THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Mayer Holdings Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This circular appears for information purpose only and does not constitute an invitation or offer to acquire, purchase, or subscribe for securities.

MAYER

美亞控股有限公司*

MAYER HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1116)

VERY SUBSTANTIAL ACQUISITION –
ACQUISITION OF EQUITY INTEREST IN YIELD RISE LIMITED

A letter from the Board is set out on pages 5 to 53 of this circular.

A notice convening the EGM to be held at 22/F, W Square, 314-324 Hennessy Road, Wanchai, Hong Kong on Saturday, 30 April 2011 at 11:00 a.m. is set out on pages 172 to 173 of this circular.

A proxy form for use in the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and return the same at the office of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof should you so wish.

* *For identification purposes only*

13 April 2011

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In this circular, unless the context otherwise requires, the following expressions have the following meanings:

"Acquisition"	the acquisition of 100% equity interest in Yield Rise by the Company from the Vendor pursuant to the terms and subject to the conditions set out in the Acquisition Agreement
"Acquisition Agreement"	the sale and purchase agreement in relation to the Acquisition which was entered into between the Company and the Vendor on 8 November 2010
"Board"	the board of Directors
"Bondholder(s)"	the holder(s) of the Convertible Bond
"Business Day(s)"	a day, other than (i) a Saturday, Sunday, or public holidays, (ii) day on which a tropical cyclone warning No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon in Hong Kong and remains in effect on or before 12:00 noon, or (iii) day on which a black rainstorm warning signal is hoisted or remains hoisted before 12:00 noon in Hong Kong and remains in effect on or before 12:00 noon, on which licensed banks in Hong Kong are generally open for banking business
"BVI"	the British Virgin Islands
"Company"	Mayer Holdings Limited, a company incorporated in Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
"Completion"	the completion of the Acquisition
"Consideration"	the aggregate consideration of HK$620 million payable by the Company to the Vendor for the Acquisition pursuant to the Acquisition Agreement
"Consideration Shares"	the new Shares to be allotted and issued by the Company to the Vendor at the Issue Price in partial settlement of the Consideration
"Conversion Price"	HK$0.55 per Conversion Share, subject to adjustments in accordance with the terms and conditions of the Convertible Bond
"Conversion Share(s)"	the new Shares to be allotted and issued by the Company upon exercise of the conversion right attached to the Convertible Bond

"Convertible Bond(s)"	the convertible bond in the principal amount of HK$90 million to be issued by the Company to the Vendor in partial settlement of the Consideration
"Dan Tien"	Dan Tien Port Development Joint Venture Company Limited, a foreign invested limited liability company established under the laws of Vietnam and is owned as to 80% by HK Co. and as to 20% by Duyen Hai Quang Ninh One-Member Company Limited as at the Latest Practicable Date
"Director(s)"	the director(s) of the Company
"Disposal"	the proposed disposal of Capital Investment Development Corp. by Top Force International Limited to EI Dorado Global Investment Holdings Limited and Pearl Global Investment Holdings Limited pursuant to two equity transfer agreements dated 7 December 2010, details whereof are set out in the announcement of the Company dated 8 December 2010
"EGM"	an extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve by the Shareholders, among other things, the Acquisition Agreement and the transactions contemplated thereunder
"Enlarged Group"	the Group upon Completion
"First Announcement"	the announcement of the Company dated 15 October 2010 in relation to the MOU
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"HK Co."	Good Wishes Investment Limited (志怡投資(國際)有限公司), a company incorporated in Hong Kong with limited liability
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Issue Price"	HK$0.55 per Consideration Share
"JV Co."	Best Wonder Holdings Limited, a company incorporated in the BVI with limited liability and is owned as to 87.5% by Yield Rise and as to 12.5% by Best Found International Limited as at the Latest Practicable Date

"Last Trading Day"	5 November 2010, the last trading day of the Shares on the Stock Exchange before the entering into of the Acquisition Agreement
"Latest Practicable Date"	11 April 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
"Listing Committee"	the listing committee of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Long Stop Date"	30 June 2011 or such later date as the Company and the Vendor may agree in writing
"MOU"	the non-legally binding memorandum of understanding entered into between the Company and the Vendor on 15 October 2010 in relation to the Acquisition, or where the context so requires, the MOU as amended by the Acquisition Agreement
"Port"	Dan Tien Port which is located in Mong Cai Town, Quang Ninh Province, Vietnam and is subject to further development and construction
"PRC" or "China"	the People's Republic of China, which for the purpose of this circular excludes Hong Kong, the Macau Special Administration Region and Taiwan
"Promissory Notes"	the promissory notes in the principal amount of HK$300 million to be issued by the Company to the Vendor in partial settlement of the Consideration
"Property"	the property interest located at Hai Xuan Commune, Mong Cai Town, Quang Ninh Province, in Vietnam and is subject to further development and construction
"Refundable Deposit"	the refundable deposit in an amount not exceeding HK$100 million payable in accordance with the MOU
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company
"SFO"	Securities and Futures Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong)
"Shareholder(s)"	holder(s) of the Shares

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Taiwan Mayer"	Mayer Steel Pipe Corporation (美亞鋼管廠股份有限公司), the ultimate beneficial substantial Shareholder of the Company and a company incorporated in Taiwan whose shares are listed on the Taiwan Stock Exchange Corporation
"Target Group" or "Yield Rise Group"	Yield Rise, JV Co., HK Co. and Dan Tien
"Takeovers Code"	The Hong Kong Code on Takeovers and Mergers
"US$"	United States dollar(s), the lawful currency of the United States of America
"Vendor"	Make Success Limited, a company incorporated in BVI with limited liability
"Vietnam"	Socialist Republic of Vietnam
"VND"	Vietnamese dong(s), the lawful currency of Vietnam
"Yield Rise"	Yield Rise Limited, an investment holding company, incorporated in the BVI with limited liability
"%"	per cent.

For the purpose of this circular, amounts quoted in US$, RMB and VND have been converted into HK$ at the rate of US$1.00 to HK$7.78, RMB0.844 to HK$1 and VND2,530 to HK$1 respecitvely. Such exchange rates have been used, where applicable, for the purposes of illustration only and do not constitute a representation that any amounts were or may have been or can be exchanged at these or any other rates or at all.

美亞控股有限公司*
MAYER HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1116)

Executive Directors:
Mr. Hsiao Ming-chih
Mr. Lai Yueh-hsing
Mr. Chiang Jen-chin
Mr. Lu Wen-yi
Mr. Cheng Koon Cheung

Non-executive Directors:
Mr. Chan Kin Sang
Mr. Chen Guoxiang
Mr. Li Deqiang

Independent non-executive Directors:
Mr. Lin Sheng-bin
Mr. Huang Jui-hsiang
Mr. Alvin Chiu
Mr. Peter V.T. Nguyen

Registered Office:
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Grand Cayman
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Principal Office in Hong Kong:
22/F, W Square
314-324 Hennessy Road
Wanchai
Hong Kong

13 April 2011

To the Shareholders

Dear Sirs,

**VERY SUBSTANTIAL ACQUISITION –
ACQUISITION OF EQUITY INTEREST IN YIELD RISE LIMITED**

INTRODUCTION

The Company announced on 12 November 2010 that the Company had entered into the Acquisition Agreement on 8 November 2010 with the Vendor, pursuant to which the Vendor has conditionally agreed to sell and the Company has conditionally agreed to purchase the 100% equity interest in Yield Rise at a consideration of HK$620 million.

The purpose of this circular is to provide you with, among other things, (i) further details of the Acquisition Agreement and the transactions contemplated thereunder; (ii) the notice of the EGM; and (iii) other details in accordance with the disclosure requirements under the Listing Rules.

* *For identification purposes only*

THE ACQUISITION AGREEMENT

Date

8 November 2010

Purchaser

The Company

Vendor

Make Success Limited. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are third parties independent of the Company and its connected persons as defined under the Listing Rules.

Subject

Pursuant to the Acquisition Agreement, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire 100% equity interest in Yield Rise. Save and except for the 87.5% equity interest in the JV Co., Yield Rise has no other material assets and liabilities as at the Latest Practicable Date.

The Consideration

The Consideration of HK$620 million is to be satisfied in the following manner:

(i) such amount as having been paid as Refundable Deposit in accordance with the MOU to be fully deducted;

(ii) if any, balance of the maximum payable Refundable Deposit under the MOU in cash to the Vendor within 10 Business Days from the Completion;

(iii) as to HK$130 million by issue and allotment of Consideration Shares to the Vendor at the Issue Price within 10 Business Days from the Completion;

(iv) as to HK$90 million by issue of the Convertible Bonds convertible into approximately 163,636,363 Conversion Shares at a conversion price of HK$0.55 per Conversion Share to the Vendor within 10 Business Days from the Completion; and

(v) as to HK$300 million by issue of the Promissory Notes to the Vendor within 10 Business Days from the Completion.

Basis of determination of the Consideration

The Consideration was arrived at after arm's length negotiations between the Company and the Vendor with reference to, among other things, (i) the preliminary valuation on the fair value of the entire equity interest in the Port as at 31 August 2010 of approximately HK$757.6 million using the income approach; (ii) the preliminary market value of the Property as at 31 August 2010 with a total saleable plot area of stage 1 of Phase I of about 125,829 sq.m. which is approximately HK$215 million by the comparison approach; both preliminary valuations were prepared by Grant Sherman Appraisal Limited, an independent valuer to the Company; (iii) the 70% effective interest in the Port and the Property held by Yield Rise; and (iv) the future prospect of the Target Group as described in the section headed "Reasons for and Benefits of the Acquisition" below.

The settlement method of the Consideration was arrived at between the Vendor and the Company after taking into account that (i) the Refundable Deposit was necessary for securing an exclusivity period for the projects; and (ii) the issue of the Consideration Shares, the Convertible Bonds and the Promissory Notes can ease the current cash flow pressure of the Company and encourage the Vendor to actively participate in the future development of the Company and Dan Tien.

The Board considers that the Consideration and the payment terms thereof, which were arrived at after arm's length negotiations, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The final valuations on the Port and the Property are set out in Appendices V and VII to this circular. The valuation on the Property only covers the plot area of stage 1 of Phase I for which Dan Tien has proper legal title. The valuation on the Port is not related to the Property.

Amendment to the MOU

By the Acquisition Agreement, the Company and the Vendor agreed to amend the amount of refundable deposit of HK$100,000,000 payable under the MOU to an amount not exceeding HK$100,000,000 to be paid before Completion; the precise amount to be paid and time of payment thereof being at the Company's absolute discretion. Save as aforesaid, the MOU shall continue in full force and effect in all other respects. Under such arrangement, the Group would have a greater flexibility in determining the amount of Refundable Deposit to be paid. As at the Latest Practicable Date, the Company has paid an aggregate sum of HK$75,250,000 as Refundable Deposit to the Vendor.

Conditions precedent of the Acquisition

Completion is subject to the fulfillment (or waiver, where appropriate) of the following conditions precedent:

(a) the Company having obtained a Vietnam legal opinion in the form and substance to its satisfaction from a qualified Vietnam legal adviser;

(b) the Company, its agents or professional advisers being reasonably satisfied with the results of the due diligence review;

(c) if required, the Vendor having obtained all relevant approvals, confirmations, waivers or consents in respect of the Acquisition Agreement and all transactions contemplated thereunder under the applicable laws and regulations from the relevant authorities having jurisdiction over the Vendor or other relevant third parties;

(d) the Shareholders having in the general meeting approved the Acquisition Agreement, the allotment and issue of Consideration Shares, the issue of Convertible Bonds and Conversion Shares upon exercise of the conversion right attached thereto, the Promissory Notes and all transactions contemplated thereunder;

(e) the Listing Committee having granted or agreed to grant the listing of, and permission to deal in, the Conversion Shares and Consideration Shares, whether subject to conditions or not;

(f) the Company being satisfied, from the date of signing of the Acquisition Agreement and at any time before Completion, that the warranties given under the Acquisition Agreement remain true, accurate, not misleading nor in breach of any material respect and that no event has suggested that there was any adverse material change in such warranties; and

(g) the Company not having discovered or known that from the date of the signing of the Acquisition Agreement, there being any abnormal operations or any material adverse change in the business, positions (including assets, financial and legal status), operations, performance or assets, or any undisclosed material potential risks in respect of the Target Group.

The Purchaser has the right to waive in writing the conditions mentioned above (other than conditions (d) and (e)). If the conditions mentioned above have not been fulfilled in full (or, where applicable, waived by the Company in writing) on or before the Long Stop Date, the Company shall have the right to terminate the Acquisition Agreement after the Long Stop Date by serving a notice in writing to that effect on the Vendor. The waiver is to provide flexibility in situations where only a small part of a particular condition may not have been fulfilled or the benefit which the Company may derive from the Acquisition greatly outweighs the loss which the Company may suffer as a result of the waiver of a particular condition. Without the right on the part of Vendor to waive the conditions, the Vendor may terminate the Acquisition Agreement on the grounds that the conditions have not been fulfilled in situations which the Vendor sees expedient in termination (e.g. sudden rise in price or in face of a higher offer). Such rights to waive fulfillment of the conditions are common in agreements of similar natures. The Directors will exercise due care in discharge of their duties in deciding whether to waive a particular condition. Upon termination of the Acquisition Agreement for the above reason, none of the parties shall have any claims against the other parties (other than any antecedent breaches) under the Acquisition Agreement. As at the Latest Practicable Date, conditions (a), (b) and (c) have been fulfilled and the Company does not intend to invoke the waiver which has been included in the Acquisition Agreement for the benefit of the Company.

As announced by the Company on 31 March 2011, the Company and the Vendor have entered into a supplemental agreement whereby the long stop date for the fulfilment of the conditions precedent was extended to 30 June 2011 or such later date as they may further agree.

Completion

Completion shall take place within 5 Business Days of a notice of Completion being served by the Purchaser to the Vendor. Such notice shall only be served after all of the conditions (a) to (g) above have been fulfilled (or, where applicable, waived).

The Company has no present intention to change the composition of the Board upon Completion.

Given that the terms of the Acquisition Agreement were negotiated on an arm's length basis and the Consideration of the effective interest in the Port and the Property represents a discount to the value determined under the valuations, the Board considers that the terms of the Acquisition Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

THE CONVERTIBLE BONDS

Pursuant to the terms of the Acquisition Agreement, the Company will issue Convertible Bonds in the principal amount of HK$90 million to the Vendor in partial settlement of the Consideration within 10 Business Days after Completion. Principal terms of the Convertible Bonds are set out as follows:

Issuer	:	The Company
Aggregate principal amount	:	HK$90 million
Form and denomination	:	HK$1,000,000 for each note
Maturity date	:	3rd anniversary of the issue date of the Convertible Bonds
Interest	:	5% per annum
Conversion price	:	HK$0.55 per Conversion Share
Transferability	:	Freely transferable provided that prior written consent of the Company shall be obtained and if the transfer is made to a connected person (as defined under the Listing Rules), the approval of the Stock Exchange has to be obtained
Conversion	:	The conversion rights attached to the Convertible Bonds shall be exercisable during the conversion period commencing from the date of issue of the Convertible Bonds to 7 days immediately preceding the maturity date. Upon exercise of any conversion rights attached to the Convertible Bonds, the Company will allot the number of Conversion Shares in respect of which conversion rights have been exercised. Conversion rights attached to the Convertible Bonds will be restricted to

	the extent the issue and allotment of the Conversion Shares upon conversion of the Convertible Bonds aggregated with the Shares held by the Bondholder, its associates and parties acting in concert with any of them shall not (i) result in the Company's non-compliance with the minimum public shareholding level requirement stipulated under Rule 8.08 of the Listing Rules or other relevant requirements under the Listing Rules; (ii) render the aforementioned parties in aggregate interested in more than 29.9% of the then issued share capital of the Company and (iii) trigger a general offer obligation under Rule 26 of the Takeovers Code
Adjustment to Conversion Price:	The Conversion Price is subject to adjustments upon the occurrence of, among other matters, subdivision or consolidation of Shares, capitalisation issues, rights issues and other dilutive events, such adjustments shall be determined by approved merchant bankers in such manner as they consider appropriate in accordance with the terms and conditions of the Convertible Bonds
Redemption:	The Convertible Bonds may be redeemed in amounts of HK$1,000,000 or integral multiples thereof or in such denominations as determined by the Company plus any interest accrued and unpaid thereof at the option of the Company on any Business Day prior to the maturity date by giving not less than seven Business Days' prior written notice to a Bondholder The right of redemption of the Company may be exercised by the Company at its absolute discretion and may be exercised by the Company on any of the Bondholder exclusive of the others
Repayment:	The outstanding principal amount of the Convertible Bonds, unless previously converted into Shares or repaid, be repaid subject to and in accordance with the terms of the Convertible Bonds on the Maturity Date at 100% of the outstanding principal amount of the Convertible Bonds.
Voting rights and ranking:	Bondsholder(s) shall not be entitled to attend or vote at any general meeting of the Company. Upon issue and allotment, Conversion Shares shall rank in all aspects pari passu with all Shares in issue as at the date of allotment and issue
Listing:	The Convertible Bonds will not be listed on the Stock Exchange or any other stock exchange. An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares

Assuming there is an immediate exercise in full of the conversion rights attaching to the Convertible Bonds at the Conversion Price by the Vendor, the Company will have to allot and issue an aggregate of approximately 163,636,363 Conversion Shares, representing approximately 23.67% of the existing issued share capital of the Company and approximately 15.00% of the issued share capital of the Company as enlarged by allotment and issue of the Consideration Shares and the Conversion Shares. The Conversion Shares will be issued under a specific mandate to be sought at the EGM. The issue of the Conversion Shares by the Company will not result in a change of control of the Company.

THE CONSIDERATION SHARES

Approximately 236,363,636 Consideration Shares will be allotted and issued, which represent approximately 34.20% of the existing issued share capital of the Company and approximately 25.48% of the enlarged issued share capital of the Company after the issue of Consideration Shares.

The Consideration Shares will rank pari passu in all respects with all the Shares in issue.

The Consideration Shares will be issued under a specific mandate to be sought at the EGM and there will be no restrictions on the sale of the Consideration Shares subsequent to their issuance. An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

The Conversion Price and the Issue Price are HK$0.55 per Conversion Share or Consideration Share, as the case may be, and have been determined after arm's length negotiations between the Company and the Vendor taking into account the prevailing market prices of the Shares. The Conversion Price and the Issue Price represent:

(1) a premium of approximately 14.58% over the closing price of the Shares of HK$0.48 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

(2) a premium of approximately 3.77% over the closing price of the Shares of HK$0.53 per Share as quoted on the Stock Exchange on Last Trading Day;

(3) a discount of approximately 0.36% to the average of the closing prices of the Shares of HK$0.552 per Share as quoted on the Stock Exchange for the 5 consecutive trading days up to and including Last Trading Day;

(4) a premium of approximately 0.73% over the average of the closing prices of the Shares of HK$0.546 per Share as quoted on the Stock Exchange for the 10 consecutive trading days up to and including Last Trading Day; and

(5) a discount of approximately 23.89% to the audited consolidated net asset value per Share of approximately HK$0.72 as at 31 December 2010.

The Directors consider that the Conversion Price and the Issue Price are fair and reasonable so far as the Company and the Shareholders are concerned.

THE PROMISSORY NOTES

The Company will issue the Promissory Notes in the principal sum of HK$300 million to the Vendor in partial settlement of the Consideration within 10 Business Days after Completion. The Promissory Notes bear an interest of 8% per annum. The Promissory Notes are transferrable and will mature at the 2nd anniversary of issuance.

Upon Completion, the Enlarged Group will commence the development of the projects in accordance with the business plan as disclosed below as soon as practicable. The Company will repay the Promissory Notes and finance its capital contribution to Dan Tien either by its internal resources or other fund raising exercises such as debt financing and equity financing. The Company confirms that as at the Latest Practicable Date, it has not entered into any agreement in respect of any such fund raising exercises.

INFORMATION ON THE TARGET GROUP

The Target Group includes Yield Rise, JV Co., HK Co. and Dan Tien. Financial information of the Target Group is set out in Appendix II to this circular.

Yield Rise

Yield Rise is an investment holding company incorporated in BVI on 3 September 2010 and is wholly-owned by the Vendor since its incorporation. As aforementioned, save and except for the 87.5% equity interest in the JV Co., Yield Rise has no other material assets and liabilities as at the Latest Practicable Date.

Upon Completion, Yield Rise will become a wholly-owned subsidiary of the Company and the accounts of Yield Rise will be consolidated into the accounts of the Company.

JV Co.

As at the Latest Practicable Date, the JV Co. is an investment holding company and owned as to 87.5% by Yield Rise and 12.5% by Best Found International Limited. The JV Co. was incorporated in BVI on 6 July 2010. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Best Found International Limited and its ultimate beneficial owner are third parties independent of the Company and its connected persons as defined under the Listing Rules. Save and except for the 100% equity interest in the HK Co., JV Co. has no other material assets and liabilities as at the Latest Practicable Date.

JV Co. is a non wholly-owned subsidiary of Yield Rise and the accounts of it is consolidated into the accounts of Yield Rise.

HK Co.

HK Co. is an investment holding company incorporated on 13 June 1995. Prior to an internal corporate reorganization on 25 October 2010 (the "**Reorganization**"), HK Co. is wholly owned by Best Genius International Limited ("**Best Genius**"). So far as the Board is aware and after making all reasonable enquiries, and based on the information available to the Board, the Board understands that Best Genius and its ultimate beneficial owner are third parties independent of the Company and its connected persons as defined under the Listing Rules and Best Genius had held the equity interest in HK Co. upon trust for the Vendor. The arrangement enables the HK Co. to have Hong Kong resident as shareholders' representative in liaison with the local authority which can better facilitate the business development of Dan Tien in Vietnam in its early course. On 25 October 2010, in carrying into effect the Reorganization procured by the Vendor, Best Genius transferred its entire equity interest in HK Co. to JV Co. at a nominal consideration of HK$1 whereupon HK Co. has become wholly owned by JV Co. as at the Latest Practicable Date. Save and except for the 80% equity interest in Dan Tien, HK Co. has no other material assets and liabilities as at the Latest Practicable Date.

HK Co. is a wholly-owned subsidiary of JV Co. as at the Latest Practicable Date and the accounts of which is consolidated into the accounts of JV Co.

Dan Tien

Dan Tien is a foreign invested limited liability company established under the laws of Vietnam on 27 June 2003 and is owned as to 80% by HK Co. and as to 20% by Duyen Hai Quang Ninh One-Member Company Limited since its incorporation. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Duyen Hai Quang Ninh One-Member Company Limited and its ultimate beneficial owner are third parties independent of the Company and its connected persons as defined under the Listing Rules.

Dan Tien is principally engaged in the development of property, port and relevant logistic business. As at the Latest Practicable Date, Dan Tien is licensed with the Certificate of Investment numbered 221.022.000.107 by People's Committee of Quang Ninh Province on 28 December 2007 to carry out two separate projects in Vietnam, namely the "Dan Tien Port Project" for the Port and the "Phoenix Trade and Tourism Urban Area Project" for the Property, brief particulars of the Certificate of Investment are set out below:

Date of Issue:	28 December 2007
Issuing Authority:	People's Committee of Quang Ninh Province
Term:	Fifty (50) years from 27 June, 2003, renewable upon application and subject to approval of the relevant authority

Scope of business: The "Dan Tien Port Project"

- Investing in the 4.7km access road leading to the Dan Tien Port from the dike of Village No. 1, including bridge and drain and the overpass at the Con Ran waterway;
- Construction of Dan Tien Port with a total of five (5) piers for both passenger and cargo traffic;
- Construction of a 21.6ha supporting land area extending the Dan Tien Port to a container port; supporting area will house storage, freight yard, office, residence, and parking;
- Investing in and operating a high speed passenger fleet commuting between Mong Cai – Ha Long – Hai Phong (4 boats with 100 seats/boat);
- Providing services of cargo transportation and storage and freight yard leasing;
- Providing services of logistics to arriving ships.

The "Phoenix Trade and Tourism Urban Area Project"

- Investing and constructing and putting into business the Phuong Hoang Tourist and Commercial Urban Town in Hai Xuan Commune, Mong Cai Town;
- Conducting real estate business.

Dan Tien is a non wholly-owned subsidiary of HK Co. and the accounts of which is consolidated into the accounts of HK Co.

The Charter of Dan Tien has set out, among others, the rights and duties of the shareholders, being the HK Co. and Duyen Hai Quang Ninh One-Member Company Limited. The major terms of it are set out as below:

The board of Dan Tien

The board shall decide on all and any important issues of Dan Tien. The board shall undertake its functions of management over Dan Tien through resolutions or decisions made at its meetings and supervise the implementation of these resolutions or decisions. The board shall comprise of six members, of which four are appointed by the HK Co. and two are appointed by Duyen Hai Quang Ninh One-Member Company Limited. The chairman shall be appointed by the HK Co.

Distribution of profits

The net profits of Dan Tien shall be distributed to its shareholder in accordance with the proportion of their respective contributions to Dan Tien's capital at that time. No profit shall be distributed if the losses of the previous year, if any, have not been fully compensated.

The Port and the Property are both located in Mong Cai. For further information on the projects, please refer to the section headed "Proposed Business Plan" below.

PROPOSED BUSINESS PLAN

THE "DAN TIEN PORT PROJECT"

The Port is located in Mong Cai Town, Quang Ninh Province, Vietnam. Mong Cai Town lies by the bank of Ka Long River, which is the river that links China and Vietnam. Dan Tien Port harbors the international Bac Luân Border Gate which connects Mong Cai with Guang Xi Province in China. It is about 178 km from Ha Long City and 350 km from Hanoi in Vietnam.

Dan Tien has appointed China Communications Water Transportation Planning and Design Institute Co. Ltd *(中交水運規劃設計院有限公司) (the "**Design Institute Company**") and Dalian China Communications Technology Research Institute *(大連中交理工交通技術研究院有限公司) (the "**Dalian Research Institute**") to design the construction plan of the Port (the "**Design Plan**"). The Design Institute Company is the first institute in the waterway communication construction industry since the PRC was established and is now a state-owned design and consulting company directly subordinate to the leadership of China Communication Construction Company Limited. It possesses the independent foreign trade rights to deal with broad range of business fields with class-A qualifications in water transportation engineering design and consultation, architectural engineering design, intelligent engineering design, turnkey project, water transportation, architecture, highway supervision and geotechnical engineering.

In terms of engineering design, the Design Institute Company has finished more than 1,500 projects at different design stages in the construction of port, navigation channel, factory, station, communications, security supervision, architecture and computer technology, including the Gezhouba Dam and Beiging-Hangzhou Canal design project, after completion of the design work for China's 1st sea port, China's 1st river port and China's 1st shipyard at the early stage of the establishment of China. Among these projects, a group of national key projects including large container terminals, large dry bulk (ore, coal and grain) terminals, large liquid bulk (crude oil, natural gas and chemical products) cargo terminals, multipurpose terminals, various specialized terminals and navigation channels and hydro-junctions. In recent years, the Design Institute Company undertook 50 berths for large container terminals and over 30 dry or liquid bulk cargo berths. In addition, the Design Institute Company won once National Top Prize for Scientific and Technical Advancement and its second prize and third prize once respectively and three times the Zhan-Tianyou Prize and Lu Ban Prize (the Chinese master carpenter), seven times the National Gold Medal for Design and 60 provincial and ministerial awards for scientific and technical advancement and excellent design.

The Dalian Research Institute is a joint venture of the Design Institute Company and Dalian University of Technology Transfer Centre Limited* (大連理工大學技術轉移中心有限公司). The Dalian Research Institute mainly engages in transportation technology development, technology consulting, technology transfer, project management, engineering and technical consulting, port engineering, railway engineering, roads, tunnels, bridges, housing construction project survey and design.

Since its incorporation, the Dalian Research Institute has undertaken more than 20 projects, including Lüshun Port II and III berth Retrofitting Project Design, Repairing Construction Projects (hydraulic part), Review of Construction Plans of Marine Engineering, Dalian Shipbuilding Industry Co., Ltd., Yingkou Port Xianren Island General Terminal Project and Yingkou Port Xianren Island Port 1#, 2# multi-purpose berth.

According to the Design Plan, the total land area for the development of the Port is 27,500,000m^2.

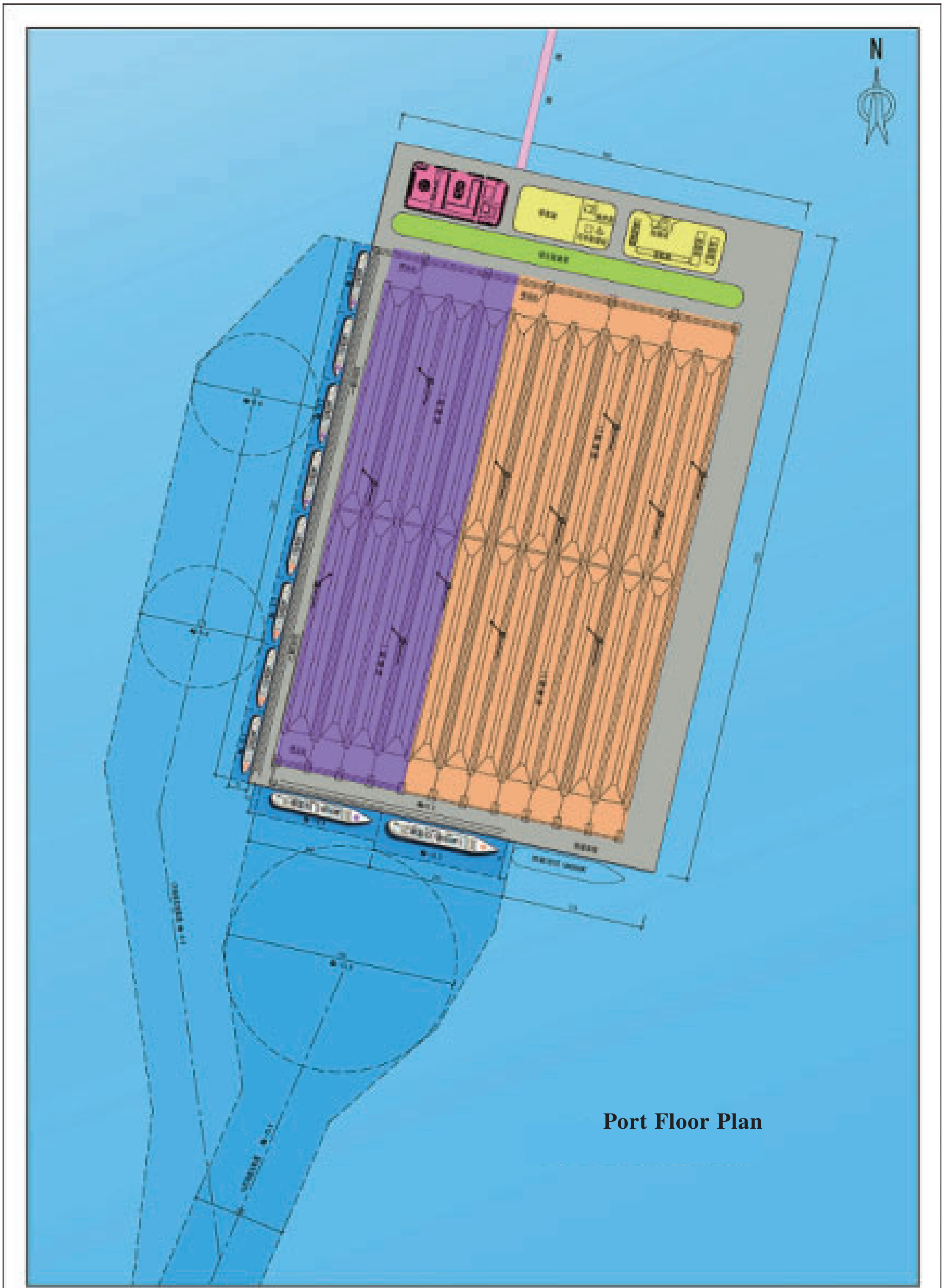
Set out below are the coordinates of the Port development zone:

Point ID	**State Plane X Coordinate**	**State Plane Y Coordinate**
A	2374451.49	429086.47
B	2374241.47	429080.73
C	2374243.11	429203.71
D	2374453.11	429026.47
E	2374498.59	429076.27
F	2374498.20	429118.75
G	2374488.96	429127.53

Source: Dan Tien

The dockyard plan is shown as follows:

Dan Tien Port Dockyard Plan



Port Floor Plan

Source: Design Plan

The Port is currently under construction. According to the Design Plan, the first phase of the Port will be finished in one and a half year and is designed with a berth for 70,000 tons vessels and four berths for 10,000 tons vessels which will be used for handling mineral ores with a maximum capacity of 20,000,000 tons per annum. Among the total land area of 27,500,000m^2, 216,000m^2 is used for the construction of Operation & Management Centre and Customs/Health Control Point to support the operation of the Port. The second phase of the Port will have a berth for 100,000 tons vessels and four additional berths for 10,000 tons vessels, adding another 20,000,000 tons capacity per annum. In addition, there will be two berths for passenger cruises. The construction plan for the pier and the access channels is summarized as below:

Vessels	10,000 tons	70,000 tons	100,000 tons
Quay Length	1,215m long	268m long	295m long
Quay Width	41m	65m	86m
Pier Water Level	9.2m	14.9m	15.2m
Channel Water Depth	9.6m	13.5m	13.9m
Channel Width	191m	164m	202m
Turning Basin Diameter	270m	456m	500m

Source: Design Plan

Dredging operations will be carried out to construct the berths. For the first phase, the following dredging is needed:

– 1,954,146.38m^2 for 70,000 tons berth
– 1,679,558.4m^2 for 10,000 tons berth
– 11,978,581m^2 for the 70,000 tons main access channel
– 1,459,155.3m^2 for the 10,000 tons access channel

For the second phase:

– 222,210.025m^2 for the 100,000 tons berth
– 1,037,293.4m^2 for the 10,000 tons berth
– 6,489,443.5m^2 for the 100,000 tons main access channel

Business of the Port

The business of the Port will include provisions of the following services:

Port Mineral and Cargo Handling

All the terminals completed in the first phase will be used for handling mineral ores. Local minerals include coal, iron, mica and manganese ore, etc. The targeted potential clients include Glory World Development Limited and other local mineral companies which trade their ores to China. Glory World Development Limited is owned as to 50% by the Company and 50% by Taiwan Mayer as at the Latest Practicable Date. It and its subsidiaries are principally engaged in the storage, sourcing, distribution and trading of non-ferrous metals and other minerals commodity worldwide, including the export of minerals ores from Vietnam to China. Information of other potential customers are set out in the section "Development of the Port" below.

Dan Tien will mainly undertake loading and unloading operations in the first phase of the Port, with some supporting services, such as the 10,000 tons barges/lighters services. In the second phase, the operation of the Port will cover cargo handling and some other value-added services.

The unloading/loading operation

Four berths of 10,000 tons each and one 70,000 tons berth would be constructed in the first phase. Another four berths and one 100,000 tons berth would be built in the second phase. The berths would include bridge-type grab ship unloaders, with a capacity of 800t/h and mobile ship loader of 6000t/h. The minerals are unloaded to the belt conveyor with a capacity of 6000t/h.

Warehousing and Logistics

Equipped with 2 bucket-wheel stacker-reclaimers, Dan Tien will provide one-stop complete warehouse management along with logistics services. Four 52m x 1000m storage yards will be constructed during the first phase. The total area of the storage yard will be 360,000m^2. The average height of the storage materials can reach 12m in the future. The total capacity of the storage yard will then reach 1,083,000 tons. During the second phase, seven more storage yards with 52m x 1000m each will be added. The total area of the second phase storage yards will be 600,000m^2.

Management Center and Custom/Health Control Point

The operating & management center and the custom/health control point will occupy 21.6 hectares of land along the way from National road No.18 to the Port. It will handle all the import – export activities and will include representative of custom and tax officer. Dan Tien will also consider setting up bonded warehouses in the future. Bonded warehouses are warehouses or yards set up on the Vietnam territory and separated from the surrounding areas for temporary storage and preservation of, or provision of a number of services for the goods brought from abroad or within the country and put into the warehouse under bonded warehouse lease contracts signed between the bonded warehouse owners and the goods owners. Dan Tien may apply for setting up and operating bonded warehouse at the Port provided that Dan Tien complete construction of the Port and the supporting area. As stipulated in the Certificate of Investment, the area of the intended bonded warehouse should be separate from other area in the supporting area and with a minimum area of 1,000 sqm and be equipped with computer system and/or camera connected to the competent custom department of Quang Ninh province. The Group intends to apply for such after completion of the Port.

Passenger Cruises

Dan Tien is planning to include passenger cruises service in the future, each with a capacity of 100 passengers. There will be two routes, one between Mong Cai and Ha Long and another between Mong Cai and Haiphong. It is proposed that a shipping company will be engaged to operate this passenger cruises services and provide all required ships and relevant facilities.

Other Services

Other services that support the operation of the Port include barges/lighters service, parking areas, port rent, logistic services between terminals and warehouses and fresh water & equipment supply, etc. Except the necessary supporting services, such as water supply, most of the services will be developed in the second phase.

The Port will provide the services as illustrated above and charge the relevant service fee. The fees will be charged at a rate with reference to the market condition. The Port will be managed and operated by a professional management team and their biographies are set out in the section headed "Proposed Management Team" below.

The Dalian Research Institute, as the project manager of the Port, is responsible for the development, planning, design and implementation of information technology facilities for terminal and logistics services to be provided as mentioned above. The information system will include the provision of comprehensive and multi-tasks information and technology services for the entire logistic chain, including the relevant customs clearance arrangement at the terminal. The customs of Vietnam will set up an office in the Port to expedite the customs clearance procedures.

Risk management

Safety and risk management is one of the highest priorities of Dan Tien. Upon commencement of the operation, the management of Dan Tien will maintain insurance policies to cover risks related to certain properties and fixed assets, third party liability, workers' compensation, vehicles, transportation and loading and unloading of cargo. Dan Tien will carry an adequate level of insurance and follows industry standards. The management team is dedicated to the implementation of work safety measures and standards to ensure a safe working environment at work sites and that the work undertaken by Dan Tien would not pose any danger to the general public. Safety measures and standards will be set in accordance with the relevant safety laws and regulations in Vietnam.

Dan Tien will adopt a series of internal control measures including the segregation of powers between the board of directors and the senior management of the members of the Group, the strengthening of reporting lines of senior management, and the imposition and clarification of authorisation powers on and of senior management. Segregation of powers is designed to ensure that decision-making powers will not be vested with one person. Strengthening of reporting lines is designed to ensure that there is a defined accountability of the management and to facilitate proper flow of information within the management structure. Imposition and clarification on and of authorisation power will minimize abuse of power by the management. The internal control measures cover the supervision on the management and operation of Dan Tien, production process, procurement of major equipment and machinery, contracts formation and execution and financial management.

Development of the Port

As at the Latest Practicable Date, Dan Tien has not entered into any co-operation or alliance arrangements with other ports. However, the management understands that co-operation with operators would enable Dan Tien to benefit from the industry expertise and experience of the business partners, and the co-operation with major shipping companies and port operators can result in mutual sharing of valuable industry knowledge on the latest developments in the logistic industry.

Upon commencement of the operation of Dan Tien, the management will actively seek co-operation with major industry participants, in particular the major shipping conglomerates and port operators and aim to increase vessel traffic at the Port and result in a greater number of trade lanes calling at the Port. Closer relationships are particularly significant in the context of the liberalisation of trade in ASEAN. A vast network of contacts and relationships in the logistic industry will help Dan Tien to capture those new market opportunities and leverage the benefits that can be derived from them.

Pursuant to the business plan, Dan Tien aims to contact potential clients actively to build up close and loyal business relationship. The customers will be the existing companies which import to or export from China using the Bac Luân Border Gate which connects Mong Cai and Guang Xi Province in China. At present, there are about 180 containers per day on average being exported from Mong Cai to China and 50 containers exported from China to Mong Cai. As National road No. 18 is the only road that connects Mong Cai and China at present and the road is narrow and traffic congestion is always a problem, the Port therefore provides a much better alternative way of transportation for these potential clients. Moreover, after road renovation, trucks over 16 tons are not allowed on roads (a container is 30 tons on average). The Port offers a much more convenient and cost saving means of transport and therefore there is a great potential for the existing companies to switch from land to sea transport. In addition, one of the shareholders of Dan Tien, Duyen Hai Quang Ninh One-Member Company Limited, is directly involved in export and import business. Duyen Hai Quang Ninh One-Member Company Limited is a limited company incorporated in Vietnam. Its principal business activities include duty-free goods trading, trading of machinery, equipment and spare parts, hotel and tourism business etc. Its general manager, who is appointed by the government of Quang Ninh province, has extensive experience in the cross border trade in Vietnam. As a shareholder of Dan Tien, it will use its experience and network to assist the management team of Dan Tien to source the potential customers. Dan Tien will use the existing client network to further increase the marketing ability of the company and thus to boom the business of the Port. As at the Latest Practicable Date, certain letters of intent have been signed with the importers and exporters. According to the letter of intent from Tan Thang Construction Investment and Trading Joint Stock Company, it intends to use the Port to transfer 10 million tons coal and iron minerals per year. Tan Thang Construction Investment and Trading Joint Stock Company is a company incorporated in Vietnam principally engaged in the business of trading, import and export. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Tan Thang Construction Investment and Trading Joint Stock Company and its ultimate beneficial owner are third parties independent of the Company and its connected persons as defined under the Listing Rules.

Competitive advantage

Mong Cai is located at the border along Dongxing Town of Guangxi Province, China. The extremely busy cross border trading activities between China and Vietnam benefit Mong Cai. It is now one of the major developing towns in Quang Ninh Province. Moreover, it is the only port city in Vietnam that boaders China both at sea and on land. The Port will be the only port allowed to be built in Mong Cai and is expected to benefit from the growing cross border trading activities.

In addition, located in Southeast Asia, Vietnam is a member country of the ASEAN which allows her to enjoy favorable trading policies within ASEAN such as tariff reduction. Please refer to the section headed "Industry Overview" in this circular for further information on the development of this area.

In addition, according to the Report No. 584/TTr-UBND of March 5, 2009 from the People's Committee of Quang Ninh province, the Prime Minister of Vietnam had decided to approve the scheme on development of Mong Cai international border-gate city, Quang Ninh Province, up to 2020 (Prime Minister's Decision No. 99/2009/QD-TTg of July 29, 2009). The scheme aims at building Mong Cai international border-gate city into an economically developed center of the coastal economic belt in the Tonkin Gulf. Development of trade, services, tourism and international transportation are also the main objective for development.

Some of the favorable policies under the scheme include reduction of land and water rents for 5 years counting from the commencement of the project, entitlement to the State's highest incentives for foreign investment, domestic investment and industrial parks investment, export processing zones and border-gate economic zones, etc.

According to the Certificate of Investment, Dan Tien is entitled to exemption of corporate income tax for 8 years from the year of posting profit, 10% of corporate income tax rate for the entire term of Dan Tien under the Certificate of Investment and exemption from land and water lease rentals for all land and water areas for the duration of the projects.

Capital expenditure plan for the Port

The capital expenditure required for the 1.5-year first phase construction period is VND1,031,266 million (equivalent to approximately HK$407.62 million) in total and its breakdown is illustrated below.

Category	**Expenditure**
Hydraulic engineering	VND460,358 million (equivalent to approximately HK$181.96 million)
Ground foundation	VND181,236 million (equivalent to approximately HK$71.63 million)
Construction of auxiliary buildings	VND14,226 million (equivalent to approximately HK$5.62 million)
Ancillary site works	VND41,824 million (equivalent to approximately HK$16.53 million)
Cargo handling machines and equipments	VND284,515 million (equivalent to approximately HK$112.46 million)
Other capital expenditure	VND49,108 million (equivalent to approximately HK$19.41 million)

The capital expenditure includes the equipment of port facilities for the first phase construction, which are summarized as below:

Item	**Description**	**Quantity**
Bridge-type Grab Ship Unloader	Q=800t/h, L_{max}=21m, L_k=13.5m	8
Mobile Ship Loader	Q=6,000t/h	1
Bucket-wheel Stacker-reclaimer	Q=6,400/6,000t/h, R=50m, L_k=10m	2
Bucket-wheel Reclaimer	Q=6,000t/h, R=50m, L_k=10m	13
Belt Conveyor	B=2,000mm	11,000m
Single-bucker Loader	1.5t	4
Single-bucker Loader	8t	4
Single-bucker Loader	5t	4
Bulldozer	240Hp	4

Source: Design Plan

The construction work is still ongoing. According to the Design Plan, the construction for the second phase will commence only after successful operation of the first phase. There is no detailed capital expenditure plan for the second phase yet. The valuation on the Port is prepared by the valuer based on the expected capacity and capital expenditure in relation to the first phase construction only.

During the course of construction, the Group will finance its capital expenditure for Dan Tien either by internal resources, bank borrowing or other fund raising exercises. The Company confirmed that as at the Latest Practicable Date, the Company has not entered into any agreement in respect of such fund raising exercises. Furthermore, the Company is not engaged in any negotiations with any parties for such fund raising purposes, nor does it have any present intention to do so.

The management of the Enlarged Group will closely monitor the progress and execution of the capital expenditure plans which may be updated from time to time with reference to the business environment and the development of the logistic businesses as well as the availability of the Group's financial resources at that time.

THE "PHOENIX TRADE AND TOURISM URBAN AREA PROJECT"

Subject to due diligence, the scope of business of the Phoenix Trade and Tourism Urban Area Project includes, amongst other things:

- Investing and constructing and putting into business the Phuong Hoang Tourist and Commercial Urban Town in Hai Xuan Commune, Mong Cai Town;
- Conducting real estate business.

The term of the Certificate of Investment is fifty (50) years from 27 June, 2003. Apart from the said investment license, Dan Tien has also obtained other certificates and approvals from the relevant authorities of Vietnam for carrying out the two projects. Further information in respect thereof is set out in the section headed "Legal and Regulatory Requirements" below.

The Property is located at Hai Xuan Commune, Mong Cai Town, Quang Ninh Province in Vietnam and is proposed to be developed into a well-planned residential community which include various facilitates such as sport centre and schools. The total site area of subject development is about 3,930,000 sq.m.(393 hectares). The development details are listed as below:

Phase I

	Site Area *(sq.m.)*
Stage 1	362,400
Stage 2	475,300
Stage 3	429,000
Stage 4	979,700
Total for Phase I	**2,246,400**

The saleable plot area of stage 1, stage 2, stage 3 and stage 4 are about 125,829 sq.m., 199,500 sq.m., 171,600 sq.m. and 142,800 sq.m. respectively.

Phase II

The total site area of phase II is about 1,683,600 sq.m. and the total saleable plot area is about 510,271 sq.m.

The Property is earmarked as an area to support the community relating to the operation of the Port and is expected to be developed into a new urban area of Mong Cai.

As at the Latest Practicable Date, Dan Tien has not obtained the proper legal title for the site area of the Property for Stages 2, 3, and 4 of the Phase I and Phase II.

According to the governmental decisions and permits issued in relation to the Property, the Property will be developed into a land suitable for residential construction. The development includes the following aspects:

1. Leveling

Level the surface of the whole project area such that it can meet the water drainage requirement. The soil to level is mainly dug from lakes and is taken from neighboring hills in the approved area.

2. Traffic-way

Construct the traffic-way lines inside the boundary and join with the national highway 18A. The traffic-way lines include small way lines parallel with the highway, ring way lines and the main traffic-way lines. The pavement is paved with self-fit brick.

3. Water supply

Construct the water supply system to living conditions and public work and services. The water sources shall be jointed with and supplied from the high pressure feed-pump station. The main water pipelines are designed as the undergrounded round source system.

4. Drainage

Construct the raining drainage system and living drainage system separately. The raining water is drained into the raining drainage system which are placed along the traffic-way lines and the surface water shall be discharged into the local lakes. The living waste water is treated through the self destruction tank and then collected into the sewage line and drained to the waste water treatment station.

5. Electric power supply

The electric power source shall be connected to the current line of Quang Ninh Electric Power, conducted through the underground cables to the low voltage stations. Transformer station, lighting system and undergrounded electric conduction lines will also be set up.

The works above have been substantially completed. Subject to the final plan, land parcel can be sold or reserved for further development. As at 31 December 2010, as disclosed in the accountants' report of Yield Rise Group, properties under development for sale amount to VND108,309.87 million (equivalent to approximately HK$42.81 million). As at the Latest Practicable Date, there is no concrete plan and schedule on the portions of Property which will be held for joint development with other land developers or held for own development. Accordingly there is no detailed construction plan and capital expenditure plan at present. According to the preliminary estimation of the Board, the final plan on the development of the stage 1 of Phase I of the Property will be available in late 2011. It is expected that parcel of land can be sold to property developers or retail customers for further development whereas the residential properties developed in the area can be sold to retail customers. The Consideration has only taken into account the land value of the Property as illustrated in Appendix VII to this circular. The full business development potential of the Property may need to be further evaluated upon adoption of a detailed development plan. The Board, which has extensive experience in property investment, will closely monitor the then property market condition upon Completion, budgeting of development costs and the resources available to the Enlarged Group and adopt the appropriate land development strategy for Dan Tien that is in the interest of the Enlarged Group when confirming the final plan on the development of the Property. Qualified property management companies are also planned to be appointed to assist Dan Tien in finalizing the development plan.

PROPOSED MANAGEMENT TEAM

The Directors have extensive experience in the property investment and corporate development. Mr. Lai Yueh-hsing has over 20 years of extensive experience in real estate development and was the general manager of Durban Development Co., Limited which is engaged in property development. Mr. Lu Wen-yi has over 24 years of experience in real estate development. Mr. Cheng Koon Cheung has years of experience and possesses extensive knowledge in the area of corporate planning and market development. The Board will closely supervise the projects of Dan Tien with the assistance of other senior management of the Group. Upon Completion, the Group will appoint suitable experts and management personnel to ensure continual efficient development of the projects of Dan Tien. The Dalian Research Institute is proposed to be appointed as the project manager of the Port upon Completion. Its biography has been set out in the section headed "Proposed Business Plan" above. The Dalian Research Institute will assist Dan Tien in the design and construction of the Port. Upon completion of the construction, the operation of the Port will be overseen by the existing management in Dan Tien and the Dalian Research Institute. Set out below are the biographies of the key personnel of the Dalian Research Institute who will be primarily responsible for the management of the Port.

Mr. Wu Peng ("Mr. Wu")

Mr. Wu graduated from Tsing Hua University in 1987 with a master degree in hydraulic and hydro-power engineering. He is a director and chief analyst and engineer of the Dalian Research Institute. He has more than 10 years of experience in port and waterway engineering, in particular the design and research of groyne, navigation lock and port channel. Mr. Wu has been engaged in the construction and development of numerous of port projects, including engineering and construction project for Beihai Port Stage 1* (北海港一期), project management contractor for Damaiyu 50,000 tons level Container Port * (大麥嶼5萬噸級集裝箱碼頭) and Hainan Maritime Safety Administration * (海南海事局) Port Management. Mr. Wu has also been involved in the construction of Shanghai Waigaoqiao Container Port* (上海外高橋集裝箱碼頭) and Dailian 300,000 tons level Crude Oil Port * (大連30萬噸級原油碼頭) in the PRC and has participated in over 100 projects in relation to water transport and waterway engineering.

Mr. Niu Enzong ("Mr. Niu")

Mr. Niu graduated from Polytechnic University of Dailian in 1963 with a degree in port and channel construction engineering. He is the vice chief engineer of the Dalian Research Institute. He has more than 40 years of experience in port and channel engineering design. Mr. Niu has been the chief design engineer of Da Yao Wan Port Stage 1 * (大窑灣一期). He has also been engaged in the construction management of Huanghua Port Stage 1 & 2 * (黃驊港一、二期) and Shanghai Waigaoqiao Container Port Stage 2, 3 & 4 * (上海外高橋二、三、四期集裝箱碼頭) in the PRC.

Mr. Zhu Hao ("Mr. Zhu")

Mr. Zhu graduated from Polytechnic University of Dalian in 1992 with a degree in port and channel construction engineering. He is the senior engineer and general manager of the Dalian Research Institute. He has more than 18 years of experience in port and channel engineering design. He was the engineer of the Water Transportation Planning and Design Institutes Co. Ltd under the Ministry of Transport and the vice president of the Design Institute of Polytechnic University of Dailian. Mr. Zhu has been involved in the project management of Huanghua Port Stage 1 * (黃驊港一期) in the PRC.

The professionals of the Dalian Research Institute above will form a management committee of Dan Tien which will be in charge of the construction and the operation of the Port. The management committee will also consist of key personnel from Dan Tien whose biographies are set out as below:

Mr. Pham Thanh Do ("Mr. Pham")

Mr. Pham is the general manager of Duyen Hai Quang Ninh One-Member Company Limited appointed by the Quang Ninh provincial government. He has extensive experience in international trading and corporate management. Mr. Pham will be appointed as the management committee of Dan Tien to assist Dan Tien in the business development.

Ms. Vò Kim Thoa ("Ms. Vò")

Ms. Vò is the chief accountant of Dan Tien who has extensive experience in accounting and finance. She will assist to oversee the financial structure and accounting reporting of Dan Tien.

In respect of the Property, the development will be closely monitored by the Board. Mr. Cheng Koon Cheung, a Director, will join the management committee of Dan Tien to assist in the corporate management and the development of the Property. In case the Property is held for own development, Dan Tien will appoint qualified property management companies to assist in, including but not limited to, construction field management and sales of properties.

The Board has conducted due diligence on the experiences and qualifications of the Dalian Research Institute, including reviewing the relevant certificates and the project completion list. The Board is satisfied that the Dalian Research Institute possesses the required expertise and experience in managing the development of the Port. Together with the Directors' experience in property development and the existing managements of Dan Tien, the Board is of the view that the proposed new management committee of Dan Tien will have sufficient expertise and experience to manage the business and operation of the Port and the Property. In order to further strengthen the management efficiency, the Board will also from time to time seek appropriate personnel who can contribute to the development of the Group. As at the Latest Practicable Date, there is no intention that any management team member as mentioned above will be appointed as the Director.

LEGAL AND REGULATORY REQUIREMENTS

In the opinion of the Company's legal advisers as to Vietnam laws, the principal laws and regulations with respect to the Dan Tien Port Project and the Phoenix Trade and Tourism Urban Area Project and the authoritative approval for Dan Tien in respect thereof are set out in this section.

For the purpose of initiating and implementing an investment project in Vietnam, a decision of principle approval for the project issued by a competent authority such as the Quang Ninh People's Committee is normally required. The Investment Certificate No.221.022.000.107, which supersedes and supplements its old equivalents, falls within the category of decision of principle approval. Following issuance of the decision of principle approval, further decisions, including decision of approval of location of project, decision of approval of construction planning, decision of approval of implementation and decision of hand-over of land, are required to be obtained from the competent authorities in order to implement the project. Different government departments may also be involved in the approval process depending on the nature and scope of the particular project.

The development of the Dan Tien Port Project and the Phoenix Trade and Tourism Urban Area Project in Mong Cai City, Quang Ninh province, Vietnam is regulated under the Law on Investment (previously known as the Law on Foreign Investment in Vietnam), the Law on Enterprise, the Law on Land, the Law on Construction, the Law on Business in Real Estate, the Law on Tax Management, the Law on Value Added Tax, the Law on Corporate Income Tax, the Law on Inland Waterway Transport and the Law on Environment Protection, together with their under-law regulations i.e. Ordinance, Decree and Circular, which collectively address every aspect of the implementation and operation of the projects. Dan Tien is subject to the aforesaid laws and compliance with which is strictly required.

Dan Tien, having its legal status as foreign-direct-investment (FDI) company, must comply with the Law on Investment (previously known as the the Law on Foreign Investment in Vietnam) and the Law on Enterprise in connection with the preparation and application for obtaining the Investment Certificate, which is equivalent to a certificate of incorporation of a company. From its issuance onwards, it possesses legal status to undertake further steps for the project.

After obtaining the Investment Certificate, Dan Tien has to undergo preparation, submission, approval and development of the investment project to achieve its objectives i.e. construction of port and real estate business. As a FDI company, Dan Tien is required to receive a Decision of Approval of Investment (ie. Decision No. 1244/QDUBND dated 09 May 2006 for Stage 1 of Phase I of the Property project) issued by the People's Committee of Quang Ninh province, as per the Law on Investment and Law on Enterprise and their under-law regulations.

After getting the approval of investment for the projects, the land area allocated to Dan Tien for the project must be cleared, Dan Tien must fulfill its obligations in order to be granted the land and an approval of land allocation by the People's Committee of Quang Ninh province, which includes settlement of land levy payment for the land area (per Decision No. 2422/QD-UBND dated 18 August 2006), as per the Law on Land and its under-law regulations.

Dan Tien must obtain the Approval of Detailed Construction Plan of 1/2000 ratio (ie. Decision No. 2452/QD-UBND dated 25 July 2005 for the Property project) and then the Approval of Detailed Construction Plan of 1/500 ratio (ie. Decision No. 4198/QD-UBND dated 11 November 2005 for Stage 1 of Phase I the Property project), as per the Law on Construction and its under-law regulations.

Approval of Environment Impact Evaluation of the project (i.e. Decision No. 656/QD-UBND dated 12 March 2009 for the Supporting Area), as stipulated in the Law on Environment Protection and its under-law regulations, is also required.

Dan Tien is subject to Law on Tax Management, the Law on Corporate Income Tax and the Law on Value Added Tax and their under-law regulations in that in preparation for the detailed construction plan and development, value added tax and corporate income tax are chargeable in future operation of the project.

The Property is a project with its objective being real estate business, the Law on Real estate business and its under-law regulation are therefore applicable to Dan Tien, from inception across construction and development until operation stage. On the same basis, the Port project is also governed by the Law on Inland Waterway and its under-law regulation and Dan Tien is bound by particular requirements, standards, criteria in designing, constructing and operating the Port.

The Law on environment protection No. 52/2005/QH11 dated 29 November 2005 required that any investment project must abide strictly by environmental protection by analysis and forecast of impacts on the environment arising from the projects and implement measures to protect the environment. In addition, the Law on Construction No. 16/2003/QH11 dated 26 November 2003 regulated that construction safety is one of basic requirements in construction activities. Thus, any violation of regulations on construction safety and environment hygiene is prohibited.

Both the Dan Tien Port Project and the Phoenix Trade and Tourism Urban Area Project were regulated under the Investment Certificate No. 221.022.000.107 granted on 28 December 2007 by the People's Committee of Quang Ninh province to Dan Tien.

Under the current regulatory system in Vietnam, while the Department of Planning & Investment of the People's Committee of Quang Ninh Province, Vietnam is the primary governmental authority responsible for supervising the implementation and operation of the projects and vested with the jurisdiction over design, location, spacing and construction planning of the projects, it may seek opinion or direction from other government agencies such as Department of Construction, Department of Transportation, Department of Natural Resource and Environment of Quang Ninh province, the Ministry of Planning and Investment, the Ministry of Transportation (as to the Dan Tien Port Project) and the Ministry of Construction where necessary.

Dan Tien has obtained approvals and decisions required for the construction of the 4.7km access road, which forms part of the Dan Tien Port Project. Only with these approvals and decisions or other decisions having similar effect can the project be carried out. The material governmental decisions and permits obtained by Dan Tien for the Dan Tien Port Project as at the Latest Practicable Date are listed below.

Issuing Date	**Scope of application**	**Document**
10 November 2003	Access road	**Decision No. 4052/QD-UB**
1 April 2004	Access road	**Officer letter No. 557/UB**
8 October 2004	Access road	**Decision No. 2030/QD-SGTVT**
22 April 2005	Access road	**Permit No. 740/GP-GTVT**
6 October 2006	Supporting area	**Decision No. 2995/QD-UBND**
17 July 2007	Supporting area	**Decision No. 2520/QD-UB**
17 October 2008	Supporting area	**Decision No. 3352/QD-UBND**
9 December 2008	Access road	**Decision No. 3876/QD-UBND**
12 March 2009	Whole project	**Decision No. 656/QD-UBND**

For implementation and development of the 21.6 ha supporting area, it will require Dan Tien to submit additional documents, including environmental report, preliminary design, construction design, method of land rent payment for the People's Committee of Quang Ninh Province to consider granting the requisite decisions and/or approvals. As at the Latest Practicable Date, in so far as the supporting area is concerned, Dan Tien has received the Decision of Approval of Construction Planning and will need to seek review of the People's Committee of Quang Ninh Province before decisions of approval of implementation of the project and allocation of the land use may be issued with or without conditions imposed. Completion of the access road (from the Dyke of Village 1 to the Port) and financial capability are possible conditions of and impediments to being granted with other decisions of approval for the supporting area and the other parts of the Port.

The Company has been advised by its Vietnam lawyers that having been granted with the Investment Certificate, subject to fulfilment of such conditions as may be imposed by the People's Committee, there is no known significant obstacle to being given the decisions and/or approvals required for the supporting area. The Investment Certificate No. 221.022.000.107 was set for a term of 50 years from 27 June 2003, being the date on which its old equivalents were issued and Dan Tien is required to invest in and construct the Dan Tien Port Project from 2008 to 2010. The port areas are under construction although it has fallen behind the schedule as required by the Certificate of Investment No.221.022.000.107. Any delay in this connection may lead to the relevant existing licences (including those for the Port and the Property) being varied, suspended or revoked, or approvals of other scopes of the projects being reserved, in the absence of cogent reasons acceptable to the authorities concerned.

In addition to the aforesaid, as regards the implementation and operation of other scopes of the Dan Tien Port Project, the Company has been advised by its Vietnam lawyers that development and technical design and approval of land allocation and investment are required to be submitted to the People's Committee of Quang Ninh Province in order for the necessary approvals or decisions to be issued. Dan Tien will submit the relevant designs and approvals to apply for the requisite approvals or decisions as the development progresses. Relevant risks have been discussed in the section headed "Risk Factors" below. As aforesaid and subject to the risk factors, although there is no assurance, there is no known significant obstacle to obtaining such approvals or decisions.

In relation to the Phoenix Trade and Tourism Urban Area Project, which is divided into two phases with phase I further divided into 4 stages, construction planning and development of stage 1 of phase 1 has been approved by the People's Committee of Quang Ninh Province. If future development of other phase and stages are to be carried out, applications, following completion of the construction of the infrastructure of stage 1, which is one of the conditions to be fulfilled and reviewed by Quang Ninh People's Committee of granting further approval for other stages in phase 1, will need to be made in order to obtain other approvals and decisions. Save as aforesaid and for the risk factors, it is expected that there is no significant legal impediment in relation thereto. According to the Investment Certificate No. 221.022.000.107 and the Approval of Construction Planning in respect of the two phases of the project (per Decision No. 2452/QD-UB issued in 2005), Dan Tien is required to invest in and construct the Phoenix Trade and Tourism Urban Area Project from 2008 to 2010 during the 50 year's term and as a result of the delay in implementing the schedule, adjustments may be made by the Quang Ninh People's Committee in relation to the other stages and phase of the Phoenix Trade and Tourism Urban Area Project and to stage 1 of phase 1 as new potential developer arises. Relevant risks have been disclosed in the section headed "Risk Factors" below.

The material governmental decisions and permits obtained by Dan Tien for the Phoenix Trade and Tourism Urban Area Project as at the Latest Practicable Date are listed below.

Issuing date	Scope of application	Document
12 April 2004	whole project	**Decision no. 1135/QD-UB**
25 July 2005	whole project	**Decision no. 2452/QD-UB**
11 November 2005	Stage 1/Phase 1	**Decision no. 4198/QD-UBND**
16 November 2005	Stage 1/Phase 1	**Decision No. 4259/QD-UBND**
09 May 2006	Stage 1/Phase 1	**Decision no. 1244/QD-UB**
3 July 2006	Stage 1/Phase 1	**Decision no. 2197/QD-UBND**
18 August 2006	whole project	**Decision no. 2422/QD-UB**
02 January 2007	whole project	**Decision no. 14/QD-UBND**
10 October 2007	Stage 1/Phase 1	**Decision no. 3726/QD-UBND**
12 August 2009	Stage 1/Phase 1	**Decision no. 2435**

Taxation

In operation of the projects under the Certificate of Investment, Dan Tien is subject to a 10% Value Added Tax (VAT), Corporate Income Tax (CIT, 10% as to the Port project and 25% as to the Property project), and Import Tax for imported machinery where required.

The Value Added Tax is charged on the total VAT of turnovers less total VAT of purchases while Corporate Income Tax is charged on taxable income which equals turnover less deductable expenses, exempted income and loss carried forwarded from previous year. Payment of each type of applicable tax is usually due monthly.

Transfer of Property

Primary developer must build up infrastructure and discharge the land levy before interests in land/real properties can be transferred. Secondary developer who intends to further develop certain specific items in the project must obtain approval of the People's Committee and interests are transferred to end-user after completion of the infrastructure and the building units. Transfer of legal interests in land/real properties must be effected under a proper land registration system composing of two tiers, namely (1) district level People's Committee, which is designed for individual Vietnamese buyers and (2) provincial level People's Committee, which is for eligible foreigners/developer. Certificate of title would be granted under the registration system.

Provincial-level People's Committee

The People's Committees specifically prescribe mechanisms on coordination and information provision between natural resources and environment agencies and construction, agriculture and rural development, and other concerned agencies, and district- and commune-level People's Committees in granting certificates and managing dossiers and carry out administrative reforms to ensure simplicity, convenience, publicity and transparency under the one-stop shop mechanism; and direct the acceleration of grant of certificates. Besides, it takes measures to develop notary public offices in their localities to meet demands for notarization of contracts and transactions on land use rights and house and other land-attached asset ownership; and consider and decide to transfer the certification of contracts and transactions from district- and commune-level People's Committees to capable notary public offices in district-level localities. In localities where provincial-level People's Committees have not yet decided on such transfer, involved parties to contracts or transactions may opt for notarization or certification by district- or commune-level People's Committees under law.

It is also responsible for directing the survey and making of cadastral maps associated with the compilation of cadastral dossiers and granting certificates, along this line, it builds capacity, increases equipment, consolidates organizational apparatus, establishes district-level land use right registries and allocates sufficient funds to meet requirements for grant of certificates and adjustment of changes in cadastral dossiers.

Land-use-right Registry

In a transfer of land/real properties interests and an application for certificates, the Registry is an authority through which dossiers to the commune-level People's Committee are sent for certification and issuing public notice. Before the dossiers are sent, they would need to examine dossiers and conduct field verifications where appropriate and thereafter certify eligibility or ineligibility, as the case may be, for certification of land use rights and prepare dossiers enclosed with copies of cadastral maps or cadastral survey of land lots. Following certification of the commune-level People's Committee, they would be responsible for handing over the certificates to grantees.

Dan Tien and land/real properties interests in the projects are subject to the same properties laws as those applicable generally in Vietnam.

Mortgage of the Property

Civil Code No. 33/2005/QH11 and Decree 163/2006/ND-CP dated 29 December 2006 of the Government regulate security transaction and Decree 181/2004/ND-CP regulates implementation of the Law on land, Dan Tien and the Property are only entitled to mortgage the land and property interests after (1) having obtained the Land Certificate which evidence title of land and (2) fulfilled its obligation to discharge the land levy.

Tariff

The applicable tariff ranges from nil to approximately 3% on imports of natural resources from PRC, which shall be subject to ACFTA (The Agreement of Trade in Good between Asean-China while Export tariff ranges from approximately10% to 20% for natural resources.

Governmental policy Intervention

To the best knowledge and information of the Directors and having made reasonable enquiries, no draconian measures were aware to have been taken by the Vietnamese government in curbing the property price as at the Latest Practicable Date.

In the opinion of the Company's legal advisers as to the Vietnam laws, save as the non-compliance as disclosed under the section headed "Risk Factors" below, there has not been any identified, known or established material non-compliance.

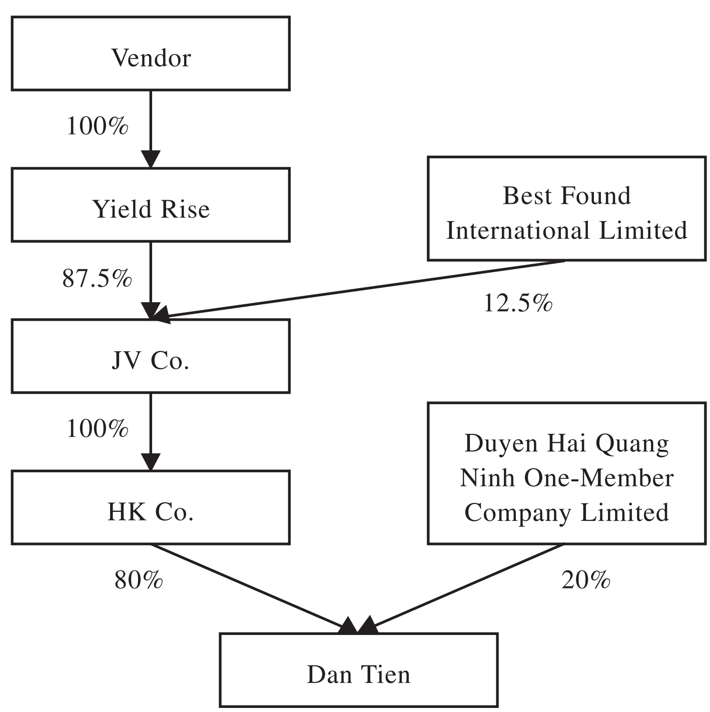
INFORMATION ON THE GROUP

The Group is principally engaged in manufacturing and trading of steel pipes, steel sheets and other products made of steel, property investment and leasing of aircrafts for rental purposes. As announced by the Company on 15 September 2010, a joint venture has been established for the purpose of carrying out trading of non-ferrous metals and other minerals resource worldwide. Upon Completion, the Enlarged Group will maintain its existing businesses and will be further engaged in port development and logistic businesses, in particular for mineral resources. It is the intention of the Group to diversify its business and continue to seek new investment opportunities with potential growth and balanced return.

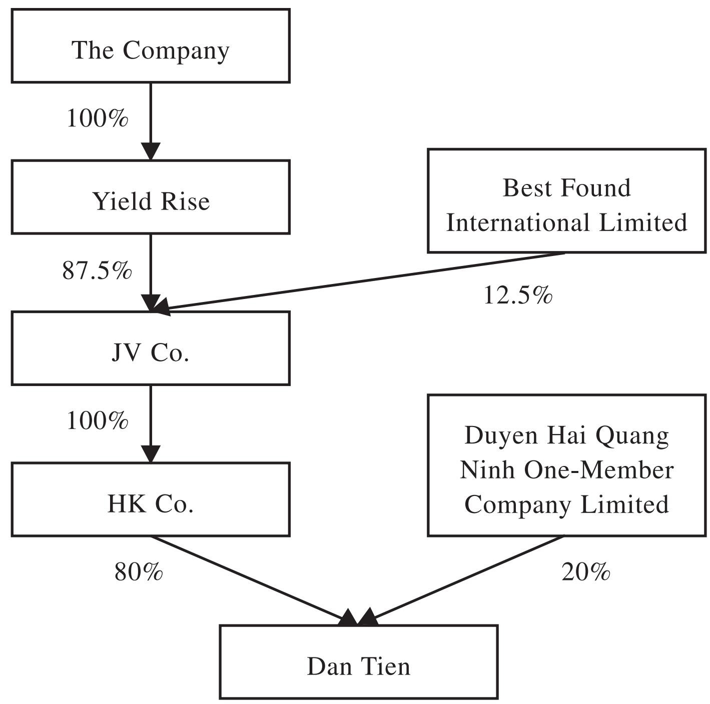
SHAREHOLDING STRUCTURE OF THE TARGET GROUP

The shareholding structure of the Target Group before and after the Completion are as follows:

The shareholding structure of the Target Group before Completion



The shareholding structure of the Target Group after Completion



EFFECT ON THE SHAREHOLDING STRUCTURE

The following chart depicts the effects of the issue of the Consideration Shares and the Conversion Shares on the shareholding structure of the Company based on the issued share capital and shareholding structure of the Company as at the Latest Practicable Date and assuming Completion having taken place and conversion in full of the Convertible Bonds into Conversion Shares at the Conversion Price, without taking into account issue of new Shares, if any, after the Latest Practicable Date and prior to Completion:

	As at the Latest Practicable Date		**Immediately after the allotment and issue of the Consideration Shares**		**Immediately after the allotment and issue of (i) the Consideration Shares and (ii) the Conversion Shares to such an extent as allowed under the conversion restrictions of the Convertible Bonds**		**Immediately after the allotment and issue of (i) the Consideration Shares and (ii) the Conversion Shares upon full conversion of the Convertible Bonds** *(Note)*	
	Number of Shares	*%*	*Number of Shares*	*%*	*Number of Shares*	*%*	*Number of Shares*	*%*
Mayer Corporation Development International Limited	200,000,000	28.94%	200,000,000	21.56%	200,000,000	20.26%	200,000,000	18.33%
Valley Park Global Corporation	115,200,000	16.67%	115,200,000	12.42%	115,200,000	11.67%	115,200,000	10.56%
Lee Kwok Leung	69,332,000	10.03%	69,332,000	7.47%	69,332,000	7.02%	69,332,000	6.35%
Vendor	0	0.00%	236,363,636	25.48%	296,087,530	29.99%	399,999,999	36.66%
Public	306,668,000	44.36%	306,668,000	33.07%	306,668,000	31.06%	306,668,000	28.10%
Total	691,200,000	100.00%	927,563,636	100.00%	987,287,530	100.00%	1,091,199,999	100.00%

Note: The shareholding structure is shown for illustration purpose only and may not be exclusive. Pursuant to the conversion restrictions under the terms and conditions of the Convertible Bonds, no conversion right may be exercised to the extent that such exercise or issue of Conversion Shares (i) would result in the Company's non-compliance with the minimum public shareholding level requirement stipulated under Rule 8.08 of the Listing Rules or other relevant requirements under the Listing Rules; or (ii) would render the Bondholder, its associates and parties acting in concert with any of them in aggregate interested in more than 29.9% of the then issued share capital of the Company and (iii) would trigger a general offer obligation under Rule 26 of the Takeovers Code.

#*Source:* the records of Computershare Hong Kong Investor Services Ltd. and the Company indicating the shareholding structure of the Company on 11 April 2011. In the event that the actual figures are different from those as disclosed in the above table, the Company would issue an announcement for clarification.

INDUSTRY OVERVIEW

Vietnam economy

According to the General Statistics Office of Vietnam, Vietnam achieved around 8% annual GDP growth from 1990 to 1997 and continued at around 7% from 2000 to 2005, making it one of the world's fastest growing economies. Its growth rates were 8.5%, 6.3%, 5.3% and 6.8% for the year 2007, 2008, 2009 and 2010 respectively. Foreign investment grew threefold and domestic savings quintupled. Manufacturing, information technology and high-tech industries form a large and fast-growing part of the national economy. Vietnam is a relative newcomer to the oil business, but today it is the third-largest oil producer in Southeast Asia with output of 400,000 barrels per day (64,000 m^3/d). Vietnam is one of Asia's most open economies: two-way trade is around 160% of its GDP, more than twice the ratio for China and over four times India's.

Besides, a framework agreement has been approved by South China's Guangxi Zhuang autonomous region and Vietnam to establish a new cross-border economic zone in the latest effort to further boost the economic and trade cooperation between the two nations. The move is part of a board effort to further enhance bilateral economic ties between China, the third largest economy and one of the fastest-growing economies in the world, and the Association of Southeast Asian Nations ("**ASEAN**"), following the establishment of the China-ASEAN free trade area.

The progressive growth of Vietnam's economy and the increasing volumes of materials for international trade call for an urgent demand for supporting facilities, especially the transportation infrastructure and real estate.

Mong Cai City, Quang Ninh Province

Source: Google

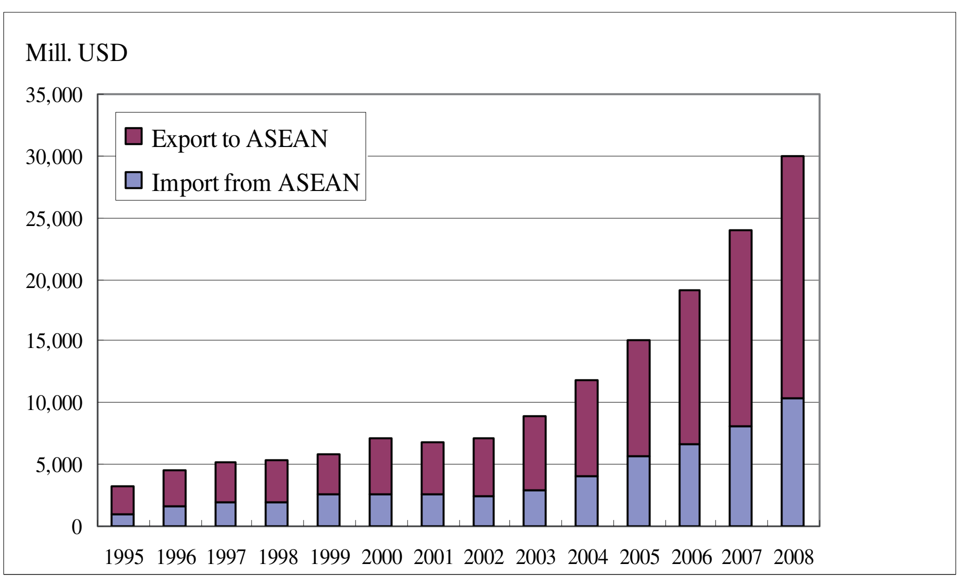
Quang Ninh is a large province located along the northeastern coast of Vietnam. Although economy of the region is agriculture-based, other sectors of industries and tourism are also getting priority attention. Being located in the northern economic triangle (Hanoi-Haiphong-Quangninh), the province has abundant resources and has immense potential to develop the economy in every sector. The People's Committee of Quang Ninh Province in 2007 approved proposals for development plans up to 2020. Industrial development is taking place at a rapid pace. Mineral extraction industries are being developed. Special economic zones are being created and the plans envisage making the province a modern industrial province by 2015. The two economic development zones under development are the Mong Cai Border Gate economic zone and the Van Don economic zone. Tourism is also a sector of economic development, which has been given priority.

Mong Cai City is a major economy city in Quang Ninh Province, lying on the border with Dongxing town, Fangchenggang, Guanxi Province, PRC. It is one of the most important international border gates in northern border of Vietnam for exchanging with the PRC and other countries in the region. This economic zone is constructed to become a big, modern and versatile city and defined as the gateway for PRC in approaching South East Asia market.

According to China Daily, the volume of trade between Vietnam and China through the Dongxing-Mong Cai boarder reached US$2.4 billion (equivalent to approximately HK$18.67 billion) and US$4.1 billion (equivalent to approximately HK$31.90 billion) in 2007 and 2008 respectively.

China, being on of Vietnam's major trading partners, has experienced significant economic growth in the last decade, even during the 2008 international financial crisis. Vietnam is one of the emerging countries experiencing similar growth and is predicted to the "the next China" by many investors. Moreover, China – ASEAN Free Trade Area and Scheme of new cross-border economic zone are favorable policies that will undeniably encourage trading activities between the two countries. This economic zone of Mong Cai is expected to be developed into a hub of trading and logistic business between Vietnam, China and ASEAN.

According to the General Statistics Office of Vietnam, total trade, including both import and export, between Vietnam and ASEAN has increased from US$3,267 million (equivalent to approximately HK$25,417.26 million) in 1995 to US$29,905.4 million (equivalent to approximately HK$232,664.01 million) in 2008. The growth shown below remains stable and is especially significant since 2002. Similar growth has also happened in trade between Vietnam and China, as total trade between the two countries increased from US$691.6 million (equivalent to approximately HK$5,380.65 million) in 1995 to US$20,823.7 million (equivalent to approximately HK$162,008.39 million) in 2008. In addition, currently China has been the largest import market of Vietnam, representing 23.5% of Vietnam's total import.



Source: General Statistic Office of Vietnam

Logistic business

Exports and Imports

According to the General Statistics Office of Vietnam, export turnover of the year of 2010 is estimated reaching USD 71.6 billion, increasing by 25.5% against 2009.

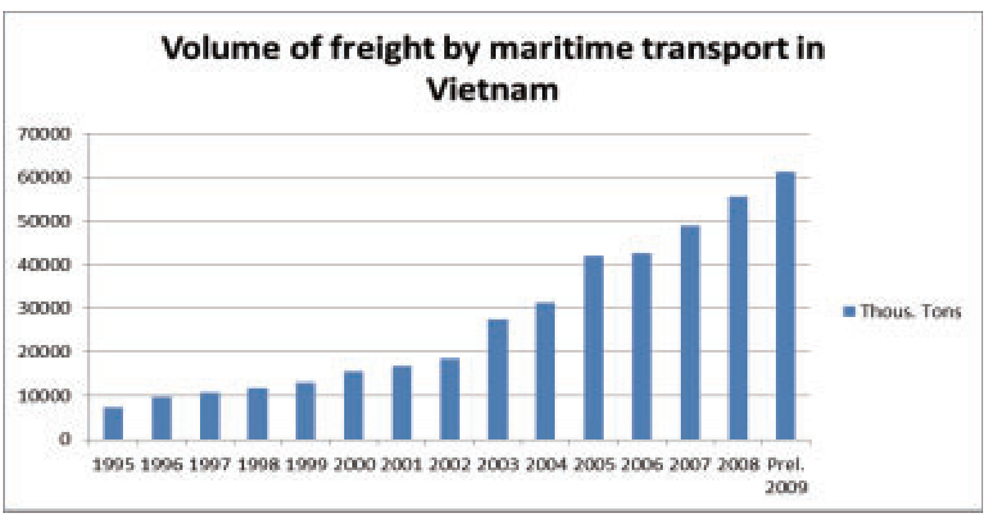
For market for exportation, as of end of November 2010, the United States is still Vietnam's largest market with estimated export turnover of USD 12.8 billion, accounting for 17.9% of the total export turnover and up by 25.4% against the same period last year. Exported goods to Japan reaches USD 6.9 billion, accounting for 9.6% and up by 23.6% against the same period last year; exported goods to China gain USD 6.3 billion, accounting for 8.8% and up by 48.6%.

Import turnover for the year of 2010 is estimated reaching USD 84 billion, up by 20.1% against last year with reference to the report by the General Statistics Office of Vietnam.

In 2010, China is still the largest market for Vietnam's importation with total turnover of USD 17.9 billion, up by 23.4% against the same period in 2009; ASEAN with USD 14.5 billion, up by 18%; Republic of Korea with USD 8.7 billion, up by 42.4%; Japan with USD 8.1 billion, up by 21.7%; EU with USD 5.5 billion, up by 9%.

Transportation of Vietnam

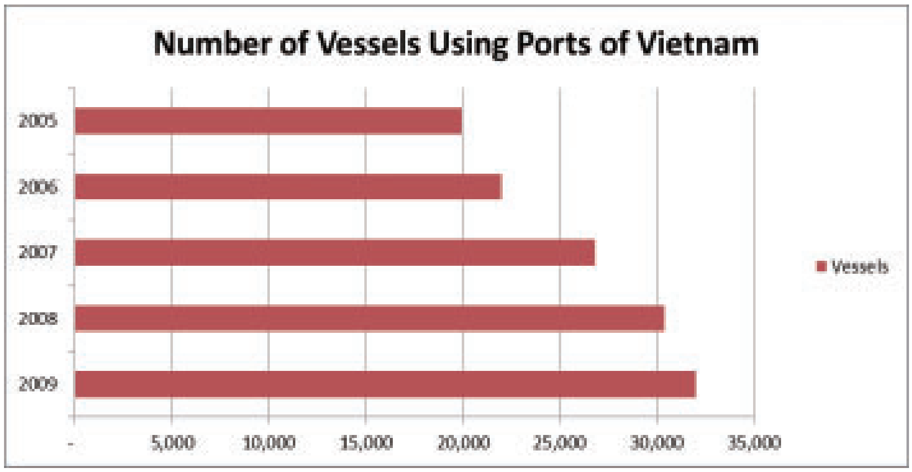
The volume of freight by using waterway, including island waterway and maritime transport, accounts for around 30% of the total freight in Vietnam in the past ten years. Particularly, the maritime transport plays a more and more important role in the Vietnam transportation.



Data source: General Statistic Office of Vietnam

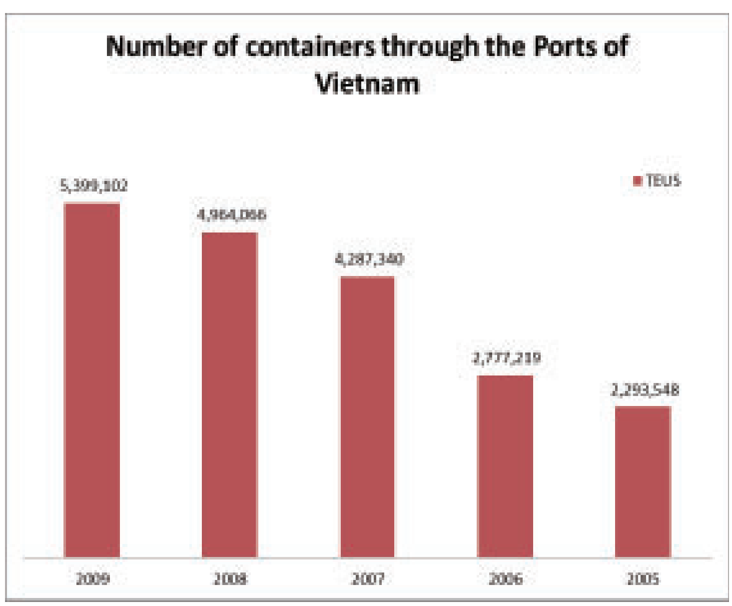
As shown in the above graph in relation to the volume of freight by using maritime transport, it is noted that the volume of using maritime transport in Vietnam increase gradually from around 7,000 thousand tons in 1995 to approximately 61,000 thousand tons in 2009. Although there is a financial tsunami in 2008, the export and import through maritime in Vietnam is still increasing because of the strong growth in local economy. On average, the volume of freight by maritime transport grows approximately 17% per annum through the period from 1995 to 2009.

Accompanied by the rising status of maritime transport, the ports of Vietnam face a strong demand in the past five years.



Data Source: Vietnam Seaports Association

As shown in the above graph, the number of vessels using ports of Vietnam is 32,021 for the year of 2009 as compared to 30,367 in 2008 and 26,818 in 2007. Due to the fast growing economic in Vietnam and various schemes and policies by Vietnam's government, the number of vessels using Vietnam ports increases approximately 12% annually.



Data Source: Vietnam Seaports Association

The numbers of containers (TEUS: Twenty-foot containers) using the ports of Vietnam to import, export, and domesticly ship have increased gradually from 2,293,548 TEUS to 5,399,102 TEUS. It increased at a rate of approximately 25% per annum from the year of 2005 to 2009.

Urban infrastructure construction

Besides the government policies, the Vietnam government plans to build urban infrastructure construction on Mong Cai City to equip it with sophisticated logistic system. To develop the inter-provincial road network, the Vietnam government will upgrade the Dong Trieu to Mong Cai and Mong Cai to Tra Co-Nui Do (Mui Ngoc) port sections.

The Vietnam government also plans to expand and upgrade the road from Mong Cai to Mui Ngoc and develop road transport to Vinh Thuc island, creating opportunities for exploitation of available land and other marine resources. It also plans to locate land for the construction of railway stations on rail routes running through Mong Cai city (Ha Long to Mong Cai service and Fangcheng (China) to Hai Phong service).

The development of road and railway transportation provide a support to the maritime transport of Mong Cai, as the shipped freight can be quickly and conveniently delivered from Mong Cai to the surrounding regions.

Prospects

According to the Vietnam Business News, "Vietnam's Sea Strategy up to 2020", the Vietnam government aims to turn Vietnam into a strong marine-based economy, with the marine economy accounting for 53-55% of GDP. Located on the northeastern region of Vietnam, Quang Ninh Province has taken advantage of its natural potential to develop the marine economy. It is now a strategic region for international and domestic business activities and a gateway to the seas of the northern Vietnam key economic region.

In addition to strengthening its marine industry, sea port activities, and exploitation of aquatic products, aquatic breeding and exploitation, Quang Ninh Province has focused on the development of other industries and services such as storage, land and marine transportation, and petrol, oil, gas, steel, and cement distribution services. In addition, authorities are making great effort to remedy shortcomings in investment policies, administrative procedures, shortage of labor, and poor infrastructure. As the northern economic region envisages a significant development, Quang Ninh will be gateways to connect Vietnam northeastern region with China's southwestern provinces.

Real estates

Association of Foreign Investor in Real Estate (AFIRE), a pre-eminent global real estate organization, has released a report on global real estate market in 2010, according to which Vietnam ranks the fourth in the emerging markets in terms of the level of attractiveness to foreign investors and it is noted that Vietnam was not in the list in 2009. The achievement of the ranking is attributable to the rapid growth of Vietnam's real estate market and the open regulations, which allows the participation of foreign investors.

According to Vietnam Business News, a leading Vietnam business information agency which provides a broad range of Vietnam business information, since early 2010, Vietnam's real estate market has gradually improved correspondent to the continuous expansion of the economy. With a brighter outlook of the domestic and global economies, market for commercial and residential real estate of Vietnam has had a positive development momentum, a trend predicted to last until 2012. It is also predicted that urbanization process of Vietnam would go on and demand for housing and retail trade system would continue to increase.

The favorable open regulations, the rapid growth of Vietnam's economy, and the increasing population create a huge opportunity for the development of real estate in Vietnam. Besides, Quang Ninh province has focused on developing sea and island tourism. As a result, the number of visitors to the province has increased to about 4 million in 2010, which further stimulates the real estate investment of investors in Quang Ninh province.

RISK FACTORS

The Company may face certain risk factors in connection with the Acquisition. Major risks include, among other things, the following:

Risks relating to the Group

New business segment of the Group

The Acquisition constitutes an investment in the new business sector of terminal and port operation in Vietnam, which the Company has not previously had exposure to or experience in, coupled with the regulatory environment, it may pose significant challenges to the Group's administrative, financial and operational resources. Since the Group does not have any exposure to or experience in the new port business, it is not in a position to assure the timing and amount of any return that may be generated from the new port business, nor is it certain to control the operational risks that could lead to a loss.

There are different risks and returns for different line of businesses. The risks related to the existing Group's operations include but not limited to the risks related to the fluctuations in the prices of steel, keen competition of steel products both in Hong Kong and the PRC, risks of uncertain demand of steel products, the unpredictable nature of revenue and profitability from the investment in property and leasing of aircrafts for rental purposes.

And the risks and returns of Dan Tien's port business may not be the same as those of the Group's existing businesses. Details of the risks relating to Dan Tien and port industry will be set out below.

The coherence in running different lines of business greatly depends on the level of experience and accuracy of the management's assessment of the new business investment and its impact to the Company as a whole which will be affected by the information obtained for the new business, such as the accuracy of the historical data gathered, industrial and market information obtained, proposed changes in the government policy in the future years, expectation in the estimated length of the investment period and the period of returns, initial investment and any subsequent re-investment cost and/or related capital expenditure, economical changes, technological changes in the business, additional costs to be incurred for the contingency plans, foreseeable changes in the customer base and the market requirement in both products and services, industrial and market competitors, possible political, cultural or environmental changes and any possible changing elements. The effects arisen from these factors are different from the existing business and will ultimately affect the amount and timing of the Company's overall and consolidated investment with returns pattern if not managed properly. However, the Company has certain sections of business in Vietnam through its non wholly-owned subsidiary, Guangzhou Mayer. The investment and operation experience in Vietnam may help the Company to mitigate the aforesaid risks and control the costs if they emerge.

The existing Board has no experience in running the port business

This is a limiting factor of the existing Board as they have no experience in running the port business. Although the Company will rely heavily on the expertise of the management of Dan Tien, the existing Board may require additional time to implement measures and adjust to changes resulting from the Acquisition and to manage the risks associated with the business of Dan Tien. In addition, the new measures may not have the desired effects on the Company's corporate structure, corporate governance or other aspects of the Company's operations. In addition, the Company may not be able to achieve the intended results in the new business activities at all. If the Company is not able to manage the growth of Dan Tien successfully or otherwise obtain sufficient resources to support such growth, the business, financial condition, results of operations and prospects of the Group may be adversely affected.

The Company may also incur costs in recruiting, training and retaining personnel with the proper experience and knowledge to handle new and existing business activities.

Risks relating to Dan Tien

Competition with other regional terminal operators

Dan Tien faces competition from other port terminal operators within northern region of Vietnam and nearby region, namely Cam Pha Port, Quang Ninh Port, Hai Phong Port and Dinh Vu Port. As for Cam Pha Port, it is a deep sea port, whose sea-channel is less alluvial and the anchorage area is large and less windy; as for Quang Ninh Port, it has a deep water entry and is being developed into one of the largest port area to the northern Vietnam; and as for Dinh Vu Port, it is also a deep port. The business of Dan Tien may be adversely affected as a result of the competition from surrounding port terminal operators in northern region and other nearby ports. In order to maintain the competitiveness, with the assistance of the professional and experienced management team, Dan Tien will provide the most appropriate facilities and efficient loading and discharging services to the customers.

The Company considers that Dan Tien's competition with the surrounding competitors is not keen, as port location is one of the most important factors for the success of a port. Customers always choose a port that is the most convenient for them to transport their goods in order to save the transportation costs. Dan Tien situates in Mong Cai which is right at the Vietnam-China border and is closer to the PRC. This is an unique advantage over the other competitors. The large volume of materials transportation between the PRC and Vietnam every year creates a favorable geographic position for Dan Tien. Therefore it is expected that Dan Tien will have a competitive advantage over its potential competitors.

Competition from other modes of transportation

Increasing competition from other modes of transportation may adversely affect the Group's loading and unloading and logistics business. The highway network, railway network and the air transportation network are well developed in Vietnam and its hinterland and compete with domestic sea transportation. Cargo owners may choose to use other modes of transportation for their cargo, such as the National road No.18 in Quang Ninh province. As all of the major customers of the Group are shipping companies, their businesses may as a result be adversely affected which may in turn adversely affect the business of the Group. However the Company believes that the relatively low transportation cost by shipment will enable Dan Tien to maintain its competitiveness. In addition, the advancing of transportation network will in turn assist in the development of the overall logistic industry in Vietnam.

Construction risk

Dan Tien is exposed to certain risks in respect of the development and construction of the port facilities. The port areas are under construction although it has fallen behind the schedule as required by the Certificate of Investment No.221.022.000.107. Although the Group plans to develop the facilities, the actual timing of completion, capacity and the cash flow of the Port may be affected by various factors beyond the control of Dan Tien, such as the general economic conditions of Vietnam and changes in the international business environment. The development of port facilities also faces other risks commonly associated with infrastructure projects including shortages or delays in the supply of labour and materials and equipment, cost overruns, natural disasters, accidents or other unforeseen circumstances. In light of these risks, the construction of the Port may not be completed as scheduled and cash flow projections of the Port may be subject to unforeseeable changes. Moreover, any delay in this connection may lead to the relevant existing licences (including those for the Port and the Property) being varied, suspended or revoked, or approvals of other scopes of the projects being reserved, in the absence of cogent reasons acceptable to the authorities concerned.

Dan Tien's success significantly depends on the key management and additional management

Dan Tien is currently operated by the experienced key management team (including the management appointed by Duyen Hai Quang Ninh One-Member Company Limited) and will actively recruit additional appropriate professionals. They will have experience in port planning, construction, property management, overall development strategy, marketing, day-to-day operation and management. As Dan Tien undergoes construction of its Dan Tien Port Project and Phoenix Trade and Tourism Urban Area Project, if Dan Tien is not successful in retaining and/or attracting key personnel subsequent to the Completion, this may result in loss of construction focus, poor execution of operations and inability to identify and execute potential strategic initiatives. Dan Tien's construction schedule and capital expenditure could be materially and adversely affected.

After Completion, the Group will be entitled to nominate and appoint the board members of Dan Tien. The Company is confident that it will substantially participate in the decision making processes of Dan Tien after the Acquisition. Dan Tien will continue to use its best efforts to improve the working environment for its employees.

Potential liability claims

Even though Dan Tien has adopted stringent safety precaution and quality control measures and has fully complied with the relevant rules and regulations in Vietnam, the development of property, port and relevant logistics business still exposes Dan Tien to potential risks of product and services liability claims, which are time consuming and expensive to defend and may have a material adverse impact on Dan Tien's business, financial condition and results of operation. Further, Dan Tien cannot ensure that customers will follow its instructions on the proper usage of its port and port facilities accurately. If the port and port facilities are used incorrectly by customers, injury and losses may result, which could give rise to product and/or services liability claims against Dan Tien. Any losses that Dan Tien may suffer due to any liability claims and the effect that any product and/or services liability litigation may have upon the reputation and marketability of the property, port and revelant logistic business may divert management's attention from normal business operations and may have a material adverse impact on Dan Tien's reputation, business, financial condition and results of operation.

Risks related to the absence of proper legal title for certain land lots

As at the Latest Practicable Date, Dan Tien has not obtained proper legal title for the site area of the Property for Stages 2, 3, and 4 of the Phase I and Phase II. If Dan Tien fails to or delays to obtain the legal title for the aforesaid properties, the construction process for stage 2, 3, and 4 of the first phase and the second phase will be suspended, or even revoked, which may have an adverse impact on Dan Tien's future development potential.

The investment project for Phase I Stage I have been conducted in compliance with the relevant procedures, though the implementation schedules have not been met due to the delay in financing. According to the Investment Certificate No. 221.022.000.107 dated 28 December 2007 which required Dan Tien to invest and construct the Property from 2008 to 2010. So far, Dan Tien delayed the project as regulated in the Investment Certificate. Approval of Construction Planning of the Property will be developed in two phases (Decision No. 2452/QD-UB issued since 2005). It may be adjusted by the Quang Ninh People's Committee in case there is new eligible developer who proposes to take remaining phase. To the best knowledge and information of the Directors and having made reasonable enquires, no developer were aware to have been identified to take the remaining phase. The Property also has its component projects which shall be invested into different phases. Completion investment and construction of stage 1 as regulated in item 4 of the Decision 1244/QD-UBND dated May 09, 2006 is one of condition to be considered and reviewed by Quang Ninh People's Committee for further Approval of other stages of phase 1. Thus, Dan Tien must submit relevant document to get other Approvals and Decision such as Approval of Construction Planning, Approval of Implementation of Project, Decision of hand-over the land.

When determining the Consideration, the Board took into account the valuation report on the Property as set out in Appendix VII to this circular. It is noted that for Stages 2, 3 and 4 and Phase II, no commercial value was attributed to the land plots. The Company has consulted the Vietnam lawyer, DNH LAW LLC regarding the legal title issue. Based on the information provided by DNH LAW LLC, and save as disclosed in the section headed "Risk Factors" in the circular, there is no materially adverse fact indicating application for the legal title will be rejected as at the Latest Practicable Date.

Risk factors relating to the industry

Dan Tien's results of future operations are affected by global trading volumes and economic, financial and political conditions

Dan Tien's results of future operations are affected by the volume of its business which in turn depends on international trade volumes as well as the import and export volumes. International trade volumes and Vietnamese import and export volumes will be affected by changes or developments in global economic, financial and political conditions, or fears of any of these. These are outside the Group's control. In particular, an economic slowdown in Vietnam and/or globally may materially and adversely affect the Group's financial position and future prospects.

Other extraneous factors, such as impositions of trade barriers, sanctions, boycotts and other measures, trade disputes and work stoppages, particularly in the transportation services industry, and acts of war, hostilities, epidemics or terrorism, could adversely affect trading volumes and lead to a material decline in the demand for Dan Tien's services and the results of operations of Dan Tien will be adversely affected.

Fluctuation of the demand in shipping industry

The Group's results of operations may fluctuate significantly as a result of the seasonality of the shipping industry. However, as some of the operation costs of the Group are fixed in nature, the Group may not be able to make any necessary short-term adjustments. As a result, the results of operations of the Group may fluctuate significantly and comparisons of operating results between different periods within a single financial year, or between different periods in different financial years, are not necessarily meaningful and may not be relied upon as indications of the overall performance of the Group.

The normal operations of Dan Tien could be affected by natural disaster or other events beyond their control

Similar to many other businesses, Dan Tien's normal operations could be adversely affected or disrupted by natural disasters (such as earthquake, flood, fire, typhoons or other natural disaster or other force majeure events) or other events including but not limited to:

- mechanical and electrical equipment failure; and
- strike or lock-out or other industrial action by workers or employers.

The weather condition is a risk for operation of ports in Vietnam. Currently Vietnam suffers from 6 to 10 tropical storms each year. Compared to other areas in Vietnam, there is a risk that Mong Cai Town will be so affected as it is located along the coastal line.

These events would adversely affect the normal operations of the shipping industry and international trade which would, in turn, adversely affect the business of Dan Tien. Typhoon and storm lead to shorter operating days for ports and increasing of operating cost. Port facilities may become casualties of sea-level rise, requiring relocations or expensive protective measures, such as sea walls and levees. These could cause disruption to the operation in part or in whole and therefore may materially affect Dan Tien's financial conditions and results of operations.

The industry of Dan Tien is capital intensive and failure to maintain sufficient capital may have an adverse impact on its business

The industry of Dan Tien is capital intensive as it requires a large sum of capital contribution at early stage, including construction of port terminals and purchase of loading machines. However, when the ports commence the operations, there are stable operating cash inflows and no substantial working capital is required.

The port of Dan Tien is currently under construction and it requires sustainable capital expenditure during its construction. The Group will finance it through internal resources, bank financing and/or equity financing. However, no concrete financing plan has been formed yet. If the Group fails to raise sufficient fund through the financing activities, Dan Tien may not have sufficient capital for the construction and its business plan may be adversely affected.

Dan Tien is in a highly regulated industry, subject to regulatory requirements, approvals and licences

Any changes to the laws, regulations and policies governing the port industry in Vietnam may have a material adverse effect on Dan Tien's business and operations. The Ministry of Transport of Vietnam and other relevant government departments currently formulate port dues and charges chargeable by port operators. Exports or imports of cargo must undergo customs and excise and quarantine and inspection procedures.

Dan Tien constructs the Port and Property pursuant to licences granted or to be granted by various Vietnamese government authorities. If any of these approvals or licences granted to Dan Tien were revoked or suspended as a result of any changes in laws, regulations or government policies, the construction plan of Dan Tien may be materially and adversely affected and there is no assurance that any of these licenses will be renewed upon expiry or granted on favorable terms or at all. As discussed with the Vietnam legal advisers, the Company considers that the above risk of revocation or suspension of approvals or licences is not high. As at the Latest Practicable Date, Dan Tien has not received any notification of any material violation of relevant laws and regulations in Vietnam.

In addition, construction of Dan Tien's port infrastructure and facilities is subject to urban planning laws and procedures. The administration and changes of these laws or procedures may adversely affect the implementation of Dan Tien's construction plan.

Dan Tien is subject to a wide range of environmental regulations

Dan Tien is subject to Vietnam national and local environmental laws and regulations, including but not limited to regulations on air pollution, noise emissions, water and waste discharge. Any failure of Dan Tien to comply with all applicable regulations could lead to substantial penalties, including penalties and administrative orders such as an order to cease construction or to revoke the licenses.

Dan Tien could also incur civil liabilities such as abatement and compensation for loss. In addition, Dan Tien may incur substantial additional costs to comply with existing and future environmental and other regulatory obligations including costs relating to maintenance and inspection, development and implementation of emergency procedures and insurance coverage or other financial assurance of its ability to address pollution incidents. Any failure of Dan Tien to control the costs involved in complying with these laws and regulations could have a material adverse effect on the Dan Tien's future business and financial condition.

Risk factors relating to Vietnam

The construction and assets of Dan Tien in Vietnam are subject to changes in the economic, political and social environment in Vietnam

Dan Tien's operation is solely in Vietnam. Therefore, the results of construction and future prospects of Dan Tien are subject to the economic, political and social developments in Vietnam. The economy of Vietnam differs from the economies of developed countries in many respects, including the amount of government involvement, growth rate, level of development, allocation of resources, capital reinvestment and control of foreign exchange.

The economy of Vietnam has been gradually transitioning from a planned economy towards a more market-orientated economy. However, there is no assurance that Vietnam government will continue to pursue economic reforms. In addition, while the Vietnam's economy has experienced significant growth in the last decades, growth has been uneven across both geographic regions and the various sectors of the economy. The Vietnam government has in recent years implemented a series of measures on, including but not limited to the import-export policies, forestalling threatening inflation and stabilizing Vietnam's economy. These measures may benefit the overall Vietnam's economy in the long term but may also have an adverse effect on Dan Tien and its constructions.

The constructions and future prospects of Dan Tien could also be adversely affected by changes in political, economic and social conditions or the relevant policies of Vietnam government, such as changes in laws and regulations (or the interpretations thereof), measures which might be introduced to control inflation, changes in the rate or method of taxation, imposition of additional restrictions on currency conversion and imposition of additional import restrictions in the future.

Vietnam's legal system is not fully developed and has inherent uncertainties that could limit the legal protections available to the Company and to the Shareholders

Though Vietnam's government has established a commercial legal system and made significance progress in promulgating laws and regulations relating to economic affairs and matters such as corporate organization and governance, foreign investment, commerce and taxation, however, many of these laws and regulations are relatively new, and the implementation and interpretation of these laws and regulations remain uncertain in many aspects. Furthermore, Vietnam's legal system is based in part on government policies and administrative rules that may have retrospective effect. As a result, the Board may not be aware of any violation of these policies and rules until some time after such violation. The legal protections available to Dan Tien or the Company under these laws and regulations may be limited. Any litigation or regulatory enforcement action in Vietnam may be protracted and could result in substantial costs and the diversion of resources and management attention.

Movements in the exchange rate of the VND may adversely affect the financial condition and results of constructions of Dan Tien

At present, VND is loosely pegged to the US dollar through an arrangement known as a "crawling peg". This mechanism allows the dollar-dong exchange rate to adjust gradually to changing market conditions, which means Vietnam's government has some control on the exchange rate of VND. The value of VND against other foreign currencies is subject to changes in Vietnam government's policies and international economic and political developments.

It is uncertain whether there will be any significant fluctuation of VND against Hong Kong dollar. If VND appreciates against Hong Kong dollar, the Company's results of operations, which are presented in Hong Kong dollars, will increase, and if VND depreciates in value, the Company's results of operations will decrease. Any significant change in the exchange rates of VND against Hong Kong dollar could also affect the value of the Group's dividends, which would be funded in VND but paid in Hong Kong dollars.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in manufacturing and trading of steel pipes, steel sheets and other products made of steel, property investment and leasing of aircrafts for rental purposes. As announced by the Company on 15 September 2010, a joint venture has been established for the purpose of carrying out trading of non-ferrous metals and other minerals resource worldwide.

Given the challenging business environment in the existing business, the Board is eager to expand the business of the Group into the other field which is expected to be able to provide a favourable and sustainable development opportunity for the Group.

As discussed in the section "Industry Overview" above, the import and export business of Vietnam is considered to have a bright future, in particular in the cross-border economic zone of Mong Cai. Accordingly, the Company proposes to expand its existing business to the port and logistic business in Vietnam. The projects relating to the Port and the Property to be developed by Dan Tien will be one of the key plans authorized by the Vietnam government in the development of the Mong Cai. The Directors are of the view that the Acquisition represents an opportunity for the Group to commence its investment in such promising businesses and will enhance the development of the existing trading business of the Group.

Following Completion, the Target Group will become subsidiaries of the Company. Dan Tien will maintain its existing management team. The Company will appoint experts with relevant experience to oversee such investment and assist the existing management team of Dan Tien. The Directors are of the view that the terms of the Acquisition Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EFFECT OF THE ACQUISITION ON THE EARNINGS AND ASSETS AND LIABILITIES OF THE COMPANY

Effect on assets/liabilities

As disclosed in the 2010 annual results of the Company, the audited consolidated total assets and total liabilities of the Group was approximately RMB582,488,000 and RMB159,181,000 as at 31December 2010. According to the unaudited pro-forma financial information of the Enlarged Group as contained in Appendix IV to this circular, the Enlarged Group's total assets and liabilities would become approximately RMB1,100,424,000 and RMB575,770,000 upon Completion.

Effect on earnings

In light of the future prospects of the Target Group, the Directors are of the view that the Acquisition would likely have a positive impact on the future earnings of the Enlarged Group.

Effect on gearing and working capital

According to the 2010 annual results of the Company, the Group's gearing ratio (being calculated as net debt divided by total capital) was approximately 2% as at 31 December 2010. Upon Completion, according to the unaudited proforma financial information of the Enlarged Group as contained in Appendix IV to this circular, the Enlarged Group's gearing ratio would become 3%.

According to the 2010 annual results of the Company, the Group's cash and cash equivalents was approximately RMB106.60 million as at 31 December 2010. Upon Completion, according to the unaudited pro-forma financial information of the Enlarged Group as contained in Appendix IV to this circular, the Group's cash and cash equivalents would become RMB98,945,000.

FINANCIAL AND TRADING PROSPECTS OF THE ENLARGED GROUP

The Board is of the view that the Enlarged Group, after the Completion, will have its principal business diversified into the following major business segments: (i) the manufacturing and trading of steel sheets, steel pipes and other products made of steel; (ii) leasing of aircrafts for rental purposes; (iii) property investment; (iv) trading of nonferrous metals and other mineral resources and (v) port operation and logistics management.

The Directors are of the view that, looking ahead in 2011, the imbalance between demand and supply in the steel and metal sector will continue and the price trends of steel and metal products will still remain strong. In a short run, the global economy was weaken by the concerns of weak global demand and the impact of light oil prices. With the PRC's economy maintain a rapid growth rate, still there will be a strong domestic demand for the Group's products. The Board will continue to run the existing businesses and there is no agreement, arrangement, understanding, intention or negotiation about any disposal/termination/scaling-down of these existing businesses or assets.

As mentioned under the section headed "Reasons for and Benefits of the Acquisition" above, the Directors consider that the prospects of the import and export business in Vietnam is promising. In addition, the projects relating to the Port and the Property are key plans authorized by the Vietnam government in the development of Mong Cai, which is likely to have a positive impact on the import and export industry in the Vietnam and therefore on the Enlarged Group.

The Board has considered the Company's plan in allocation of financial and management resources between the Target Group and the existing business lines. The Enlarged Group will allocate its financial and management resources in order to bring the best benefits and interests to the Shareholders. The Group will bear less financial burden after the Disposal. The plan in financial allocation between the Target Group and the existing business lines depends on the progress of the expansion of the Target Group and the independent business and operation needs of the Group's existing business lines.

According to Dan Tien's business plans as illustrated above, Dan Tien will continuously make investment in the construction works. The Group's management will closely monitor the funding requirements of different business lines and investment projects in order to utilize its cash resources in the most effective way. The Board will continue to use their best endeavor to strengthen and strive for improvements in all the Group's business segments and to enhance the long-term growth potential of the Enlarged Group.

Regarding the management resources, it is the Company's intention to retain the existing management of the Target Group for the daily management and operation of the Target Group after the Completion. To cope with the expansion needs, suitable candidates will be identified and appointed as senior management of the Enlarged Group to oversee different business segments. Potential candidates having expertise in logistics and/or port industry may be appointed as the Company's directors and/or senior management in the future. The Board considers that, with the support of the new management members and the existing management of the Enlarged Group, sufficient management resources would be allocated to both the Group's existing and new businesses.

The existing management of the Group may require additional time to implement and adjust to changes resulting from the Acquisition. However, the Group's management will adopt measures to manage the risks associated with the business of the Target Group, including close monitor on the Target Group's performance and frequent communications with the Dan Tien's management. If the new measures do not have the desired effects on the Company's corporate structure, corporate governance or other aspects of the Company's operations and the growth of the Target Group are not managed successfully or otherwise obtained sufficient resources to support such growth, the combined business model, financial condition, results of operations and prospects of the Group may be adversely affected.

The Group will also continue to seek new investment opportunities within Asian countries, thereby enhancing the Group's overall competitiveness and improving its business and financial performance.

RECONCILIATION OF APPRAISED PROPERTY VALUES WITH NET BOOK VALUES

The table below shows (i) the reconciliation of the property interests of the Group from the accountants' report as at 31 December 2010 to the date of property valuation as at 28 February 2011; and (ii) the reconciliation of the property interests of the Yield Rise Group from the accountants' report as at 31 December 2010 to the date of property valuation as at 28 February 2011:

The Group	*RMB'000*	*HK$ '000*
Audited carrying amount of property interests of the Group as at 31 December 2010	29,245	33,615
Exchange difference	–	1,035
Movement for the two months ended 28 February 2011	(365)	(432)
Valuation Surplus	66,821	79,172
Valuation as at 28 February 2011	95,701	113,390

The Yield Rise Group	*VND '000*	*HK$ '000*
Audited carrying amount of property interests of the Yield Rise Group as at 31 December 2010	108,309,873	42,810
Exchange difference	–	(1,152)
Movement for the two months ended 28 February 2011	–	–
Valuation Surplus	450,690,000	173,342
Valuation as at 28 February 2011	559,000,000	215,000

GENERAL

As the applicable percentage ratios defined under the Listing Rules of the Acquisition exceed 100%, the Acquisition constitutes a very substantial acquisition under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The EGM will be held to consider and, if thought fit, approve the ordinary resolutions in respect of the Acquisition Agreement and the transactions contemplated thereunder including the allotment and issue of the Consideration Shares, the issue of the Convertible Bonds and the Conversion Shares upon exercise of the conversion right attached thereto and the issue of the Promissory Notes. As no Shareholder has any material interest in the Acquisition, no Shareholder is required to abstain from voting at the EGM.

Shareholders and investors should note that the Acquisition Agreement are subject to the conditions precedent as stated in the section headed "Conditions precedent of the Acquisition" above, investors and Shareholders are therefore urged to exercise caution when dealing in the securities of the Company.

EGM

The EGM will be convened for the purpose of, among other things, approving the Acquisition Agreement and the transactions contemplated thereunder including the issue and allotment of Consideration Shares, the issue of Convertible Bonds and the Conversion Shares upon exercise of conversion right attached thereto and the issue of the Promissory Notes. A notice convening the EGM to be held at 22/F, W Square, 314-324 Hennessy Road, Wanchai, Hong Kong on Saturday, 30 April 2011 at 11:00 a.m. is set out on pages 172 to 173 of this circular.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the office of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the EGM must be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules after the EGM.

RECOMMENDATION

The Directors are of the view that the terms of the Acquisition Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM to approve the Acquisition Agreement and the transactions contemplated thereunder including the allotment and issue of the Consideration Shares, the issue of the Convertible Bonds and the Conversion Shares upon exercise of the conversion right attached thereto and the issue of the Promissory Notes.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the Board
Mayer Holdings Limited
Hsiao Ming-chih
Chairman

A. THREE YEAR FINANCIAL INFORMATION

Financial information of the Group for the year ended 31 December 2008, the year ended 31 December 2009 and the year ended 31 December 2010 are disclosed in the annual results announcement of the Company ended with the same periods respectively, which are published on both the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (http://www.mayer.com.hk).

B. INDEBTEDNESS STATEMENT

At the close of business on 28 February 2011, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Enlarged Group had the following borrowings:

(i) short term unsecured bank loan of RMB69,765,000 (equivalent to approximately HK$82,660,000);

(ii) short term secured bank loan of RMB32,850,000 (equivalent to approximately HK$38,922,000) which were secured by corporate guarantee;

At the close of business on 28 February 2011, the banking facilities of the Enlarged Group were supported by charges over pledged bank deposits of the Enlarged Group with book value of RMB3,942,000 (equivalent to approximately HK$4,671,000) and corporate guarantees executed by certain entities in the Enlarged Group.

At the close of business on 28 February 2011, the Enlarged Group had given corporate guarantees in certain banks to secure banking facilities of approximately RMB42,705,000 (equivalent to approximately HK$50,598,000) granted to the subsidiary. RMB32,850,000 (equivalent to approximately HK$38,922,000 of these banking facilities were utilised.

Save as aforesaid or otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables in the ordinary course of business, at the close of business on 28 February 2011, the Enlarged Group did not have any outstanding indebtedness, any loan capital issued and outstanding or agreed to be issued, bank overdrafts or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchase or finance lease commitments, material guarantees or material contingent liabilities.

As at the close of business on 28 February 2011, the Enlarged Group did not have any debt securities issued and outstanding, and authorized or otherwise created but unissued, and term loans.

The Directors are not aware of any material adverse changes in the Enlarged Group's indebtedness position and contingent liabilities since 28 February 2011.

C. WORKING CAPITAL STATEMENT

The Directors are of the opinion that, after taking into account the financial resources and credit facilities available to the Enlarged Group and the Disposal, the Enlarged Group will have sufficient working capital to satisfy its present requirements for the next twelve months from the date of this circular in the absence of unforeseen circumstances.

The following is the text of a report on Yield Rise Group, prepared for the purpose of incorporation in this circular, received from the independent reporting accountants, Crowe Horwath (HK) CPA Limited, Certified Public Accountants, Hong Kong.

Crowe Horwath

國富浩華(香港)會計師事務所有限公司
Crowe Horwath (HK) CPA Limited
Member Crowe Horwath International

34/F The Lee Gardens,
33 Hysan Avenue,
Causeway Bay, Hong Kong

13 April 2011

The Directors
Mayer Holdings Limited
22/F., W Square
314-324 Hennessy Road
Wanchai
Hong Kong

Dear Sirs

We set out below our report on the financial information relating to Yield Rise Limited ("Yield Rise") and its subsidiaries (together "Yield Rise Group"), including the consolidated statements of financial position of Yield Rise Group and statement of financial position of Yield Rise as at 31 December 2008, 2009 and 2010, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of Yield Rise Group for the years ended 31 December 2008, 2009 and 2010 (collectively the "Relevant Period"), together with the notes thereto (the "Financial Information"), for inclusion in the circular of Mayer Holdings Limited (the "Company") to its shareholders dated 13 April 2011 in connection with the proposed very substantial acquisition of the entire equity interest in Yield Rise Limited (the "Circular").

Yield Rise was incorporated in the British Virgin Islands ("BVI") with limited liability on 3 September 2010 and was principally engaged in investment holding. Yield Rise has become the holding company of Yield Rise Group on 25 October 2010 and is now having 87.5% equity interest in Best Wonder Holdings Limited ("Best Wonder") and Good Wishes Investment Limited ("Good Wishes") and 70% equity interest in Dan Tien Port Development Joint Venture Company Limited ("Dan Tien").

Best Wonder was incorporated in BVI with limited liability on 6 July 2010 and was principally engaged in investment holding, which holds 100% equity interest in Good Wishes.

Good Wishes was incorporated in Hong Kong with limited liability on 13 June 1995 and was principally engaged in investment holding, which holds 80% equity interest in Dan Tien.

Dan Tien was established in the Socialist Republic of Vietnam ("Vietnam") as a foreign invested limited liability company on 3 June 2003 and principally engaged in the development of property, port and relevant logistic business in Vietnam.

No audited financial statements have been prepared for Yield Rise, Best Wonder and Good Wishes since the dates of their incorporation.

The financial statements of Dan Tien for the years ended 31 December 2008 and 2009 perpared in accordance with the Vietnam accounting principles were audited by Viet Nam Independent Accounting & Auditing Co., Ltd., which are registered auditors in Vietnam. No audited financial statements have been prepared for the year ended 31 December 2010.

For the purposes of this report, the director of Yield Rise has prepared the Financial Information of Yield Rise Group for the Relevant Period in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by Hong Kong Institute of Certified Public Accountants ("HKICPA") (the "Underlying Financial Statements"). We have examined the Underlying Financial Statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and carried out such additional procedures as we considered necessary in accordance with Auditing Guideline "Prospectuses and the reporting accountant" (Statement 3.340) issued by the HKICPA.

The Financial Information of Yield Rise Group for the Relevant Period set out in this report has been prepared in accordance with HKFRSs issued by the HKICPA based on the Underlying Financial Statements, after making such adjustments as we considered appropriate.

The Underlying Financial Statements are the responsibility of the director of Yield Rise who approved their issue. The directors of the Company are responsible for the contents of the Circular in which this report is included. It is our responsibility to compile the Financial Information set out in this report from the Underlying Financial Statements, to form an independent opinion on the Financial Information and to report our opinion to you.

In our opinion, the Financial Information, for the purpose of this report and prepared on the basis set out in note 2 of Section B below, gives a true and fair view of the state of affairs of Yield Rise Group and of Yield Rise as at 31 December 2008, 2009 and 2010 and of the results and cash flows of Yield Rise Group for the Relevant Period.

Yours faithfully

Crowe Horwath (HK) CPA Limited
Certified Public Accountants
Hong Kong

Sze Chor Chun, Yvonne
Practising Certificate Number P05049

A. FINANCIAL INFORMATION

1. Consolidated Statement of Comprehensive Income

	Section B *Note*	2008 *VND'000*	2009 *VND'000*	2010 *VND'000*
Turnover	3	–	–	–
Other revenue	4	534,654	64,211	55,594
Other net income	4	538,587	16,091	–
Administrative expenses		(3,926,212)	(6,533,890)	(13,923,598)
Other operating expenses		(216,783)	–	–
LOSS BEFORE TAXATION	5	(3,069,754)	(6,453,588)	(13,868,004)
Income tax	6(a)	–	–	–
LOSS FOR THE YEAR		(3,069,754)	(6,453,588)	(13,868,004)
Other comprehensive loss for the year				
Exchange differences on translation of financial statements of overseas subsidiaries		(6,236,194)	(7,167,368)	(8,289,443)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(9,305,948)	(13,620,956)	(22,157,447)
Loss for the year attributable to:				
Owners of the parent	9	(2,148,828)	(4,517,512)	(9,716,230)
Non-controlling interest		(920,926)	(1,936,076)	(4,151,774)
		(3,069,754)	(6,453,588)	(13,868,004)
Total comprehensive loss for the year attributable to:				
Owners of the parent		(7,605,498)	(10,788,959)	(16,969,492)
Non-controlling interest		(1,700,450)	(2,831,997)	(5,187,955)
		(9,305,948)	(13,620,956)	(22,157,447)
Loss per share	11			
– Basic		(2,148,828)	(4,517,512)	(9,716,230)
– Diluted		(2,148,828)	(4,517,512)	(9,716,230)

2. Consolidated Statement of Financial Position

	Section B *Note*	2008 *VND'000*	2009 *VND'000*	2010 *VND'000*
NON-CURRENT ASSETS				
Property, plant and equipment	13	1,345,117	7,561,297	7,030,517
Construction in progress	14	52,865,548	57,947,177	62,146,169
		54,210,665	65,508,474	69,176,686
CURRENT ASSETS				
Properties under development for sale	16	19,507,585	64,703,817	108,309,873
Other receivables and prepayments	17	38,081,058	21,536,329	7,780,641
Cash and cash equivalents	18	1,072,080	1,193,875	45,375,336
		58,660,723	87,434,021	161,465,850
CURRENT LIABILITIES				
Other payables and accruals	19	(127,207,617)	(180,899,680)	(157,735,935)
NET CURRENT ASSETS/(LIABILITIES)		(68,546,894)	(93,465,659)	3,729,915
NET ASSETS/(LIABILITIES)		(14,336,229)	(27,957,185)	72,906,601
EQUITY				
Equity attributable to owners of the parent	20			
Paid-up/Share capital		4	4	20
Reserves		(10,991,490)	(21,780,449)	84,268,816
		(10,991,486)	(21,780,445)	84,268,836
Non-controlling interest		(3,344,743)	(6,176,740)	(11,362,235)
TOTAL EQUITY		(14,336,229)	(27,957,185)	72,906,601

3. Statement of Financial Position

	Section B *Note*	2010 *VND'000*
NON-CURRENT ASSETS		
Investment in a subsidiary	15	17,223
CURRENT LIABILITIES		
Amount due to a shareholder	19	(45,960)
NET CURRENT LIABILITIES		(28,737)
NET LIABILITIES		(28,737)
CAPITAL AND RESERVES	20(a)	
Share capital		20
Accumulated losses		(28,757)
TOTAL EQUITY		(28,737)

4. Consolidated Statement of Changes In Equity

	Section B Note	Share capital VND'000	Contributed reserve VND'000	Merger reserve VND'000	Exchange reserve VND'000	Accumulated losses VND'000	Total VND'000	Non-controlling interest VND'000	Total equity VND'000
At 1 January 2008 *(Note (a))*		4	–	–	676,035	(4,062,027)	(3,385,988)	(1,644,293)	(5,030,281)
Total comprehensive loss for the year		–	–	–	(5,456,670)	(2,148,828)	(7,605,498)	(1,700,450)	(9,305,948)
At 31 December 2008 and 1 January 2009 *(Note (a))*		4	–	–	(4,780,635)	(6,210,855)	(10,991,486)	(3,344,743)	(14,336,229)
Total comprehensive loss for the year		–	–	–	(6,271,447)	(4,517,512)	(10,788,959)	(2,831,997)	(13,620,956)
At 31 December 2009 and 1 January 2010 *(Note (a))*		4	–	–	(11,052,082)	(10,728,367)	(21,780,445)	(6,176,740)	(27,957,185)
Total comprehensive loss for the year		–	–	–	(7,253,262)	(9,716,230)	(16,969,492)	(5,187,955)	(22,157,447)
Capitalisation of shareholder's loan	20(c)(i)	–	123,016,231	–	–	–	123,016,231	–	123,016,231
Shares alloted by a non-wholly owned subsidiary to a non-controlling shareholder		–	–	–	–	–	–	2,460	2,460
Issue of shares by Good Wishes *(Note (b))*		2,525	–	–	–	–	2,525	–	2,525
Issue of share	20(b)	20	–	–	–	–	20	–	20
Effect of reorganisation of Yield Rise Group *(Note (c))*		(2,529)	–	2,526	–	–	(3)	–	(3)
At 31 December 2010 *(Note (d))*		20	123,016,231	2,526	(18,305,344)	(20,444,597)	84,268,836	(11,362,235)	72,906,601

Notes:

(a) The share capital represented the fully paid 2 ordinary shares of HK$1 each of Good Wishes Investment Limited ("Good Wishes").

(b) During the year ended 31 December 2010, Good Wishes issued 998 ordinary shares of HK$1 each at par.

(c) On 25 October 2010, Best Wonder Holdings Limited ("Best Wonder"), a non-wholly owned subsidiary of Yield Rise Limited ("Yield Rise"), acquired the entire equity interest in Good Wishes at a consideration of HK$1.

(d) The share capital represented the fully paid 1 ordinary share of USD1 each of Yield Rise.

5. Consolidated Statement of Cash Flows

	Section B Note	2008 VND'000	2009 VND'000	2010 VND'000
OPERATING ACTIVITIES				
Loss before taxation		(3,069,754)	(6,453,588)	(13,868,004)
Adjustments for:				
Depreciation for property, plant and equipment		195,418	556,489	530,780
Interest income		(351,149)	(33,631)	(55,594)
Loss on disposal of property, plant and equipment		216,783	–	–
OPERATING LOSS BEFORE CHANGES IN WORKING CAPITAL		(3,008,702)	(5,930,730)	(13,392,818)
Increase in properties under development for sale		(19,507,585)	(45,196,232)	(43,606,056)
(Increase)/decrease in other receivables and prepayments		(21,520,706)	16,544,729	13,755,688
Increase in other payables and accruals		65,455,392	53,692,063	99,852,486
NET CASH GENERATED FROM OPERATING ACTIVITIES		21,418,399	19,109,830	56,609,300
INVESTING ACTIVITIES				
Payment for the purchase of property, plant and equipment		(601,330)	(569,297)	–
Payment for construction in progress		(42,343,029)	(11,285,001)	(4,198,992)
Acquisition of Good Wishes		–	–	(3)
Interest received		351,149	33,631	55,594
NET CASH USED IN INVESTING ACTIVITIES		(42,593,210)	(11,820,667)	(4,143,401)
FINANCING ACTIVITIES				
Issue of share		–	–	20
Issue of shares by Good Wishes		–	–	2,525
Shares alloted by a non-wholly owned subsidiary to a non-controlling shareholder		–	–	2,460
NET CASH GENERATED FROM FINANCING ACTIVITIES		–	–	5,005
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(21,174,811)	7,289,163	52,470,904
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		28,483,085	1,072,080	1,193,875
EFFECT OF FOREIGN EXCHANGES RATES CHANGES		(6,236,194)	(7,167,368)	(8,289,443)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	18	1,072,080	1,193,875	45,375,336

B. NOTES TO THE FINANCIAL INFORMATION

1. GENERAL INFORMATION

Yield Rise was incorporated in the British Virgin Islands as a limited liability company. The registered address and principal place of business of Yield Rise are P.O. Box 957, Offshore Incorporation Centre, Road Town, Tortola, British Virgin Islands.

The principal activity of Yield Rise is investment holding. The principal activities of subsidiaries are the development of property, port and relevant logistic business in Vietnam.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

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

The HKICPA has issued a number of new and revised HKFRSs. For the purpose of preparing this Financial Information, Yield Rise Group has adopted all new and revised HKFRSs applicable to the Relevant Period, except for any new standards or interpretations that are not yet effective for the accounting period ended 31 December 2010. The revised and new accounting standards and interpretations issued but not yet effective for the Relevant Period are set out in Note 27.

(b) Basis of preparation of the Financial Information

The Financial Information during the Relevant Period comprises Yield Rise and its subsidiaries.

The formation of Yield Rise Group involved companies under common control and Yield Rise and its subsidiaries are regarded as a continuing group. Accordingly, it is considered as business combinations under common control and that Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the HKICPA is applied. The Financial Information has been prepared using the merger basis of accounting as if Yield Rise Group had always been in existence. The net assets of the combining companies are consolidated using the existing book value from the controlling owner's perspective. No amount is recognised in respect of goodwill or assess of acquirer's interest in the net Par value of acquirer's identifiable assets, liabilities and contingent liabilities area cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of Yield Rise Group for the Relevant Period have been prepared on a combined basis and include the results of operations of the companies now comprising Yield Rise Group for the Relevant Period (or where the companies were acquired/incorporated/established at a date later than 3 September 2010, for the period from the date of the acquisition/incorporation/establishment to 31 December 2010) as if the current group structure had been in existence throughout the entire Relevant Period. The consolidated statement of financial position of Yield Rise Group as at 31 December 2010 have been prepared to present the state of affairs of the companies comprising Yield Rise Group as at those dates as if the current group structure had been in existence as at those dates or since their respective dates of acquisition/incorporation/establishment where they did not exist at those dates.

Items included in the financial statements of each of Yield Rise Group's subsidiaries are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the entity. The functional currencies of Yield Rise and its major subsidiary are United States dollars ("USD") and Vietnamese Dong ("VND") respectively. The Financial Information is presented in VND, rounded to the nearest thousand. Vietnamese Dong is the functional and presentation currency of Yield Rise Group.

The measurement basis used in the preparation of the Financial Information is the historical cost basis.

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

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

Judgements made by management in the application of HKFRSs that have a significant effect on the Financial Information and estimates with a significant risk of material adjustment in the next year are disclosed in note 26.

(c) Subsidiaries and non-controlling interests

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

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

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to Yield Rise, and in respect of which Yield Rise Group has not agreed any additional terms with the holders of those interests which would result in Yield Rise Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, Yield Rise Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the owners of Yield Rise, Non-controlling interests in the results of Yield Rise Group are presented on the face of the consolidated income statement and the consolidated statement of comprehensive income as an allocation of the total profit or loss. Total comprehensive income is attributed to the owners of Yield Rise and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position.

Changes in Yield Rise Group's ownership interests in existing subsidiaries

Changes in Yield Rise Group's ownership interests in existing subsidiaries on or after 1 January 2010

Changes in Yield Rise Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When Yield Rise Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate.

Changes in Yield Rise Group's ownership interests in existing subsidiaries prior to 1 January 2010.

Increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchases gain being recognised where appropriate. For decreases in interests in subsidiaries, regardless of whether the disposals would result in Yield Rise Group losing control over the subsidiaries, the difference between the consideration received and the adjustment to the non-controlling interests (please describe how the adjustment to non-controlling interest is determined) was recognised in profit or loss.

In Yield Rise's statement of financial position, an investment in a subsidiary is carried at cost less impairment losses (see note 2(g)(ii)).

(d) Property, plant and equipment

Property, plant and equipment are carried in the statement of financial position at cost less accumulated depreciation and accumulated impairment losses (see note 2(g)(ii)).

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

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

Buildings	3 to 25 years
Machinery and equipment	5 to 10 years
Office equipment	2 to 5 years
Motor vehicles	5 to 10 years

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

(e) Construction in progress

Construction in progress represents building and port under construction and is stated at cost less impairment losses (see note 2(g)(ii)). Cost comprises direct costs of construction as well as interest charges during the period of construction and installation. Capitalisation of these costs ceases and the construction in progress is transferred to property, plant and equipment when the asset is substantially ready for its intended use, notwithstanding any delay in the issue of the relevant commissioning certificate by the relevant authorities.

No depreciation is charged in respect of construction in progress until it is substantially completed and ready for its intended use.

(f) Leased assets

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

(i) Classification of assets leased to Yield Rise Group

Assets held by Yield Rise Group under leases which transfer to Yield Rise Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to Yield Rise Group are classified as operating leases.

(ii) Operating lease charges

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

(g) Impairment of assets

(i) Impairment of receivables

Receivables that are carried at cost or amortised cost are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of Yield Rise Group about one or more of the following loss events:

– significant financial difficulty of the debtor;

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

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

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

If any such evidence exists, any impairment loss is determined and recognised as the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where receivables carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

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

Impairment losses are written off against the corresponding assets directly.

(ii) Impairment of other assets

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

– property, plant and equipment;

– construction in progress; and

– investment in a subsidiary.

If any such indication exists, the asset's recoverable amount is estimated.

– Calculation of recoverable amount

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

– Recognition of impairment losses

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

– Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

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

(h) Property under development for sale

Properties under development for sale are carried at the lower of cost and net realisable value. Net realisable value takes into account the price ultimately expected to be realised and the anticipated costs to completion.

(i) Other receivables and prepayments

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

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(k) Other payables and accruals

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

(l) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

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

(ii) Termination benefits

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

(m) Income tax

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

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

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

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

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

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

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

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

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

  – the same taxable entity; or

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

(n) Provisions and contingent liabilities

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

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

(o) Revenue recognition

Provided it is probable that the economic benefits will flow to Yield Rise Group and the revenue and cost, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Interest income

Interest income is recognised in profit or loss as it accrues using the effective interest method.

(ii) Service income

Service income is recognised in profit or loss when the services are rendered.

(p) Translation of foreign currencies

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

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

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

(q) Related parties

For the purposes of the Financial Information, parties are considered to be related to Yield Rise Group if:

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

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

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

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

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

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

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

(r) Segment reporting

Operating segments, and the amounts of each segment item reported in the Financial Information, are identified from the financial information provided regularly to Yield Rise Group's chief operating decision maker for the purposes of allocating resources to, and assessing the performance of, Yield Rise Group's various lines of business and geographical locations.

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

3. TURNOVER

There was no turnover generated by Yield Rise Group for the Relevant Period.

4. OTHER REVENUE AND OTHER NET INCOME

	2008	2009	2010
	VND'000	*VND'000*	*VND'000*
Other revenue			
Bank interest income	351,149	33,631	55,594
Total interest income on financial assets not at fair value through profit or loss	351,149	33,631	55,594
Sundry income	183,505	30,580	–
	534,654	64,211	55,594
Other net income			
Net foreign exchange gain	538,587	–	–
Net handling fee income	–	16,091	–
	538,587	16,091	–

5. LOSS BEFORE TAXATION

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

	2008	2009	2010
	VND'000	*VND'000*	*VND'000*
(a) Staff costs (including director's remuneration)			
Salaries, wages and other benefits	1,705,474	2,889,554	3,047,388
Contributions to defined contribution retirement plan	–	–	–
	1,705,474	2,889,554	3,047,388
(b) Other items			
Depreciation for property, plant and equipment	195,418	556,489	530,780
Minimum lease payments under operating leases:			
– Buildings	139,389	30,000	–
– Motor vehicles	38,182	–	–
Loss on disposal of property, plant and equipment	216,783	–	–
Net foreign exchange (gain)/loss	(538,587)	36,394	845,492

6. INCOME TAX IN THE STATEMENT OF COMPREHENSIVE INCOME

(a) No provision for Hong Kong profits tax has been provided for the Relevant Period as the income of Yield Rise Group neither arise in, nor is derived from Hong Kong during the Relevant Period.

Vietnam Corporate Income Tax ("CIT") is calculated at the prevailing tax rate on taxable income determined in accordance with the relevant laws and regulations in Vietnam. For the port and logistic business, Dan Tien Port Development Joint Venture Company Limited ("Dan Tien") is exempted from CIT for eight years from the year of having taxable income, and the applicable tax rate thereafter is 10%. For the development of property business, the CIT exemption is for one year and 50% reduction for the following two years. No CIT has been provided for in the Financial Information as Dan Tien has no assessable profits for the Relevant Period.

(b) Reconciliation between tax expense and accounting loss at the applicable tax rate:

	2008	**2009**	**2010**
	VND'000	*VND'000*	*VND'000*
Loss before taxation	(3,069,754)	(6,453,588)	(13,868,004)
Notional tax on loss before taxation, calculated at the rates applicable to profits in the tax jurisdiction concerned	(767,439)	(1,613,397)	(3,459,812)
Tax effect of unused tax losses not recognised	767,439	1,613,397	3,459,812
Actual tax expense	–	–	–

(c) No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams.

7. DIRECTOR'S REMUNERATION

No director's remuneration has been paid or is payable for the Relevant Period.

No emoluments or discretionary bonus were paid by Yield Rise Group to the director as an inducement to join or upon joining Yield Rise Group or as compensation for loss of office during the Relevant Period. No director of Yield Rise waived or agreed to waive any emoluments or discretionary bonus during the Relevant Period.

8. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, none is a director of Yield Rise whose emoluments are disclosed in note 7. The aggregate of the emoluments of the five individuals are as follows:

	2008	**2009**	**2010**
	VND'000	*VND'000*	*VND'000*
Salaries, wages and other benefits	1,041,276	1,133,631	1,310,147
Contributions to defined contribution retirement plan	–	–	–
	1,041,276	1,133,631	1,310,147

The emoluments of the five individuals with the highest emoluments are within the band of HK$Nil to HK$1,000,000.

9. LOSS ATTRIBUTABLE TO THE OWNERS OF THE PARENT

The consolidated loss attributable to the owners of the parent includes a loss of approximately VND Nil, VND Nil and VND28,757,000 which has been dealt with in the financial statements of Yield Rise for the years ended 31 December 2008, 2009 and 2010 respectively.

10. DIVIDENDS

No dividend has been paid or declared by Yield Rise during the Relevant Period.

11. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to the owners of the parent of VND2,148,828, VND4,517,512 and VND9,716,230 and weighted average number of 1 ordinary share throughout the Relevant Period as if Yield Rise had always been in existence.

(b) Diluted loss per share

Diluted loss per share is equal to basic loss per share as there were no dilutive ordinary shares outstanding for the Relevant Period.

12. SEGMENT REPORTING

Yield Rise Group manages its businesses by divisions, which are organised by a mixture of business lines (products and services). In a manner consistent with the way in which information is reported internally to Yield Rise Group's chief operating decision maker for the purposes of resource allocation and performance assessment, Yield Rise Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

– Port and logistic business: this segment primarily derives its revenue from the operations of port and relevant logistic business in Vietnam.

– Development of property: this segment conducting real estate business in Vietnam.

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, Yield Rise Group's chief operating decision maker monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible and current assets with the exception of corporate assets. Segment liabilities include other payables and accruals managed directly by the segments with the exception of corporate liabilities.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expense incurred by those segments or which otherwise arise from the depreciation of assets attributable to those segments.

The measure used for reporting segment loss is "adjusted EBIT" i.e. "adjusted earnings before interest and taxes".

In addition to receiving segment information concerning adjusted EBIT, management is provided with segment information concerning revenue (including inter-segment sales), interest income from cash balances managed directly by the segments, depreciation and additions to non-current segment assets used by the segments in their operations.

Information regarding Yield Rise Group's reportable segments as provided to Yield Rise Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance for the Relevant Period is set out below.

	Port and logistic business			Development of property			Total		
	2008	2009	2010	2008	2009	2010	2008	2009	2010
	VND'000	*VND'000*	*VND'000*	*VND'000*	*VND'000*	*VND'000*	*VND'000*	*VND'000*	*VND'000*
Revenue from external customers	–	–	–	–	–	–	–	–	–
Reportable segment loss (adjusted EBIT)	(2,931,232)	(4,765,377)	(4,934,651)	(138,522)	(1,688,211)	(8,904,596)	(3,069,754)	(6,453,588)	(13,839,247)
Interest income from bank deposits	351,149	3,920	37,385	–	29,711	18,209	351,149	33,631	55,594
Interest expenses	–	–	–	–	–	–	–	–	–
Depreciation for property, plant and equipment	195,418	468,776	470,306	–	87,713	60,474	195,418	556,489	530,780
Reportable segment assets	66,452,233	64,250,804	119,222,011	46,419,155	88,691,691	111,400,862	112,871,388	152,942,495	230,622,873
Additions to non-current segment assets	42,944,359	11,402,100	4,198,992	–	452,198	–	42,944,359	11,854,298	4,198,992
Reportable segment liabilities	240,949	3,660,078	85,208,318	39,960,685	64,405,570	72,481,657	40,201,634	68,065,648	157,689,975

(b) Reconciliations of reportable segment loss, assets and liabilities

	2008	2009	2010
	VND'000	*VND'000*	*VND'000*
Loss			
Reportable segment loss	(3,069,754)	(6,453,588)	(13,839,247)
Unallocated head office and corporate expenses	–	–	(28,757)
Consolidated loss before taxation	(3,069,754)	(6,453,588)	(13,868,004)
Assets			
Reportable segment assets	112,871,388	152,942,495	230,622,873
Unallocated head office and corporate assets	–	–	19,663
Consolidated total assets	112,871,388	152,942,495	230,642,536
Liabilities			
Reportable segment liabilities	40,201,634	68,065,648	157,689,975
Unallocated head office and corporate liabilities	87,005,983	112,834,032	45,960
Consolidated total liabilities	127,207,617	180,899,680	157,735,935

(c) Geographic information

The principal location of Yield Rise Group's operations is in Vietnam. Further the assets and liabilities of Yield Rise Group are principally located in Vietnam.

(d) Information about major customers

For the Relevant Period, no single customer contributed 10% or more of the total sales of Yield Rise Group.

13. PROPERTY, PLANT AND EQUIPMENT

	Note	Buildings	Machinery and equipment	Office equipment	Motor vehicles	Total
		VND'000	*VND'000*	*VND'000*	*VND'000*	*VND'000*
Cost						
At 1 January 2008		–	–	77,470	1,320,277	1,397,747
Additions		–	–	–	601,330	601,330
Disposals		–	–	–	(388,311)	(388,311)
At 31 December 2008		–	–	77,470	1,533,296	1,610,766
At 1 January 2009		–	–	77,470	1,533,296	1,610,766
Additions		135,909	313,454	82,464	37,470	569,297
Transferred from construction in progress	14	6,203,372	–	–	–	6,203,372
At 31 December 2009		6,339,281	313,454	159,934	1,570,766	8,383,435
At 1 January 2010		6,339,281	313,454	159,934	1,570,766	8,383,435
Additions		–	–	–	–	–
At 31 December 2010		6,339,281	313,454	159,934	1,570,766	8,383,435
Accumulated depreciation						
At 1 January 2008		–	–	54,698	187,061	241,759
Charge for the year		–	–	13,375	182,043	195,418
Written back on disposals		–	–	–	(171,528)	(171,528)
At 31 December 2008		–	–	68,073	197,576	265,649
At 1 January 2009		–	–	68,073	197,576	265,649
Charge for the year		264,029	66,729	19,430	206,301	556,489
At 31 December 2009		264,029	66,729	87,503	403,877	822,138
At 1 January 2010		264,029	66,729	87,503	403,877	822,138
Charge for the year		279,923	24,546	20,065	206,246	530,780
At 31 December 2010		543,952	91,275	107,568	610,123	1,352,918
Carrying amount						
At 31 December 2008		–	–	9,397	1,335,720	1,345,117
At 31 December 2009		6,075,252	246,725	72,431	1,166,889	7,561,297
At 31 December 2010		5,795,329	222,179	52,366	960,643	7,030,517

(a) The analysis of carrying amount of properties is as follows:

	2008	2009	2010
	VND'000	*VND'000*	*VND'000*
In Vietnam:			
– Medium-term lease	–	6,075,252	5,795,329
Representing:			
Buildings carried at cost	–	6,075,252	5,795,329

14. CONSTRUCTION IN PROGRESS

	Note	2008	2009	2010
		VND'000	*VND'000*	*VND'000*
At the beginning of the year		10,522,519	52,865,548	57,947,177
Additions		42,343,029	11,285,001	4,198,992
Transferred to property, plant and equipment	13	–	(6,203,372)	–
At the end of the year		52,865,548	57,947,177	62,146,169

15. INVESTMENT IN A SUBSIDIARY

	2010
	VND'000
Unlisted shares, at cost	17,223

The following list contains the particulars of subsidiaries of Yield Rise Group. The class of shares held is ordinary unless otherwise stated.

Name of company	Place of establishment and operation	Particulars of paid-up/share capital	Yield Rise Group's effective interest	Held by Yield Rise	Held by a subsidiary	Principal activities
Best Wonder Holding Limited ("Best Wonder")	BVI	1,000 ordinary shares of USD1 each	87.5%	87.5%	–	Investment holding
Good Wishes Investment Limited ("Good Wishes")	HK	1,000 ordinary shares of HK$1 each	87.5%	–	87.5%	Investment holding
Dan Tien	Vietnam	Registered capital USD6,250,000	70%	–	70%	Development of property, port and relevant logistic business in Vietnam

16. PROPERTIES UNDER DEVELOPMENT FOR SALE

	2008	**2009**	**2010**
	VND'000	*VND'000*	*VND'000*
At the beginning of the year	–	19,507,585	64,703,817
Additions	19,507,585	45,196,232	43,606,056
At the end of the year	19,507,585	64,703,817	108,309,873

Note:

(a) Included in the balance are prepaid lease payments of VND6,592,043,000, VND17,052,685,000 and VND25,057,623,000 as at 31 December 2008, 2009 and 2010. Dan Tien is in the process of obtaining the land use rights certificate.

17. OTHER RECEIVABLES AND PREPAYMENTS

		2008	**2009**	**2010**
	Note	*VND'000*	*VND'000*	*VND'000*
Amounts due from related companies	(a)	22,019,429	16,040,693	–
Amount due from a shareholder of a subsidiary	(a)	736,761	736,761	736,761
Other receivables		39,703	28,252	36,392
Value-added-tax deductible		2,454,259	3,660,348	5,660,452
Loans and receivables		25,250,152	20,466,054	6,433,605
Prepayments		12,830,906	1,070,275	1,347,036
		38,081,058	21,536,329	7,780,641

All of the other receivables and prepayments (including amounts due from related companies and a shareholder of a subsidiary) are expected to be recovered or recognised as expenses within one year.

Note:

(a) The amounts are unsecured, interest free and repayable on demand, except for amount due from a related company of VND105,448,000 being repayable within 12 months as at 31 December 2009.

18. CASH AND CASH EQUIVALENTS

	2008	**2009**	**2010**
	VND'000	*VND'000*	*VND'000*
Cash at bank and on hand	1,072,080	1,193,875	45,375,336
Cash and cash equivalents in the statement of financial position and statement of cash flows	1,072,080	1,193,875	45,375,336

19. OTHER PAYABLES AND ACCRUALS

Yield Rise Group

	Note	2008 VND'000	2009 VND'000	2010 VND'000
Advances from customers	(a)	39,960,685	64,373,325	79,544,304
Other payables and accruals	(b)	240,949	3,692,323	58,049,693
Amount due to related companies	(c)	–	–	20,095,978
Amount due to a shareholder	(c)	–	–	45,960
Amount due to ultimate shareholder	(d)	87,005,983	112,834,032	–
Financial liabilities measured at amortised cost		127,207,617	180,899,680	157,735,935

Yield Rice

		2010 VND'000
Amount due to a shareholder	(c)	45,960
Financial liabilities measured at amortised cost		45,960

All of the other payables and accruals (including amounts due to related companies, a shareholder and ultimate shareholder) are expected to be settled within one year or repayable on demand.

Notes:

(a) The amounts represent amounts received (net of value-added-tax) in relation to the sale and purchase contracts entered into between the branch of Dan Tien and customers for the sales of lands under the Phoenix Trade and Tourism Urban Area Project in Vietnam.

(b) Included in the balance are amounts due to Mayer Holdings Limited and Sinowise Development Limited of VND18,932,000,000 (equivalent to USD 1,000,000) and VND 38,999,883,000 (equivalent to USD 2,000,000) as at 31 December 2010. The amounts are unsecured, interest free and repayable on demand.

(c) The amount is unsecured, interest free and repayable on demand.

(d) The amount represented amount due to Mr. Zhang Xin Yu, the ultimate shareholder of Yield Rise Group, and the amount due was capitalised as contributed reserve on 30 September 2010.

20. CAPITAL AND RESERVES

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of Yield Rise Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in Yield Rise's individual components of equity between the beginning and the end of the period are set out below:

Yield Rise

	Note	Share capital VND'000	Accumulated losses VND'000	Total equity VND'000
At 1 January 2010		–	–	–
Total comprehensive loss for the period		–	(28,757)	(28,757)
Issue of share	20(b)	20	–	20
At 31 December 2010		20	(28,757)	(28,737)

(b) Share capital

Yield Rise

	2010 No. of share	USD
Authorised:		
Ordinary share of USD1 each	1	1
Ordinary share, issued and fully paid:		
At 1 January 2010	–	–
Issue of share	1	1
At 31 December 2010	1	1

As at 3 September 2010, an initial share capital was contributed by equity holder, for cash of USD1 (equivalent to approximately of VND20,000) to provide initial working capital.

As at 31 December 2010. Make Success Limited ("Make Success"), the ultimate holding company of Yield Rise Group, pledged the share of Yield Rise to Mayer Holdings Limited to secure a refundable deposit of HK$75,250,000 for the proposed acquisition of entire equity interest in Yield Rise under the memorandum of understanding dated 15 October 2010.

(c) Nature and purpose of reserves

(i) Contributed reserve

On 30 September 2010, Mr. Zhang Xin Yu, the ultimate shareholder of Yield Rise Group, capitalised the amount due of USD6,249,872 (equivalent to approximately VND123,016,231) as contributed reserve to Yield Rise Group.

(ii) Merger reserve

The merger reserve of Yield Rise Group represents the differences between the consideration and the nominal value of the shares of Good Wishes as at 25 October 2010.

(iii) Exchange reserve

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

(d) Capital management

Yield Rise Group's objectives when managing capital are:

(i) To safeguard Yield Rise Group's ability to continue as a going concern, so that it continues to provide returns and benefits for stakeholders;

(ii) To support Yield Rise Group's stability and growth; and

(iii) To provide capital for the purpose of strengthening Yield Rise Group's risk management capability.

Yield Rise Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of Yield Rise Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. Yield Rise Group currently does not adopt any formal dividend policy. Management regards total equity as capital, for capital management purpose.

(e) Distributability of reserves

At 31 December 2008, 2009 and 2010, no reserve is available for distribution to shareholders of Yield Rise Group.

21. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Yield Rise Group's major financial instruments include other receivables and prepayments, other payables and accruals and cash and cash equivalents. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include credit risk, liquidity risk, currency risk and interest rate risk. 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.

(a) Credit risk

(i) As at 31 December 2008, 2009 and 2010, the maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position after deducting any impairment allowance.

(ii) As at 31 December 2008, 2009 and 2010, Yield Rise Group has certain concentration of credit risk as approximately 87%, 78% and Nil% and 3%, 4% and 11% of loans and receivables are due from related companies and a shareholder of a subsidiary respectively.

(iii) The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. Yield Rise Group monitors closely the credit ratings of these counterparties and will take appropriate action when their ratings change.

(b) Liquidity risk

Liquidity risk is the risk that Yield Rise Group will not be able to meet its financial obligations as they fall due. Yield Rise Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient amount of cash and adequate committed lines of funding from major financial institutions to satisfy its contractual and reasonably foreseeable obligations as they fall due.

The following liquidity tables set out the remaining contractual maturities at the end of each reporting period of Yield Rise Group's financial liabilities based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of each reporting period) and the earliest date Yield Rise Group required to pay:

	2008					
	Within 1 year or on demand	**More than 1 year but less than 2 years**	**More than 2 years but less than 5 years**	**More than 5 years**	**Total contractual undiscounted cash flow**	**Carrying amount**
	VND'000	*VND'000*	*VND'000*	*VND'000*	*VND'000*	*VND'000*
Other payables and accruals	127,207,617	–	–	–	127,207,617	127,207,617

	2009					
	Within 1 year or on demand	**More than 1 year but less than 2 years**	**More than 2 years but less than 5 years**	**More than 5 years**	**Total contractual undiscounted cash flow**	**Carrying amount**
	VND'000	*VND'000*	*VND'000*	*VND'000*	*VND'000*	*VND'000*
Other payables and accruals	180,899,680	–	–	–	180,899,680	180,899,680

	2010					
	Within 1 year or on demand	**More than 1 year but less than 2 years**	**More than 2 years but less than 5 years**	**More than 5 years**	**Total contractual undiscounted cash flow**	**Carrying amount**
	VND'000	*VND'000*	*VND'000*	*VND'000*	*VND'000*	*VND'000*
Other payables and accruals	157,735,935	–	–	–	157,735,935	157,735,935

(c) Interest rate risk

Yield Rise Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances and deposits.

(i) Interest rate profile

The following table details the interest rate profile of Yield Rise Group's bank balances and deposits at the end of each reporting period:

	2008		**2009**		**2010**	
	Effective interest rates		**Effective interest rates**		**Effective interest rates**	
	%	*VND'000*	*%*	*VND'000*	*%*	*VND'000*
Variable rate bank balances and deposits	0.8-2.4	778,736	0.5-2.4	472,645	0.2-2.4	44,049,025

(ii) Sensitivity analysis

At 31 December 2008, 2009 and 2010, it is estimated that a general increase/decrease of 50 basis points in interest rates for variable rate bank balances and deposits, with all other variables held constant, would decrease/increase Yield Rise Group's loss after tax and accumulated losses by approximately VND3,894,000, VND2,363,000 and VND220,245,000 respectively. Other components of equity would not change in response to the general increase/decrease in interest rates.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of each reporting period and had been applied to the exposure to interest rate risk for variable rate interest bearing financial instruments in existence at that date. The 50 basis points increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the end of next reporting period. The analysis is performed on the same basis for the Relevant Period.

(d) Currency risk

Yield Rise Group has certain exposure to foreign current risk as most of its business transactions, assets and liabilities are principally denominated in the functional currency of Yield Rise Group except for cash and cash equivalents. Yield Rise Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. Yield Rise Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arises.

(i) The following table details Yield Rise Group's exposure at the end of each reporting period to currency risk arising from recognised assets denominated in a currency other than the functional currency of Yield Rise Group.

	2008	**2009**	**2010**
	USD'000	*USD'000*	*USD'000*
Cash and cash equivalents	3	11	2,292

(ii) Sensitivity analysis

At 31 December 2008, 2009 and 2010, if VND had weakened 5% against USD with all other variables held constant, loss after tax for each reporting period and accumulated losses would have been approximately VND2,717,000, VND10,099,000 and VND2,169,666,000 lower, arising mainly as a result of the foreign exchange gain on cash and cash equivalents denominated in USD. If VND had strengthened 5% against USD with all other variables held constant, loss after tax for each reporting period and accumulated losses would have been approximately VND2,717,000, VND10,099,000 and VND2,169,666,000 higher, arising mainly as a result of the foreign exchange loss on cash and cash equivalents denominated in USD.

(e) Fair values

The director considers that all financial instruments are carried at amounts not materially different from their fair values as at 31 December 2008, 2009 and 2010.

22. MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel, including amounts paid to Yield Rise Group's certain of the highest paid employees as disclosed in note 8, is as follows:

	2008 VND'000	2009 VND'000	2010 VND'000
Salaries, wages and other benefits	318,807	736,519	945,941
Contributions to defined contribution retirement plan	–	–	–
	318,807	736,519	945,941

Total remuneration is included in "staff costs" (see note 5(a)).

(b) Transactions with related parties

Name of related party	Nature of relationship	Nature of transaction	Term and pricing policy	2008 VND'000	2009 VND'000	2010 VND'000
Management Office of Phoenix Trade and Tourism Urban Area Project * ("Phoenix Management Office")	Under control of Duyen Hai Quang Ninh One-Member Company Limited * ("Duyen Hai") which holds 20% equity interest in Dan Tien	Management fee expense	Mutually-agreed	–	–	7,200,939

* *For identification purpose only*

(c) Outstanding balances with related parties

	Note	2008 VND'000	2009 VND'000	2010 VND'000
Amounts due from/(to) related companies	17 & 19			
– Quang Ninh Duyen Hai Company *	(i)	629,676	629,676	–
– Phoenix Management Office		21,189,753	15,095,569	(620,418)
– Phoenix Joint Stock Company *	(ii)	200,000	315,448	(19,475,560)
Amount due from a shareholder of a subsidiary	17			
– Duyen Hai		736,761	736,761	736,761
Amount due to a shareholder	19			
– Make Success		–	–	45,960
Amount due to ultimate shareholder	19			
– Mr. Zhang Xin Yu		87,005,983	112,834,032	–
Advances from customers	19			
– Phoenix Joint Stock Company *	(ii) & (iii)	34,398,234	34,398,234	36,037,119

Notes:

(i) Mr. Hui Yau Tso, the director of Dan Tian, is the common director.

(ii) Mr. Jacky Hui, the general manager of Dan Tien and son of Mr. Hui Yau Tso who is the director of Dan Tien, is the director of Phoenix Joint Stock Company*.

(iii) The amounts represent amounts received (net of value-added-tax) in relation to the sale and purchase contracts entered into between the branch of Dan Tien and Phoenix Joint Stock Company* for the sales of lands under the Phoenix Trade and Tourism Urban Area Project in Vietnam.

* *For identification purpose only*

23. COMMITMENTS

(a) Capital commitments outstanding at the end of each reporting period not provided for in the Financial Information are as follows:

	2008	**2009**	**2010**
	VND'000	*VND'000*	*VND'000*
Contracted for			
– Construction in progress	114,071,444	85,740,489	86,810,626
– Properties under development for sale	4,517	238,875	11,283,620
	114,075,961	85,979,364	98,094,246

(b) Commitments under operating leases

At the end of each reporting period, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2008	**2009**	**2010**
	VND'000	*VND'000*	*VND'000*
Within one year	21,000	–	–

Dan Tien leases its office under operating lease arrangements. The lease for properties is negotiated for a term of one year and none of the lease includes contingent rentals.

24. PLEDGE OF ASSETS

As at 31 December 2010, the shares of Yield Rise , Best Wonder and Good Wishes were pledged to Mayer Holdings Limited to secure a refundable deposit of HK$75,250,000 for the proposed acquisition of entire equity interest in Yield Rise under the memorandum of understanding dated 15 October 2010, received by Make Success, the ultimate holding company of Yield Rise Group.

25. PARENT AND ULTIMATE HOLDINGS COMPANY

As at 31 December 2010, the director considers the parent and ultimate holding company of Yield Rise Group to be Make Success, which was incorporated in the British Virgin Islands.

26. ACCOUNTING ESTIMATES AND JUDGEMENTS

(a) Key sources of estimation uncertainty

In the process of applying Yield Rise Group's accounting policies which are described in note 2, management has made certain key assumptions concerning the future, and other key sources of estimated uncertainty at the end of each reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as discussed below.

(i) Impairment of property, plant and equipment and construction in progress

The recoverable amount of an asset is the higher of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, which requires significant judgement relating to level of revenue and amount of operating costs. Yield Rise Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of revenue and operating costs. Changes in these estimates could have a significant impact on the carrying value of the assets and could result in additional impairment charge or reversal of impairment in future periods.

(ii) Impairment of receivables

Yield Rise Group maintains impairment allowance for doubtful accounts based upon evaluation of the recoverability of the receivables, where applicable, at the end of each reporting period. The estimates are based on the ageing of the receivables balances and the historical write-off experience, net of recoveries. If the financial condition of the debtors were to deteriorate, additional impairment allowance may be required.

(iii) Taxation

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

(iv) Net realisable value of properties under development for sale

Net realisable value of properties under development for sale is the estimated selling price in the ordinary course of business, less estimated selling and distribution costs. These estimates are based on the current market condition and the historical experience of selling products of similar nature. It could change significantly as a result of competitor actions in response to severe industry cycles. Management will reassess the estimations at the end of each reporting period.

(v) Recognition of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised, management's judgement is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

(b) Critical accounting judgements in applying Yield Rise Group's accounting policies

In determining the carrying amounts of some assets and liabilities, Yield Rise Group makes assumptions for the effects of uncertain future events on those assets and liabilities at the end of each reporting period. These estimates involve assumptions about such items as cash flows and discount rates used. Yield Rise Group's estimates and assumptions are based on historical experience and expectations of future events and are reviewed periodically. In addition to assumptions and estimations of future events, judgements are also made during the process of applying Yield Rise Group's accounting policies.

27. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE RELEVANT PERIOD

Up to the date of issue of the Financial Information, the HKICPA has issued the following new and revised standards, amendments and interpretations which are not yet effective for the Relevant Period and which have not been adopted in the Financial Information.

HKFRSs (Amendments)	Amendments to HKAS 1, HKAS 7, HKAS 17, HKAS 36, HKAS 39, HKFRS 5 and HKFRS 8 as part of improvements to HKFRSs 2009 [1]
HKFRSs (Amendments)	Improvements to HKFRSs 2010[1]
HKAS 12 (Amendment)	Deferred Tax – Recovery of Underlying Assets[6]
HKAS 24 (Revised)	Related Party Disclosures[4]
HKAS 32 (Amendment)	Classification of Rights Issues[2]
HKFRS 1 (Amendment)	Limited Exemption From Comparative HKFRS 7 Disclosures for First-time Adopters[3]
HKFRS 7 (Amendment)	Disclosures – Transfers of Financial Assets[5]
HKFRS 9	Financial Instruments[7]
HK (IFRIC) – Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement[4]
HK (IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments[3]

Notes:

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

Yield Rise Group is in the process of making an assessment of what the impact of these new and revised standards, amendments and interpretations is expected to be in the period of initial application. So far, it has concluded that the adoption of them is unlikely to have a significant impact on Yield Rise Group's results of operations and financial position.

C. EVENTS AFTER THE REPORTING PERIOD

No significant event of Yield Rise Group has taken place subsequent to 31 December 2010.

D. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by Yield Rise Group in respect of any period subsequent to 31 December 2010.

A. MANAGEMENT DISCUSSION AND ANALYSIS ON THE GROUP

Set out below are the management discussion and analysis on the Group as extracted from the 2008, 2009 and 2010 annual reports of the Company

For the year ended 31 December 2010

Review of Results

For the year ended 31 December 2010, the Group reported consolidated turnover of approximately RMB546,958,000, representing increase of 28.0% over last year. Gross profit margin was 7.7% compared to last year's 9.8%. Net profit attributable to owners of the Company was approximately RMB13,739,000, compared with last year's net loss of approximately RMB510,000. Loss and earnings per share for the year from continuing operations and discontinued operation was RMB0.6 cents and RMB2.90 cents versus last year's loss and earnings per share of RMB1.06 cents and RMB0.97 cents respectively.

Production and Sales

The revenue from indirect export sales of steel products in the PRC and Vietnam during the year was approximately RMB370,261,000, representing a increase of approximately 16.4% compared with approximately RMB318,090,000 for the last year. The market for indirect export sales in the PRC continued to be the core market for the Group's steel segment.

The revenue from domestic sales of steel products in the PRC and Vietnam during the year was approximately RMB164,508,000, representing a increase of approximately 70.1% compared with approximately RMB96,730,000 for the last year. The revenue from direct export sales of steel products outside the PRC and Vietnam during the year was approximately RMB4,228,000, representing a increase of approximately 18.4% while it was approximately RMB3,572,000 for the last year. Rental income and consultancy fee income from aircrafts leasing during the year was approximately RMB7,961,000 and RMB339,000 respectively compared with approximately RMB8,033,000 and RMB356,000 respectively for the last year and which represented a stable stream of income for the Group. Rental income from property investment was approximately RMB4,261,000 for the year, the property investment segment was discontinued from September 2010.

Gross Profit

The Group recorded a gross profit of approximately RMB42,268,000 for the year, with a gross profit margin of approximately 7.7%, compared with the gross profit of approximately RMB41,839,000 and a gross profit margin of approximately 9.8% for the last year.

This was mainly attributable to the average growth rate of the purchasing costs of raw materials, which was higher than that of the selling prices of our products for the year of 2010.

Operating Expenses

The total operating expenses of the Group for the year were approximately RMB53,694,000, of which approximately RMB9,901,000 in distribution costs, RMB43,369,000 in administrative expenses and RMB424,000 in other operating expenses, accounting for approximately 1.8%, 7.9%, and 0.078% of turnover respectively while the amounts for the last year were approximately RMB7,738,000, RMB35,262,000, and RMB3,286,000 respectively, accounting for approximately 1.8%, 8.3%, and 0.77% respectively.

Finance Costs

During the year, the Group incurred approximately RMB2,802,000 in finance costs, compared with approximately RMB2,134,000 for the last year. The Group relied on bank borrowings to finance its trading activities, the increase in finance costs paid during the year was mainly due to the increase in interest rates.

Financial Resources and Treasury Policies

The Group continues to adhere to prudent treasury policies. The Group continued to insure against major receivables in order to lower the risks of credit sales and to ensure that funds would be recovered on a timely basis, hence fulfilling the requirements for debt repayments and working capital commitments.

As at 31 December 2010, the Group had bank deposits and cash balances (including pledged bank deposits) of approximately RMB111,811,000, of which bank deposits of approximately RMB5,216,000 were pledged to secure financing facilities granted to the Group.

The Group had net current assets of approximately RMB178,658,000 as at 31 December 2010 as compared with RMB135,662,000 as at 31 December 2009. The current ratio (current assets divided by current liabilities) changed to approximately 2.12 as at 31 December 2010 from 1.65 as at 31 December 2009.

The Group had a total of approximately RMB276,029,000 financing facilities from banks were available as at 31 December 2010, of which approximately RMB103,326,000, mainly denominated in US dollars with fixed interest rates, had been drawn down to finance the Group's working capital purposes, capital expenditures and for other acquisition opportunities.

The gearing ratio (net debt divided by total capital) as at 31 December 2010 was approximately 2% while it was 37% as at 31 December 2009. Current portion of borrowings accounted for approximately 20% and 22% of the total assets of the Group as at 31 December 2010 and 31 December 2009, respectively.

Cash Flow

For the year, the Group generated net cash inflow of RMB54,348,000 from its operating activities, as compared to net cash inflow of approximately RMB3,792,000 for the last year. The increase in net cash inflow from operating activities was primarily due to the increase in the trade and other payables during the year.

Net cash inflow of approximately RMB69,478,000 was from investing activities for the year, mainly resulted from the Group's sales of investment property. Net cash outflow of approximately RMB109,384,000 was from financing activities, mainly resulted from the Group's repayment of bank borrowings.

Banks deposits and cash balances (including pledged bank deposits of approximately RMB5,216,000) as at 31 December 2010 amounted to approximately RMB111,811,000, mainly denominated in Renminbi, US dollars, HK dollars, Vietnamese Dong and new Taiwan dollars.

Foreign Exchange Exposures

As most of the Group's monetary assets and liabilities are denominated in Renminbi, US dollars, HK dollars, Vietnamese Dong and new Taiwan dollars and those currencies remained relatively stable during the year, the Group was not exposed to any significant exchange risk. In general, it is the Group's policy for each operating entity to borrow in local currencies, where necessary, to minimize currency risk.

Charge on Group Assets

As at 31 December 2010, bank deposits of approximately RMB5,216,000 were pledged to banks for securing banking and other financing facilities granted to the Group. These financing facilities had been utilised to the extent of approximately RMBNil at the end of the reporting period.

Contingent Liabilities

During the current and prior years, the Company has given corporate guarantees to certain banks in connection with banking facilities of RMB43,048,000 (2009: RMB92,180,000) granted by the banks to the subsidiaries. At 31 December 2010, the facilities drawn down by the subsidiaries were RMB33,113,000 (2009: RMB47,798,000).

The Company is one of the entities covered by a cross guarantee arrangement executed by the Company, its subsidiaries and jointly controlled entities to a bank in respect of banking facilities of RMB26,491,000 (2009: RMBNil) granted to the Group and the jointly controlled entities. Under the cross guarantee, the Group and the jointly controlled entities are jointly and severally liable for all and any of the borrowings from the bank which is the beneficiary of the cross guarantee.

The maximum liability of the Company at the end of the reporting period under the guarantees issued represents the amount of the facilities drawn down by the subsidiary of RMB33,113,000 (2009: RMB47,798,000). The maximum liability of the Group and of the Company at the end of the reporting period under the cross guarantee issued represents the amount of the facilities drawn down by the jointly controlled entity of RMB15,185,000 (2009: RMBNil). No recognition was made because the fair value of the guarantees was insignificant and that the directors did not consider it probable that a claim would be made against the Group and the Company under the guarantees.

Apart from the above, the Company and the Group have no other material contingent liabilities at both of the end of the reporting periods.

Employment, Training and Development

As at 31 December 2010, the Group had total of 350 employees. Total staff costs for the year ended 31 December 2010 were approximately RMB20,530,000, including retirement benefits cost of approximately RMB2,357,000. Remuneration packages of the Group are maintained at a competitive level to attract, retain and motive employees and are reviewed on a periodic basis.

The Group always maintains good relation with its employees and is committed to employee training and development on a regular basis to maintain the quality of our products.

In addition, the Company has a share option scheme for the purpose of providing incentives and rewards to eligible participants. No option has been granted under the scheme since its adoption.

Outlook

Looking ahead in 2011, the imbalance between demand and supply in the steel and metal sector will continue and the price trends of steel and metal products will still remain strong. In a short run, the global economy was weaken by the concerns of weak global demand and the impact of light oil prices. With the PRC's economy maintain a rapid growth rate, still there will be a strong domestic demand for our products.

Along with the global economy is likely to be affected by the weaken U.S. dollar against other currencies. While the undercurrent running through the PRC economic is rising inflation. We expect that the unstable in operating costs, oil prices and interest rate will continue, and the increasingly intense market competition will present more challenges to the Group's operations.

Now the Group has entered into the commodity sector, through the trading of nonferrous metals and other mineral resources worldwide. The management believes that the macroeconomic environment will be supportive for commodities. However, the high oil prices will endangering the economic Scenario and the market, this situation is unlikely to ease in coming year.

As the general expectation, PRC economic growth will benefit from strong domestic consumption and the growth is likely to close at 10%, which is higher than the 8% growth targets set by the PRC government. The Group is determined to capitalise these opportunities arising from the growth of the PRC, together with the growth in other Asian region. The Group will continue to seek new investment opportunities in stakes in potential growth and balanced return.

The Group's management is confident that the Group will fully capitalise its extensive experience in cost management and achieve greater cost effectiveness, strengthen high value-added products' innovation and achieve customer satisfaction excellence.

The Group is welcome to every investment opportunities which are beneficial to our long term development, with an aim to generate the best return from investments and generate the best returns to our investors.

Other Matters

(a) Proposed acquisition of Maxipetrol Hong Kong Limited

On 26 November 2009, the Company entered into a sale and purchase agreement with various vendors which are third parties independent of the Company and of the Group. Pursuant to the agreement, the vendors have conditionally agreed to sell and the Company has conditionally agreed to purchase 1,000 shares of Maxipetrol Hong Kong Limited ("Maxipetrol HK"), representing the entire issued share capital of Maxipetrol HK at an aggregate consideration of HK$1,264,000,000 (equivalent to approximately RMB1,112,699,000) which will be satisfied by the Group at completion (i) as to HK$400,000,000 (equivalent to approximately RMB352,120,000) by the issue of 3-year promissory notes; (ii) as to HK$600,000,000 (equivalent to approximately RMB528,180,000) by the issue of 5-year convertible notes, bearing interest at a rate of 1% per annum; and (iii) as to HK$264,000,000 (equivalent to approximately RMB232,399,000) by the issue of 8-year convertible notes, bearing interest at a rate of 2% per annum. Maxipetrol HK will be principally engaged in petroleum production in Argentina.

On the same date, the board of directors also proposed to increase the Company's authorised share capital from HK$200,000,000 (equivalent to approximately RMB195,662,000) divided into 2,000,000,000 ordinary shares to HK$300,000,000 (equivalent to approximately RMB283,692,000) divided into 3,000,000,000 ordinary shares by the creation of an additional 1,000,000,000 unissued ordinary shares.

The acquisition constituted, under the Listing Rules, a very substantial acquisition of the Company. On 31 December 2010, being the long stop date for fulfillment of the conditions precedent of the sale and purchase agreement, the directors of the Company decided not to extend the long stop date and to terminate the acquisition due to certain conditions precedent of the sale and purchase agreement had not been fulfilled or waived on 31 December 2010. Accordingly, the sale and purchase agreement became null and void and the Company's obligations to purchase the shares in Maxipetrol HK lapsed on 31 December 2010.

(b) Deemed disposal of Vietnam Mayer

On 21 January 2010, Guangzhou Mayer entered into a sale and purchase agreement with purchaser which is Taiwan Mayer. Pursuant to the agreement, Guangzhou Mayer has agreed to sell and the purchaser has agreed to purchase 2,000,000 shares of Vietnam Mayer, representing the Group's all effective interest in Vietnam Mayer, at an aggregate consideration of USD2,100,000 (equivalent to approximately RMB13,864,000), which will be satisfied in cash.

The disposal constituted, under the Listing Rules, a discloseable and connected transaction of the Company, the details of which were set out in the circular issued by the Company on 11 February 2010. The disposal had been approved in the extraordinary general meeting of the independent shareholders held on 25 March 2010. As at 31 December 2010, the directors of the Company consider Vietnam Mayer is not immediately available for sale until obtain approval from the relevant government authorities and the disposal has not completed up to 28 March 2011 due to the processing of relevant transfer and registration procedures by the Group.

On 5 November 2010, Guangzhou Mayer entered into an agreement with Taiwan Mayer, a shareholder who hold 30% equity interests in Vietnam Mayer, and Winner Industrial Corporation ("Winner Industrial"), a shareholder who hold 20% equity interests in Vietnam Mayer, in relation to the increase in charter capital of USD2,700,000 (equivalent to approximately RMB17,825,000) in Vietnam Mayer ("VM Capital Increase") from USD4,000,000 (equivalent to approximately RMB26,408,000) to USD6,700,000 (equivalent to approximately RMB44,233,000). Pursuant to the agreement, the full amount of the VM Capital Increase will be contributed in the form of cash by Guangzhou Mayer, Taiwan Mayer and Winner Industrial in the amount of USDNil, USD2,700,000 and USDNil respectively.

The deemed disposal constituted, under the Listing Rules, a discloseable and connected transaction of the Company and was approved in the extraordinary general meeting of the independent shareholders held on 3 December 2010. The deemed disposal was completed subsequent to the end of the reporting period on 11 February 2011.

(c) Disposal of Investment Property in Taiwan

On 19 May 2010, the Group's subsidiary, Mei Kong has entered a sales and purchase agreement ("S&P") with China Life for the disposal of the investment property located in Taiwan held by Mei Kong. Details of the S&P are set out in the Company's Circular dated 18 June 2010.

On 13 August 2010, the Group entered into a disposal agreement with Taiwan Mayer in relation to the disposal of the Group's 100% equity interests in Mei Kong to Taiwan Mayer at a consideration of NTD260,474,000 (equivalent to approximately RMB55,481,000). On 27 September 2010, the registration procedures on the transfer of shares were completed and a loss on disposal of the subsidiary of RMB12,006,000 was recorded by the Group. Details of the Disposal of Mei Kong are set out in the Company's Circular dated 8 September 2010.

(d) Issue of warrants and issue of shares on exercise of warrants

On 12 July 2010, the Company entered into a warrant subscription agreement ("Warrant Subscription Agreement") with Valley Park Global Corporation (the "Subscriber"), a company incorporated in the British Virgin Islands with limited liability and an independent third party to the Group. Pursuant to the Warrant Subscription Agreement, the Company issued 115,200,000 non-listed warrants at an issue price of HK$0.01, each of which carries the right to subscribe for one new ordinary share of the Company of HK$0.10 at the warrant exercise price of HK$0.54. The subscription rights attaching to the warrants may be exercised at any time during a period of 12 months commencing from the date immediately after the date of issue of the warrants on 12 July 2010.

On 27 October 2010, the Subscriber were fully exercised the warrants to subscribe for 115,200,000 ordinary shares in the Company at a consideration of HKD62,208,000 (equivalent to approximately RMB53,169,000).

(e) Formation of Joint Venture Group

(i) On 15 September 2010, the Company entered into a joint venture agreement with Taiwan Mayer, pursuant to which the Company pay USD999,999 (equivalent to approximately RMB6,621,000) for subscription of 49.99% equity interests in Glory World whereas Taiwan Mayer pay USD1,000,000 (equivalent to approximately RMB6,621,000) for subscription of 50% equity interests in Glory World.

(ii) Capital increase in a jointly controlled entity. On 28 January 2011, the Company entered into a capital increase agreement (the "Capital Increase Agreement") with Taiwan Mayer pursuant to which the share capital of Glory World is increased from USD2,000,000 (equivalent to approximately RMB13,243,000) to USD50,000,000 (equivalent to approximately RMB331,073,000). Pursuant to the Capital Increase Agreement, the Company and Taiwan Mayer agree to make further capital contribution on a non pro-rata basis of USD19,000,000 (equivalent to approximately RMB125,808,000) and of USD29,000,000 (equivalent to RMB192,022,000) respectively. The details of the Capital Increase Agreement are set out in the Company's Circular dated 16 March 2011. The capital injection constituted, under the Listing Rules, a major and connected transaction of the Company and has been approved in the extraordinary general meeting by the independent shareholders held on 31 March 2011.

(f) Proposed Acquisition of Yield Rise Group

On 15 October 2010, the Company entered into a MOU with the Vendor in relation to a proposed acquisition of the entire issued share capital of Yield Rise at a consideration to be determined based on a valuation report to be issued by an independent valuer appointed by the Company or such other basis as agreed between the Company and the Vendor. Yield Rise is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. As at 31 December 2010, Yield Rise held 87.5% equity interests in Best Wonder Holdings Limited ("Best Wonder"), which in turn held 100% equity interests in Good Wishes Investment Limited ("Good Wishes"). Good Wishes held 80% equity interests in Dan Tien. Dan Tien is a foreign invested limited liability company established in Vietnam and is principally engaged in the development of property, port and logistic business in Vietnam.

On 8 November 2010, the Company and the Vendor entered into a sale and purchase agreement. Details of the acquisition are set out in the Company's announcement dated 8 November 2010 and this circular.

For the year ended 31 December 2009

Business Review

The national economy of the PRC is continually impacted by the economic slowdown. The decrease in market demand and overall prices of steel products has been dropped in the first half of 2009, causing extreme difficulties to the steel business segment. From January to June, management took measures under the steel business segment and immediately reduced costs, enhanced efficiency and adjusted its marketing strategy for the purpose of easing the current operation pressure.

Since the second half of 2009, the industrial output saw signs of recovery and has begun to revive. The Group's steel business segment is on a stable recovery track, and successfully improved its performance recorded earnings for the year 2009.

The Group still focused on developing the emerging markets. In the second half of 2009, based on the actual situation, the Company increased the supply of its products and strengthened its management, so as to tackle the changes in operating environment. In anticipation of a tough economic environment, the Chinese government took pre-emptive measures and aimed to kept steady market growth, the Mainland is still represent a huge market with plentiful opportunities. The Group's management also seeks opportunities on a globally prospective and ensure our product portfolio will suit market demands.

The Group's steel business segment has recorded a segment profit of RMB11,331,000 for the year. During the year, the Group sold approximately 73,745 tonnes of steel products, representing 38.3% decreased from approximately 119,496 tonnes for the last year. The average selling price of the Group's steel products during the year decrease by approximately 26% compared with that of the last year.

The Group's property investment business segment has contributed RMB8,330,000 segment revenue for the year. The Group believed that this major acquisition is in line with the Group's current business diversification strategy to invest in favorable investments and to broaden the income base of the Group.

Outlook

Looking ahead in 2010, the imbalance between demand and supply in the steel and metal sector will continue and the prices of steel and metal products will still remain at a moderately fast level. In a short run, the global economy was weaken by the concerns of weak global demand. With the PRC's and Vietnam's economy maintain a rapid growth rate, still there will be a strong domestic demand for our products.

Along with the global economy is likely to be affected by the fallout from the U.S. subprime predicament and the weaken U.S. dollar against other currencies. The Group's management expects that the unstable in operating costs, oil prices and interest rate will continue, and the increasingly intense market competition will present more challenges to the Group's operations.

As the general expectation, Taiwan's economic growth will benefit from the next few years following its governmental and economic reforms, plentiful opportunities will appear while Taiwan continued to make progress in improving its ties with China. The Group is determined to capitalise these opportunities arising from the growth of the Taiwan, together with the growth in the PRC and other countries. The Group will continue to seek new investment opportunities in stakes in potential growth and balanced return.

The Group's management is confident that the Group will fully capitalise its extensive experience in cost management and achieve greater cost effectiveness, strengthen high value-added products' innovation and achieve customer satisfaction excellence. The Group is welcome to every investment opportunities which are beneficial to our long term development, with an aim to generate the best return from investments and generate the best returns to our investors.

Major Business Activities

(a) On 26 November 2009, the Company entered into a sale and purchase agreement with various vendors which are third parties independent of the Company and of the Group. Pursuant to the agreement, the vendors have conditionally agreed to sell and the Company has conditionally agreed to purchase 1,000 shares of Maxipetrol Hong Kong Limited ("Maxipetrol HK"), representing the entire issued share capital of Maxipetrol HK, at an aggregate consideration of HK$1,264,000,000 (equivalent to approximately RMB1,112,699,000), which will be satisfied by the Group at completion (i) as to HK$400,000,000 (equivalent to approximately RMB352,120,000) by the issue of 3-year promissory notes; (ii) as to HK$600,000,000 (equivalent to approximately RMB528,180,000) by the issue of 5-year convertible notes, bearing interest at a rate of 1% per annum; and (iii) as to HK$264,000,000 (equivalent to approximately RMB232,399,000) by the issue of 8-year convertible notes, bearing interest at a rate of 2% per annum. Maxipetrol HK will be principally engaged in petroleum production in Argentina. On the same date, the board of directors also proposed to increase the Company's authorised share capital from HK$200,000,000 (equivalent to approximately RMB195,662,000) divided into 2,000,000,000 ordinary shares to HK$300,000,000 (equivalent to approximately RMB283,692,000) divided into 3,000,000,000 ordinary shares by the creation of an additional 1,000,000,000 unissued ordinary shares.

The acquisition constituted, under the Listing Rules, a very substantial acquisition of the Company, the details of which were set out in the announcement issued by the Company on 8 December 2009. The acquisition has not completed up to 23 April 2010.

(b) On 21 January 2010, Guangzhou Mayer entered into a sale and purchase agreement with purchaser which is Taiwan Mayer. Pursuant to the agreement, Guangzhou Mayer has agreed to sell and the purchaser has agreed to purchase 1,750,000 shares of Vietnam Mayer, representing 50% of the issued share capital of Vietnam Mayer and the Group's all effective interest in Vietnam Mayer, at an aggregate consideration of USD2,100,000 (equivalent to approximately RMB14,336,700), which will be satisfied in cash.

The disposal constituted, under the Listing Rules, a discloseable and connected transaction of the Company, the details of which were set out in the circular issued by the Company on 11 February 2010. The disposal had been approved in the extraordinary general meeting of the independent shareholders held on 25 March 2010. The disposal has not completed up to 23 April 2010 due to the processing of relevant transfer and registration procedures by the Group.

Review of Results

For the year ended 31 December 2009, the Group reported consolidated turnover of RMB435,585,000, representing decrease of 34.7% over last year. Gross profit margin was 11.5% compared to last year's 9.6%. Net loss attributable to shareholders was RMB510,000, compared with last year's net profit of RMB7,222,000. Loss per share for the year was RMB0.09 cents versus last year's earnings per share of RMB1.25 cents respectively.

Production and Sales

The revenue from indirect export sales of steel products in the PRC and Vietnam during the year was approximately RMB318,090,000, representing a decrease of approximately 38.6% compared with approximately RMB517,792,000 for the last year. The market for indirect export sales in the PRC continued to be the core market for the Group's steel segment.

The revenue from domestic sales of steel products in the PRC and Vietnam during the year was approximately RMB96,730,000, representing a decrease of approximately 19.7% compared with approximately RMB120,406,000 for the last year.

The revenue from direct export sales of steel products outside the PRC and Vietnam during the year was approximately RMB3,572,000, representing a decrease of approximately 74.5% while it was approximately RMB14,022,000 for the last year.

Rental income and consultancy fee income from aircrafts leasing during the year was approximately RMB8,033,000 and RMB356,000 respectively compared with approximately RMB8,171,000 and RMB437,000 respectively for the last year and which represented a stable stream of income for the Group.

Rental income from property investment was approximately RMB8,330,000 for the year.

The investment property of the Group carried at fair value was revalued as at 31 December 2009 on an open market value basis calculated by reference to recent market transactions in comparable properties and to net rental income allowing for reversionary income potential. The valuations were carried out by an independent firm of surveyors, 泛亞不動產估價師事務所 (Pan Asia Real Estates Surveyors*), being a member of the Republic of China Association of Real Estate Appraisers who have appropriate qualifications and recent experience in the valuation of similar properties in the relevant location and category of property being valued.

Gross Profit

The Group recorded a gross profit of approximately RMB50,169,000 for the year, with a gross profit margin of approximately 11.5%, compared with the gross profit of approximately RMB63,855,000 and a gross profit margin of approximately 9.6% for the last year.

This was mainly attributable to the average growth rate of the purchasing costs of raw materials, which was lower than that of the selling prices of our products for the year of 2009.

Operating Expenses

The total operating expenses of the Group for the year were approximately RMB48,797,000, of which approximately RMB7,738,000 in distribution costs, RMB37,773,000 in administrative expenses and RMB3,286,000 in other operating expenses, accounting for approximately 1.8%, 8.7%, and 0.8% of turnover respectively while the amounts for the last year were approximately RMB9,155,000, RMB44,408,000, and RMB18,273,000 respectively, accounting for approximately 1.4%, 6.7%, and 2.7% respectively.

Finance Costs

During the year, the Group incurred RMB4,913,000 in finance costs, compared with approximately RMB19,388,000 for the last year. The Group relied on bank borrowings to finance its trading activities and property's mortgage, the decrease in finance costs paid during the year was mainly due to the decrease in interest rates.

Financial Resources and Treasury Policies

The Group continues to adhere to prudent treasury policies. The Group continued to insure against major receivables in order to lower the risks of credit sales and to ensure that funds would be recovered on a timely basis, hence fulfilling the requirements for debt repayments and working capital commitments.

As at 31 December 2009, the Group had bank deposits and cash balances (including pledged bank deposits) of approximately RMB105,847,000, of which bank deposits of approximately RMB5,404,000 were pledged to secure financing facilities granted to the Group.

The Group had net current assets of approximately RMB135,662,000 as at 31 December 2009 as compared with RMB112,577,000 as at 31 December 2008. The current ratio (current assets divided by current liabilities) changed to approximately 1.65 as at 31 December 2009 from 1.58 as at 31 December 2008.

The Group had a total of approximately RMB512,866,000 financing facilities from banks were available as at 31 December 2009, of which approximately RMB262,886,000, mainly denominated in US dollars, HK dollars, Vietnamese Dong and new Taiwan dollars with floating interest rates, had been drawn down to finance the Group's working capital purposes, capital expenditures and for other acquisition opportunities.

The gearing ratio (net debt divided by total capital) as at 31 December 2009 was approximately 37% while it was 35% as at 31 December 2008. Current portion of borrowings accounted for approximately 22% and 21% of the total assets of the Group as at 31 December 2009 and 31 December 2008, respectively.

Cash Flow

For the year, the Group generated net cash inflow of RMB3,792,000 from its operating activities, as compared to net cash inflow of approximately RMB269,520,000 for the last year. The decrease in net cash inflow from operating activities was primarily due to the increase in the trade and other receivables during the year.

Net cash outflow of approximately RMB7,942,000 was from investing activities for the year, mainly resulted from the Group's capital expenditures. Net cash inflow of approximately RMB28,157,000 was from financing activities, mainly resulted from the Group's raising of bank borrowings.

Banks deposits and cash balances (including pledged bank deposits of approximately RMB5,404,000) as at 31 December 2009 amounted to approximately RMB105,847,000, mainly denominated in Renminbi, US dollars, HK dollars, Vietnamese Dong and new Taiwan dollars.

Foreign Exchange Exposures

As most of the Group's monetary assets and liabilities are denominated in Renminbi, US dollars, HK dollars, Vietnamese Dong and new Taiwan dollars and those currencies remained relatively stable during the year, the Group was not exposed to any significant exchange risk (see note 26 to the financial statements). In general, it is the Group's policy for each operating entity to borrow in local currencies, where necessary, to minimize currency risk.

Charge on Group Assets

As at 31 December 2009, investment property of the Group with carrying amount of approximately RMB220,867,000 of which pledged amount was limited to RMB157,745,000 and bank deposits of approximately RMB5,404,000 were pledged to banks for securing banking and other financing facilities granted to the Group. These financing facilities had been utilised to the extent of approximately RMB135,760,000 at the end of the reporting period.

Contingent Liabilities

As at 31 December 2009, the Company has given corporate guarantees in favour of certain banks to secure banking facilities of RMB92,180,000 (2008: RMB244,356,000) granted to the subsidiaries. Out of these banking facilities, RMB47,798,000 was utilised by Guangzhou Mayer as at 31 December 2009 (2008: RMB172,874,000).

The maximum liability of the Company under the guarantees issued represents the amount drawn down by the subsidiary of RMB47,798,000 (2008: RMB172,874,000). No recognition was made because the fair value of the guarantees was insignificant and that the directors did not consider it probable that a claim would be made against the Company under the guarantees.

Apart from the above, the Company and the Group have no other material contingent liabilities at both of the end of the reporting periods.

Employment, Training and Development

As at 31 December 2009, the Group had total of 350 employees. Total staff costs for the year ended 31 December 2009 were approximately RMB18,874,000, including retirement benefits cost of approximately RMB2,371,000. Remuneration packages of the Group are maintained at a competitive level to attract, retain and motive employees and are reviewed on a periodic basis.

The Group always maintains good relation with its employees and is committed to employee training and development on a regular basis to maintain the quality of our products.

In addition, the Company has a share option scheme for the purpose of providing incentives and rewards to eligible participants. No option has been granted under the scheme since its adoption.

For the year ended 31 December 2008

Business Review

The national economy of the PRC is basically achieving a balance after the PRC government implemented those macro control measures. The increase in market demand and overall prices of steel products has been moderately raised in the first half of 2008. On the other hand, raw materials, energy costs, and labour costs have all been increased to different extents. However, the situations changed as the fear of an imminent global recession after the U.S. financial market went into a tailspin during the second half of 2008. Affected by market demand, the international market prices of iron ores, petroleum and raw materials rose initially but dropped later. This led to a continuous drop in prices of steel products; in particular, prices of steel products experienced a severe drop after October. As a result, the Group's earnings in the second half of 2008 decreased accordingly.

The Group still focused on developing the emerging markets. In the second half of 2008, based on the actual situation, the Company increased the supply of its products and strengthened its management, so as to tackle the changes in operating environment. In anticipation of a tough economic environment, the Chinese government took pre-emptive measures and aimed to kept steady market growth, the Mainland is still represent a huge market with plentiful opportunities. The Group's management also seeks opportunities on a globally prospective and ensure our product portfolio will suit market demands.

The Group's steel business segment has recorded a segment profit of RMB31,013,000 for the Year. During the year, the Group sold approximately 119,496 tonnes of steel products, representing 22.9% decreased from approximately 155,000 tonnes for the last year. The average selling price of the Group's steel products during the year increased by approximately 3.0% compared with that the last year.

The Group's property investment business segment has contributed RMB3,977,000 segment revenue for the year. As at the balance sheet date, the property revaluation surplus of RMB36,655,000 was accounted for in the profit and loss account. The Group believed that this major acquisition is in line with the Group's current business diversification strategy to invest in favorable investments and to broaden the income base of the Group.

Outlook

Looking ahead in 2009, the imbalance between demand and supply in the steel and metal sector will continue and the prices of steel and metal products will still remain at a moderately fast level. In a short run, the global economy was weaken by the concerns of weak global demand. With the PRC's and Vietnam's economy maintain a rapid growth rate, still there will be a strong domestic demand for our products.

Along with the global economy is likely to be affected by the fallout from the U.S. subprime predicament and the weaken U.S. dollar against other currencies. We expect that the rise in operating costs, oil prices and interest rate drops will continue, and the increasingly intense market competition will present more challenges to the Group's operation.

As the general expectation, Taiwan's economic growth will surge in the next few years following its governmental and economic reforms, plentiful opportunities will appear while Taiwan continued to make progress in improving its ties with China. The Group is determined to capitalize these opportunities arising from the growth of the Taiwan, together with the growth in the PRC and other countries. The Group will continue to seek new investment opportunities in stakes in potential growth and balanced return.

The Group's management is confident that the Group will fully capitalize its extensive experience in cost management and achieve greater cost effectiveness, strengthen high value-added products' innovation and achieve customer satisfaction excellence. The Group is welcome to every investment opportunities which are beneficial to our long term development, with an aim to generate the best return from investments and generate the best returns to our investors.

Review of Results

For the year ended 31 December 2008, the Group reported consolidated turnover of RMB667,193,000, representing decrease of 47.0% over last year. Gross profit margin was 9.6% compared to last year's 5.0%. Net profit attributable to shareholders was RMB7,222,000, compared with last year's RMB13,802,000. Earnings per share from continuing operations and discontinued operation for the Year were RMB1.25 and RMBNil cents versus the last year's RMB0.83 cents and RMB1.86 cents, respectively.

Major Business Activities

1) Investment in CID

On 6 June 2008, the Company invested USD3 million to subscribe for the shares of Capital Investment Development Limited ("CID") and aimed to enhance the Group's returns. CID is principally engaged in long and short term investment projects, equities investment and asset management in Hong Kong, Taiwan and other Asian countries.

2) Very substantial acquisition of a Taiwan property group

On 6 October 2008, the Company entered into an S&P agreement with the vendors to which the Company was conditionally agreed to purchase the shares, representing approximately 88.59% of the entire issued share capital of Durban Group at an aggregate consideration of NTD1,397 million. The directors consider that the acquisition is in line with the Group's current business diversification strategy and with quickly enhance the assets base of the Group.

However, the Asian countries, including Taiwan suffered a heavy sell-off after the U.S. financial market went into tailspin following the collapse of some financial institutions. And the impact of credit freeze triggered by this was felt through the financial system.

Given that the sudden crash of the financial system, the Board has decided to terminate the acquisition due to certain conditions precedent of the agreement had not been fulfilled or waived on 31 December 2008, being the long stop date for fulfillment of the conditions precedent of the agreement. By taking into consideration of the global economic downturn and in the interest of the Company and its shareholders as a whole, the directors decided not to extend the long stop date. Accordingly, the S&P agreements became null and void ab initio and the Company's obligations to purchase the shares in Durban Group lapsed.

Production and Sales

The revenue from indirect export sales of steel products in the PRC and Vietnam during the Year was approximately RMB517,792,000, representing a decrease of approximately 41.0% compared with approximately RMB878,174,000 for the last year. The market for indirect export sales in the PRC continued to be the core market for the Group's steel segment.

The revenue from domestic sales of steel products in the PRC and Vietnam during the year was approximately RMB120,406,000, representing a decrease of approximately 60.5% compared with approximately RMB304,827,000 for the last year.

The revenue from direct export sales of steel products outside the PRC and Vietnam during the year was approximately RMB14,022,000, representing a decrease of approximately 22.0% while it was approximately RMB17,976,000 for the last year.

Rental income and consultancy fee income from aircrafts leasing during the year was approximately RMB8,171,000 and RMB437,000 respectively compared with approximately RMB7,195,000 and RMB469,000 respectively for the last year and which represented a stable stream of income for the Group.

Rental income from property investment was approximately RMB3,977,000 as the acquisition of property were completed on February 2008 during the year.

The investment property of the Group carried at fair value were revalued as at 31 December 2008 on an open market value basis calculated by reference to recent market transactions in comparable properties and to net rental income allowing for reversionary income potential. The valuations were carried out by an independent firm of surveyors, 泛亞不動產估價師事務所 (Pan Asia Real Estates Surveyors*), being a member of the Republic of China Association of Real Estate Appraisers who have appropriate qualifications and recent experience in the valuation of similar properties in the relevant location and category of property being valued. A valuation gain on investment property approximately RMB36,655,000 was recorded as at 31 December 2008.

Gross Profit

The Group recorded a gross profit of approximately RMB63,855,000 for the year, with a gross profit margin of approximately 9.6%, compared with the gross profit of approximately RMB63,002,000 and a gross profit margin of approximately 5.0% for the last year.

This was mainly attributable to the growth rate of the purchasing costs of raw materials, which was significantly lower than that of the selling prices of our products for the first 10 months of 2008.

Operating Expenses

The total operating expenses of the Group for the year were approximately RMB71,836,000, of which approximately RMB9,155,000 in distribution costs, RMB44,408,000 in administrative expenses and RMB18,273,000 in other operating expenses, accounting for approximately 1.4%, 6.7%, and 2.7% of turnover respectively while the amounts for the last year were approximately RMB13,681,000, RMB34,696,000, and RMB2,899,000 respectively, accounting for approximately 1.1%, 2.8%, and 0.2% respectively.

Finance Costs

During the year, the Group incurred RMB19,388,000 in finance costs, compared with approximately RMB19,233,000 for the last year. The Group relied on bank borrowings to finance its trading activities and property's mortgage, the increase in finance costs paid during the year was mainly due to the increase in interest rates in paid to the bank for the Group's investment property in Taiwan.

Financial Resources and Treasury Policies

The Group continues to adhere to prudent treasury policies. The Group continued to insure against major receivables in order to lower the risks of credit sales and to ensure that funds would be recovered on a timely basis, hence fulfilling the requirements for debt repayments and working capital commitments.

As at 31 December 2008, the Group had bank deposits and cash balances (including pledged bank deposits) of approximately RMB84,951,000, of which bank deposits of approximately RMB5,578,000 were pledged to secure financing facilities granted to the Group.

The Group had net current assets of approximately RMB112,577,000 as at 31 December 2008 as compared with RMB55,513,000 as at 31 December 2007. The current ratio (current assets divided by current liabilities) changed to approximately 1.58 as of 31 December 2008 from 1.09 as at 31 December 2007.

The Group had a total of approximately RMB788,794,000 financing facilities from banks were available as at 31 December 2008, of which approximately RMB244,141,000, mainly denominated in Renminbi, US dollars, HK dollars and new Taiwan dollars with floating interest rates, had been drawn down to finance the Group's working capital purposes, capital expenditures and for other acquisition opportunities.

The gearing ratio (net debt divided by total capital) as at 31 December 2008 was approximately 34.9% while it was 38.4% as of 31 December 2007. Current portion of borrowings accounted for approximately 21.0% and 30.7% of the total assets of the Group as at 31 December 2008 and 31 December 2007, respectively.

Cash Flow

For the year, the Group generated net cash inflow of RMB269,520,000 from its operating activities, as compared to net cash outflow of approximately RMB15,285,000 for the last year. The increase in net cash inflow from operating activities was primarily due to the decrease in the inventories and trade and other receivables during the year.

Net cash outflow of approximately RMB167,920,000 was from investing activities for the year, mainly resulted from the Group's capital expenditures and the acquisition of property in Taiwan and investment in other financial assets. Net cash outflow of approximately RMB99,829,000 was from financing activities, mainly resulted from the Group's repayment of bank borrowings and bank interest payment.

Banks deposits and cash balances (including pledged bank deposits of approximately RMB5,578,000) as at 31 December 2008 amounted to approximately RMB84,951,000, mainly denominated in Renminbi, US dollars, HK dollars and new Taiwan dollars.

Foreign Exchange Exposures

As most of the Group's monetary assets and liabilities are denominated in Renminbi, US dollars, HK dollars and new Taiwan dollars and those currencies remained relatively stable during the year, the Group was not exposed to any significant exchange risk (see note 30 to the financial statements). In general, it is the Group's policy for each operating entity to borrow in local currencies, where necessary, to minimize currency risk.

Charge on Group Assets

As at 31 December 2008, building and factory premises, construction in progress, plant and machinery, investment property and prepaid lease payments of the Group with net book value or carrying amount of approximately RMB24,376,000, RMB7,656,000, RMB34,816,000, RMB153,976,000 and RMB8,194,000 respectively and bank deposits of approximately RMB5,578,000 were pledged to banks for securing banking and other financing facilities granted to the Group. These financing facilities had been utilised to the extent of approximately RMB222,605,000 at the balance sheet.

Contingent Liabilities

At 31 December 2008, the Company has given corporate guarantees in favour of certain banks to secure banking facilities of RMB244,356,000 (2007: RMB131,777,000) granted to Guangzhou Mayer, a subsidiary. Out of these banking facilities, RMB172,874,000 was utilised by Guangzhou Mayer as at 31 December 2008 (2007: RMB60,736,000).

The maximum liability of the Company under the guarantee issued represents the amount drawn down by the subsidiary of RMB172,874,000 (2007: RMB60,736,000). No recognition was made because the fair value of the guarantee was insignificant and that the directors did not consider it probable that a claim would be made against the Company under the guarantee.

Apart from the above, the Company and the Group have no other material contingent liabilities at both balance sheet dates.

Employment, Training and Development

As at 31 December 2008, the Group had total of 350 employees. Total staff costs for the year ended 31 December 2008 were approximately RMB25,186,000, including retirement benefits cost of approximately RMB1,854,000. Remuneration packages of the Group are maintained at a competitive level to attract, retain and motive employees and are reviewed on a periodic basis.

The Group always maintains good relation with its employees and is committed to employee training and development on a regular basis to maintain the quality of our products.

In addition, the Company has a share option scheme for the purpose of providing incentives and rewards to eligible participants. No option has been granted under the scheme since its adoption.

B. MANAGEMENT DISCUSSION AND ANALYSIS ON YIELD RISE GROUP

Set out below is the management discussion and analysis on the results of Yield Rise Group for the three years ended 31 December 2008, 2009 and 2010:

Business Review

Yield Rise is a company incorporated in the British Virgin Islands on 3 September 2010 and is principally engaged in investment holding. As at the Latest Practicable Date, Yield Rise is interested in 87.5% equity interests in JV Co; JV Co. is interested in 100% equity interst in HK Co; and HK Co. is interested in 80% equity interest in Dan Tien.

For the three years ended 31 December 2008, 2009 and 2010, Yield Rise Group did not record any turnover for the reason that Yield Rise Group is still in the process of constructing the Port and developing the Property. The total expenses of Yield Rise Group for the three years ended 31 December 2008, 2009 and 2010 were approximately VND4,142,995,000 (approximately HK$1,637,547.43), VND6,533,890,000 (approximately HK$2,582,565.22) and

VND13,923,598,000 (approximately HK$5,503,398.42) respectively, of which administrative expenses accounted for approximately VND3,926,212,000 (approximately HK$1,551,862.45), VND6,533,890,000 (approximately HK$2,582,565.22) and VND13,923,598,000 (approximately HK$5,503,398.42) respectively. Accordingly, Yield Rise Group recorded gross loss of approximately VND3,069,754,000 (approximately HK$1,213,341.50), VND6,453,588,000 (approximately HK$2,550,825.30), and VND13,868,004,000 (approximately HK$5,481,424.51) for the three years ended 31 December 2008, 2009 and 2010 respectively. The total expenses increased as Yield Rise Group prepared to develop its property development and port & logistic business. The expenses were primarily the administrative expenses, including employee costs, office rentals and construction related cost. The increases in these expenses are the results of progress of the development of the Port and the Property, including but not limited to the increasing salaries and allowance, management fee, entertainment expenses and sundry expenses.

Capital Structure, Liquidity, Financial Resources and Gearing Ratio

As at 31 December 2008, 2009 and 2010, Yield Rise Group had current assets of approximately VND58,660,723,000 (approximately HK$23,186,056.52), VND87,434,021,000 (approximately HK$34,558,901.58) and VND161,465,850,000 (approximately HK$63,820,494.07) respectively, of which properties under development for sale were approximately VND19,507,585,000 (approximately HK$7,710,507.91), VND64,703,817,000 (approximately HK$25,574,631.23) and VND108,309,873,000 (approximately HK$42,810,226.48) respectively; other receivables and prepayments were approximately VND38,081,058,000 (approximately HK$15,051,801.58), VND21,536,329,000 (approximately HK$8,512,383.00) and VND7,780,641,000 (approximately HK$3,075,352.17); and cash and cash equivalents were approximately VND1,072,080,000 (approximately HK$423,747.04), VND1,193,875,000 (approximately HK$471,887.35) and VND45,375,336,000 (approximately HK$17,934,915.42) respectively. During the three years from 2008 to 2010, Yield Rise Group had continued to expand its development in the Property, causing the Yield Rise Group's significant increase in properties under development for sale. Properties under development for sale are carried at the lower of cost and net realisable value. Net realisable value takes into account the price ultimately expected to be realised and the anticipated costs to completion. The other receivables and prepayments were primarily amounts due from related companies which were principally due from Phoenix Management Office of VND21,189,753,000 as at 31 December 2008 and VND15,095,569,000 as at 31 December 2009 in relation to the amounts received from certain pre-sales land of the Property. As at 31 December 2010, the amount has been settled and there is no amount due from related companies. Amount due from a shareholder of a subsidiary is VND736,761,000 as at 31 December 2008, 31 December 2009 and 31 December 2010 which is the amount due from Duyen Hai Quang Ninh One-Member Company Limited to Dan Tien. The amount is an unsecured and interest-free loan to Duyen Hai Quang Ninh One-Member Company Limited and it has undertaken that the amount will be settled before Completion. The increases in cash and cash equivalents were the results of cash advances from the Company and Sinowise Development Limited which is amounted to VND18,932,000,000 (equivalent to USD 1,000,000) and VND 38,999,883,000 (equivalent to USD 2,000,000) for the year ended 31 December 2010. These cash advances from the Company were primarily adopted to assist in the operations of Dan Tien whereas the cash advances from Sinowise Development Limited were received by Dan Tien under a coal supply contract. Sinowise Development Limited is wholly owned by Glory World Development Limited which is owned as to 50% by the Company and 50% by Taiwan Mayer as at the Latest Practicable Date. It is principally engaged in trading of coal and will co-operate with local companies to assist in sourcing the coal. As at 31 December 2008, 2009 and 2010, Yield Rise Group's current ratio, expressed as a ratio of total current assets over total current liabilities, were approximately 0.46, 0.48 and 1.02 respectively.

As at 31 December 2008, 2009 and 2010, Yield Rise Group had non-current assets of approximately VND54,210,665,000 (approximately HK$21,427,140.32), VND65,508,474,000 (approximately HK$25,892,677.47) and VND69,176,686,000 (approximately HK$27,342,563.64) respectively, of which construction in progress were approximately VND52,865,548,000 (approximately HK$20,895,473.52), VND57,947,177,000 (approximately HK$22,904,022.53) and VND62,146,169,000 (approximately HK$24,563,703.16) respectively. Construction in progress represents building and port under construction and is stated at cost less impairment losses.

Current liabilities were approximately VND127,207,617,000 (approximately HK$50,279,690.51), VND180,899,680,000 (approximately HK$71,501,849.80) and VND157,735,935,000 (approximately HK$62,346,219.37) respectively at 31 December 2008, 2009 and 2010. As at 31 December 2008, 2009 and 2010, other payables and accruals were approximately VND127,207,617,000 (approximately HK$50,279,690.51), VND180,899,680,000 (approximately HK$71,501,849.80) and VND157,735,935,000 (approximately HK$62,346,219.37) respectively, of which advances from customers were VND39,960,685,000 (approximately HK$15,794,737.15), VND64,373,325,000 (approximately HK$25,444,001.98) and VND79,544,304,000 (approximately HK$31,440,436.36) respectively; other payables and accruals were approximately VND240,949,000 (approximately HK$95,236.76), VND3,692,323,000 (approximately HK$1,459,416.21) and VND58,049,693,000 (approximately HK$22,944,542.69) respectively; and amount due to a related company were nil, nil and VND20,095,978,000 (approximately HK$7,943,074.31) respectively. Amount due to Mr. Zhang Xin Yu, the ultimate shareholder of Yield Rise Group were approximately VND87,005,983,000, VND112,834,032,000 and nil as at 31 December 2008, 2009 and 2010 respectively. The amount due was arisen from the financing by Mr. Zhang for the operation of Dan Tien in the past years and was capitalised as contributed reserve on 9 September 2010. The amount due to related companies as at 31 December 2010 is primarily the amount due from Dan Tien to Phoenix Joint Stock Company amounted to VND19,475,560,000. Phoenix Joint Stock Company intended to purchase certain land and thus deposited the amount to Dan Tien, although no formal sales and purchase agreement was entered into yet and the area and price of the land proposed to be sold had not yet been determined. There was an increase in advances from customers from VND39,960,685,000 (approximately HK$15,794,737.15) in 2008 to VND64,373,325,000 (approximately HK$25,444,001.98) in 2009 and further increased to VND79,544,304,000 (approximately HK$31,440,436.36) in 2010. The nature of the other payables and accruals with the Company and Sinowise Development Limited was cash advance and the amount were approximately VND18,932,000,000 (approximately HK$7,483,003.95) and VND38,999,883,000 (approximately HK$15,414,973.52) respectively as at 31 December 2010. As at 31 December 2010, the total area of pre-sales land is approximately 53,546.13 square meters with total contract amount of VND131,482,853,596 (approximately HK$51,969,507.35). As at 31 December 2010, the total area of pre-sales land is approximately 53,546.13 square meters, which is accounted for approximately 2.38% of the total site area of Phase I of the Property. The total contract amount is VND131,482,853,596 (approximately HK$51,969,507.35), representing average selling price of approximately VND2,455,506 per square meter.

As at 31 December 2008, 2009 and 2010, Yield Rise Group's gearing ratio, expressed as a percentage of total liabilities over total equity, was approximately 887.32%, 647.06% and 216.35% respectively.

Capital Commitments

As at 31 December 2008, 2009 and 2010, Yield Rise Group had capital commitments of approximately VND114,075,961,000 (approximately HK$45,089,312.65), VND85,979,364,000 (approximately HK$33,983,938.34) and VND98,094,246,000 (approximately HK$38,772,429.25) respectively.

Contingent Liabilities

As at 31 December 2008, 2009 and 2010, Yield Rise Group had no significant contingent liabilities.

Charge on Assets

As at 31 December 2010, the shares of Yield Rise, JV Co. and HK Co. were pledged to the Company to secure a refundable deposit of HK$75,250,000 for the proposed acquisition of entire equity interest in Yield Rise under the MOU dated 15 October 2010, renewed by Vendor.

Treasury Policy

For the three years ended 31 December 2008, 2009 and 2010, Yield Rise Group had no formal treasury policy.

Foreign Exchange Exposures

Yield Rise Group has certain exposure to foreign current risk as most of its business transactions, assets and liabilities are principally denominated in VND except for cash and cash equivalents, which are denominated in US dollar. Yield Rise Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. Yield Rise Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arises.

Segment Information

For the three years ended 31 December 2008, 2009 and 2010, Yield Rise Group's major segments included port and logistic business and development of property.

The segment of port and logistic business primarily derives its revenue from the operations of port and relevant logistic business. For the three years ended 31 December 2008, 2009 and 2010, this segment's reportable segment assets were VND66,452,233,000 (approximately HK$26,265,704.74), VND64,250,804,000 (approximately HK$25,395,574.70) and VND119,222,011,000 (approximately HK$47,123,324.51) respectively and the reportable segment liabilities were VND240,949,000 (approximately HK$95,236.76), VND3,660,078,000 (approximately HK$1,446,671.15) and VND85,208,318,000 (approximately HK$33,679,177.08) respectively.

The segment of development of property primarily conducts real estate business in Vietnam. For the three years ended 31 December 2008, 2009 and 2010, this segment's reportable segment assets were VND46,419,155,000 (approximately HK$18,347,492.09), VND88,691,691,000 (approximately HK$35,056,004.35) and VND111,400,862,000 (approximately HK$44,031,961.26) respectively and the reportable segment liabilities were VND39,960,685,000 (approximately HK$15,794,737.15), VND64,405,570,000 (approximately HK$25,456,747.04) and VND72,481,657,000 (approximately HK$28,648,876.28) respectively.

During the three years from 2008 to 2010, Yield Rise Group had expanded its port and logistic business and property development, causing the significant increases in reportable segment assets respectively.

Acquisition and disposal of subsidiaries

Save for the Port and the Property, Yield Rise Group did not have any significant investments, material acquisition and disposals for the year ended 31 December 2008, 2009 and 2010.

Employment, Training and Development

As at 31 December 2008, 2009 and 2010, there were approximately 30, 40 and 40 full-time permanent employees in Yield Rise Group. Total staff costs for the three years ended 31 December 2008, 2009 and 2010 were approximately VND1,705,474,000 (approximately HK$674,100.40), VND2,889,554,000 (approximately HK$1,142,116.21) and VND3,047,388,000 (approximately HK$1,204,501.19). Remuneration was determined by reference to market terms and the qualifications and experience of the staff concerned.

Prospect

As at the Latest Practicable Date, Yield Rise Group has no order book and no intention to develop new business. Yield Rise Group will focus on its principal activities which are the development of property, port and relevant logistic business in Vietnam. For the development plan of the business, please refer to the section "Business Plan" as disclosed in the letter from the Board to this circular. The capital requirement for Yield Rise Group will be contributed by the Company either by its internal resources or other fund raising exercises such as debt financing and equity financing.

A. COMFORT LETTER ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a comfort letter, prepared for the sole purpose of inclusion in this circular, received from the independent reporting accountants, Crowe Horwath (HK) CPA Limited, Certified Public Accountants, Hong Kong.

Crowe Horwath

國富浩華(香港)會計師事務所有限公司
Crowe Horwath (HK) CPA Limited
Member Crowe Horwath International

34/F The Lee Gardens,
33 Hysan Avenue,
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13 April 2011

The Directors
Mayer Holdings Limited
22/F., W Square
314-324 Hennessy Road
Wanchai
Hong Kong

Dear Sirs

We report on the unaudited pro forma financial information of Mayer Holdings Limited (the "Company") and its subsidiaries (together the "Group"), which has been prepared by the directors of the Company for illustrative purposes only, to provide information about how the proposed very substantial acquisition in relation to the acquisition of the entire equity interest in Yield Rise Limited ("Yield Rise") and its subsidiaries (together "Yield Rise Group") might have affected the financial information presented, for inclusion in Appendix IV to the circular dated 13 April 2011 (the "Circular"). The basis of preparation of the unaudited pro forma financial information is set out in Appendix IV to the Circular.

Respective responsibilities of directors of the Company and reporting accountants

It is the responsibility solely of the directors of the Company to prepare the unaudited pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

It is our responsibility to form an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 "Accountants' Reports on Pro Forma Financial Information in Investment Circulars" issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the unaudited pro forma financial information with the directors of the Company. This engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

The unaudited pro forma financial information is for illustrative purposes only, based on the judgements and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of:

- the financial position of the Enlarged Group as at 31 December 2010 or at any future dates; or
- the results and cash flows of the Enlarged Group for the year ended 31 December 2010 or for any future periods.

Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully

Crowe Horwath (HK) CPA Limited
Certified Public Accountants
Hong Kong

Sze Chor Chun, Yvonne
Practising Certificate Number P05049

B. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

(I) Unaudited Pro Forma Statement of Financial Position of the Enlarged Group

The following table is an illustrative unaudited pro forma statement of financial position of the Enlarged Group which has been prepared on the basis set out below for the purpose of illustration as if the Completion had taken place at 31 December 2010.

The unaudited pro forma statement of financial position of the Enlarged Group is prepared as if the Completion had taken place at 31 December 2010 and is based on:

(1) the consolidated statement of financial position of the Group as at 31 December 2010, which has been extracted from the published annual report of the Company for the year ended 31 December 2010; and

(2) the consolidated statement of financial position as at 31 December 2010 as extracted from the accountants' report of Yield Rise Group, as set out in Appendix II to the Circular

and after making certain pro forma adjustments as set out below.

The unaudited pro forma statement of financial position of the Enlarged Group is prepared by the directors of the Company to provide unaudited pro forma financial information of the Enlarged Group as a result of the Completion. As it is prepared for illustrative purpose only, it does not purport to give a true picture of what the financial position of the Enlarged Group is on the completion of the proposed Acquisition or, on any future dates.

	The Group as at 31 December 2010	Yield Rise Group as at 31 December 2010	Pro forma adjustments			Unaudited pro forma statement of financial position of the Enlarged Group
			(Note 1)	*(Note 2)*	*(Note 3)*	
	RMB'000	*RMB'000 (RMB 1= VND2,933)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Non current assets						
Property, plant and equipment	90,048	23,586				113,634
Prepaid lease payments	11,251	–				11,251
Intangible asset	–	–	532,920			532,920
Deposit for acquisition of equity interests in a company	63,880	–	(63,880)			–
Interests in jointly controlled entities	6,634	–				6,634
Loan to a jointly controlled entity	72,836	–				72,836
	244,649	23,586	469,040	–	–	737,275
Current assets						
Financial assets at fair value through profit or loss	9,448	–				9,448
Inventories	52,761	36,928				89,689
Trade and other receivables	163,417	2,653		(6,621)		159,449
Prepaid lease payments	321	–				321
Tax recoverable	81	–				81
Pledged bank deposits	5,216	–				5,216
Cash and cash equivalents	106,595	15,470	(23,120)			98,945
	337,839	55,051	(23,120)	(6,621)	–	363,149
Current liabilities						
Bank borrowings	118,242	–				118,242
Trade and other payables	40,939	53,780		(6,455)	2,610	90,874
	159,181	53,780	–	(6,455)	2,610	209,116
Net current assets	178,658	1,271	(23,120)	(166)	(2,610)	154,033
Total assets less current liabilities	423,307	24,857	445,920	(166)	(2,610)	891,308
Non-current liabilities						
Convertible bonds	–	–	81,407			81,407
Promissory notes	–	–	285,247			285,247
	–	–	366,654	–	–	366,654
Net assets	423,307	24,857	79,266	(166)	(2,610)	524,654
Capital and reserves						
Share capital	69,306	–	20,564			89,870
Share premium and reserves	289,384	28,731	(28,731) (5,103) 92,536	(166)	(2,610)	374,041
Total equity attributable to owners of the Company	358,690	28,731	79,266	(166)	(2,610)	463,911
Non-controlling interests	64,617	(3,874)				60,743
Total equity	423,307	24,857	79,266	(166)	(2,610)	524,654

(II) Unaudited Pro Forma Statement of Comprehensive Income of the Enlarged Group

The following table is an illustrative unaudited pro forma statement of comprehensive income of the Enlarged Group which has been prepared on the basis set out below for the purpose of illustration as if the Completion had taken place at 1 January 2010.

The unaudited pro forma statement of comprehensive income of the Enlarged Group is prepared as if the Completion had taken place at 1 January 2010 and is based on:

(1) the consolidated statement of comprehensive income of the Group for the year ended 31 December 2010, which has been extracted from the published annual report of the Company for the year ended 31 December 2010; and

(2) the consolidated statement of comprehensive income of Yield Rise Group for the year ended 31 December 2010 as extracted from the accountants' report of Yield Rise Group, as set out in Appendix II to the Circular

and after making certain pro forma adjustments as set out below.

The unaudited pro forma statement of comprehensive income of the Enlarged Group is prepared by the directors of the Company to provide unaudited pro forma financial information of the Enlarged Group as a result of the Completion. As it is prepared for illustrative purpose only, it does not purport to give a true picture of what the results of the Enlarged Group are on the completion of the proposed Acquisition or, for any future financial periods.

	The Group for the year ended 31 December 2010	Yield Rise Group for the year ended 31 December 2010	Pro forma adjustments			Unaudited pro forma statement of comprehensive income of the Enlarged Group
			(Note 3)	*(Note 4)*	*(Note 5)*	
	RMB'000	*RMB'000 (RMB 1= VND2,933)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Continuing operations						
Turnover	546,958	–				546,958
Cost of sales	(504,690)	–				(504,690)
Gross profit	42,268	–	–	–	–	42,268
Other revenue	11,777	19				11,796
Other net income	2,316	–				2,316
Distribution costs	(9,901)	–				(9,901)
Administration expenses	(43,369)	(4,747)	(2,610)		(12,063)	(62,789)
Other operating expenses	(424)	–				(424)
Profit/(loss) from operations	2,667	(4,728)	(2,610)	–	(12,063)	(16,734)
Finance costs	(2,802)	–		(11,848)		(14,650)
Share of profit of jointly controlled entities	33	–				33
Loss before taxation	(102)	(4,728)	(2,610)	(11,848)	(12,063)	(31,351)
Income tax	(260)	–				(260)
Loss from continuing operations	(362)	(4,728)	(2,610)	(11,848)	(12,063)	(31,611)
Discontinued operation						
Profit from discontinued operation	17,322	–				17,322
Profit/(loss) for the year	16,960	(4,728)	(2,610)	(11,848)	(12,063)	(14,289)
Other comprehensive income/(loss) for the year						
Exchange differences on translation of financial statements of foreign operations						
– Exchange gain/(loss) arising during the year, net of nil tax	(6,238)	(2,826)				(9,064)
– Reclassification adjustments relating to foreign operations disposal of during the year, net of nil tax	239	–				239
	(5,999)	(2,826)	–	–	–	(8,825)
Share of other comprehensive loss of jointly controlled entities						
– Exchange loss arising during the year on translation of financial statements of foreign operations, net of nil tax	(20)	–				(20)
Total comprehensive income/(loss) for the year (net of tax)	10,941	(7,554)	(2,610)	(11,848)	(12,063)	(23,134)
Profit/(loss) for the year attributable to:						
Owners of the Company	13,739	(3,313)	(2,610)	(11,848)	(8,444)	(12,476)
Non-controlling interests	3,221	(1,415)			(3,619)	(1,813)
	16,960	(4,728)	(2,610)	(11,848)	(12,063)	(14,289)
Total comprehensive income/(loss) attributable to:						
Owners of the Company	9,026	(5,785)	(2,610)	(11,848)	(8,444)	(19,661)
Non-controlling interests	1,915	(1,769)			(3,619)	(3,473)
	10,941	(7,554)	(2,610)	(11,848)	(12,063)	(23,134)

(III) Unaudited Pro Forma Statement of Cash Flows of the Enlarged Group

The following table is an illustrative unaudited pro forma statement of cash flows of the Enlarged Group which has been prepared on the basis set out below for the purpose of illustration as if the Completion had taken place at 1 January 2010.

The unaudited pro forma statement of cash flows of the Enlarged Group is prepared as if the Completion had taken place at 1 January 2010 and is based on:

(1) the consolidated statement of cash flows of the Group for the year ended 31 December 2010, which has been extracted from the published annual report of the Company for the year ended 31 December 2010; and

(2) the consolidated statement of cash flows of Yield Rise Group for the year ended 31 December 2010 as extracted from the accountants' report of Yield Rise Group, as set out in Appendix II to the Circular

and after making certain pro forma adjustments as set out below.

The unaudited pro forma statement of cash flows of the Enlarged Group is prepared by the directors of the Company to provide unaudited pro forma financial information of the Enlarged Group as a result of the Completion. As it is prepared for illustrative purpose only, it does not purport to give a true picture of what the results of the Enlarged Group are on the completion of the proposed Acquisition or, for any future financial periods.

	The Group for the year ended 31 December 2010	Yield Rise Group for the year ended 31 December 2010	Pro forma adjustments					Unaudited pro forma statement of cash flows of the Enlarged Group
			(Note 1)	*(Note 2)*	*(Note 3)*	*(Note 4)*	*(Note 5)*	
	RMB'000	*RMB'000 (RMB 1= VND2,933)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Operating activities								
Profit/(loss) before taxation								
Continuing operations	(102)	(4,728)			(2,610)	(11,848)	(12,063)	(31,351)
Discontinued operation	11,753	–						11,753
Adjustments for:								
Interest income on bank deposits	(1,093)	(19)						(1,112)
Interest income on loan to a jointly controlled entity	(278)	–						(278)
Dividend income from unlisted securities	(711)	–						(711)
Finance costs	4,480	–						4,480
Depreciation	15,066	181						15,247
Amortisation of prepaid lease payments	278	–						278
Impairment loss on trade receivables	428	–						428
Reversal of impairment loss on trade receivables	(800)	–						(800)
Write down of inventories	5,002	–						5,002
Reversal of write down of inventories	(4,859)	–						(4,859)
Gain on sale of available-for-sale financial assets	(1,370)	–						(1,370)
Net loss on disposal of property, plant and equipment	345	–						345
Valuation gain on investment property	(10,543)	–						(10,543)
Gain on disposal of investment property	(11,630)	–						(11,630)
Share of profit of jointly controlled entities	(33)	–						(33)
Loss on disposal of a subsidiary attributable to discontinued operation	12,006	–						12,006
Loss on loss of control in subsidiaries	67	–						67
Foreign exchange loss	1,017	–						1,017
Amortisation of intangible asset	–	–					12,063	12,063
Changes in working capital	19,023	(4,566)	–	–	(2,610)	(11,848)	–	(1)
(Increase)/decrease in inventories	9,966	(14,867)						(4,901)
(Increase)/decrease in trade and other receivables	12,588	4,690						17,278
Increase in financial assets at fair value through profit or loss	(9,448)	–						(9,448)
Increase/(decrease) in trade and other payables	(24,708)	34,044		(6,455)	2,610	11,848		17,339
Cash generated from/(used in) operations	7,421	19,301	–	(6,455)	–	–	–	20,267
Income tax paid	(346)	–						(346)
Net cash generated from/(used in) operating activities	7,075	19,301	–	(6,455)	–	–	–	19,921

	The Group for the year ended 31 December 2010	Yield Rise Group for the year ended 31 December 2010	Pro forma adjustments					Unaudited pro forma statement of cash flows of the Enlarged Group
			(Note 1)	*(Note 2)*	*(Note 3)*	*(Note 4)*	*(Note 5)*	
	RMB'000	*RMB'000 (RMB 1= VND2,933)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Investing activities								
Acquisition of subsidiaries	–	–	(87,000)					(87,000)
Proceed from disposal of property, plant and equipment	555	–						555
Proceeds from disposal of investment property	243,040	–						243,040
Proceeds from sale of available-for-sale financial assets	20,308	–						20,308
Payment for the purchase of property, plant and equipment	(6,810)	(1,432)						(8,242)
Payment of deposit for acquisition of equity interests in a company	(63,880)	–						(63,880)
Loans to a jointly controlled entity	(25,563)	–						(25,563)
Proceeds from disposal of a subsidiary attributable to discontinued operation, net of cash disposal of	(699)	–						(699)
Net cash outflow arising on lost of control in subsidiaries	(53,894)	–						(53,894)
Decrease in deposits with banks (maturity over 3 months)	1,707	–						1,707
Decrease in pledged bank deposits	183	–						183
Interest received	1,093	19						1,112
Dividend received from investments in securities	711	–						711
Net Cash used in investing activities	116,751	(1,413)	(87,000)	–	–	–	–	28,338
Financing activities								
Proceeds from new bank borrowings	344,669	–						344,669
Repayment of bank borrowings	(503,727)	–						(503,727)
Interest paid	(4,480)	–						(4,480)
Proceeds from the issue of shares	53,169	1						53,170
Proceeds from the issue of warrants	985	–						985
Shares alloted by a non-wholly owned subsidiary to a non-controlling shareholder	–	1						1
Net cash generated from financing activities	(109,384)	2	–	–	–	–	–	(109,382)
Net increase/(decrease) in cash and cash equivalents	14,442	17,890	(87,000)	(6,455)	–	–	–	(61,123)
Cash and cash equivalents at the beginning of the year	98,736	407						99,143
Effect of foreign exchange rates changes	(6,583)	(2,827)						(9,410)
Cash and cash equivalents at the end of the year	106,595	15,470	(87,000)	(6,455)	–	–	–	28,610

Notes:

(1) (a) The adjustments for the acquisition of 100% equity interest in Yield Rise Group. The consideration of HK$620,000,000 (equivalent to approximately RMB539,400,000) is to be satisfied by the Company as to the followings:

(i) HK$100,000,000 (equivalent to approximately RMB87,000,000) by way of Refundable Deposit.

This represents the settlement of refundable deposit or cash attributable to the acquisition of Yield Rise Group upon the completion.

The adjustment is expected to have continuing effect on the Enlarged Group's unaudited pro forma financial information.

(ii) HK$130,000,000 (equivalent to approximately RMB113,100,000) by way of allotment and issue of 236,363,636 Consideration Shares at the Issue Price of HK$0.55 per share.

This represents the issue of 236,363,636 ordinary shares of HK$0.10 each at Issue Price of HK$0.55 per share and HK$23,636,000 (equivalent to approximately RMB20,564,000) attributes to the par value of the shares and HK$106,364,000 (equivalent to approximately RMB92,536,000) attributes to share premium upon the Completion.

The fair value of the share issued for the acquisition of Yield Rise Group is assumed, for the purpose of the preparation of unaudited pro forma financial information, as equal to the Issue Price times the number of shares to be issued.

Fair value of the Consideration Shares shall be reassessed on the date of Completion and is therefore subject to change upon the completion of the Acquisition.

(iii) HK$90,000,000 (equivalent to approximately RMB78,300,000) by way of Convertible Bonds bearing interest at 5% per annum.

This represents the issue of Convertible Bonds with principal amounts of HK$90,000,000 (equivalent to approximately RMB78,300,000) bearing interest at 5% per annum and will be matured 3 years from the date of issue and will be converted at any time in the conversion period from the date of issue of the Convertible Bonds to 7 days immediately preceding the maturity date. The conversion price for the Convertible Bonds has been set at HK$0.55 per share.

The fair value of the Convertible Bonds issued for the acquisition of Yield Rise Group is assumed, for the purpose of the preparation of unaudited pro forma financial information, to be split into a liability component of approximately HK$93,571,000 (equivalent to approximately RMB81,407,000) and equity component of debit balance of approximately HK$5,866,000 (equivalent to approximately RMB5,103,000), based on valuation report prepared by Grant Sherman Appraisal Limited for the Circular..

This adjustment will have a continuing effect on the Enlarged Group, and the fair value of the Convertible Bonds shall be reassessed on the date of Completion and is therefore subject to change upon the completion of the Acquisition.

(iv) HK$300,000,000 (equivalent to approximately RMB261,000,000) by way of Promissory Notes bearing interest at 8% per annum.

This represents the issue of Promissory Notes with principal amounts of HK$300,000,000 (equivalent to approximately RMB261,000,000) bearing interest at 8% per annum and will be matured 2 years from the date of issue.

The fair value of the Promissory Notes issued for the acquisition of Yield Rise Group is assumed, for the purpose of the preparation of unaudited pro forma financial information, to be approximately HK$327,870,000 (equivalent to approximately RMB285,247,000), based on valuation report prepared by Grant Sherman Appraisal Limited for the Circular..

This adjustment will have a continuing effect on the Enlarged Group, and the fair value of the Promissory Notes shall be reassessed on the date of Completion and is therefore subject to change upon the completion of the Acquisition.

(b) The adjustment reflects the effects for the elimination of the share capital of Yield Rise Group and the pre-acquisition reserves arising from the consolidation upon the Completion.

(c) The adjustment reflects the intangible assets, representing the investment certificate No. 221.022.000.107 granted on 28 December 2007 by the People's Committee of Quang Ninh province to Dan Tien for the Dan Tien Port Project on the development and operation of port in Mong Cai in Vietnam and the Phoenix Trade and Tourism Urban Area Project on the development of properties in Mong Cai in Vietnam for a period of 50 years from 27 June 2003.

With reference to the preliminary valuation prepared by Grant Sherman Appraisal Limited under the basis of determination of the Consideration, the fair values of the Port and Property in the books of Dan Tien as at 31 August 2010 are HK$758 million and HK$215 million respectively. Upon the Completion, through the acquisition of the entire equity interest in Yield Rise Group, the Group will hold 70% equity interest of Dan Tien which owns the Port and the Property. Other than Dan Tien, all companies comprising Yield Rise Group did not carry out any business except investment holding, the fair value of Yield Rise Group is therefore approximately HK$681 million (i.e. HK$973 million * 70%). The Consideration was arrived at HK$620 million after arm's length negotiations by the Company and the vendor.

The Acquisition is considered as a purchase of net assets and liabilities, including the intangible asset (i.e. investment certificate), of Yield Rise Group. The value of the intangible asset represents the difference between (i) the fair value of consideration of HK$645,575,000 (equivalent to approximately RMB561,651,000) for the acquisition of the entire equity interest in Yield Rise; and (ii) the net assets of Yield Rise Group attributable to the owners of Yield Rise Group as at 31 December 2010 of VND84,268,836 (equivalent to approximately RMB28,731,000), which amounting to RMB532,920,000.

(2) The adjustment reflects the effects for the elimination of the amount due to the Company by Yield Rise Group arising from the consolidation upon the Completion.

(3) The adjustment reflects the estimated legal and professional fees of HK$3,000,000 (equivalent to approximately RMB2,610,000) directly attributable to the Acquisition.

(4) The adjustment reflects the imputed interest to be expensed by issue of the Convertible Bonds and Promissory Notes as disclosed in note 1(a)(iii) and (iv) respectively and is summarised below:

	RMB'000
Imputed interest on:	
– Convertible Bonds	2,914
– Promissory Notes	8,934
	11,848

Assuming the Convertible Bonds and Promissory Notes were issued on 1 January 2009, the adjustment of approximately HK$13,619,000 (equivalent to approximately RMB11,848,000) represents the imputed interest to be expensed by the Enlarged Group for the year ended 31 December 2009. For the purpose of preparing the unaudited pro forma financial information, the imputed interest expense has been computed on the assumption that the fair value of the Convertible Bonds and Promissory Notes were HK$93,571,000 (equivalent to approximately RMB81,407,000) and HK$327,870,000 (equivalent to approximately RMB285,247,000) carried at effective interest rate of 3.58% and 3.132% per annum and has fixed term of three years and two years from the date of issue, respectively.

The adjustment is expected to have continuing effect on the Enlarged Group's unaudited pro forma financial information, and the actual amount will vary according to the timing of the conversion of the Convertible Bonds and redemption or repayment of the whole or any part of the Convertible Bonds and Promissory Notes and the applicable effective interest rate.

(5) The adjustment reflects the amortisation of intangible asset (i.e. investment certificate) to be expensed over the remaining useful life up to 26 June 2053.

As advised by the Company, the directors of the Company have reviewed both external and internal sources of information and have assessed whether there is any indication that the intangible assets acquired may be impaired. The Company have performed their assessment by reference to the business plan prepared by China Communications Water Transportation Planning and Design Institute Co. Ltd. (中交水運規劃設計院有限公司) and Dalian China Communications Technology Research Institute (大連中交理工交通技術研究院有限公司), together with consultation with industry expertise. After considering the nature, prospects, financial condition and business risk of the business of property and port development, the directors of the Company are not aware of any negative indications that an impairment of the intangible assets is required in accordance with HKAS 36 "Impairment of Assets". Based on the assessment result of the Company, the reporting accountants concurs that no impairment assessment was required for intangible assets as stated in the pro forma financial information.

For the purpose of preparing the unaudited pro forma financial information, amounts quoted in VND and HK$ have been converted into RMB at the rate of RMB1.00 to VND2,933 and HK$1.00 to RMB0.87.

(I) VALUATION REPORT OF THE PORT

The following is the text of a letter prepared for the purpose of incorporation in this circular received from Grant Sherman Appraisal Limited, an independent valuer, in connection with its valuation of the Port.

GRANT SHERMAN APPRAISAL LIMITED

13 April 2011

Mayer Holdings Limited
22/F., W Square
314-324 Hennessy Road
Wan Chai
Hong Kong

Dear Sirs/Madams,

In accordance with your instructions, we have made an appraisal of the fair value of a 100% equity interest in Dan Tien Port (the "Port") of Dan Tien Port Development Joint Venture Company Limited (the "Dan Tien"). The main activities of Dan Tien include development and operation of Dan Tien Port, which is located in Mong Cai Town, Quang Ninh Province, Vietnam.

This appraisal report identifies the business entity appraised, describes the basis of valuation and assumptions, explains the valuation methodology utilized, and presents our conclusion of value.

We have conducted our valuation in accordance with the International Valuation Standards issued by the International Valuation Standards Committee (the "IVSC"). According to IVSC, fair value is defined as "*The amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction*". The fair value of the business entity of the Port is derived through the application of the income approach.

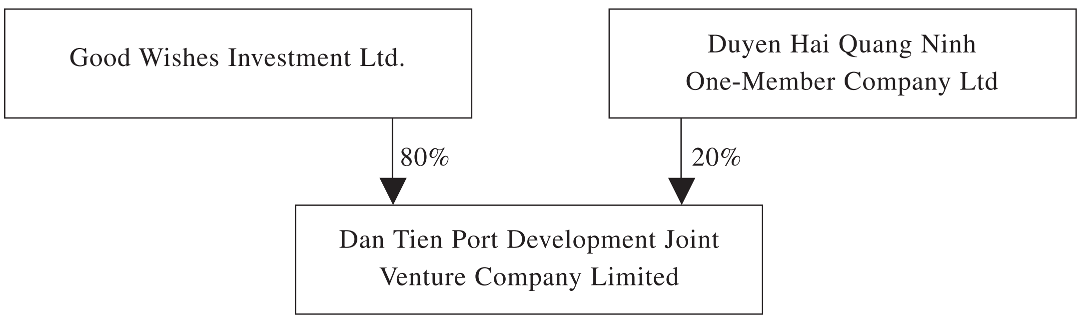
The purpose of this appraisal is to express an independent opinion of the fair value of the Port as of 31 October 2010 (the "Date of Valuation"). It is our understanding that this appraisal will be used for acquisition purposes and our report will be used in connection with a public document.

INTRODUCTION

The Dan Tien

Dan Tien Port Development Joint Venture Company Limited is the operator of the Dan Tien Port (the "Port") located in Mong Cai Town, Quang Ninh Province, Vietnam. The services provided by Dan Tien for the Port include cargo handling, warehousing and other supporting services.

Dan Tien was established on 3 June, 2003 with an initial charter capital of VND483,900,000,000 (equivalent to US$30,000,000). Mr. Hui Yau Tso is the legal representative person of Dan Tien. The following figure shows the company's shareholding structure:



Upon establishment of Dan Tien, the People Committee of Quang Ninh Province, which represents the local government of Vietnam, has approved a certificate of investment (the "Investment Certificate") to Dan Tien. According to the Investment Certificate, the Dan Tien Port project will have totally five piers for both passenger and cargo traffic which includes a container port. According to the Vietnam legal opinion issued by Dnh Law Llc on October 2010 (the "Local Legal Opinion"), the plan of the Port will be reviewed and adjusted periodically. As such, Dan Tien may adjust the original design plan to a plan to be developed by China Communications Water Transportation Planning and Design Institute Co. Ltd (中交水運規劃設計院有限公司) and Dalian China Communications Technology Research Institute (大連中交理工交通技術研究院有限公司).

According to the Local Legal Opinion, the People Committee of Quang Ninh Province has issued its Decision No. 1806/QD-UB that approves a total land area of 476,185.4m^2 for construction of the Dan Tien Port, and another 216,000m^2 land area for construction of supporting facilities. According to Mr. Hui Yau Tso's letter dated 24 September 2010, the local government has approved additional land area of 27,500,000m^2 for future development of the Dan Tien Port.

Dan Tien is entitled to various tax incentives, including 8 years exemption of corporate income tax from the year of making profit and a reduced rate of corporate income tax of 10% for the term of Dan Tien according to the Investment Certificate.

The Port

The Port is located in Mong Cai Town, Quang Ninh Province, Vietnam, on the bank of Ka Long River. It harbors the international Bac Luân Border Gate which connects Mong Cai with Guang Xi Province in China. Mong Cai is 178 km from Ha Long City and 350 km from Hanoi. Its strategic location makes Mong Cai the only port city in Vietnam that has the border with China both at sea and on land. It is adjacent to National road No.18 and is only 15km away from Hai Yen Industrial Zone. According to the framework agreement between South China's Guangxi Zhuang autonomous region and Vietnam, a new cross-border economic zone covering about 4 square kilometers in Mong Cai Town has been established, which will boost economic and trade cooperation between China and its Southeast Asian neighbor (this economic zone will be enlarged into approximately 17 square kilometers according to China Daily[1], the largest English portal in China). In order to improve the surrounding infrastructure facilities, Vietnam's government has also approved the plan to build Mong Cai Airport in the near future to support the development of the new cross-border economic zone.

According to Mr. Hui Yau Tso, USD3,774,805.87 has been invested in constructing the Port by the end of June 2010. The construction work is primarily in the foundation, including certain access roads, bridges and drainage facilities leading to the Port. According to China Communications Water Transportation Planning and Design Institute Co. Ltd (中交水運規劃設計院有限公司) and Dalian China Communications Technology Research Institute (大連中交理工交通技術研究院有限公司), the designer of the Port (the "Designer"), development of the Port is divided into two phases and the first phase will complete in one and half years.

The first phase of the Port is designed with a berth for 70,000 tons vessels and four berths for 10,000 tons vessels which will be used for handling mineral ores with a maximum capacity of 20,000,000 tons per annum. The second phase of the Port will have a berth for 100,000 tons vessels and four additional berths for 10,000 tons vessels, adding another 20,000,000 tons capacity per annum. In addition, there will be two berths for passenger cruises. Since the detail planning of the second phase development has just commenced, this valuation report covers the first phase of the Port only.

[1] "China, Vietnam to Set Up New Trade Zone", China Daily, 09-02-2010, http://www.china.org.cn/business/TradeDisputes/2010-02/08/content_19397732.htm

INDUSTRY AND MARKET OVERVIEW

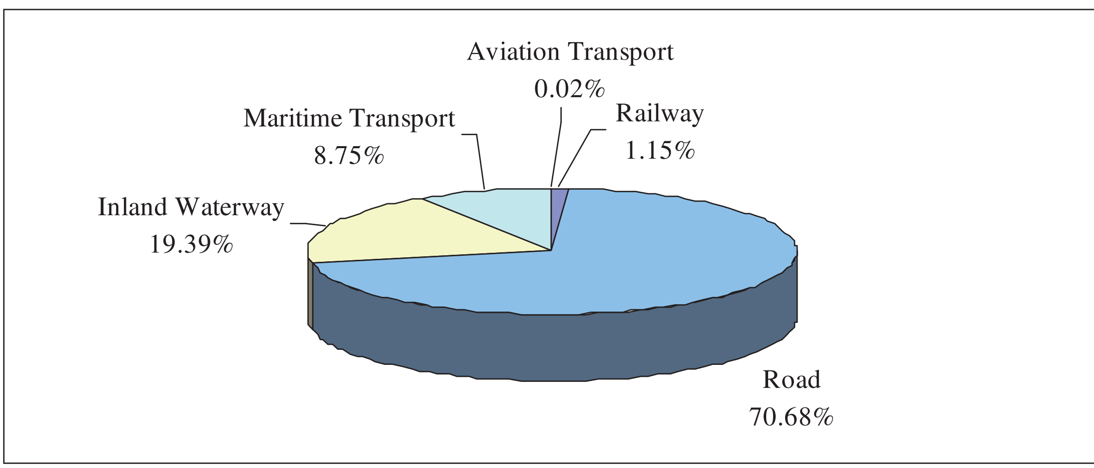
Macro-Economic Overview of Vietnam

Vietnam is a country located at the eastern of the Indochina Peninsula in the Southeast Asia and it shares a land border with Laos, Cambodia, and China. Vietnam is one of the fastest growing emerging countries in the world and one of the member countries of the Association of Southeast Asian Nations (ASEAN), a geo-political and economic organization of 10 countries located in Southeast Asia including Vietnam, Indonesia, Malaysia, the Philippines, Singapore, Thailand, Brunei, Burma, Cambodia and Laos. According to the PricewaterhouseCoopers (PwC), Vietnam has a potential growth rate of approximately 10% annually in real dollar terms. PwC also predicted that Vietnam will become the fastest growing of emerging country and will achieve around 70% of the United Kingdom economy's size in 2050[2].

Port Sector in Vietnam

Today, roadway is the most popular mode of freight transportation in Vietnam. The General Statistics Office of Vietnam indicates that the total volume of freight in Vietnam in 2009 reached 699,810,000 tons. The share of Vietnam's freight transportation by road, inland waterway, maritime transport, railway and aviation transport accounted for 70.68%, 19.39%, 8.75%, 1.15% and 0.02%, respectively[3]. The figure reveals that most of the freights in Vietnam are currently transported by roadway.

Exhibit 1: Volume Share of Freight by Type of Transport, 2009



Source: General Statistics Office of Vietnam, http://www.gso.gov.vn

[2] "China to Overtake US by 2025, but Vietnam may be Fastest Growing of Emerging Economies", PricewaterhouseCoopers, http://www.pwc.com/gx/en/press-room/2008/china-asia-economic-markets-growth-emerging-markets.jhtml

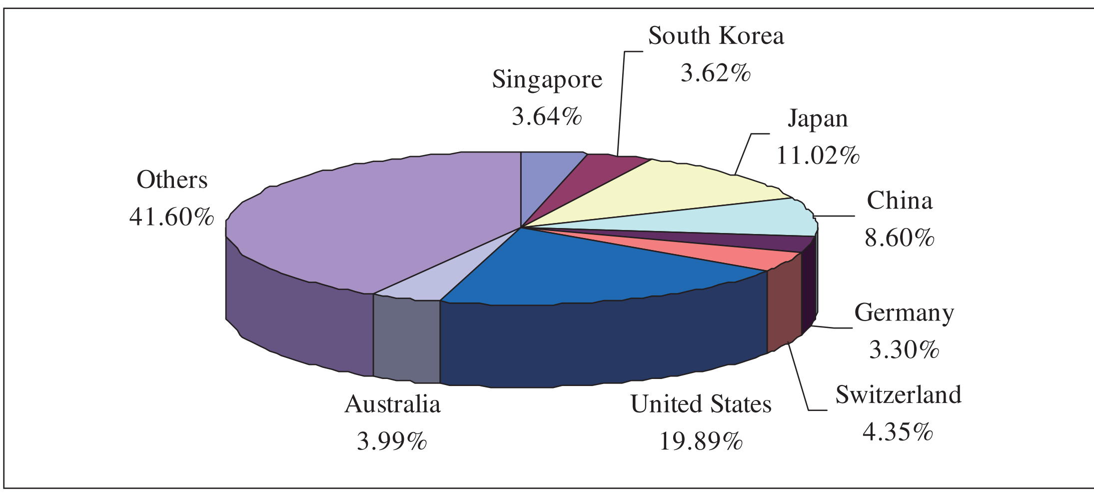
[3] General Statistics Office of Vietnam http://www.gso.gov.vn/default_en.aspx?tabid=473&idmid=3&ItemID=10420

Ports in Vietnam are still underdeveloped. According to the American Association of Port Authorities (AAPA), the alliance of leading ports in the Western Hemisphere, the Saigon New Port in Ho Chi Minh City, the largest port in Vietnam, ranked only 57th globally in terms of the container traffic in 2008[4]. However, the port sector in Vietnam is growing rapidly in recent years. According to Báo lao ñong (勞動報), a Vietnamese newspaper, the port cargo throughput of Vietnam in 2009 reached 251 million tons, growing 27.79% on a year-on-year basis. The number of cargo vessels arriving at ports of Vietnam in 2009 totaled 108,000 vessel-times, including 6,923 vessel-times for the foreign cargo vessels and representing a year-on-year increase of 9.56%[5].

International Trade of Vietnam

The United States is currently the largest consumption country of the Vietnamese products. According to the General Statistics Office of Vietnam, the total turnover of export from Vietnam in 2009 reached USD57,096.3 million. In 2009, 19.89% of the exported Vietnamese products (equivalent to USD11,355.8 million of turnover) shipped to the United States. Other major export partners of Vietnam include Japan, China, Switzerland, Singapore, South Korea, Australia, and Germany. China, sharing the northern border with Vietnam, accounted for 8.60% (equivalent to USD4,909 million of turnover) of the total turnover Vietnam's export in 2009[6].

Exhibit 2: Major Export Partners of Vietnam, 2009



Source: General Statistics Office of Vietnam, http://www.gso.gov.vn

The General Statistics Office of Vietnam also indicates that the total amount of import of goods to Vietnam reached in 2009 USD69,948.8 million. The import partners of Vietnam are mainly from Asia, representing over half of total. China is the largest importer of the Vietnamese products, representing 23.50% (equivalent to USD16,441 million of turnover) of Vietnam's total import turnover in 2009. On the other hand, the United States, the largest export partner of Vietnam, only accounted for 4.30% of the total import turnover of Vietnam in 2009[7].

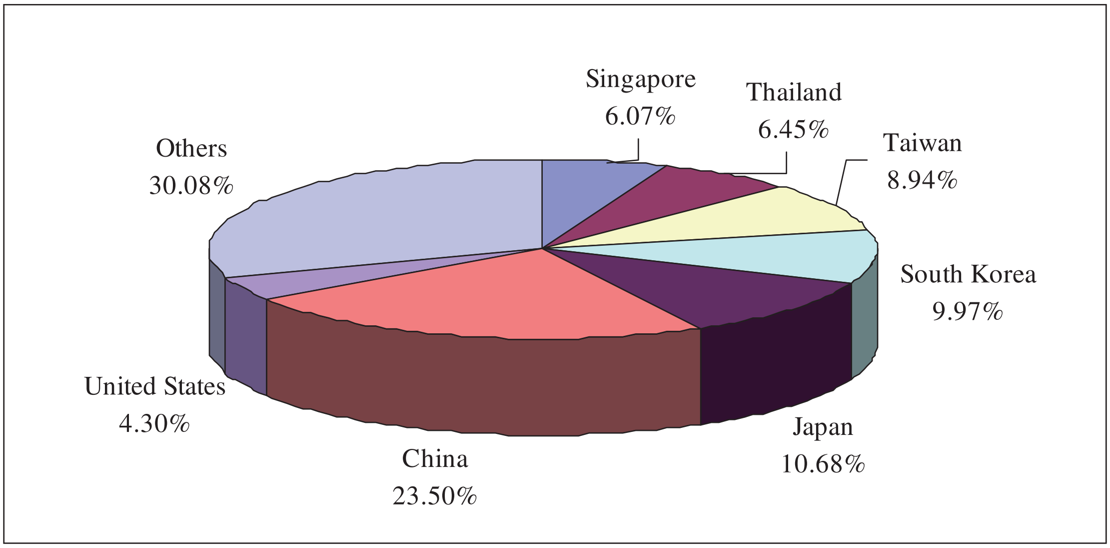
4 American Association of Port Authorities (AAPA), http://aapa.files.cms-plus.com/Statistics/WORLD%20PORT%20RANKINGS%2020081.pdf

5 2009 年越南港口貨物吞吐量達2.5億噸, 鳳凰網 http://finance.ifeng.com/roll/20100122/1745218.shtml

6 General Statistics Office of Vietnam http://www.gso.gov.vn/default_en.aspx?tabid=472&idmid=3&ItemID=10417

7 General Statistics Office of Vietnam http://www.gso.gov.vn/default_en.aspx?tabid=472&idmid=3&ItemID=10410

Exhibit 3: Major Import Partners of Vietnam, 2009



Source: General Statistics Office of Vietnam, http://www.gso.gov.vn

Resources Trade of China and Vietnam

China is the largest coal consumption country in the world. According to the latest statistical review published by BP, a global oil and gas company, China consumed 71.5% of the total coal in Asia and 46.9% of the total coal in the world during 2009[8]. China Economic Information Network, a China-based industry research institution, also indicates that China has become a net importer of coal since 2009. The total coal export in 2009 reached 22.4 million tons, a year-on-year decrease of 50.7%, while the amount of coal import reached 125.8 million tons, a year-on-year increase of 211.9%. The net coal import of China in 2009 reached 103.4 million tons. China Economic Information Network predicts that China's coal import will continue to outweigh its export in the near future[9].

China is also the largest steel producer in the world and iron ore is one of the important resources used in steel production. The Financial Times, a British international business newspaper, cited the industry executives' prediction that steel production capacity in China will grow rapidly in 2011 because the Chinese government's electricity cuts for the national steelmaking sector start to fade. Therefore, the demand of iron ore in China is expected to increase in the coming years[10]. Hence, China has to import iron ore from other countries. Xu Lejiang, Chairman of Baosteel Group, the largest Chinese steel producer, mentioned that China starts diversifying its iron ore import partners in recent years and Vietnam is one of them[11].

8 BP Statistical Review of World Energy, June 2010

9 "Analysis Report on China's Coal Industry in Q4 2009", China Economic Information Network

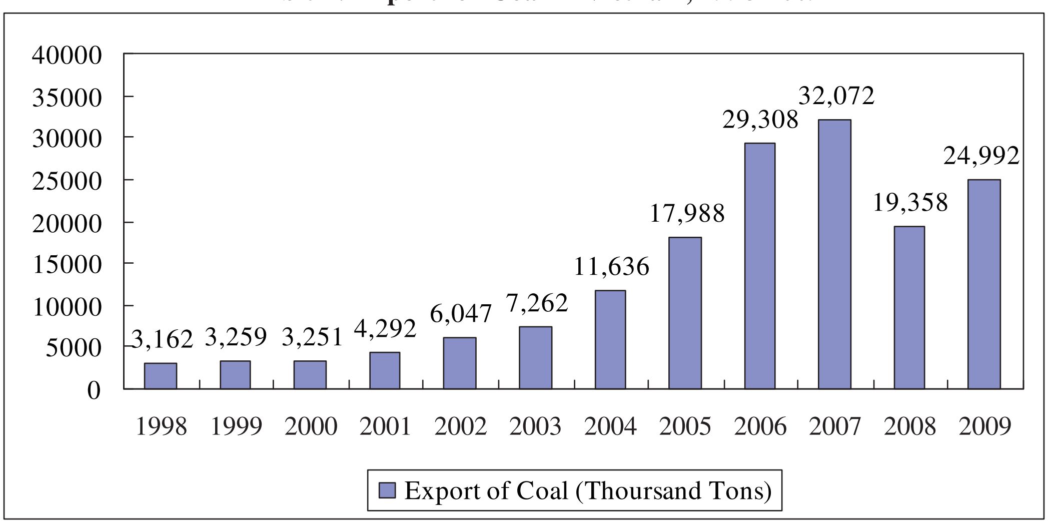
10 "Outlook Upbeat for Chinese Iron Ore Demand", Financial Times, 27-09-2010
http://www.ft.com/cms/s/0/73f8d218-ca61-11df-a860-00144feab49a.html

11 "劍走偏鋒 中國鋼企鐵礦石進貨渠道趨向多元化", 新華網, 04-06-2010
http://big5.xinhuanet.com/gate/big5/sd.xinhuanet.com/news/2010-06/04

Besides, the import of manganese ore in China increases significantly this year. According to the statistics from the General Administration of Customs of China, China imported 6.05 million tons of manganese ore in the first half-year of 2010, representing a year-on-year increase of 98.4%. China mainly imports manganese ore from South Africa and Australia, accounting for over 50% of the total imported manganese ore during January to June 2010[12]. China also imports manganese ore from the Asian countries. Such as the Qinzhou Port, a port located at Guangxi province of China, is the largest Chinese port for importing manganese ore, which mainly imports manganese ore from Australia, South Africa, Vietnam, Malaysia, and other countries[13]. As one of the largest resources consumer in the world, China will definitely need to import resources from other countries. Since Vietnam is one of the neighbor countries of China, China's import activities will bring business to ports in Vietnam.

Coal has long been a key export of Vietnam especially in the last decade. According to the General Statistics Office of Vietnam, the coal export increased by approximately 900% from 3.2 million tons in 1998 to a total of over 32.1 million tons in 2007[14]. The chart below shows Vietnam's coal export from 1998 to 2009.

Exhibit 4: Export for Coal in Vietnam, 1998-2009



Source: General Statistics Office of Vietnam, http://www.gso.gov.vn

Since Vietnam exported a majority of its coal in 2007 which led to insufficient coal to meet the domestic electricity demand, the Ministry of Planning and Investment of Vietnam warned that if Vietnam does not limit its coal exports, coal would become exhausted[15]. This pressure caused Vietnam to cut its coal export to China in half in 2008 which caused a drop in total coal export[16]. Besides, the Vietnam National Coal and Mineral Industry group (Vinacomin) predicts that the country will start importing coal for domestic consumption in 2013 and it also forecasts that by 2015, Vietnam would have a coal demand of 94 million tons while local coal production stands at 60 million tons, resulting in a net import need of 34 million tons. The demand of coal import will further rise to over 100 million tons annually in 2020[17].

12 "上半年中國錳礦分區域進口量", 中國小金屬資源資訊網
http://www.cmmri.com/news/NewsDetail.aspx?id=3043

13 "欽州港成為全國錳礦進口第一大港", 廣西日報, 18-08-2010
http://big5.xinhuanet.com/gate/big5/www.gx.xinhuanet.com/pbg/2010-08/18/content_20653967.htm

14 General Statistics Office of Vietnam
http://www.gso.gov.vn/default_en.aspx?tabid=472&idmid=3&ItemID=10416

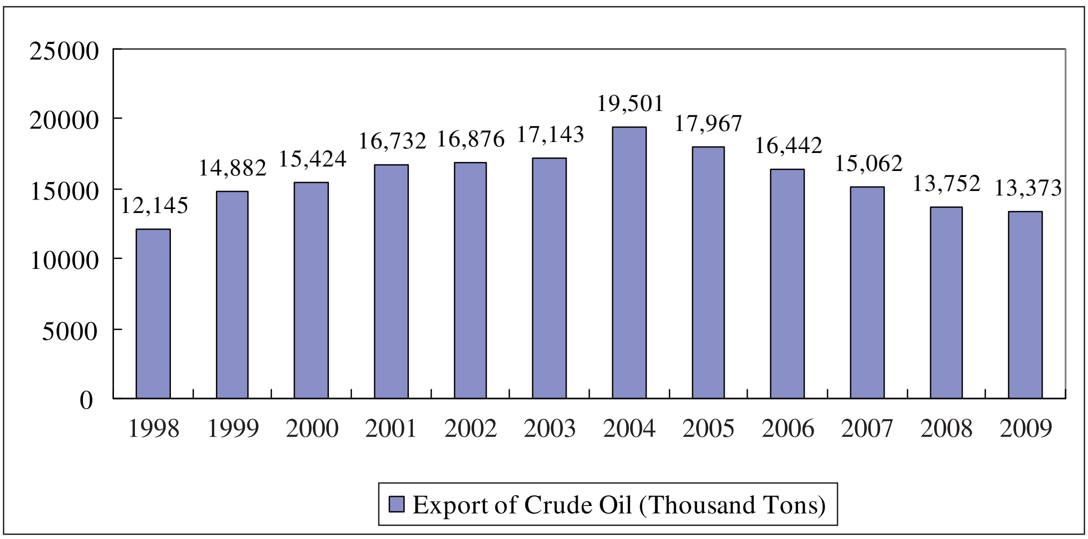
15 " Vietnam Coal Mining Exploration and Coal Mine Export Reported", Mining Exploration News, 02-06-2008,
http://paguntaka.org/2008/06/02/vietnam-coal-mining-exploration-and-coal-mine-export-reported/

16 "Vietnam to Cut Coal Exports to China Nearly in Half: Report", Energy Daily, 19-02-2008,
http://www.energy-daily.com/reports/Vietnam_to_cut_coal_exports_to_China_nearly_in_half_report_999.html

17 "Vietnam's Coal Export Continues Despite Shortage", International Energy, 28-08-2010,
http://en.in-en.com/article/News/Coal/html/2009082014006.html

Crude oil is another major export resource of Vietnam and it was the most important export resource of Vietnam before 2004. However, crude oil exports reduced 31% from 19.5 million tons in 2004 to 13.4 million tons in 2009[18] because the Vietnamese government would like to ensure sufficient supply of crude oil for domestic demand according to the Ministry of Planning and Investment of Vietnam[19]. The Vietnam National Oil and Gas Group, a Vietnamese state-owned company which is responsible for all oil and gas resources in the country, indicates that Vietnam's crude oil is mainly exported to China, Singapore, Japan, the United Kingdom and the United States, etc[20]. The experts expect that crude oil exports will further reduce in the coming years because Vietnam needs crude oil to run Dung Quat oil refinery[21]. The chart below shows Vietnam's crude oil export from 1998 to 2009.

Exhibit 5: Export for Crude Oil in Vietnam, 1998-2009



Source: General Statistics Office of Vietnam, http://www.gso.gov.vn

Trade of ASEAN and China

Vietnam joined ASEAN in July 1995. Since then, Vietnam has increased in trade with other member countries of ASEAN. According to the General Statistics Office of Vietnam, the total trade volume between Vietnam and ASEAN countries increased by approximately 600% from USD3,267 million in 1995 to USD22,405 million in 2009. The growth in trade volume is especially strong since 2002[22].

18 General Statistics Office of Vietnam
http://www.gso.gov.vn/default_en.aspx?tabid=472&idmid=3&ItemID=10416

19 "Dung Quat Refinery, The First Oil Refinery in Vietnam", Hydrocarbons Technology
http://www.hydrocarbons-technology.com/projects/dung

20 "Vietnam's crude oil export down in Q1", People's Daily
http://english.peopledaily.com.cn/200704/03/eng20070403_363392.html

21 "Experts say trade deficit with China will be high", Thoi Bao Kinh te Saigon
http://english.vietnamnet.vn/biz/201005/Experts-say-trade-deficit-with-China-will-be-high-909519/

22 General Statistics Office of Vietnam,
http://www.gso.gov.vn/default_en.aspx?tabid=472&idmid=3&ItemID=10410
http://www.gso.gov.vn/default_en.aspx?tabid=472&idmid=3&ItemID=10417

The trade between Vietnam and China is growing rapidly in recent years. According to the General Statistics Office of Vietnam, the total trade between the two countries increased from USD692 million in 1995 to USD21,350 million in 2009[23]. The figure is expected to increase more rapidly in the future as China and ASEAN have established a free trade area known as the ASEAN–China Free Trade Area in January 2010[24]. The ASEAN–China Free Trade Area (ACFTA) is a free trade area among the ten member countries of ASEAN and China with the intent on establishing a free trade area among these eleven nations by removing tariffs on 90% of goods. It is the third largest free trade area in terms of trade volume after the European Economic Area and the North American Free Trade Area[25]. After the free trade area came into effect, China has overtaken the United States as the third largest trading partner of ASEAN, after Japan and the European Union[26].

Besides, a framework agreement has been approved by South China's Guangxi Zhuang autonomous region and Vietnam to establish a new cross-border economic zone between Dongxing in Guangxi province of China and Mong Cai in Vietnam in the latest effort to further boost the economic and trade cooperation between the two nations. The move is part of a broad effort to further enhance bilateral economic ties between China and the ASEAN, following the establishment of the China-ASEAN free trade area. The establishment of the new zone will greatly promote the construction of China-Vietnam border regions and political, cultural and economic exchanges between the two countries. The ultimate size of the new economic zone will be enlarged to around 17 square kilometers to replace the present one which is only around 4 square kilometers[27]. Expanding the area of the economic zone will benefit the trading activities between China and Vietnam.

Dan Tien Port is located in Mong Cai, a district-level city of Quang Ninh Province in northeastern Vietnam. Mong Cai is located on the border with Dongxing town of Fangchenggang in Guangxi Province of China and this favorable location makes Mong Cai an important gateway for Vietnam's domestic cargo trade with China. As Mong Cai is the only port city in Vietnam that has the border of China both at sea and on land, increasing trading activities between ASEAN and China due to the ACFTA agreement will directly benefit Dan Tien Port. China Daily reports that the trade volume between Vietnam and China through the Dongxing-Mong Cai border increased 70% from USD 2.4 billion in 2007 to USD 4.1 billion in 2008. It is the largest trade volume among the China-Vietnam border gates[28].

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23 General Statistics Office of Vietnam, http://www.gso.gov.vn/default_en.aspx?tabid=472&idmid=3&ItemID=10417

24 "China-Asean Trade Deal Begins Today". Jakarta Globe, Bloomberg. 01-01-2010, http://thejakartaglobe.com/home/china-asean-trade-deal-begins-today/350274

25 Gooch, Liz "Asia Free-Trade Zone Raises Hopes, and Some Fears About China", The New York Times, 31-12-2009, http://www.nytimes.com/2010/01/01/business/global/01trade.html

26 Moore, Michael "China and South East Asia create huge free trade zone", The Daily Telegraph, 30-12-2009, http://www.telegraph.co.uk/finance/china-business/6911721/China-and-South-East-Asia-create-hugefree-trade-zone.html

27 "China, Vietnam to Set Up New Trade Zone", China Daily, 09-02-2010, http://www.china.org.cn/business/TradeDisputes/2010-02/08/content_19397732.htm

28 "China, Vietnam to Set Up New Trade Zone", China Daily, 09-02-2010, http://www.china.org.cn/business/TradeDisputes/2010-02/08/content_19397732.htm

BASIS OF VALUATION AND ASSUMPTIONS

We have appraised the business entity of the Port on the basis of fair value. Fair value is defined as "*The amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction*".

The valuation procedures we employed were based on the requirements set by the relevant IVSC. The issues considered include, but not limited to, the following:

- Identification and recognition of the business subject to the valuation
- The rights, privileges, or conditions that attach to the ownership interest
- The relative size of the ownership interest to be valued
- The nature and prospect of the port development and operation business
- Past operating results of other similar port companies in the world
- The economic outlook and national polices that may affect the business
- The assets, liabilities, and equity and financial condition of the business
- The ability to generate future economic benefits and the measurability of such future economic benefits
- The business risks related to the operation of the business
- Extent, utility and capacity of the land, properties and equipments utilized by the business

Our investigation included discussions with the management of the Port (the "Management") in relation to the history and nature of the business, a study of the financial projection (the "Projection") and a traffic study report (the "Traffic Study Report") provided by the Company and a review of the information provided by the Management. We have examined such information and have no reason to doubt the truth and accuracy of them, and hence have assumed that such information provided to us by the Management is true and accurate. We have also consulted statistics, related government policies, articles and other public information related to the business of the Port to supplement the information provided by the Management. In arriving at our opinion of value, we have relied to a very considerable extent on the above-mentioned information.

Due to the changing environment in which the Port is operating, a number of assumptions have to be established in order to sufficiently support our concluded value of the business entity. The major assumptions adopted in this appraisal are:

– There will be no major changes in the existing political, legal, and economic conditions in Vietnam in which the Port will carry on its business;

– There will be no major changes in the taxation law in Vietnam, that the rates of tax payable remain unchanged and that all applicable laws and regulations will be complied with;

– Exchange rates and interest rates will not differ materially from those presently prevailing;

– The Port will recruit and have competent management, key personnel, and technical staff to implement its business plans;

– Industry trends and market conditions for port business as well as its related industries, in particular the port industry in Vietnam, will not deviate significantly from the Management's estimation and the Projection;

– The business plan, the Projection and the Traffic Study Report have been prepared on a reasonable basis, reflecting estimates which have been arrived at after due and careful consideration of the following:

  • Information in the Traffic Study Report is utilized as cross-reference to the Projection.

  • A lower utilization of the port capacity during the initial stage based on the business plan and Projection which assumes that the Port will handle 10 million tons of minerals in 2012 and gradually improve to the full handling capacity of 20 million tons in 2015.

  • According to the business plan and Projection, the lower utilization rate of the Port during the initial operation stage is mainly due to market demand rather than handling capacity. However, the trial operation preparation for such a port is also considered according to the Management.

  In verifying the reasonableness of the assumptions of the utilization rate of the Port, we have considered the reference data from the comparable mineral and ore ports include Tangshan port Cao Fei Dian coal terminal phase 3 (唐山港曹妃甸港區煤碼頭三期工程), Huanghua port expansion project (黃驊港擴容完善工程), Qingdao port Dong Jia Kou ore terminal project (青島港董家口港區礦石碼頭工程), and Yingkou port ore terminal project (營口港鮁魚圈港區礦石碼頭工程), which are all mineral and ore ports. The designed utilization rate for the first three years of trial operation is deemed reasonable after considering the projected volume of the Port from the Projection. The Port will achieve its full capacity after the first three years of trial operation.

– The availability of finance will not be a constraint on the Port's operation in accordance to the business plan and the Projection;

– The Port has obtained all necessary permits, license, certificates and approvals to carry out the operation of port business;

– The Port has obtained the land and coastal resources use right certificates for the land and coastal resources the Port needs to occupy for its current and future development;

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29 "China to Overtake US by 2025, but Vietnam may be Fastest Growing of Emerging Economies", PricewaterhouseCoopers, http://www.pwc.com/gx/en/press-room/2008/china-asia-economic-markets-growth-emerging-markets.jhtml

– According to the Investment Certificate, Dan Tien entitles to 8 years exemption of corporate income tax from the year of making profit, and 10% of corporate income tax rate for the term of Dan Tien; exemption from land and water lease rentals for all land and water areas for the duration of the project;

– According to the Vietnam legal opinion, the plan of the Port will be reviewed and adjusted periodically. As such, Dan Tien may adjust the design and layout of the Port;

– Construction of the Port will be completed in accordance to construction plan;

– According to the General Statistics Office of Vietnam, the annual GDP growth rate was over 5% per annum since 2000. In addition, the head of macroeconomics at PricewaterhouseCoopers projected that Vietnam has a potential growth rate of almost 10% per annum in real dollar terms[29]. In light of a long term stable growth, the long term growth rate is assumed to be 4%; and

– With reference to existing handling fee information at Mong Cai and Haiphong ports provided by Dan Tien, it is assumed that a US$6.5 per ton cargo handling fee of the Port is practical and allowable by the local government.

VALUATION METHODOLOGY

In arriving at our concluded values of the Port, we have considered three generally accepted approached, namely income approach, market approach and cost approach.

Income Approach

In the income approach, the Discounted Cash Flow ("DCF") method will be used. In this method, the value depends on the present worth of future economic benefits to be derived from ownership of equity and shareholders' loans. Thus, an indication of value was developed by discounting future free cash flow available for distribution to shareholders and for servicing shareholders' loans to their present worth at market-derived rates of return appropriate for the risks and hazards (discount rate) associated with the comparable business.

Market Approach

In the market approach, the Guideline Publicly Traded Company ("GPTC") method will be applied to estimate the values of the Target Companies. In this method, the value is based on prices at which stocks of similar companies are trading in a public market. A "value measure" is usually a multiple computed by dividing the price of the guideline company's stock as of the calculation date by some relevant economic variable observed or calculated from the guideline company's financial statements.

Cost Approach

This approach seeks to measure the future benefits of ownership by quantifying the amount of money that would be required to replace or reproduce the future service capability of the subject asset, less depreciation from physical deterioration, functional and economic/external obsolescence, if present and measurable. The cost approach does not directly consider the amount of economic benefits that can be achieved or the time period over which they might continue. It is an inherent assumption with this approach that economic benefits indeed exist and are of sufficient amount and duration to justify the developmental expenditures.

Selection of Valuation Approach

In our opinion, the market approach and cost approach are inappropriate for valuing the fair value of the Port. First, the market approach relies heavily on the historical financial information of the Port, however, the Port is currently under development and operation will commence only after the construction period, as such, the market approach is inappropriate for appraising the Port Secondly, the cost approach does not directly incorporate information about the economic benefits contributed by the Port. This approach often serves as a valuation floor since most companies have greater value as a going concern than they would if liquidated, i.e., the present value of future economic benefits generated by the companies usually far exceed the value arrived through the application of the cost approach, thus the cost approach is deemed to be inappropriate in this appraisal too.

Therefore, the fair value of the equity interest in the Port was developed through the application of the income approach technique known as the Discounted Cash Flow Method. In this method, the value depends on the present worth of future economic benefits to be derived from ownership of equity and shareholders' loans. Thus, an indication of value was developed by discounting future net cash flow available for distribution to shareholders and for servicing shareholders' loans to their present worth at market-derived rates of return appropriate for the risks and hazards (discount rate) associated with the comparable business.

The Discount Rate Development

A discount rate is the expected rate of return that an investor would have to give up by investing in the subject investment instead of in available alternative investments that are comparable in terms of risk and other investment characteristics. When developing the discount rate to apply to the future economic income streams attributable to shareholders, the discount rate is the cost of equity. The cost of equity was developed using Capital Asset Pricing Model ("CAPM"), a model widely used by the investment community. CAPM states that an investor requires excess returns to compensate for any risk that is correlated to the risk in the return from the stock market as a whole but requires no excess return for other risks. Risks that are correlated with the return from the stock market are referred to as systematic; other risks are referred to as non-systematic. Under CAPM, the appropriate cost of equity is the sum of the risk-free rate and the equity premium required by investors to compensate for the systematic risk assumed with adjustment for increments for risk differentials of the Port being valued versus those of the comparable companies, which include adjustments for operation start-up (the "Company Specific Risk Discount") and other risk factors in relation to the liquidity of an ownership interest (the "Discount for Lack of Marketability").

Specifically, we have identified five Vietnam and one Hong Kong listed companies that have port business in Vietnam as comparables in deriving the discount rate. Therefore, these comparable companies are deemed to be appropriate in developing the discount rate of the Port.

Following are description of the six selected comparable companies:

- Dinh Vu Port Investment & Development JSC (DVP:VN): The company owns and operates the Dinh Vu Port and is involved in port development, general cargo, container, dry bulk and combined terminals.

- Doan Xa Port Joint Stock Company (DXP:VN): The company offers cargo handling services at port, and warehousing facilities. It also provides shipping agency, on-land and maritime transportation and services.

- Gemadept Corporation (GMD:VN): The company's business activities include port operations, container liner service, shipping and forwarding agency logistics, project cargo transport, real estate, and financial investment.

- TanCang Logistics and Stevedoring JSC (TCL:VN): The company offers a wide range of port services, include supply chain, freight forwarding, customs declarations, container handling, waterway transportation and inland transportation services.

- Vietnam Container Shipping JSC (VSC:VN): The company offers port management, container warehousing and storage, cargo handling, freight forwarding and maritime brokerage, and inland transportation services.

- Orient Overseas International Ltd. (316:HK): The company, through its subsidiaries, owns and leases ships, operates terminals, and provides freight forwarding and container transportation services. It also engaged in port business in Vietnam.

The risk-free rate associated with the Port is the yield on bonds issued by the government of the country in which the subject company locates. Based on adoption of the widely used CAPM model, together with additional consideration of the business risks, such as the company size, and the company startup risk, our analysis suggested that a discount rate of 22.67% is appropriate for valuing the Port.

Additional Valuation Consideration

Small Capitalization Risk Premium

Small capitalization risk premium is the excess return that an investor would demand in order to compensate for the additional risk over that of the entire stock market when investing in a small size company. This premium reflects the fact that the cost of capital increases with decreasing size of the company. A number of studies were conducted in the matured markets which conclude that the risk premium associated with a small company is over and above the amount that would be warranted just as a result of the company's systematic risk derived from the CAPM model. With reference to the micro-cap classification of the size premium study in SBBI Valuation Edition 2010 Yearbook by Ibbotson Associates, which suggested that a risk premium of 3.99% is appropriate for companies with a market capitalization between US$1 million to US$431 million, in light of the fair value of the Port, we concluded that a small capitalization risk premium of 3.99% is appropriate for the Company.

Company Specific Risk Premium

The company specific risks associated with the Port are ones typically associated with a start-up business, mainly related to the successful establishment and implementation of the business plan and the Projection. Uncertainty results from the lack of historical data to support the projected data in the Projection. As company specific risk premium is only related to the specific project we are valuing, which is the case if the Port, so no comparable companies are necessary to be selected when considering this risk premium. In light of construction of the Port has been commenced and the strong support of the local government, to reflect the start-up risk and financial risk, we have considered to add a company specific risk premium of 1.5% in developing the discount rate.

Discount for Lack of Marketability

The concept of marketability deals with the liquidity of an ownership interest, that is, how quickly and easily it can be converted to cash if the owner chooses to sell. The lack of marketability discount reflects the fact that there is no ready market for shares in a closely held corporation. Ownership interests in closely held companies are typically not readily marketable compared to similar interests in public companies. Therefore, a share of stock in a privately held company is usually worth less than an otherwise comparable share in a publicly held company.

A number of empirical studies were conducted in an attempt to determine average levels of discounts for lack of marketability. These studies all fall into one of two basic categories, depending on the type of market transaction data on which they are based:

- Restricted ("letter") stock studies.
- Studies of transactions in closely held stocks prior to initial public offerings (pre-IPOs).

With reference to the "Median P/E offered: Public vs Private 2000-2009" from Mergerstat Review 2010[30] which shows the average marketability discount between the offer for public companies and private companies for the 10 years period is around 20%. As such, in consideration of the Port is held by a private company, a lack of marketability discount of 20% is deemed to be reasonable for the Port as comparing to other valuations.

Sensitivity Analysis

We have identified the discount rate, long term growth rate, and per ton total cargo handling charge, interest rate, and entitlement to tax exemption as the variables in our model whose sensitivities on the fair value of the Port are tested.

Our concluded fair value of the Port increases from HKD809.14 million to HKD888.49 million as the discount rate decreases from 22.67% to 21.67%. On the other hand, the fair value of the Port decreases from HKD809.14 million to HKD738.41 million as the discount rate increases from 22.67% to 23.67%.

[30] "Median P/E offered: Public vs Private 2000-2009", Mergerstat Review 2010

In addition, the Port's fair value decreases from HKD809.14 million to HKD746.12 million as the long term growth rate decreases from 4% to 3%. On the contrary, the fair value increases from HKD809.14 million to HKD878.97 million as the rate increases from 4% to 5%.

Moreover, the Port's fair value increases from HKD809.14 million to HKD889.74 million as the per ton charge increases from US$6.5 to US$7. On the contrary, the fair value decreases to HKD728.41 million as the charge decreases to US$6.

Furthermore, we have conduct the sensitivity test on the interest rate, however, since the Port entitles to 8 years exemption of corporate income tax from the year of making profit and a reduced rate of corporate income tax of 10% during the term, as such, the fair value of the Port does not change with a 1% increase or decrease in the interest rate.

Finally, if the Port does not entitle to the 8 years exemption of corporate income tax from the year of making profit and a reduced rate of corporate income tax of 10% for the term of Dan Tien, the Port's fair value decreases from HKD809.14 million to HKD573.61 million.

CONCLUSION OF VALUE

Based upon the investigation and analysis outlined above and on the appraisal method employed, it is our opinion that as of 31 October 2010 the fair value of the Port is reasonably stated by the amount of **HONG KONG DOLLARS EIGHT HUNDRED NINE MILLION ONE HUNDRED FORTY THOUSAND (HKD809,140,000) ONLY.**

This appraisal has been prepared solely for the purpose stated herein. This appraisal report should not be referred to, in whole or part, or quoted in any document, circular or statement in any manner, or distributed in whole or in part or copied to any party without our prior written consent.

We hereby certify that we have neither present nor prospective interests in the Port, its parent company, or the value reported.

Respectfully submitted,
For and on behalf of
GRANT SHERMAN APPRAISAL LIMITED

Keith C.C. Yan, ASA	**Jacqueline W. Huang, Ph.D, HKSFA**
Managing Director	*Director*

Note: Mr. Keith C.C. Yan is an Accredited Senior Appraiser (Business Valuation) and he has been conducting business and intangible assets valuation in the Greater China region for various purposes since 1988 including valuation of Zhangzhou port, and Shekou container terminals for China Merchants Holdings. Jacqueline w. Huang is the member of HKSFA, and a Ph.D in real estate economics from the University of Hong Kong. She has been conducting business valuation for various purposes since 2005 and has extensive experience in transaction services, including valuation of various infrastructure projects,such as railway, highway, ship building and port construction projects.

Analyze and report by:
Keith C.C. Yan, ASA
Jacqueline W. Huang, Ph.D., HKSFA
Ralph W.Y. Cheong, MBA
Cindy S.K Ho, MBA

REPORTS ON FORECAST UNDERLYING THE VALUATION OF THE PORT

Set out below are texts of the reports from Crowe Horwath (HK) CPA Limited and United Simsen Securities Limited in connection with the cash flow forecast underlying the valuation on the Port and prepared for the purpose of inclusion in this circular.

(A) REPORT FROM CROWE HORWATH (HK) CPA LIMITED

13 April 2011

The Board of Directors
Mayer Holdings Limited
22/F., W Square
314-324 Hennessy Road
Wanchai
Hong Kong

Dear Sirs,

Mayer Holdings Limited (the "Company")

We have examined the arithmetical accuracy of the calculations of the business valuation report of the Dan Tien Port (the "Port") of Dan Tien Port Development Joint Venture Company Limited dated 13 April 2011 (the "Valuation Report") prepared by Grant Sherman Appraisal Limited (the "Valuer"). The Valuation Report is regarded as a profit forecast under paragraph 29(2) of Appendix 1B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Valuation Report is set out in the Appendix of this report in connection with the very substantial acquisition of the entire interest in Yield Rise Limited.

Respective responsibilities of the directors of the Company, the Valuer and the reporting accountants of the Company

The Valuer is solely responsible for the preparation of the Valuation Report while the Valuer and the directors of the Company are responsible for the reasonableness and validity of the assumptions based on which the Valuation Report is prepared (the "Assumptions").

It is our responsibility to form an opinion, based on our work on the arithmetical accuracy of the calculations of the Valuation Report and to report our opinion solely to you, as a body, solely for the purpose of reporting under paragraph 29(2) of Appendix 1B of the Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of, arising out of, or in connection with our work.

We were informed by the directors of the Company that as the valuation is discounted cash flow model, the Company's accounting policies are not applicable to the preparation of the Valuation Report. The Assumptions include hypothetical assumptions about future events as details in the Valuation Report and management actions that cannot be confirmed and verified in the same way as past results, and these assumptions may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Valuation Report and the variation may be material. Accordingly, we have not reviewed, considered or conducted any work on the reasonableness and the validity of the Assumptions and do not express opinion whatsoever thereon.

Basis of opinion

We conducted our work in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to the procedures under the Auditing Guideline 3.341 "Accountants' Report on Profit Forecasts" issued by the Hong Kong Institute of Certified Public Accountants. We examined the arithmetical accuracy of the calculations of the Valuation Report. Our work has been undertaken solely to assist the directors of the Company in evaluating whether the Valuation Report, so far as the calculations are concerned, has been properly complied and for no other purpose. Our work does not constitute any valuation of the Port.

Opinion

Based on the foregoing, in our opinion, the Valuation Report, so far the calculations are concerned, has been properly compiled in accordance with the bases and assumptions made by the Valuer and the directors of the Company as set out in the Valuation Report.

Yours faithfully,
For and on behalf of
Crowe Horwath (HK) CPA Limited

Sze Chor Chun, Yvonne
Director

(B) REPORT FROM UNITED SIMSEN SECURITIES LIMITED

The Board of Directors
Mayer Holdings Limited
22/F, W Square
314-324 Hennessy Road
Wanchai
Hong Kong

13 April 2011

Dear Sirs,

Terms used in this letter have the same meanings as defined elsewhere in the circular of Mayer Holdings Limited dated 13 April 2011 (the "**Circular**"), unless the context requires otherwise. We refer to the valuation report dated 13 April 2011 prepared by Grant Sherman Appraisal Limited (the "**Valuer**") in relation to the appraisal of the market value of the Port. As stated in the valuation report from the Valuer, the valuation of the Port has been arrived at based on the income approach, which takes into account the cash flow projection of the Port for the period from 2010 to 2053 (the "**Projection**").

We have reviewed the Projection and other relevant information and documents which you as the Directors are solely responsible and have discussed with you and the Valuer the information and documents provided by you which formed part of the basis and assumptions upon which the Projection has been made. In addition, we have considered, and relied upon, the report addressed to the Board from Crowe Horwath (HK) CPA Limited regarding the calculations upon which the Projection has been made.

On the basis of the foregoing, we are of the opinion that the Projection, for which the Directors are solely responsible, has been prepared after due and careful enquiry.

Yours faithfully,
For and on behalf of
United Simsen Securities Limited

Chiu Ka Him
Responsible Officer

The following is the text of a letter prepared for the purpose of incorporation in this circular received from Grant Sherman Appraisal Limited, an independent valuer, in connection with its valuation of the properties to be acquired and held by the Enlarged Group.

GRANT SHERMAN APPRAISAL LIMITED

Room 1701 on 17/F, Jubilee Centre
No. 18 Fenwick Street
Wanchai
Hong Kong

13 April 2011

The Directors
Mayer Holdings Limited
22/F, W Square
314-324 Hennessy Road
Wanchai
Hong Kong

Dear Sirs,

In accordance with your instruction for us to value the property interests to be acquired and held by Mayer Holdings Limited ("the Company") or its subsidiaries (together referred as "the Group") in the PRC, Vietnam and Hong Kong, we confirm that we have made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of such property interests as at 28 February 2011.

Our valuation is our opinion of market value which we would define as intended to mean the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

For the property interests of Group I, due to the nature of the buildings and structures constructed for specific purpose, there is no readily identifiable market comparable. Thus these buildings and structures cannot be valued on the basis of direct comparison. They have therefore been valued on the basis of Depreciated Replacement Cost ("DRC"). DRC is based on an estimate of the Market Value for the existing use of the land, plus the current gross replacement (reproduction) costs of the improvements less allowances for physical deterioration and all relevant forms of obsolescence and optimization.

For the property interests of Group II, which are covered under Phoenix Trade and Tourism Urban Area Project, we have valued the property interests by comparison approach assuming sale in their existing state by making reference to comparable sales evidences as available in the relevant market.

For the property interests of Group III, which are to be occupied by the Group in Vietnam, we are of the opinion that no commercial value attribute to the Group as no valid legal title certificates could be provided by the Company.

For the property interests of Group IV, which is leased by the Group in Hong Kong, we are of the opinion that no commercial value attribute to the Group due mainly to the short term nature or the prohibition against assignment or sub-letting or otherwise due to the lack of substantial profit rents.

Our valuation has been made on the assumption that the property interests were sold on the market without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to affect the value of the property.

No allowance has been made in our valuation for any charge, mortgage or amount owing on the property nor for any expenses or taxation which may be incurred in effecting a sale. It is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

In valuing the property interests, we have complied with all the requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and The HKIS Valuation Standards on Properties (1st Edition 2005) published by The Hong Kong Institute of Surveyors.

We have been shown copies of various title documents relating to the properties located in the PRC and Vietnam. However, we have not searched the original documents to verify ownership or to verify any lease amendments which may not appear on the copies handed to us. For property interests located in Hong Kong, we have caused land search to be made in the Land Registry. Due to the nature of the land registration system in Vietnam and the PRC, we are unable to search the original documents to verify the existing title of the properties or any material encumbrances that might be attached to the properties. In the preparation of our valuation report, we have relied to the considerable extent on the legal opinion provided by the Company's legal adviser, DNH LAW LLC on the Vietnam laws regarding the titles of the property in Vietnam and 金誠同達律師事務所 (Jincheng & Tongda Law Firm) on the PRC laws regarding the titles of the property in the PRC.

We have assumed that the owner has free and uninterrupted rights to use the property for the whole of the unexpired term as normally granted and is entitled to transfer the properties with the residual term without payment of any further premium to the government authorities or any third parties.

In the course of our valuation, we have assumed that all consents, approvals and licenses from relevant government authorities for the property have been granted or can be obtained and renewed without any onerous conditions or undue time delay which might affect its value.

It is assumed that all applicable zoning and use regulations and restrictions have been complied with unless nonconformity has been stated, defined, and considered in the appraisal report. Moreover, it is assumed that the utilization of the land and improvements is within the boundaries of the property described and that no encroachment or trespass exists, unless noted in the report.

In the course of our valuation, we have relied on a considerable extent on the information provided by the Company on such matters as property title, statutory notices, easements, tenure, occupation, site and floor areas, identification of the property and all other relevant matters. We have no reason to doubt the truth and accuracy of the information provided to us by the Company. We were also advised by the Company that no material facts have been omitted from the information supplied. All documents have been used as reference only. All dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have carried out exterior inspection of the property, where possible, the interior of the properties in respect of which we have been provided with such information as we have required for the purpose of our valuation. However, no structural survey has been carried out and it was not possible to inspect the wood work and other parts of the structure which were covered, unexposed or inaccessible. We are therefore, unable to report that the properties are free of rot, infestation or any structural defect. No tests have been carried out on any of the building services.

The property value is denominated in Hong Kong Dollars (HKD). The property in the PRC and Vietnam have been valued in Hong Kong Dollar at the exchange rate as on 28 February 2011 of RMB1.00 to HK$1.183 and USD1.00 to HK$7.8 respectively.

We enclose herewith the summary of valuations and valuation certificates.

Respectfully submitted,
For and on behalf of
GRANT SHERMAN APPRAISAL LIMITED

Peggy Y.Y. Lai
MRICS MHKIS RPS(GP)
Director
Real Estate Group

Note: Ms. Peggy Y.Y. Lai is a member of the Royal Institution of Chartered Surveyors, a member of the Hong Kong Institute of Surveyors and Registered Professional Surveyors in the General Practice Section, who has over 10 years experience in the valuation of properties in Hong Kong, the PRC and the Asian Region. She has more than 2 years of experience in valuing properties in Vietnam.

SUMMARY OF VALUATION

Group I – Property Interests held by the Group for owner occupation in the PRC

Property	Market Value as at 28 February 2011	Market Value as at 28 February 2011 attributable to the Group
1. An industrial complex located at Yonghe Economic Zone of Guangzhou Economic and Technological Development District No. 38 Yonghe Road Guangzhou Guangdong Province the People's Republic of China	HK$113,390,000	HK$92,299,460 81.4% interest attributable to the Group
Group II – Property Interests to be acquired by the Group for future development in Vietnam		
2. Residential lots located at Hai Xuan Commune Mong Cai Town Quang Ninh Province Vietnam	HK$215,000,000	HK$150,500,000 70% interest attributable to the Group
Group III – Property Interests to be occupied by the Group in Vietnam		
3. Supporting land area of the Dan Tien Port located in Mong Cai Town Quang Ninh Province Vietnam	No commercial value	No commercial value
Group IV – Property interests leased by the Group for self occupation in Hong Kong		
4. 22nd Floor W Square No. 314-324 Hennessy Road Wanchai Hong Kong	No commercial value	No commercial value
Grand Total	**HK$328,390,000**	**HK$242,799,460**

VALUATION CERTIFICATE

Group I – Property Interests held by the Group for owner occupation in the PRC

	Property	Description	Particulars of occupancy	Market Value as at 28 February 2011
1.	An industrial complex located at Yonghe Economic Zone of Guangzhou Economic and Technological Development District No. 38 Yonghe Road Guangzhou Guangdong Province the People's Republic of China	The property comprises a parcel of land with a site area of approximately 55,489.35 square metres, 9 buildings and some ancillary structures erected thereon. The buildings and ancillary structures were completed in varying stages between 1997 and 2001. The total gross floor area of the buildings and ancillary structures are approximately 32,324.7 square metres.	The property is currently occupied by the Group for industrial and ancillary office purposes.	HK$113,390,000 (81.4 % interest attributable to the Group HK$92,299,460

Notes:

i) Pursuant to a Real Estate Ownership Certificate – Yue Fang Di Zheng Zi Di No. C4052366 dated 30 December 2005, the building ownerships of the property with a total gross floor area of approximately 32,324.7 sq.m. and a site are of about 55,489.35 sq.m. has been granted to Guangzhou Mayer Corp Ltd., a non-wholly owned subsidiary of the Company for a term of 50 years commencing from 23 December 1995 for industrial use.

ii) We have been provided with a legal opinion on the property prepared by the Company's legal adviser – 金誠同達律師事務所 (Jincheng & Tongda Law Firm), which contains, inter alia, the following information:

(a) Guangzhou Mayer Corp Ltd. has the right to freely lease, transfer, mortgage and handle the land use rights and building ownership rights of the property;

(b) The land use rights and building ownerships of the property are legally owned by Guangzhou Mayer Corp Ltd.;

(c) The property is not subject to mortgage or any other encumbrances.

VALUATION CERTIFICATE

Group II – Property Interests to be acquired by the Group for future development in Vietnam

	Property	Description	Particulars of occupancy	Market Value as at 28 February 2011
2.	Residential lots located at Hai Xuan Commune Mong Cai Town Quang Ninh Province Vietnam	The total site area of subject development is about 3,930,000 sq.m. (393 hectares). The development schedule is listed as below: **Phase I** Site Area (sq.m.) Stage 1 362,400 Stage 2 475,300 Stage 3 429,000 Stage 4 979,700 Total for Phase I 2,246,400 The saleable plot area of stage 1, stage 2, stage 3 and stage 4 are about 125,829 sq.m., 199,500 sq.m., 171,600 sq.m. and 142,800 sq.m. respectively. **Phase II** The total site area of phase II is about 1,683,600 sq.m. and the total saleable plot area is about 510,271 sq.m. The subject lots proposed to be developed into a residential community with recreational facilities such as gymnastic and sport centre plus infrastructures including transportation road, drainage, water and electric supply.	The property is vacant.	HK$215,000,000 see notes (vi) to (viii) (70% interest attributable to the Group HK$150,500,000

Notes:

i) According to a legal document No. 1244/QD-UBND dated 9 May 2006, the People's Committee of Quang Ninh Province approved Duyen Hai Quang Ninh One-Member Company Limited to develop the area of Stage 1 with a total land area of 36.24 hectares (362,400 sq.m.).

ii) According to a legal document No. 3726/QD-UBND dated 10 October 2007, the People's Committee of Quang Ninh Province approved the replacement of the investor from Duyen Hai Quang Ninh One-Member Company Limited to Dan Tien Port Development Joint Venture Company ("Dan Tien").

iii) Dan Tien is a foreign invested limited liability company established under the laws of Vietnam and is owned as to 80% by Good Wishes Investment Limited (a company incorporated in Hong Kong with limited liability) and as to 20% by Duyen Hai Quang Ninh One-Member Company Limited. The major terms of the Charter of Dan Tien are set out as below:

(a) The board shall decide on all and any important issues of Dan Tien. The board shall undertake its functions of management over Dan Tien through resolutions or decisions made at its meetings and supervise the implementation of these resolutions or decisions. The board shall comprise of six members, of which four are appointed by the HK Co. and two are appointed by Duyen Hai Quang Ninh One-Member Company Limited. The chairman shall be appointed by the HK Co.

(b) The net profits of Dan Tien shall be distributed to its shareholder in accordance with the proportion of their respective contributions to Dan Tien's capital at that time. No profit shall be distributed if the losses of the previous year, if any, have not been fully compensated.

iv) As at the Latest Practicable Date, there is no concrete construction plan and schedule of the subject property. According to the preliminary estimation of the board, the final plan on the development of Stage 1 of Phase I will be available in late 2011.

v) According to the governmental decisions and permits issued in relation to the subject property, the main development conditions included:

(a) For the site leveling, the soil to level is mainly dug from lakes and is taken from hills nearby in the approved area.

(b) Construct the traffic-way lines inside the boundary and joint with the national highway 18A.

(c) The water sources shall be jointed and supplied from the high pressure feed-pump station.

vi) For Stages 2, 3 and 4 of Phase I and Phase II, no valid legal documents have been provided, we therefore attributed no commercial value to these land plots with a total saleable plot area of about 1,024,171 sq.m.. The board expects that Dan Tien can obtain the valid legal title document for stage 2, 3, and 4 of Phase I and Phase II and commence the development in 2012, after the development of stage 1 of Phase I in late 2011.

vii) The land premium for Stages 2, 3 and 4 of Phase I and Phase II have not yet been paid by Dan Tien. It will be assessed and paid after Dan Tien fulfilling its obligation of compensation for land recovery.

viii) For reference purpose, the value of the total saleable plot area of about 1,024,171 sq.m. mentioned in note (vi) above. is HK$1,750,000,000 under the assumption that valid legal title has been obtained, land premium has been settled and no significant fee or payment should be paid.

ix) We have been provided with a Vietnam legal opinion on the property issued by DNH LAW LLC, the Vietnam legal adviser, which contains, inter alias, the following information:

(a) Dan Tien has proper legal title to the property interests regarding Phase I Stage I (total land area of 36.24 hectares (362,400 sq.m.).

(b) Dan Tien has been duly licensed in compliance with relevant laws, though there is a lack of some corporate compliance, including the annual meetings of the Members' Council. The investment project for Phase I Stage I have been conducted in compliance with the relevant procedures, though the implementation schedules have not been met due to the delay in financing. According to the Investment Certificate No. 221.022.000.107 dated 28 December 2007 which required Dan Tien to invest and construct the subject property from 2008 to 2010. So far, the Dan Tien delayed the project as regulated in the Investment Certificate. Approval of Construction Planning of the subject property will be developed in two phases (Decision No. 2452/QD-UB issued since 2005). It may be adjusted by the Quang Ninh People's Committee in case there is new eligible developer who propose to take remaining phase. The subject property also has its component projects which shall be invested into different phases. Completion investment and construction of stage 1 as regulated in item 4 of the Decision 1244/QD-UBND dated May 09, 2006 is one of condition to be considered and reviewed by Quang Ninh People's Committee for further Approval of other stages of phase 1. Thus, Dan Tien must submit relevant document to get other Approvals and Decision such as Approval of Construction Planning, Approval of Implementation of Project, Decision of hand-over the land.

(c) Dan Tien has the requisite licenses for the Phase I Stage 1 (total land area of 36.24 hectares).

(d) There is no material adverse fact indicating that the application for the legal title of Stages 2, 3 and 4 and Phase II will be rejected as at the Latest Practicable Date.

VALUATION CERTIFICATE

Group III – Property Interests to be occupied by the Group in Vietnam

	Property	Description	Particulars of occupancy	Market Value as at 28 February 2011
3.	Supporting land area of the Dan Tien Port located in Mong Cai Town Quang Ninh Province Vietnam	The total site area of the subject property is 21.6 hectares which is used for the construction of operation & management centre and customs/health control point for supporting the operation of Dan Tien Port. The land use schedule is stated below:	The property is vacant.	No commercial value

Land Use Area	(sq.m.)
Administration	19,091
Warehouse	82,776
Land for proposed development	31,008
Infrastructure and others	83,125
Total	216,000

Notes:

i) According to the Investment License 45/GP-QN dated June 27, 2003 and Investment Certificate 221.022.000.107 issued on December 28,2007, Dan Tien has obtained approvals necessary for the construction of the 21.6 hectares of the supporting area.

ii) As no valid legal documents related to the titleship of the subject property have been provided, we therefore attributed no commercial value to the subject property.

iii) We have been provided with a Vietnam legal opinion on the property issued by DNH LAW LLC, the Vietnam legal adviser, which contains, inter alias, the following information:

(a) Dan Tien has obtained approvals necessary for the construction of 21.6 hectares of the supporting area according to the Investment License 45/GP-QN dated June 27, 2003 and Investment Certificate 221.022.000.107 issued on December 28, 2007.

VALUATION CERTIFICATE

Group IV – Property interests leased by the Group for self occupation in Hong Kong

	Property	Description	Particulars of occupancy	Market Value as at 28 February 2011
4.	22nd Floor W Square No. 314-324 Hennessy Road Wanchai Hong Kong	The property comprises whole floor of a 25-storey commercial building which was renovated in about 2008. The property has a gross floor area of approximately 5,093 sq. ft.	The property is currently occupied by the Group as office.	No Commercial Value

Notes:

i) Pursuant to a tenancy agreement dated 26 August 2010 entered into between the Company (the "Lessee") and Winnion Limited (the "Lessor"), the property is leased to the Lessee from the Lessor for a term of 3 years commencing from 25 July 2010 and expiring on 24 July 2013 at a monthly rent of HK$147,697 exclusive of government rates, management fee, air-conditioning charge and other outgoings. The tenant has an option to renew for a further term of three years at the then open market rent.

The following is the text of a report, prepared for inclusion in this circular, received from the Design Institute Company and the Dalian Research Institute in connection with the traffic forecasts for the Port.

Analysis Report of Port Market and Traffic flow – Project of Dan Tien Port in Mong Cai, Vietnam

China Communications Water Transportation Planning and Design Institute Co. Ltd *
(中交水運規劃設計院有限公司)

Dalian China Communications Technology Research Institute *
(大連中交理工交通技術研究院有限公司)

October 2010

I. INDUSTRY AND MARKET ANALYSIS

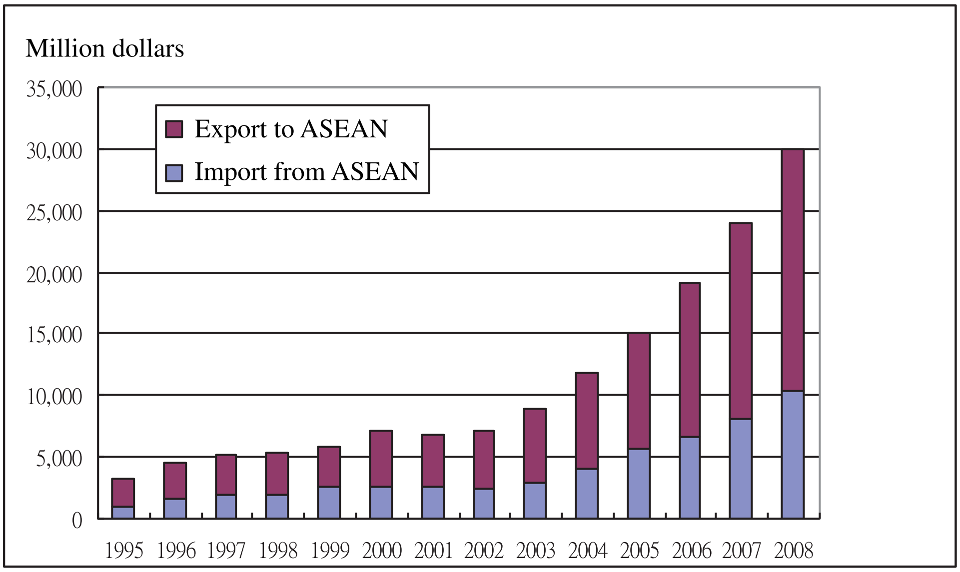
Overview of Vietnamese Dock Industry

It is the key point of ocean strategies for Vietnam to develop shipping business, harbor construction and maritime service industry. By 2010, there are 126 ports totally in Vietnam, in which 24 are international ports. Among the 24 international ports, there are 16 container ports, and 8 dedicated ports which are used for loading and unloading coal and petroleum etc. In fact, the number of ports is not less, however, most of them are small ports or stranding harbors, and the equipments in the ports are generally backward and can not satisfy the loading and unloading requirements of increasing freight transport. Currently, Hai Phong Port in the north is the largest one in Vietnam, and is also the shipping and shipbuilding center of the nation. According to the recent report of Vietnam's Lianhe Zaobao, annual volume of goods loaded and unloaded has occupied 90% of the whole Northern Vietnam.

Vietnam Maritime Administration has said that the cargo handling capacity of Vietnam ports will reach 500 to 550 million tons until 2020. To satisfy the above development requirement, large scale and modern deepwater ports must be built in Vietnam, which can dock the freighters with 50 thousand to 100 thousand standard tonnages. Therefore, marine department shall invest 4 billion to 5 billion dollars to construct harbors from now to 2015.

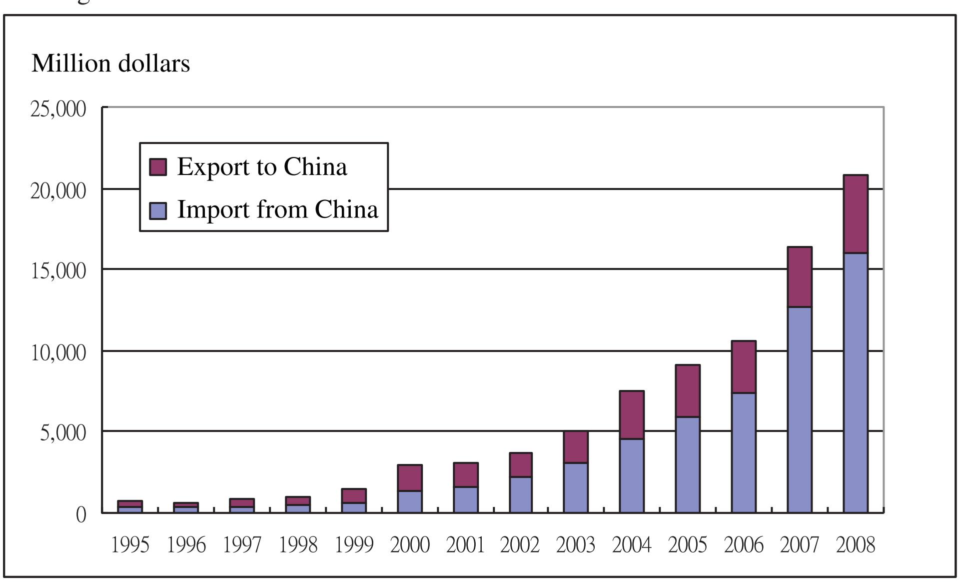
Trading between Vietnam and ASEAN and China

Trading data between Vietnam and ASEAN



Data Resources: General Statistics Office Of Vietnam

Trading data between Vietnam and China



Data Resources: General Statistics Office Of Vietnam

According to the data of General Statistics Office Of Vietnam, the trading volume including import and export between Vietnam and ASEAN has increased from 3.267 billion dollars in 1995 to 29.905 billion dollars in 2008. The same increasing trend appears in the trading between Vietnam and China, which was increased from 692 million dollars in 1995 to 2082.4 million dollars in 2008. Presently, China is the biggest import market of Vietnam, which occupies 23.5% of the gross income of Vietnam.

It is indicated that key export products of Vietnam are crude oil, iron ore, coal, seafood, rice, coffee, rubber, tea, clothing, shoes, and key imported products are Mechanical appliances, petroleum products, fertilizer, steel products, cotton, grain, cement, motorcycles according to the data of General Statistics Office Of Vietnam.

Import and Export status of Vietnam Iron ore

Vietnam is rich in mineral resources. According to the report of Vietnam Bureau of Geology and Mineral Resources, over 70 kinds of mineral resources have been found in Vietnam and over 5000 sites of all kinds of mineral deposits and ore fields have been verified. Mineral products with important economic value are oil and gas, coal, iron, aluminum, copper, lead, zinc, tin, gold, titanium, manganese, chromium, rare earth, phosphate, and fluorite, graphite, barite, etc, and most of the mineral deposits belong to medium and small scale. However, some of the mineral products still have potentials, e.g. oil and gas in the southern ocean area, lateritic bauxite rare earth, coal and apatite etc.

Iron ore is one of dominant minerals in Vietnam. According to the report of Vietnam Government, there are about 200 known iron mineral deposits, in which 13 have over 1 million tons of reserves. And total reserves of whole Vietnam are over 1.2 billion tons. Discovered iron ores are mainly located in the northern and middle area of Vietnam with an average grade of 50%. Among these iron ores, Thach Khe iron ore in Ha Tinh has the largest volume, and 544 million tons of products have been proved with over 61% iron content. It is located in skarns and can be taken opencast mining. Presently, the ore is prepared to be mined. The second larges iron ore is the mineral deposit of Quy Huong in Hoang Lien Son, which is weathering-cracked type with proven reserves of 118 million tons. It has average iron content of 56%-57%, and has also begun to mine rich ore with open casting mining. Large-scale Quy Xa iron ore in Lao Cai is volcanic sediment metamorphism type ore with 112 million tons of reserves.

Import and Export Status of Vietnam Coal

Except petroleum and natural gas, coal is the most important energy in Vietnam. Coal export is always one of the key foreign exchange earning industries in Vietnam. Furthermore, through coal exportation, Vietnam has exchanged large quantity of mechanical equipments.

Vietnam is rich in coal reserves with many categories and good quality. Presently, exploited coal mines are centralized in northern Vietnam. Quang Ninh is the coal production base in Vietnam, and it has large area of open-cast coal mine with anthracite coal which has had over 100 years exploiting history. Coal zone of Quang Ninh begins from the west of Dong Chieu, and then extends to northeast along Vinh Ha Long with arc shape. It is 150 km long with 20-28 m thickness of coal layer, covering an area of 220 km2, about 3 billion tons of reserves. Anthracite coal in Vietnam Quang Ninh coal field is one of the best kinds of anthracite coal in the world. Except Quang Ninh, Thai Nguyen and Quang Nam and other districts also have anthracite coal. Lang Son mainly produces lignitous coal with 20.9 MJ/kg to 25 MJ/kg of heat value and lower than 1% in sulphur content. Fat coal of Vietnam is mainly located in Lai Chau, Son La, Thai Nguyen, Hoa Bihn and Nghe An etc. while the reserves are small from hundreds of thousands to several million tons. In Vietnam, reserves of peat coal are about 6 billion tons, which is located in the northern central and southern parts of Vietnam. The quality is medium with 9.6MJ.kg -14.2 MJ/kg of heat value. Peat coal can be used to manufacture organic fertilizer and generate power.

Recently, Vietnam Government revealed that the biggest coal manufacturer---Vietnam National Coal-Mineral Industries Group is planning to formulate schedules to produce coal from the biggest coal reserving area in the northern Vietnam----Red river delta basin. This mineral area is 3500 km2 and covers Hsing An, Nam Dihn, Thai Bihn, Hai Duong and Hai Phong, which is predicted to reserve 210 billion tons of coal. The coal reserves in this area are more than 20 times of it in Quang Ninh. Presently, it is taken related exploitation here.

Vietnam export coal for about 40 nations in the world and the main exporting nations are China, Japan and Thailand. China is the key exporting nation for Vietnam in Southeast Asia district. In 2010, the exporting volume to China was 72% of the gross volume of experts.

II. DEVELOPMENT POTENTIAL OF THE MARKET

Owe to the multi economic cooperation agreements between Vietnam and ASEAN and China, port trading business of Vietnam has enormous space to increase. In 1995, Vietnam joined in the ASEAN, and it is the ASEAN members together with Indonesia, Malaysia, Philippines, Singapore, Thailand, Brunei, Burma, Cambodia, Laos. The missions of ASEAN are to accelerate the economic development of the district, to promote economical growth efficiency, and to improve the quality of life of this district etc. To actualize these missions, ASEAN plans to establish its Economic Community before 2015.

ASEAN Free Trade Area (AFTA)

AFTA is considered as the basis of ASEAN Economic Community. In 1992, ASEAN signed the agreement of ASEAN Economic Community, and its main aims are to eliminate tariff and other nontariff obstacles, to promote competitive power of ASEAN in the world market, and to attract direct foreign funds to invest in ASEAN. To actualize there aims, ASEAN formulated a common and effective preferential tariff plan in 1993. In the plan, it is only collected 0-0.5% tariff for the goods produced in ASEAN, and limitation with quantification and of nontariff would be eliminated. ASEAN indicated that the plan had been popularized to 80% of ASEAN products, in which 66% of it is near the aim of 0-5%. While for the tariff reduction plan, since 1993 popularization, average tariff rate has been reduced from 12.76% in 1993 to present 1.51% among the initial 6 members of ASEAN.

ASEAN- China Free Trade Area (ACFTA)

Members of ASEAN and China signed ACFTA Agreement in January 1, 2010, and its aim is to popularize AFTA to China and form an 11-nation free trade area. Population of this free trade area is 1.9 billion, which occupies 1/4 of the global population. According to related report, calculated with trade volume the free trade area is the third largest in the world behind EEA and NAFTA. Jakarta Post indicated that the free trade agreement will reduce 90% of the goods in the area to 0%. Average tariff of Chinese goods in ASEAN has been reduced to 0.6% in 2010, while the tariff of ASEAN goods has been reduced from 9.8% to 0.1%. After the ACFTA taking effect, China will surpass the USA and become the third trade partner of ASEAN behind Japan and EU.

New Cross-border Economic Zone between China and Vietnam

At the end of 2009, Guangxi Zhuang Autonomous Region, China and Vietnam passed a framework agreement to establish a new Cross-border Economic Zone to stimulate economic trade cooperation between China and Vietnam. It is reported in China Daily that trade volume in Dongxing-Mong Cai between China and Vietnam reached 2.1 billion dollars and 4.1 billion dollars in 2007 and 2008 respectively. Finally, new Cross-border Economic Zone will be enlarged to 17 km2 to instead the original 4 km2 Cross-border Economic Zone. New Cross-border Economic Zone will promote the border area development of China and Vietnam and strengthen the political, culture and economic communication between the two nations.

Ore Trade between China and Vietnam

According to data of General Statistics Office Of Vietnam , ore trade is one the most important trade categories in Vietnam.

Vietnam is an iron ore export nation. Strengthening demand of iron ore in China will continue to stimulate Vietnam to export iron ore. Although 1.2 billion tons of iron ore reserves have been discovered in Vietnam, according to Vietnamnet s report, Vietnam steel industry only has one production line to produce steel from iron ore now for funds lacking and most of Vietnam iron ore is exported directly.

For the condition limitation of exploitation and processing, Vietnam always exports its metallic resources in raw mineral products form. Presently, China is the largest country to import metallic ore from Vietnam. According to the report on Vietnam Business News, if Vietnam develops ore resources further, the export value of Vietnam ore will be improved obviously. To improve ore export, Vietnam has passed a schedule to take deep prospection, exploitation, processing and using for manganese ore from 2007 to 2015.

Cola is the main exported mineral of Vietnam, and Vietnam has a long history for coal exportation. This trend is much more obvious in recent 10 years.

According to the data of General Statistics Office Of Vietnam, Vietnamese coal export has increased ten times during 1987-2007. Viewing from the consumption demand of coal in China, as a new round of rapid development of Chinese economic, energy consumption will be increased correspondingly. Coal consumption is always increased rapidly. In 2000, coal consumption was 1.32 billion tons in China, while it was 2.586 billion tons in 2007. Coal supplying was in tension sate. It is connected by land and water between the cross border trade of China and Vietnam. Coal trade between China and Vietnam can relief the tension status of domestic coal supply in China.

It can be predicted that freight capacity of Vietnam ports will play an unprecedentedly important role in coal trade between China and Vietnam.

III. ADVANTAGES OF MONG CAI

Geography

Mong Cai is located in the border position of Dongxing City, Guangxi, China. Extremely prosperous cross border trade activities will provide advantages for Mong Cai. Presently, Mong Cai is a developing town of Quang Ninh, furthermore, it is also the only Vietnam Port connecting China and Vietnam by land and road. Short distance transportation means low transportation cost. Therefore, Mong Cai Port will be one of the preferred freight port for cross border trade between China and Vietnam, especially for ore trade.

Tariff

Because Vietnam is one of the members of ASEAN, trade in Mong Cai with ASEAN will share the tariff preference. The most especial is that Mong Cai is the only free trade area appointed by ASEAN and has special preference clause of free trade.

Policy Support

According to the report issued by Quang Ninh People's Association in 2009 (Report No. 584/TTr-UBND)ÿPrime Minister of Vietnam has decided and passed the schedule to develop Mong Cai, the international border city, until 2020 (Decision No. 99/2009/QD-TTg of July 29, 2009). This schedule includes establishing Mong Cai to be the economic center of Beibu Gulf Coastal Economic Zone and to be the strong dynamic for southeast district development of Vietnam. Furthermore, trade, services industry, tourism and international transportation are also the key points of development. The aim of Vietnam government is to build Mong Cai to be one of the goods and services communication center between ASEAN and China.

IV. EVALUATION OF GOODS THROUGHPUT

As for the estimating on the throughput in Dan Tien Port Project, in order to get precise data of traffic flow in maritime transportation and overland freight, we, Dalian China Communications Technology Research Institute, has sent experts to research on maritime transportation and overland freight in Dan Tien Port and No. 18 National Highway for several months to have a deep understanding.

In the statistics of ships flow in Dan Tien Port, our experts have found there are about 300 ships from Vietnam each day passing the nearby area of this port to Dongxing, Guangxi Province, China. These ships are mainly 2,000 tonnages. The following is the list of statistical data.

Date of survey	1000 tonnages cargo ships (qty.)	1000-2000 tonnages cargo ships (qty.)	2000-3000 tonnages cargo ships (qty.)	Over 3000 tonnages cargo ships (qty.)
Aug 8	25	153	82	0
Aug 9	18	182	79	0
Aug 10	33	212	82	0
Aug 11	31	213	87	0
Aug 12	29	161	77	0
Aug 23	15	175	71	0
Aug 14	22	153	63	0
Sep 12	17	137	87	0
Sep 13	18	223	77	0
Sep 14	33	193	93	0
Sep 15	29	210	77	0
Sep 16	37	185	58	0
Sep 17	23	158	63	0
Sep 18	33	165	76	0
Oct 17	19	189	64	0
Oct 18	23	172	73	0
Oct 19	32	214	55	0
Oct 20	29	167	75	0
Oct 21	26	173	82	0
Oct 22	30	147	81	0
Oct 23	24	153	88	0

Now, as for overland freight, the containers landed in Hai Phong Port, as well as the local containers in Hai Phong and Hanoi are all shipped to Mong Cai through No 18 highway and finally shipped to Dongxing, Guangxi through border trade. No. 18 National Highway is the only highway linking Hai Phong and Mong Cai but it is just a two-way road which has two lanes. So road traffic jam often happens and it has become the bottleneck of transportation. Therefore, the Vietnamese Government plans to rebuild roads and the trucks of more than 16 tons are not allowed to use this highway. A container carrier loading 30 tons on the average cannot use the road transportation. Then the containers should be shipped through Hai Phong Port and Dan Tien Port.

According to statistics of our experts, there are about 200 container carriers in No. 18 National Highway each day from Hai Phong to Mong Cai and shipped to China.

Date of statistics	Container carrier (qty.)
Aug 1	192
Aug 2	210
Aug 3	192
Aug 4	187
Aug 5	205
Aug 6	214
Aug 7	177
Sep 5	187
Sep 6	192
Sep 7	158
Sep 8	195
Sep 9	213
Sep 10	197
Sep 11	182
Oct 11	182
Oct 12	186
Oct 13	211
Oct 14	197
Oct 15	253
Oct 16	197
Oct 17	201

When our experts estimated the throughput in Dan Tien Port, they considered the following major factors:

- Macro economic data in China and Vietnam.
- Development tendency and the potential of border trade in China and Vietnam.
- Unique geography of Mong Cai, irrigation and other advantages.
- Statistics in the data.

It is a prediction for the goods throughput of ports near Mong Cai as follows.

	2012	**2013**	**2014**	**2015**
Total throughput of ports near Mong Cai (million tons)	170	195	220	250

Potential customers of Dan Tien Port

The corporation has signed letter of intent with Hop Thanh Telecom Electronic Communication and Trading Services Joint Stock Company and Tan Thang Construction Investment and Trading Joint Stock Company with the introduction of the Provincial People s Committee. The two companies are main suppliers and buyers of cross border trade between China and Vietnam. They will import and export goods between China and Vietnam in cross border trade by land and water through Mong Cai. The waterway is operated in Bach Long Port, Qinzhou Port and Fangchenggang Port of Dongxing City, China.

Evaluation of throughput of goods in Dan Tien Port

Because Dan Tien Port is an absolutely new project, the first phase of Dan Tien Port Project is set a 70 thousand tons berthing and four 10 thousand tons berthing to cooperate with the development of Vietnam ports. Furthermore, the project is located in the border of Quang Ninh and China border, thus, Mong Cai port project will be one of the biggest benefiter from the international trade between China and Vietnam. Therefore, it has extremely large potential. According to the letter of intent signed with the above two corporations, and observation by experts in Bach Long Port and No.18 National Hihgway for several months, it is estimated conservatively there will be over 20 million tons demands for the Dan Tien Port project every year, occupying 12% of market share in goods throughput of ports near Mong Cai.

Based on the 20 million tons designed throughput of the first phase of Dan Tien Port Project, goods throughput of Dan Tien Port is estimated as the following: :

Operating Year	**Best Case – Estimated Throughput (million tons)**	**Base Case – Estimated Throughput (million tons)**	**Conservative Case – Estimated Throughput (million tons)**
The First Year	20	12	10
The Second Year	20	16	16
The Third Year	20	20	20
The Fourth Year and later	20	20	20

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date were and following Completion (assuming the conversion rights attached to the Convertible Bonds are exercised in full) will be as follows:

Authorised:		*HK$*
2,000,000,000	Shares of HK$0.10 each	200,000,000.00
Issued and fully paid or credited as fully paid		
691,200,000	Shares of HK$0.10 each as at the Latest Practicable Date	69,120,000.00
236,363,636	Consideration Shares to be issued following Completion	23,636,363.60
163,636,363	Conversion Shares to be issued upon exercise in full of the conversion rights of the Convertible Bonds	16,363,636.30
1,091,199,999	Shares in issue after Completion assuming the conversion rights of the Convertible Bonds are exercised in full	109,119,999.90

All the Shares in issue, the Consideration Shares to be issued and the Conversion Shares to be issued upon the exercise of the conversion rights attached to the Convertible Bonds will rank pari passu in all respects with each other as regards dividends, voting and return of capital.

Dealings in securities of the Company may be settled through the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited. Investors should seek the advice of their stockbroker or other professional adviser for details of these settlement arrangements and how such arrangements will affect their rights and interests.

Save as disclosed herein, as at the Latest Practicable Date, the Company had no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for Shares.

The Shares are listed on the Stock Exchange. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

There are no arrangements under which future dividends will be waived or agreed to be waived. Save as disclosed, as at the Latest Practicable Date, no share or loan capital of the Company or any member of the Group has been put under option or agreed conditionally or unconditionally to be put under option and no warrant, derivative or conversion right affecting the Shares has been issued or granted or agreed conditionally or unconditionally to be issued or granted.

3. DISCLOSURE OF INTERESTS

(a) Directors' and chief executives' interests and short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange were as follows:

(I) Taiwan Mayer Steel Pipe Corporation ("Taiwan Mayer")

	Number of ordinary shares in Taiwan Mayer					
Name of Director	**Personal**	**Family**	**Corporate**	**Other**	**Total**	**Approximate % of shareholding**
Mr. Chiang Jen-chin	7,261	–	–	–	7,261	0.00%

Save as disclosed above and so far as the Company is aware, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange.

(b) Substantial Shareholders' and other persons' interests and short positions in the Shares and underlying Shares of the Company

As at the Latest Practicable Date, so far as are known to the Directors and chief executives of the Company, those persons, other than the Directors or chief executives of the Company, who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group, were as follows:

Interest in the Shares

Name of substantial Shareholder	Capacity	Nature of interest	Number of Shares	Approximate % of the Company's issued Share capital
Taiwan Mayer *(Note 1)*	Interest of controlled corporation	Corporate	200,000,000	28.94%
Mayer Corporation Development International Limited *(Note 1)*	Beneficial owner	Beneficial	200,000,000	28.94%
Mr. Liu Qiong *(Note 2)*	Interest of controlled corporation	Corporate	115,200,000	16.67%
Valley Park Global Corporation *(Note 2)*	Beneficial owner	Beneficial	115,200,000	16.67%
Mr. Lee Kwok Leung *(Note 3)*	Interest of controlled corporation	Corporate	69,332,000	10.03%
Capital Wealth Finance Company Limited *(Note 3)*	Beneficial owner	Beneficial	41,620,000	6.02%

Notes:

1. Mayer Corporation Development International Limited is a wholly-owned subsidiary of Taiwan Mayer. Taiwan Mayer is deemed to be interested in the 200,000,000 Shares held by Mayer Corporation Development International Limited under the SFO.

2. Valley Park Global Corporation is wholly owned by Mr. Liu Qiong. Mr. Liu is deemed to be interested in the 115,200,000 Shares held by Valley Park Global Corporation.

3. Capital Wealth Finance Company Limited is wholly owned by Mr. Lee Kwok Leung. Mr. Lee is deemed to be interested in the 41,620,000 Shares held by Capital Wealth Finance Company Limited.

Save as disclosed above, as far as are known to the Directors and chief executives of the Company, as at the Latest Practicable Date, there was no other person, other than the Directors or chief executive of the Company, who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any member of the Group other than contracts expiring or determinable by the Company or the relevant member of the Group within one year without payment of compensation (other than statutory compensation).

5. DIRECTORS' INTERESTS IN ASSETS

As at the Latest Practicable Date, none of the Directors and the experts whose names are referred to in the section headed "Experts and Consents" in this appendix had any interest, either direct or indirect, in any assets which have been, since 31 December 2010 (the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Enlarged Group, or are proposed to be acquired or disposed of by or leased to any member of the Enlarged Group.

6. DIRECTORS' INTERESTS IN CONTRACTS

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement which is significant in relation to the business of the Enlarged Group.

7. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or any of their respective associates had any interest in any business which competes or likely to compete, either directly or indirectly, with the business of the Group.

8. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there had not been any material adverse change in the financial or trading position of the Group since 31 December 2010, being the date to which the latest published audited financial statements of the Group were made up.

9. LITIGATION

As at the Latest Practicable Date, no member of the Enlarged Group was engaged in any litigation or claims of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Enlarged Group.

10. EXPERTS AND CONSENTS

(a) The following are qualifications of the experts who have given opinions, letters or advice which are contained or referred to in this circular:

Crowe Horwath (HK) CPA Limited	Certified public accountants
DNH LAW LLC	Vietnam legal advisers
Grant Sherman Appraisal Limited	Professional valuers
United Simsen Securities Limited	a corporation licenced to carry out business in type 1 (dealing in securities), 2 (dealing in futures contract), 4 (advising on securities) and 6 (advising on corporate finance) regulated activity under the SFO

(b) As at the Latest Practicable Date, none of the Experts had any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

(c) As at the Latest Practicable Date, each of the Experts did not have any direct or indirect interests in any assets which have been, since 31 December 2010 (the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

(d) Each of the Experts had given and had not withdrawn its written consent to the issue of this circular with the inclusion herein of its reports and/or letters dated 13 April 2011 and/or references to its name in the form and context in which they are included.

11. MATERIAL CONTRACTS

Save as disclosed below, none of the members of the Enlarged Group had entered into any contracts, not being contracts entered into in the ordinary course of business, which are or may be material within two years immediately preceding the date of this circular.

(a) the agreement dated 26 November 2009 entered into among the Company, Mr. Hector Daniel Lalin, Mr. Nereo Nestor Martin and Maxipetrol-Petroleros de Occidente S.A. in relation to the acquisition of the entire issued share capital of Maxipetrol HK, a company incorporated in the British Virgin Islands, at a consideration of HK$1,264,000,000;

(b) the agreement dated 21 January 2010 entered into between Guangzhou Mayer Corporation Limited, a non-wholly owned subsidiary of the Company, as vendor and Taiwan Mayer, the ultimate controlling Shareholder, as purchaser in respect of the disposal of 50% issued share capital of Vietnam Mayer Company Limited (an indirect non wholly-owned subsidiary of the Company) ("Vietnam Mayer"), at a total consideration of US$2,100,000;

(c) the agreement dated 12 May 2010 entered in between Mei Kong Shih Ye Limited, a wholly-owned subsidiary of the Company, as vendor and China Life Insurance Co., Ltd., an independent third party of the Company, as purchaser in respect of the disposal of Durban Technology Park Phase VIII and the land situated at Land No. 14, Kuang Fu Sec., Hsinchu City, Taiwan, of which the Durban Technology Park Phase VIII is erected, at a total consideration of NT$1,230,000,000;

(d) the sale and purchase agreement dated 13 August 2010 entered into between Sunbeam Group Limited (新光集團有限公司), a wholly-owned subsidiary of the Company, as vendor and Taiwan Mayer, as purchaser, in respect of the disposal of Mei Kong Shih Ye Limited (美控實業股份有限公司), the then wholly-owned subsidiary of the Company, at a total consideration of NT$260,473,851;

(e) the joint venture agreement dated 15 September 2010 entered into by the Company and Taiwan Mayer in relation to the formation of the Glory World Development Limited;

(f) the capital increase agreement dated 5 November 2010 entered into between Guangzhou Mayer Corporation Limited (a non wholly-owned subsidiary of the Company), Taiwan Mayer and Winner Industrial Corporation (a substantial shareholder of Vietnam Mayer) in respect of the increase of the charter capital of Vietnam Mayer of US$2,700,000 (equivalent to approximately HK$20,952,000);

(g) the loan agreement dated 13 September 2010 entered into between the Company and the Glory World Development Limited pursuant to which the Company agreed to provide a loan of US$6,000,000 (equivalent to approximately HK$46,560,000) to the Glory World Development Limited at an interest rate of 1.5% per annum with repayment date on 14 September 2011;

(h) the loan agreement dated 13 September 2010 entered into between the Company and the Glory World Development Limited pursuant to which the Company agreed to provide a loan of US$3,000,000 (equivalent to approximately HK$23,280,000) to the Glory World Development Limited at an interest rate of 1.5% per annum with repayment date on 4 October 2011;

(i) the loan agreement dated 23 November 2010 entered into between the Company and the Glory World Development Limited pursuant to which the Company agreed to provide a loan of US$2,000,000 (equivalent to approximately HK$15,520,000) to the Glory World Development Limited at an interest rate of 1.5% per annum with repayment date on 22 November 2011;

(j) the capital increase agreement dated 28 January 2011 entered into between the Company and Taiwan Mayer;

(k) the two equity transfer agreements dated 7 December 2010 entered into between Top Force International Limited (as the vendor) and EI Dorado Global Investment Holdings Ltd. and Pearl Global Investment Holdings Ltd. (as the purchasers) for the transfer of equity interest in Capital Investment Development Corp from Top Force International Limited to the purchasers at an aggregate consideration of US$3,000,000; and

(l) the Acquisition Agreement.

12. CORPORATE INFORMATION

Registered office	P.O. Box 309 Ugland House Grand Cayman KY1-1104 Cayman Islands British West Indies
Head office and principal place of business	22/F, W Square 314-324 Hennessy Road Wanchai, Hong Kong
Branch share registrar and transfer office of the Company in Hong Kong	Computershare Hong Kong Investor Services Limited 46th Floor Hopewell Centre 183 Queen's Road East Hong Kong
Company secretary and Qualified accountant	Mr. Chan Lai Yin, Tommy, *AICPA, CPA*

DIRECTORS

Particulars of Directors

Name	**Address**
Executive Directors:	
Mr. Hsiao Ming-chih	22/F, W Square 314-324 Hennessy Road Wanchai Hong Kong
Mr. Lai Yueh-hsing	22/F, W Square 314-324 Hennessy Road Wanchai Hong Kong
Mr. Chiang Jen-chin	22/F, W Square 314-324 Hennessy Road Wanchai Hong Kong

Mr. Lu Wen-yi	22/F, W Square 314-324 Hennessy Road Wanchai Hong Kong
Mr. Cheng Koon Cheng	22/F, W Square 314-324 Hennessy Road Wanchai Hong Kong
Non-executive Directors:	
Mr. Chan Kin Sang	22/F, W Square 314-324 Hennessy Road Wanchai Hong Kong
Mr. Chen Guoxiang	22/F, W Square 314-324 Hennessy Road Wanchai Hong Kong
Mr. Li Deqiang	22/F, W Square 314-324 Hennessy Road Wanchai Hong Kong
Independent non-executive Directors:	
Mr. Lin Sheng-bin	22/F, W Square 314-324 Hennessy Road Wanchai Hong Kong
Mr. Huang Jui-hsiang	22/F, W Square 314-324 Hennessy Road Wanchai Hong Kong
Mr. Alvin Chiu	22/F, W Square 314-324 Hennessy Road Wanchai Hong Kong
Mr. Peter V.T. Nguyen	22/F, W Square 314-324 Hennessy Road Wanchai Hong Kong

Executive Directors

Mr. Hsiao Ming-chih, aged 52, is redesignated as an executive director and the chairman of the Company on 19 December 2008. Mr. Hsiao holds a Bachelor degree in Commerce from the Accounting Faculty of Tung Hai University. Mr. Hsiao is currently the general manager of Taiwan Mayer, the director of Fullchamp Technologies Co., Ltd. ("Fullchamp").

Mr. Lai Yueh-hsing, aged 54, is an executive director and is responsible for the overall corporate strategy and planning of the Group. He holds a Bachelor degree in Corporate Management from Tamkang University. He was the general manager of Durban Development Co., Limited.

Mr. Lu Wen-yi, aged 61, graduated and received from the National Chung Hsing University a Bachelor degree in Laws in 1973. Prior to his appointment as director of the Company, Mr. Lu has over 25 years of experience in real estate development and over 8 years of experience in biotechnology industry. He is currently a CEO of High Sierra Biotech LLC. and the general manager of 蘇州安佑科技有限公司.

Mr. Cheng Dar-terng, aged 60, is an executive director of the Company. Mr. Cheng obtained a Master degree in Business Management from University of Dallas in the United States. He was appointed as a director of Guangzhou Mayer on 23 November 1995. He is currently a director of Taiwan Mayer.

Mr. Chiang Jen-chin, aged 45, is an executive director of the Company responsible for financial activities of the Group. He has over 20 years of experience in the steel pipe and sheet industry. Mr. Chiang is currently the manager to the general manager office and the officer of the finance department of Taiwan Mayer.

Mr. Cheng Koon Cheung, aged 45, has years of experience and possesses extensive knowledge in area of corporate planning and market development. He is also familiar with sales and marketing networks of coal industry. He was an executive Director of Dynamic Energy Holdings Limited, a company listed on the Main Board of the Stock Exchange, from May 2006 to April 2010. He was also an independent non-executive Director of M Dream Inworld Limited, a company listed on the Growth Enterprise Market in 2001-2003 and an executive Director of China Golden Development Holdings Limited, a company listed on the Main Board of the Stock Exchange in 2005-2006.

Non-executive Directors

Mr. Huang Chun-fa, aged 54, is a non-executive director of the Company. Mr. Huang has held senior positions in various listed companies in Taiwan and is currently the chairman of Durban Development Company Limited, the chairman of Tze Shin International Company Limited and the chairman of Taiwan Mayer.

Mr. Chan Kin Sang, aged 59, has been a practicing solicitor in Hong Kong since 1982 and is currently the sole proprietor of Messrs. Peter K.S. Chan & Co., Solicitors and Notaries. Mr. Chan was admitted as a notary public in 1997 and a China-appointed attesting officer in 2000. He currently acts as independent non-executive Director of two Singapore listed companies, namely People's Food Holdings Limited and Luxking Group Holdings Limited and acts as non-executive Director of one Singapore listed company, Pan Hong Property Group Limited. Mr. Chan also acts as independent non-executive Director of five other Hong Kong listed companies, namely Combest Holdings Limited, China Precious Metal Resources Holdings Co., Limited, International Taifeng Holdings Limited, Pacific Plywood Holdings Limited and United Pacific Industries Limited. He was formerly an independent non-executive Director of New Smart Energy Group Limited, Plus Holdings Limited and Dynamic Energy Holdings Limited, a Hong Kong listed company and that of Sunray Holdings Limited, a Singapore listed company.

Mr. Chen Guoxiang, aged 55, graduated from Liaoning Technical University in 1978 with a bachelor's degree in mining technology. Mr. Chen has 30 years extensive experiences in the field of mineral resources exploration especially in coal industry. Mr. Chen has been working in the Bureau Liaoning Fu Xin Mining Affairs (遼寧阜新礦務局) for more than 20 years and he was also the secretary of the Bureau of Liaoning Coal Mine Safety Supervision from 2002 to 2007. Mr. Chen is currently the General Manager of 遼寧鉄岭宏運煤化工有限公司.

Mr. Li Deqiang, aged 47, graduated from Chang Chun School of Geology (長春地質學校) in 1983 with a diploma in geology and is the qualified geological engineer. Mr. Li has 27 years extensive experiences in geological and minerals resources exploration industry. Mr. Li is currently the technician in the Bureau Geology and Minerals Resources Exploration Liaoning Province.

Independent Non-executive Directors

Mr. Lin Sheng-bin, aged 47, is an independent non-executive director of the Company. Mr. Lin holds a Master degree in Finance from National Chung-Cheng University. He has worked as the section staff member, commissioner, auditor and the supervisor of the Regulatory Commission for Securities and Futures, under the Finance Ministry of Taiwan and the supervisor of First Taiwan Securities Inc. He is currently the executive vice president of Sinopac Securities Corp. and directors of Giga Trend International Venture Investment Corp. and Gigawin International Venture Investment Corp.

Mr. Huang Jui-hsiang, aged 50, is an independent non-executive director of the Company. Mr. Huang obtained a Master degree in Accountancy from National Chengchi University. He has over 16 years of experience in the accounting field. He had worked as the assistant manager in the audit services department of KPMG in Taiwan.

Mr. Alvin Chiu, aged 50, is an independent non-executive director of the Company. Mr. Chiu graduated from the University of Southern California in 1983 majoring in Economics. He has extensive commercial and retail banking experience in the U.S. He had worked as the vice president and branch manager of First Central Bank in Los Angeles, California for eight years. Mr. Chiu is now the managing director of Pacific Links Group Limited and Pacific Connections Group Limited. He has experience in China trades, importation and wholesale industries. He is also involved in the contract manufacturing, electronics and original equipment manufacturing ("OEM") assembly business in Greater China.

Mr. Peter V.T. Nguyen, aged 67, is a senior counsel and was called to the Bar in England by the Honourable Society of the Middle Temple in 1970. He was the assistant crown counsel and crown counsel in the Legal Department of Hong Kong during the period from August 1970 to November 1974 and was in private practice as a Barrister in Hong Kong for approximately twenty years. Mr. Nguyen was appointed as Director of Public Prosecutions in the Legal Department of Hong Kong during the period from July 1994 to October 1997 and he was the first and only Chinese to hold such position. Mr. Nguyen was appointed as a Queen's Counsel in 1995 and was the Judge of the Court of First Instance of the High Court, Hong Kong from February 1998 to April 2009. Mr. Nguyen obtained the approval from the relevant department of the Government of Hong Kong Special Administrative Region of the People's Republic of China for his appointment as an independent non-executive Director of the Company.

13. MISCELLANEOUS

(a) Mr. Chan Lai Yin, Tommy, a qualified accountant, is the company secretary and financial controller of the Group and a member of the senior management of the Company. He is an associate member of the Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants. Mr. Chan has over 17 years of experience in the audit and accounting field. Prior to joining the Company, he held the posts of financial controller and company secretary of a listed company in Hong Kong.

(b) The registered office of the Company is situated at P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, British West Indies and its principal office in Hong Kong is situated at 22/F, W Square, 314-324 Hennessy Road, Wanchai, Hong Kong. The address of the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, is at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(c) The English text of this circular prevails over the Chinese text.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the office of the Company at 22/F, W Square, 314-324 Hennessy Road, Wanchai, Hong Kong during normal business hours on any Business Day for a period of 14 days commencing from the date of this circular:

(a) the memorandum and articles of association of the Company;

(b) the service contracts and the material contracts referred to under the sections headed "Service contracts" and "Material contracts" in this appendix respectively;

(c) the letter from Crowe Horwath (HK) CPA Limited in connection with the unaudited pro forma financial information of the Enlarged Group, the text of which is set out in Appendix IV to this circular;

(d) the written consents as referred to in the section headed "Experts and Consents" in this appendix;

(e) the published audited consolidated accounts of the Group for each of the two financial years ended 31 December 2009 and 31 December 2010; and

(f) the accountants' report of Yield Rise Group prepared by Crowe Horwath (HK) CPA Limited, the text of which is set out in Appendix II to this circular;

(g) the valuation report of the Port dated 13 April 2011 prepared by Grant Sherman Appraisal Limited, the text of which is set out in Appendix V to this circular;

(h) the report of Crowe Horwath (HK) CPA Limited in connection with the profit forecasts underlying the valuation on the Port, the text of which is set out in Section A of Appendix VI to this circular;

(i) the report of United Simsen Securities Limited in connection with the profit forecasts underlying the valuation on the Port, the text of which is set out in Section B of Appendix VI to this circular;

(j) the valuation report on property interests of the Enlarged Group as at 28 February 2011 prepared by Grant Sherman Appraisal Limited, the text of which is set out in Appendix VII to this circular; and

(k) copy of each circular issued pursuant to the requirements set out in Chapters 14 and/or 14A of the Listing Rules which have been issued since 31 December 2010.

美亞控股有限公司*
MAYER HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1116)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of Mayer Holdings Limited (the "**Company**") will be held at 22/F, W Square, 314-324 Hennessy Road, Wanchai, Hong Kong on Saturday, 30 April 2011 at 11:00 a.m., for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions (unless otherwise indicated, capitalized terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 13 April 2011 (the "**Circular**")) as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

"**THAT**

(i) the Acquisition Agreement and all the transactions contemplated thereunder, including but not limited to (i) the issue of Convertible Bonds in the principal amount of HK$90,000,000 in accordance with the terms and conditions of the Convertible Bonds referred to in the Acquisition Agreement and the issue and allotment of 163,636,363 new shares of the Company at HK$0.55 each (subject to adjustments) which may fall to be issued and allotted upon exercise of the conversion right attached to the Convertible Bonds to the Vendor in partial settlement of the consideration under the Acquisition Agreement; (ii) the issue of the Promissory Notes in the amount of HK$300,000,000 in accordance with the terms and conditions of the Promissory Notes referred to in the Acquisition Agreement by the Company to the Vendor in partial settlement of the consideration under the Acquisition Agreement; and (iii) the issue and allotment of 236,363,000 new shares of the Company at HK$0.55 each to the Vendor in partial settlement of the consideration under the Acquisition Agreement, be and are hereby approved, confirmed and ratified;

(ii) the directors of the Company be and are hereby authorized to sign, execute, perfect, deliver and do all such documents, deeds, acts, matters and things, as the case may be, as they may in their discretion consider necessary desirable or expedient to carry and implement the Acquisition Agreement and all the transactions contemplated thereunder into full effect."

For and on behalf of the Board
Mayer Holdings Limited
Hsiao Ming-chih
Chairman

Hong Kong, 13 April 2011

* *For identification purposes only*

Registered office:
P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands
British West Indies

Head office and principal place of business in Hong Kong:
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