih Tsai, the chairman and a non-executive director of the Company, on 8 June 2012.

The proposed Capital Reduction, the proposed increase of authorised share capital, the proposed amendments to the M&A and the Proposed Acquisition were approved by resolutions passed at the extraordinary general meeting held by the Company on 20 August 2012 (the "EGM").

Details of the Proposed Capital Reduction, the proposed increase of authorised share capital, the proposed amendments to the M&A and the Proposed Acquisition as well as the resolutions to be considered at the EGM are set out in the circular of the Company dated 25 July 2012. Details of the resolutions passed at the EGM are set out in the announcement of the Company dated 20 August 2012.

(B) On 16 August 2012, the Group received confirmation that it was successful, through 海豐金麗灣度假村有限公司 (Haifeng Jinliwan Resort Company Limited*) ("Gold Coast PRC"), an indirect wholly-owned subsidiary of the Company, in a bid in an open tender of the land use right of the two sites of land situated at 中國廣東省汕尾市海豐縣鮜門鎮百安村委 (Baian Village, Houmen Town, Haifeng County, Shanwei City, Guangdong Province, the PRC*), with an aggregate area of approximately 97,069 square meters (the "Land", consisting of two sites, site "A" with an area of approximately 55,130 square meters and site "B" with an area of approximately 41,939 square meters) held by 海豐縣土地交易所 (Haifeng County Land Exchange*) ("Land Exchange") between 27 July 2012 and 15 August 2012, to acquire the land use right of the Land at an aggregate consideration of RMB54.359 million (equivalent to approximately HK$67,063,000).

Following the successful bidding for the land use right of the Land, Gold Coast PRC entered into two confirmation letters with the Land Exchange on 16 August 2012 ("Confirmation Letters") to confirm the successful bid for the Land and the related payment terms for the land use right of the Land.

Gold Coast PRC has also entered into two land use right transfer contracts ("Land Use Right Transfer Contracts") with 海豐縣國土資源局 (Haifeng County Land Resources Bureau*) on 16 August 2012 which require Gold Coast PRC to ensure that the development of the Land is in accordance with the relevant PRC rules and regulations and that such development commences within 2 years from the date of the Land Use Right Transfer Contracts. In the event that development on the Land has not commenced after a period of 2 years from the date of the Land Use Right Transfer Contracts, the land use right of the Land will be revoked.

The acquisition of the land use right to the Land as contemplated under the Confirmation Letters and Land Use Right Transfer Contracts (the "Acquisition") constitutes a major transaction for the Company under the Listing Rules, which is subject, among other things, the approval of the shareholders. Ms. Huang Wenxi, the executive director and chief executive officer of the Company and Brilliant China Group Limited (which is 100% owned by Ms. Huang Wenxi), together hold 635,801,409 shares (Ms. Huang Wenxi holding 353,667,996 shares and Brilliant China Group Limited holding 282,133,413 shares), being approximately 54.83% of the total issued share capital of the Company. As none of the shareholders are required to abstain from voting on the Acquisition, the written approval of Ms. Huang Wenxi and Brilliant China Group Limited has been obtained for the purpose of approving the Acquisition in lieu of an approval from the shareholders at a shareholders' meeting pursuant to Rule 14.44 of the Listing Rules.

A circular containing, among other things, information relating to the Acquisition will be despatched to the shareholders on or before 6 September 2012 in accordance with the Listing Rules.

MANAGEMENT DISCUSSION AND ANALYSIS

Results

For the six months ended 30 June 2012, the Group recorded a turnover of approximately HK$6,972,000, representing a decrease of approximately 9.89% as compared to approximately HK$7,737,000 for the corresponding period of last year. The decrease in turnover was mainly resulted from the reduction of monthly rental income derived from its property development and investment business from RMB1,083,333 to RMB800,000 under an extended tenancy agreement commenced since 1 April 2012.

Loss attributable to the shareholders was approximately HK$4,573,000 for the six months ended 30 June 2012, representing an increase of approximately 80.54% as compared to a loss of approximately HK$2,533,000 for corresponding period of last year. The increase in the loss was mainly resulted from decrease in fair value of investment properties of approximately HK$2,108,000 (six months ended 30 June 2011: decrease of approximately HK$131,000) recorded by a PRC subsidiary of the Company.

BUSINESS REVIEW

Property Development and Investment Business

The Gold Coast Project

After the completion of acquisition of Gold Coast Tourism Development Limited ("Gold Coast") in 2009, the Group has gradually adjusted its strategy to transform the Company from a property investor into a property investor and/or property developer. Through the Gold Coast Project, the Group has also engaged in the tourism property development business.

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

The Group has entered into a tenancy agreement dated 10 October 2008 and two supplemental tenancy agreements dated 29 December 2008 and 9 March 2009, respectively, with an independent third party in relation to the leasing of Gold Coast Resort with a minimum monthly rental income of approximately RMB1,083,333 since April 2009 for an initial fixed term of three years.

On 29 March 2012, the Group has entered into an agreement to extend the leasing period of Gold Coast Resort for a term of two years commencing from 1 April 2012 with a fixed monthly rental income of RMB800,000. This agreement has secured recurring income for the Group. Although the monthly rental income of the Gold Coast Resort has been reduced from RMB1,083,333 to RMB800,000 since 1 April 2012, the Group remains optimistic of the trading prospect of the Gold Coast Resort. It is expected that the government of the Haifeng County will promote tourism of Haifeng County and build an attractive image of the Haifeng County. It is also anticipated that the completion of various resort projects in the Haifeng County may attract more tourists and Gold Coast Resort may benefit from it. As such, the Directors consider that the financial and trading prospects of the Gold Coast Resort are promising.

In order to address water supply and shortage problems in the 鮜門鎮 (Houmen Town*) area (where the Gold Coast Resort is located), the Gold Coast PRC has completed the construction of water supply pipes connecting 鮜門鎮 (Houmen Town*) and 梅隴鎮平安洞 (Meilong Town Pinandong*) in March 2010 with a total cost of approximately HK$6,716,000. The Group is assessing the business opportunity of extending the operation of the water supply pipes to supply water to the local villages near the Gold Coast Resort, the Company has no concrete plan in this regard at this stage.

The Gold Coast PRC had entered into a construction contract dated on 16 June 2010 and two supplemental agreements dated 10 December 2010 and 13 January 2011, respectively, with an independent third party, 深圳市焯楠建築裝飾工程有限公司 (Shenzhen Zhuonan Construction and Decoration Company Limited*) (the "Constructor"), for the construction and renovation of Gold Coast Resort at a contract price of RMB55,000,000 (equivalent to approximately HK$67,854,000). As at the date of this report, the Gold Coast PRC paid approximately RMB30,976,000 (equivalent to approximately HK$38,215,000) to the Constructor as a prepayment of the contract sum. As the design for the construction and renovation of Gold Coast Resort is still under modification, the commencement date of the renovation works is still not yet fixed.

On 16 August 2012, Gold Coast PRC received confirmation that it was successful in a bid in an open tender of the land use right to the two sites of land situated at 中國廣東省汕尾市海豐縣鮜門鎮百安村委 (Baian Village, Houmen Town, Haifeng County, Shanwei City, Guangdong Province, the PRC*) with an aggregate area of approximately 97,069 square meters (the "Land", consisting of two sites, site "A" with an area of approximately 55,130 square meters and site "B" with an area of approximately 41,939 square meters) held by 海豐縣土地交易所 (Haifeng County Land Exchange*) ("Land Exchange") between 27 July 2012 and 15 August 2012, to acquire the land use right of the Land at an aggregate consideration of RMB54.359 million (equivalent to approximately HK$67,063,000).

Following the successful bidding for the land use right of the Land, Gold Coast PRC entered into two confirmation letters with the Land Exchange on 16 August 2012 ("Confirmation Letters") to confirm the successful bid for the Land and the related payment terms for the land use right of the Land.

Gold Coast PRC has also entered into two land use right transfer contracts ("Land Use Right Transfer Contracts") with 海豐縣國土資源局 (Haifeng County Land Resources Bureau*) on 16 August 2012 which require Gold Coast PRC to ensure that the development of the Land is in accordance with the relevant PRC rules and regulations and that such development commences within 2 years from the date of the Land Use Right Transfer Contracts. In the event that development on the Land has not commenced after a period of 2 years from the date of the Land Use Right Transfer Contracts, the land use right of the Land will be revoked.

The Land is located at an area near the Gold Coast Resort. The Group intends to expand the development of the Gold Coast Resort on the Land.

Acquisition of a subsidiary (the "Tanghai County Project")

The circular in relation to the acquisition of 99.99% equity interest of 唐海中泰信和房地產開發有限公司 (Tanghai Zhongtai Xinhe Real Estate Company Limited*) ("Tanghai Zhongtai Xinhe") pursuant to a sale and purchase agreement dated 27 September 2010 (the "Tanghai Acquisition") was despatched to the shareholders of the Company on 25 November 2010. The Tanghai Acquisition was approved by the shareholders at the extraordinary general meeting of the Company held on 13 December 2010. During 2010, Tanghai Zhongtai Xinhe's relevant certificates, licences, corporate information, land title documents and company chop had been handed over the Group which in turn paid RMB10,000,000 (equivalent to approximately HK$12,337,000) to the vendors as deposit.

During 2011, a payment of RMB50,000,000 (equivalent to approximately HK$61,685,000) was paid to the vendors by the Group as the next instalment which was required to be fully settled after receipt of documentary evidence confirming the relevant formalities to register the change of equity holder to the Group and an independent third party as to 99.99% and 0.01% respectively, as the legal owners of Tanghai Zhongtai Xinhe, have been completed and the corporate nature of Tanghai Zhongtai Xinhe has been changed.

A payment of RMB5,000,000 (equivalent to approximately HK$6,168,000) was paid in 2011 and a further payment of RMB10,000,000 (equivalent to approximately HK$12,337,000) was paid during the six months ended 30 June 2012 to the vendors by the Group as part of the another sum of RMB44,489,550 (equivalent to approximately HK$54,887,000) which shall be paid within 12 months from the completion of the change of equity holding structure of Tanghai Zhongtai Xinhe once the formalities to change the land use rights and to obtain the relevant certificates to allow the relevant land to commence development works have been gone through as agreed.

As at the date of this report, the acquisition of Tanghai Zhongtai Xinhe has not yet been completed since the formalities to change the land use rights have not been completed and the Construction Works Planning Permit (建設工程規劃許可證) and the Construction Works Commencement Permit (建設工程施工許可證) (the "Permits") have not been obtained.

In order to obtain the Permits, certain documents, including the design and construction proposal and the plan, elevation and section of the development, must be submitted to Tanghai County Bureau of Housing and Urban Planning and Construction (唐海縣住房和城鄉規劃建設局) with the application. The proposals are required to be reviewed and commented on by different governmental departments, including the environmental protection department, fire department, transportation department, earthquake administration department, civil defence department, etc., before such documents could be submitted to the Tanghai County Bureau of Housing and Urban Planning and Construction. The designs may need to be modified in accordance with each department's comments. The process is time consuming, thus the requisite licenses for completion of the Tanghai Acquisition have not yet been obtained as at the date of this report.

The Group has been actively following up the progress of the formalities to change the land use rights and the obtaining of the relevant certificates so as to allow the commencement of construction work on the relevant pieces of land. It is expected by the Directors that the Tanghai Acquisition will be completed by the end of 2012. In the meantime, the Group has appointed several external firms to conduct reconnaissance and began designing work. As at the date of this report, the Group is still at the preliminary stage to plan and design the ecological leisure living area or resort area.

Proposed Very Substantial Acquisition and Connected Transaction (the "Daya Bay Project")

On 12 September 2011, the Company entered into a letter of intent (the "LOI") and four supplemental letters of intent dated 8 December 2011, 13 March 2012, 12 April 2012 and 11 May 2012, respectively, with Mr. Huang Shih Tsai (the "Vendor"), a non-executive director and the chairman of the Company, in relation to the proposed acquisition of the entire issued share capital of certain companies which are engaged in the provision of management service to and operation of hotel business and the property development and investment in the PRC.

On 8 June 2012, Asiatic Talent Limited ("Asiatic Talent"), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement (the "Sales and Purchase Agreement") with the Vendor, pursuant to which Asiatic Talent has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the entire share capital of Guo Rong Limited ("Guo Rong") (the "Proposed Acquisition") at a consideration of RMB230,000,000 (subject to downward adjustments, if any) (equivalent to approximately HK$282,900,000 and subject to corresponding downward adjustments).

The consideration will be satisfied as to (i) cash in the sum of HK$5,000,000 as refundable deposit immediately payable to the Vendor upon signing of the Sale and Purchase Agreement (which has been paid to the Vendor upon the signing of the Sale and Purchase Agreement); (ii) a sum of HK$80,640,701 by the issue and allotment of 403,203,504 consideration shares by the Company at the issue price of HK$0.20 per share to the Vendor upon completion of the Proposed Acquisition, if the proposed capital reduction of the Company as detailed below (the "Proposed Capital Reduction") is completed on or before 31 December 2012 (the "Cut-off Date"); and (iii) the remaining balance of HK$197,259,299 by the issue of a non-interest bearing promissory note ("Promissory Note A") by Asiatic Talent to the Vendor on such date after completion at Asiatic Talent's discretion but no later than the first anniversary of the completion date. If the Proposed Capital Reduction is not completed on or before the Cut-off Date, Asiatic Talent shall satisfy its payment obligations of HK$277,900,000 (being the sum of (ii) and (iii) above) by the issue of a non-interest bearing promissory note ("Promissory Note B") to the Vendor on such date after completion at the Asiatic Talent's discretion but no later than the first anniversary of the completion date.

The core assets in the Proposed Acquisition is 東方新天地大廈 (Great China Eastern New World Square*) (the "Development"), which is a comprehensive property development project, comprising a 26-storey residential tower ("Block 1") and a 28-storey residential tower ("Block 2") both erected over a base of 3-storey retail arcade and 1 basement car park, with a total gross floor area of approximately 69,171.7 sq.m.. The site is located at No.1 Zhongxing Zhong Road, Aotou Town, Daya Bay, Huizhou City, Guangdong Province, the PRC. Block 1 comprises a total of 468 residential units and 8 commercial units of which 370 residential units have been sold and legal titles have been transferred. Block 2 comprises a total of 392 residential units and 9 commercial units. The 3-storey retail arcade is currently under renovation while ground floor shop units of the retail portion have been leased out.

Excluding the sold residential units of Block 1 and Block 2 of the Development respectively, the property to be acquired which comprises a total of 98 unsold residential units (including 2 residential units which have been provisionally sold whilst the legal titles have not yet been passed to the purchasers under applicable PRC laws) and 8 commercial units in Block 1, 392 unsold residential units (including 100 residential units which have been sold pursuant to the Pre-sale Permit whilst the legal titles have not yet been passed to the purchasers under applicable PRC laws) and 9 commercial units in Block 2 and the basement level of the Development (the "Property"). The Directors consider the Proposed Acquisition is a good opportunity for the Group to strengthen its foothold in the PRC property market and increase its presence in the South China region. The current intention of the Company is to sell the residential portion of the Property and lease out the commercial portion of the Property so as to generate a continuous and stable stream of income for the Group.

The Proposed Acquisition constitutes a very substantial acquisition and a connected transaction for the Company under the Listing Rules and is subject to the reporting, announcement and the independent shareholders' approval requirements set out in the Listing Rules. A circular containing, among other things, details of the Proposed Acquisition has been issued by the Company on 25 July 2012 and despatched to the shareholders. The Proposed Acquisition was approved by independent shareholders at the extraordinary general meeting held by the Company on 20 August 2012.

Proposed Capital Reduction, Increase of Authorised Share Capital and Amendments to Memorandum and Articles of Association of the Company

The Company issued an announcement on 14 June 2012 and a circular on 25 July 2012 in respect of the following proposals:

Proposed Capital Reduction (the "Proposed Capital Reduction")

Subject to court confirmation, (i) the issued share capital of the Company will be reduced from HK$463,826,880 divided into 1,159,567,200 existing shares of HK$0.40 each to HK$11,595,672 divided into 1,159,567,200 new shares of HK$0.01 each (assuming there will be no other changes to the issued share capital of the Company from 23 July 2012 up to and including the date when the proposed capital reduction becomes effective) by cancelling HK$0.39 of the paid up capital on each issued existing share; and (ii) the authorised but unissued share capital of the Company will be reduced from HK$536,173,120 divided into 1,340,432,800 existing shares of HK$0.40 each to HK$13,404,328 divided into 1,340,432,800 new shares of HK$0.01 each (assuming there will be no other changes to the authorised but unissued share capital of the Company from 23 July 2012 up to and including the date when the proposed capital reduction becomes effective) by reducing HK$0.39 of the nominal value of each authorised but unissued existing share.

Proposed Increase of Authorised Share Capital

Upon completion of the Proposed Capital Reduction, the authorised share capital of the Company will be increased from HK$25,000,000 divided into 2,500,000,000 new shares to HK$200,000,000 divided into 20,000,000,000 new shares by the creation of an additional 17,500,000,000 new shares of nominal value HK$0.01 each in order to facilitate any future expansion in the issued share capital of the Company.

Proposed Amendments to Memorandum and Articles of Association

In view of the changes that would result from the completion of the Proposed Capital Reduction and the proposed increase of authorised share capital of the Company, amendments to the memorandum and articles of association of the Company (the “M&A”) will accordingly be made to incorporate such changes.

The Proposed Capital Reduction, the proposed increase of authorised share capital and the proposed amendments to the M&A were approved by shareholders at the extraordinary general meeting held by the Company on 20 August 2012.

Details of the Proposed Capital Reduction, the proposed increase of authorised share capital and the proposed amendments to the M&A are set out in the circular of the Company dated 25 July 2012.

BUSINESS OUTLOOK

During the six months ended 30 June 2012, the Group has been gradually transforming from a property investor into a property investor and/or property developer through the operation of the Gold Coast Project, the acquisition of Tanghai Zhongtai Xinhe and the proposed acquisition of Guo Rong.

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

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2012, bank balances and cash of the Group amounted to approximately HK$56,429,000 (31 December 2011: HK$85,000,000). The Group’s total current assets as at 30 June 2012 amounted to approximately HK$68,331,000, which comprised other receivables, held for trading investments, bank balances and cash. The Group’s total current liabilities as at 30 June 2012 amounted to approximately HK$22,696,000, which mainly consisted of (i) an amount of approximately HK$11,328,000, representing the balance of consideration payable for the acquisition of Gold Coast that will only be released within seven days after Gold Coast PRC has obtained the Stated-owned Land Use Certificate in respect of the Other Property with assistance of the vendors and (ii) land use right tax of approximately RMB4,079,000 (equivalent to approximately HK$5,033,000) provided for in relation to properties of a PRC subsidiary of the Group.

CAPITAL COMMITMENT

As at 30 June 2012, the Group had a total capital commitment of approximately HK$368,717,000, contracted for but not provided for in the financial statements, which comprised (i) approximately HK$22,000 in respect of the acquisition of plant and equipment, (ii) approximately HK$54,414,000 in respect of the investment properties under development, (iii) approximately HK$36,381,000 in respect of the acquisition of a subsidiary, and (iv) approximately HK$277,900,000 (subject to downward adjustments, if any) in respect of the acquisition of a subsidiary (subject to independent shareholders’ approval).

CHARGES ON ASSETS

As at 30 June 2012, the Group had not charged any of its assets.

EMPLOYEES

As at 30 June 2012, the Group employed 23 employees (excluding directors) (30 June 2011: 25 employees) and the related staff costs amounted to approximately HK$1,780,000 (30 June 2011: approximately HK$3,434,000). Staff remuneration packages, which are reviewed annually, include salary/wage and other benefits, such as medical insurance coverage, provident fund and share options.

SHARE OPTION SCHEME

The Company's current share option scheme was adopted on 23 May 2011 (the "New Scheme"), under which the directors and employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers of any member of the Group may be invited to take up options to subscribe for shares in the Company subject to the terms and conditions stipulated in the New Scheme. The maximum number of shares which may be granted under the New Scheme must not in aggregate exceed 10% of the shares in issue as at the date of adoption of the New Scheme or the date of approval by the shareholders in general meeting where the limit is refreshed.

No option was granted under the New Scheme during the six months ended 30 June 2012 or outstanding as at 30 June 2012.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at 30 June 2012, the interests and short positions of the directors, chief executive of the Company and their respective associates in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO) or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

Name of Directors	**Type of interests**	**Total number of shares held**	**Approximate percentage holding of shares** %
Ms. Huang Wenxi	Corporate & Beneficial *(Note 1)*	635,801,409(L)	54.83
Mr. Huang Shih Tsai	Beneficial *(Note 2)*	453,203,504(L)	39.08

(L) Long Position

Notes:

1. The interest disclosed represents the 353,667,996 shares held by Ms. Huang Wenxi and 282,133,413 shares held by Brilliant China Group Limited which is 100% owned by Ms. Huang Wenxi.

2. These 453,203,504 shares include his (i) interest in 403,203,504 consideration shares to be issued and allotted to Mr. Huang Shih Tsai ("Mr. Huang") pursuant to the conditional sale and purchase agreement dated 8 June 2012 entered into between the Company and Mr. Huang and (ii) interests in 50,000,000 underlying shares pursuant to an option deed dated 31 August 2009 (the "Option Deed") entered into between Mr. Huang and CCB International Asset Management Limited ("CCB International") according to which Mr. Huang granted an option to CCB International whereby CCB International may request Mr. Huang to purchase all or part of the 50,000,000 shares ("Option Shares") during a three years and four months period (as extended) at the consideration of HK$0.78 (as amended) per Option Share owned by CCB International.

All the interests stated above represented long positions in the shares of the Company as at 30 June 2012, there were no short positions recorded in the register required to be kept under Section 336 of the SFO.

Save as disclosed, none of the directors, chief executive and their respective associates had any interests or short positions in any shares, underlying shares and convertible notes of the Company and its associated corporations as at 30 June 2012.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2012, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interest of the directors which had been disclosed in the foregoing section on "Directors' and Chief Executive's Interests in Securities", the following shareholder(s) had notified the Company of relevant interests in the issued share capital of the Company:

Name of Shareholder	**Type of interests**	**Total number of shares held**	**Approximate percentage holding of shares** %
Brilliant China Group Limited	Corporate & Beneficial *(Note 1)*	282,133,413(L)	24.33

Notes:

Brilliant China Group Limited is a company wholly-owned by Ms. Huang Wenxi, an executive director and chief executive officer of the Company. By virtue of the SFO, Ms. Huang Wenxi is deemed to have interest in the 282,133,413 shares of the Company held by Brilliant China Group Limited.

Save as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 30 June 2012.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2012.

CORPORATE GOVERNANCE

The Company has applied the principles and complied generally with the requirements of the code provisions of the Corporate Governance Code (the "CG Code") (effective from 1 April 2012) and the Code on Corporate Governance Practices (expired on 31 March 2012) as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the six months ended 30 June 2012.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the directors. Having made specific enquiry of all Directors, they have confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2012.

BOARD OF DIRECTORS

The Board currently comprises one executive director, one non-executive director and three independent non-executive directors. For the six months ended 30 June 2012, the Board convened 2 meetings (with an attendance rate of 100%).

BOARD COMMITTEES

The Board has established three committees in accordance with the CG Code, namely the Audit Committee, the Remuneration Committee and the Nomination Committee. The committees are provided with sufficient resources to discharge their duties and are able to seek independent professional advice when appropriate and upon request. Details of these board committees, including their compositions, major responsibilities and functions, and work performed during the six months ended 30 June 2012 are set out below:

Remuneration Committee

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

The primary responsibilities of the Remuneration Committee are:

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

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

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

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

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

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

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

Audit Committee

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

The primary responsibilities of the Audit Committee are:

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

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

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

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

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

The Audit Committee has reviewed the Group's unaudited interim results for the six months ended 30 June 2012.

Nomination Committee

The Nomination Committee was established on 6 March 2012 and comprises one non-executive director, namely Mr. Huang Shih Tsai (chairman of the Nomination Committee) and two independent non-executive directors, namely Mr. Cheng Hong Kei and Mr. Lum Pak Sum.

The primary responsibilities of the Nomination Committee are:

(i) reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the board to complement the Company's corporate strategy;

(ii) identifying and nominating for approval of the Board suitably qualified candidates as additional directors or to fill Board vacancies as they arise;

(iii) making recommendations to the Board with respect to the re-election by shareholders of any director under the relevant provisions in the Company's Articles of Association;

(iv) assessing the independence of the candidates in the case of appointment and re-appointment of independent non-executive directors having regard to relevant guidelines or requirements of the Listing Rules in place from time to time; and

(v) assessing the independence of independent non-executive directors on an annual basis having regard to relevant guidelines or requirements of the Listing Rules in place from time to time.

By order of the board of directors
Waytung Global Group Limited
Huang Shih Tsai
Chairman

Hong Kong, 27 August 2012

As at the date of this report, the directors of the Company are as follows:

Executive Director	Ms. Huang Wenxi *(Chief Executive Officer)*
Non-executive Director	Mr. Huang Shih Tsai *(Chairman)*
Independent non-executive Directors	Mr. Cheng Hong Kei Mr. Leung Kwan, Hermann Mr. Lum Pak Sum