



陳松華會計師事務所
CLEMENT C. W. CHAN & CO.
CHARTERED ACCOUNTANTS
CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)



FORD EAGLE GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2012

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FORD EAGLE GROUP LIMITED

COMPANY INFORMATION

Directors	Anthony Charles Drury Wing Tak Jack Law Garry Alides Willinge Chin Pang Tse Xinyan Wong David Adamson Hirst
Secretary	Sin Hang Calvin Chan
Registered office	Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands
Auditors	Clement C. W. Chan & Co. 3/F., & 5/F., Heng Shan Centre, 145 Queen's Road East, Wanchai, Hong Kong
ISDX Corporate Adviser	Alexander David Securities Limited 45 Moorfields London, EC2Y 9AE, United Kingdom
Registrars	Computershare Investor Services (Cayman) Limited The R&H Trust Company Limited P.O. Box 897, George Town, Cayman Islands

**FORD EAGLE GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2012**

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FORD EAGLE GROUP LIMITED
(“FORD EAGLE” OR “THE COMPANY”).
FULL YEAR RESULTS FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2012
CHAIRMAN’S STATEMENT

I am pleased to report the final audited consolidated results for the twelve months ended 31 December 2012.

Review of Operations

The Company conducted its primary trading activity during the year under review through its wholly owned subsidiary, Ford Eagle Capital Limited (‘FEC’). FEC provides advisory services to Chinese companies on London listing options.

Despite difficult conditions during the year, one of FEC’s clients, LYZE Group Plc, was admitted to AIM in the second half of 2012. As a result, total income for the Group amounted to £392k (2011: £43k). In addition, in April 2012, the Company acquired a 10% interest in Winning Step Investment Limited; the purchase price of £96,165 was settled by the issue of 641,100 new ordinary shares in the Company. The asset was transferred to FEC on 31 December 2012.

The Board continued to maintain tight controls over operating expenditure which amounted to £375k (2011: £363k). The Company made a net profit of £122k (2011: loss of £316k). The resulting profit per share was 3.33p (2011: loss 9.90p).

Operating assets and liabilities were transferred into FEC. As at 31 December 2012, the consolidated current assets amounted to £509k (2011: £34k) represented by financial assets (primarily shares in LYZE) of £425k (2011: £0) with cash of £80k (2011: £29k). The increase in cash is due to receipt of an unsecured loan of £79.8k at the year end in order to support the Company working capital requirements for 2013. Since inception, the Company’s working capital requirements have been funded through loans which at 31 December 2012 amounted to £425k (2011: £305k).

Current Trading and Post Balance Sheet Events

Trading conditions since the year end have continued to be difficult and the Directors have made a concerted effort to source alternative funding for the Company.

On 8 May 2013, the Company sent shareholders a Circular and Notice of a General Meeting to be held on 31 May 2013. The circular described the proposals to dispose of FEC, to change the business strategy, a capital reorganisation and a change of name. The Company also announced an open offer at 1p per new ordinary share to raise around £180,000 after costs which has been underwritten. The General Meeting will be held on 31 May 2013. The Directors expect all the resolutions to be passed as it has received sufficient irrevocables to vote in favour of the resolutions.

Following the General Meeting, the Company will become an Investing Company seeking to maximise shareholder value over a period of five to seven years. It will seek to achieve this by investing a combination of debt and equity in businesses with growth potential. The Company intends to be an active investor in situations where the Company can make a clear contribution to the progress and development of the investment and where appropriate the Directors would seek representation on the board of the investee company.

I am confident that with the proposed change in business strategy, strengthened balance sheet and board of directors provide the Company with a strong platform for future development. I believe that the business experience and expertise of the Board will enable us to identify and bring to fruition a succession of investment projects.

**FORD EAGLE GROUP LIMITED
("FORD EAGLE" OR "THE COMPANY").
FULL YEAR RESULTS FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2012
CHAIRMAN'S STATEMENT**

Board Changes

Wing Sang Wilson Hui resigned as a director on 28 December 2012. I would like to thank him for his immense contribution to the company. Nicholas Littlewood resigned as a director on 8 January 2013. Nicholas was a supportive non-executive director and gave me help and advice during his period in office.

On 13 March 2013, Chin Pang Tse and Xinyan Wong joined the Board. On 25 March 2013, David Adamson Hirst joined us as a non-executive director. I take great pleasure in welcoming my three new colleagues.

On 13 March 2013 Jack Law relinquished his role as Chief Executive Officer but remains a non-executive director of the Company. He has been the driving force of Ford Eagle and I am delighted that we are to retain his support. On behalf of the Board I thank Jack for all he has done for Ford Eagle Group. Stanley Tse has acted as Chief Executive Officer in the interim period and we appreciate his work for the Company. Garry Willinge chaired both the Audit and the Remuneration Committees and again I would like to thank him for his leadership.

Finally, I would like to thank all our shareholders for their ongoing support during this period of transition.

**Tony Drury
Chairman
23 May, 2013**

FORD EAGLE GROUP LIMITED DIRECTORS' REPORT FOR 2012

The directors submit herewith their Report and Financial Statements of the Group and Parent Company for the year ended 31 December, 2012.

1. PRINCIPAL ACTIVITY AND INCORPORATION

Ford Eagle Group Limited (the "Company"), an exempted company limited by shares incorporated in the Cayman Islands on 18 September, 2009, with representation in UK, China and Hong Kong, is a specialised advisory and investment company. The Company provides advice to private companies on restructuring, mergers and acquisitions, as well as structuring and coordinating Initial Public Offerings and listings in major international equity markets, such as the UK and Hong Kong. The Company is also investing in clients' business when opportunity arises.

The Company was admitted to trading on the ICAP Securities and Derivatives Exchange "ISDX", formerly known as PLUS Stock Exchange, in the UK on 2 August, 2010. The Company is also admitted to trading on the GXG European Stock Exchange on 4 July, 2012.

The consolidated financial statements comprise the results of the Company and its subsidiaries (together referred to as the "Group").

2. RESULTS AND DIVIDENDS

The Group's results for the year ended 31 December, 2012 are set out in the Consolidated Statement of Comprehensive Income on page 10.

A review of the Group's activities and its future developments are set out in the Chairman's Statement on pages 1 and 2.

The directors do not recommend payment of a dividend (year ended 31 December, 2011 : £Nil).

3. DIRECTORS

The directors of the Company during the year and up to the date of this report were as follows :

Anthony Charles Drury	(Non-executive chairman)
Wing Tak Jack Law	(Non-executive director)
Wing Sang Wilson Hui	(Resigned on 28 December, 2012)
Garry Alides Willinge	(Non-executive director)
Nicholas John Arnold Littlewood	(Offered to resign on 8 January, 2013 and accepted by the Board on 11 January, 2013)
Chin Pang Tse	(Appointed on 13 March, 2013)
Xinyan Wong	(Appointed on 13 March, 2013)
David Adamson Hirst	(Non-executive director, appointed on 25 March, 2013)

Directors' interests in the shares of the Company are detailed in note 24.

4. COMPANY SECRETARY

The secretary of the Company during the year and to the date of this report was as follow :

Sin Hang Calvin Chan

**FORD EAGLE GROUP LIMITED
DIRECTORS' REPORT FOR 2012**

5. INVESTMENTS

At end of the reporting period, the Group held listed equity securities of GBP424,800 stated at their market value and unlisted equity securities of GBP36,331 stated at cost less provision for impairment.

6. PRINCIPAL RISKS AND UNCERTAINTIES

The implementation of the Company's investment policy is potentially affected by a number of risks and uncertainties.

General Risks

Lack of investment capital

The ability of the Company to make investments, which forms part of the Company's business plan will be determined by the level of subscription for Ordinary Shares in the Company at future fundraisings.

Working capital requirements

The Company may wish to raise further funds in the future for working and expansion capital, and to pursue the investment side of its business plan. There is no guarantee that the then prevailing market conditions will allow for such fundraising or that new investors will be prepared to subscribe for the Ordinary Shares. Any additional equity financing is likely to be dilutive to the existing Shareholders.

Fee income

The Company's strategy is based in part on helping client companies achieving listings and IPOs in major international equity markets. Fee structures for such transactions will typically include an element (often the majority of the fee) that is conditional on successful completion of the transaction. The Company faces the risk, particularly in the current volatile times, that planned listings and IPOs may not successfully complete. In such situations, the Company may not receive the contingent element of the fees.

Competition

There is no certainty that the Company will be able to sustain an advantage or that competition will develop and prevent or delay the realisation of the Company's plans, and such competition may result in significant financial resources greater than the Company could shoulder.

Dependence on key personnel

The Company's future success will also depend, inter alia, on its current directors, its management team and international representatives. The retention of their services or the services of any future management team cannot be guaranteed.

Likewise, the Company's ability to be a successful and profitable company will also depend on to a significant extent on the continued service of its key employees. The loss of service of one or more of these key employees could materially and adversely affect the Company's business and prospects. The directors believe that the growth and future success of the Company's business will depend in a large part on the Company's continued ability to attract, motivate and retain highly-skilled personnel. The Company may not be successful in doing so as the competition for qualified personnel in the area of the Company's operations is intense.

**FORD EAGLE GROUP LIMITED
DIRECTORS' REPORT FOR 2012**

6. PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

General Risks (continued)

Legal and regulation

Various laws, regulations and taxes may affect the Company's ability to conduct business in its chosen sphere of operation. New or amended laws, rules, regulations or ordinances could require significant unanticipated expenditures or impose restrictions on the development of the Company's business. Such laws, rules, regulations or ordinances may also adversely affect the Company's ability to operate its business.

Achievement of strategic aims

The value of an investment in the Company is dependent upon the Company achieving its strategic aim. Whilst the directors are optimistic about the prospects for the Company there is no certainty that the Company's business will be capable of achieving the anticipated revenues or growth. The Company's future operating results will be highly dependent upon how well it manages the planned expansion strategy. This growth and expansion could place significant strain on the Company's limited managerial, financial and other resources.

Currency fluctuations

The Company operates in different currency jurisdictions and currency fluctuations may adversely affect the revenue and profits of the Company.

Tax

The Company trades in different jurisdictions and each jurisdiction has its own tax regulations and may affect the net profits in the Company.

Legal System

The laws and regulations in Cayman, China and Hong Kong are different to those in the UK. The application of the laws of those jurisdictions may have a different outcome to the application of the UK law in respect of the Company's operations or any legal issues that arise.

Risks Relating to the PRC

The Company is exposed to significant risk due to policy change in China.

The business of the investee companies will need to comply with the laws and regulation promulgated by the PRC government from time to time. The implementation and enforcement of such laws and regulations could have a significant impact on the business outlook and operation of the investee companies.

In particular, the following uncertainties may affect the Company's operations and its profitability :

**FORD EAGLE GROUP LIMITED
DIRECTORS' REPORT FOR 2012**

6. PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Risks Relating to the PRC (continued)

- (i) substantial uncertainties regarding the interpretation and application of the PRC laws and regulations;
- (ii) new laws may be applied retrospectively;
- (iii) there may be a requirement to obtain new licences, permits or approvals and there is no guarantee that these may be obtained;
- (iv) the PRC government has broad discretion in dealing with violations of law and regulations, including levying fines, revoking business and other licences and requiring actions necessary for compliance;
- (v) the PRC legal system is based in part on government policies and internal rules, some of which are not published on a timely basis or at all; and
- (vi) in the PRC, transactions are often subject to government approval for their effectiveness. Failure to obtain such approval may lead to the Company being unable to carry out specific business transactions and/or contractual obligations, and may further subject the Company to penalties imposed by the PRC law.

7. SIGNIFICANT SHAREHOLDERS

The significant shareholders of the Company on 20 May, 2013 as per the Company Share Registrar were as follows :

<u>Shareholders</u>	<u>% of shares held</u>
Sze Thye Group Limited	28.14%
Wing Tak Jack Law *	19.98%
Mei Kuen Michelle Lai *	13.53%
Advanced Link Investment Limited *	6.51%
Computershare Company Nominees Limited	4.10%
Kam Fu Wong	4.82%
Hong Chen	3.57%

- * Out of their total shareholding of 40.02%, 24.87% share interest has been transferred to Globe Alliance Group Limited (note 30(2)) before 20 May, 2013. The relevant share registrar is in the process to record the change.

8. AUDITORS

Messrs. Clement C. W. Chan & Co. retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Messrs. Clement C. W. Chan & Co. as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

Chin Pang Tse
Director
23 May, 2013

FORD EAGLE GROUP LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESEPECT OF THE ANNUAL
REPORT AND THE FINANCIAL STATEMENTS FOR 2012

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. In addition, the Directors have elected to prepare the Group and Parent Company financial statements in accordance with International Financial Reporting Standards.

The Group and Parent Company financial statements are required to give a true and fair view of the state of affairs of the Group and Parent Company and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to :

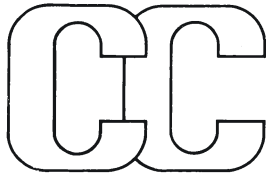
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and Parent Company and to allow for the preparation of financial statements. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation governing the preparation and dissemination of financial statements may differ from one jurisdiction to another.

The directors confirm that to the best of our knowledge :

- the financial statements, prepared in accordance with International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the directors' report includes a fair view of the development and performance of the business and position of the Company, together with a description of the principal risks and uncertainties that the Company faces.



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
FORD EAGLE GROUP LIMITED
(Incorporated in the Cayman Islands with limited liability)**

We have audited the Group and Parent Company financial statements (the "financial statements") of Ford Eagle Group Limited for the year ended 31 December, 2012 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated and Parent Company Statement of Cash Flows and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards are set out in the Statement of Directors' Responsibilities on page 7.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). These standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

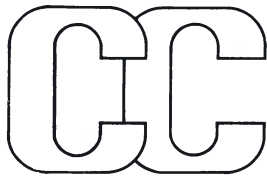
Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion :

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December, 2012 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs.



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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
FORD EAGLE GROUP LIMITED
(Incorporated in the Cayman Islands with limited liability)**

Emphasis of matter - going concern

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosures made in note 2 to the financial statements concerning the Company's ability to continue as a going concern. The going concern assumption is predicated on the successful fundraising from the Open Offer proposed by the board of directors to the Company's existing shareholders taking place subsequent to the reporting period end date, on 8 May, 2013 as detailed in note 30 to the financial statements. This indicates the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

**Clement C. W. Chan & Co.
Chartered Accountants
3/F., & 5/F., Heng Shan Centre,
145 Queen's Road East, Wanchai,
Hong Kong, 23 May, 2013**

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FORD EAGLE GROUP LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER, 2012

	Notes	<u>2012</u> GBP	<u>2011</u> GBP
CONTINUING OPERATIONS			
TURNOVER	5	391,665	43,366
OTHER INCOME	6	121,558	3,428
ADMINISTRATIVE EXPENSES		(375,329)	(363,011)
FINANCE COSTS	7	(13,613)	(1,230)
PROFIT/(LOSS) BEFORE TAX	8	<u>124,281</u>	<u>(317,447)</u>
INCOME TAX	9	-	-
PROFIT/(LOSS) FOR THE YEAR		<u>124,281</u>	<u>(317,447)</u>
OTHER COMPREHENSIVE (LOSS)/INCOME			
Exchange differences on translating foreign operations		(1,889)	1,462
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		<u>£122,392</u>	<u>(£315,985)</u>
BASIC AND DILUTED PROFIT/(LOSS) PER SHARE (PENCE)	10	<u>3.33</u>	<u>(9.90)</u>

The notes on pages 16 to 42 form an integral part of these financial statements.

FORD EAGLE GROUP LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER, 2012

	Notes	<u>2012</u> GBP	<u>2011</u> GBP
NON-CURRENT ASSETS			
Property, plant and equipment	11	-	18,825
Available-for-sale financial assets	14	36,331	-
Goodwill	23	-	-
		36,331	18,825
CURRENT ASSETS			
Financial assets at fair value through profit or loss	15	424,800	-
Trade and other receivables	16	3,578	4,682
Cash and cash equivalents	17	80,341	29,259
		508,719	33,941
CURRENT LIABILITIES			
Financial liabilities at fair value through profit or loss	15	106,200	-
Trade and other payables	18	7,558	44,196
Unsecured loan	19	39,900	-
		153,658	44,196
NET CURRENT ASSETS/(LIABILITIES)		355,061	(10,255)
TOTAL ASSETS LESS CURRENT LIABILITIES		391,392	8,570
NON-CURRENT LIABILITIES			
Unsecured loan	19	(79,800)	-
Loans from related parties	20	(344,908)	(305,443)
		(424,708)	(305,443)
NET LIABILITIES		(£33,316)	(£296,873)
REPRESENTING:-			
Share capital	21	414,660	320,550
Share premium	22	194,448	147,393
Foreign currency translation reserve	22	2,089	3,978
Accumulated losses	22	(644,513)	(768,794)
DEFICIENCY IN SHAREHOLDERS' FUNDS		(£33,316)	(£296,873)

These financial statements were approved by the Board on 23 May, 2013 and signed on their behalf by :

Anthony Charles Drury
 Non-executive chairman

Chin Pang Tse
 Director

The notes on pages 16 to 42 form an integral part of these financial statements.

FORD EAGLE GROUP LIMITED
COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER, 2012

	Notes	<u>2012</u> GBP	<u>2011</u> GBP
NON-CURRENT ASSETS			
Property, plant and equipment	11	-	17,195
Investments in subsidiaries	12	40,000	-
Amounts due from subsidiaries	13	-	-
Available-for-sale financial assets	14	-	-
		40,000	17,195
CURRENT ASSETS			
Trade and other receivables	16	-	-
Cash and cash equivalents	17	210	5,626
		210	5,626
CURRENT LIABILITIES			
Trade and other payables	18	6,240	37,281
Amount due to a subsidiary	13	176,689	-
		182,929	37,281
NET CURRENT LIABILITIES		(182,719)	(31,655)
TOTAL ASSETS LESS CURRENT LIABILITIES		(142,719)	(14,460)
NON-CURRENT LIABILITIES			
Loans from related parties	20	-	(294,761)
NET LIABILITIES		(£142,719)	(£309,221)
REPRESENTING:-			
Share capital	21	414,660	320,550
Share premium	22	194,448	147,393
Accumulated losses	22	(751,827)	(777,164)
DEFICIENCY IN SHAREHOLDERS' FUNDS		(£142,719)	(£309,221)

These financial statements were approved by the Board on 23 May, 2013 and signed on their behalf by:

Anthony Charles Drury
 Non-executive chairman

Chin Pang Tse
 Director

The notes on pages 16 to 42 form an integral part of these financial statements.

FORD EAGLE GROUP LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER, 2012

	<u>Share capital</u> GBP	<u>Share premium</u> GBP	<u>Accumulated losses</u> GBP	<u>Foreign currency translation reserve</u> GBP	<u>Reserves</u> GBP	<u>Total</u> GBP
As at 1 January, 2011	320,550	147,393	(451,347)	2,516	(301,438)	19,112
Issue of shares	-	-	-	-	-	-
Loss for the year	-	-	(317,447)	-	(317,447)	(317,447)
Other comprehensive income for the year	-	-	-	1,462	1,462	1,462
Total comprehensive (loss) for the year	-	-	(317,447)	1,462	(315,985)	(315,985)
As at 31 December, 2011	320,550	147,393	(768,794)	3,978	(617,423)	(296,873)
Issue of shares	94,110	47,055	-	-	47,055	141,165
Profit for the year	-	-	124,281	-	124,281	124,281
Other comprehensive (loss) for the year	-	-	-	(1,889)	(1,889)	(1,889)
Total comprehensive income for the year	-	-	124,281	(1,889)	122,392	122,392
As at 31 December, 2012	<u>£414,660</u>	<u>£194,448</u>	<u>(£644,513)</u>	<u>£2,089</u>	<u>(£447,976)</u>	<u>(£33,316)</u>

The notes on pages 16 to 42 form an integral part of these financial statements.

FORD EAGLE GROUP LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER, 2012

	Notes	<u>2012</u> GBP	<u>2011</u> GBP
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(Loss) before tax		124,281	(317,447)
Adjustments for:			
Bank interest received	6	(33)	(45)
Depreciation	11	-	4,370
Loss on disposal of property, plant and equipment	8	18,757	3,255
Impairment of available-for-sale financial assets	14	47,834	-
Impairment of trade receivables	16	-	30,000
Service income received in form of financial assets	15	(320,000)	-
Provision of staff costs recorded as financial liabilities	15	106,200	-
Fair value gain on financial assets at fair value through profit or loss	15	(104,800)	-
Waiver of accrued charges recorded as sundry income	6	(16,200)	-
Staff costs satisfied by issue of shares		42,000	-
Interest on unsecured loans	7	12,502	-
		<hr/>	<hr/>
Operating (loss) before working capital changes		(89,459)	(279,867)
Decrease/(Increase) in trade and other receivables		1,104	(23,409)
(Decrease)/Increase in trade and other payables		(20,438)	19,528
Accrued charges satisfied by issue of shares		15,000	-
		<hr/>	<hr/>
Net cash (used in) operating activities		(93,793)	(283,748)
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
CASH FLOWS FROM INVESTING ACTIVITIES			
Bank interest received	6	33	45
Payment for purchase of property, plant and equipment	11	-	(585)
Sales proceed on disposal of property, plant and equipment		-	18,349
		<hr/>	<hr/>
Net cash generated from investing activities		33	17,809
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans from related parties		39,465	240,579
Advance from other payables		138,852	-
Repayment from other payables		(19,152)	-
Interest on unsecured loans	7	(12,502)	-
		<hr/>	<hr/>
Net cash generated from financing activities		146,663	240,579
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		52,903	(25,360)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	17	29,259	53,084
EFFECT OF FOREIGN EXCHANGE RATES, NET		(1,821)	1,535
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	17	£80,341	£29,259
		<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

The notes on pages 16 to 42 form an integral part of these financial statements.

FORD EAGLE GROUP LIMITED
COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER, 2012

	Notes	<u>2012</u> GBP	<u>2011</u> GBP
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(Loss) before tax		25,337	(409,379)
Adjustments for:			
Bank interest received		(1)	(4)
Depreciation	11	-	2,143
Loss on disposal of property, plant and equipment		17,195	2,726
Impairment of available-for-sale financial assets	14	47,834	-
Loss on disposal of available-for-sale financial assets	14	36,330	-
Impairment of trade receivables	16	-	30,000
Impairment of investments in subsidiaries	12	-	40,000
Reversal of impairment of investments in subsidiaries	12	(40,000)	-
Impairment of amounts due from subsidiaries	13	-	204,665
Reversal of impairment of amounts due from subsidiaries	13	(204,665)	-
Waiver of accrued charges recorded as sundry income		(16,200)	-
Staff costs satisfied by issue of shares		42,000	-
Interest on unsecured loan		4,800	-
		<hr/>	<hr/>
Operating (loss) before working capital changes		(87,370)	(129,849)
Increase in trade and other receivables		-	(22,456)
(Decrease)/Increase in trade and other payables		(14,841)	15,497
Accrued charges satisfied by issue of shares		15,000	-
		<hr/>	<hr/>
Net cash (used in) operating activities		(87,211)	(136,808)
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
CASH FLOWS FROM INVESTING ACTIVITIES			
Bank interest received		1	4
Sales proceed on disposal of available-for-sale financial assets		1	-
Sales proceed on disposal of property, plant and equipment		-	18,349
Funds advanced to subsidiaries		381,354	(133,069)
		<hr/>	<hr/>
Net cash generated from/(used in) investing activities		381,356	(114,716)
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
CASH FLOWS FROM FINANCING ACTIVITIES			
(Repayment to)/Loans from related parties		(294,761)	243,653
Interest on unsecured loan		(4,800)	-
		<hr/>	<hr/>
Net cash (used in)/generated from financing activities		(299,561)	243,653
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
DECREASE IN CASH AND CASH EQUIVALENTS		(5,416)	(7,871)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	17	5,626	13,497
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	17	£210	£5,626
		<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

The notes on pages 16 to 42 form an integral part of these financial statements.

FORD EAGLE GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2012

1. GENERAL INFORMATION

The Company, an exempted company limited by shares incorporated in the Cayman Islands on 18 September 2009, is a specialised advisory and investment company. The address of its registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is quoted on the ICAP Securities and Derivatives Exchange "ISDX", formerly known as PLUS Stock Exchange, in the UK. The Company is also admitted to trading on the GXG European Stock Exchange on 4 July, 2012.

The Company and its subsidiaries (together the Group) provide advice to private companies on restructuring, mergers and acquisitions, as well as structuring and coordinating Initial Public Offerings and listings in major international equity markets.

2. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards "IFRSs".

The consolidated financial statements were authorised for issue by the Board of Directors on 23 May, 2013.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments at fair value through profit or loss which are measured at fair value at the reporting period end date with changes in fair value accounted for in profit or loss.

(c) Functional and presentation currency

These consolidated financial statements are presented in Sterling. The primary economic environment in which the Company operates is the People's Republic of China (including Hong Kong) and its functional currency is Hong Kong dollar.

(d) Going concern

The financial statements have been prepared on the going concern basis, which assumes that the Company will be able to meet its liabilities as they fall due.

The Company's revenue is dependent to a large extent on the completion of existing and future corporate finance and IPO assignments, the timing of which is uncertain. Should the expected assignments not be completed, the Company would need to obtain alternative finance.

To make sure that the Group will have adequate working capital in the next 12 months, the Company proposed an Open Offer to take place subsequent to the reporting period on 8 May, 2013 [note 30].

FORD EAGLE GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2012

2. BASIS OF PREPARATION (CONTINUED)

The directors are confident that this open offer will be successful as the Company has already received irrevocable undertakings from certain shareholders and directors collectively holding 70.02% of the issued Ordinary Shares of the Company that they will vote in favour of this open offer at the general meeting to take place on 31 May, 2013.

The viability of the Company is therefore dependent on the open offer to be successful. This constitute a material uncertainty that may cast doubt about the Company's ability to continue as a going concern. The financial statements do not contain the adjustments that would result if the Company were unable to continue as a going concern.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. However, there are no estimates or assumptions used on these consolidated financial statements that the directors expect will have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year.

(a) Depreciation

The measurement determines the estimated useful lives and residual values for its property, plant and equipment. Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives. The Group reviews annually the useful life of an asset and its residual value, if any. The depreciation expense for future periods is revised if there are significant changes from previous estimation.

(b) Impairments

In considering the impairment loss that may be required for certain property, plant and equipment, investments in subsidiaries and available-for-sale financial assets, recoverable amount of the asset needs to be determined. The recoverable amount is the greater of the net selling price and the value in use. It is difficult to precisely estimate selling price because quoted market prices for these assets may not be readily available. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to items such as level of turnover and amount of operating costs. The Group uses all readily available information in determining an amount that is reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of items such as turnover and operating costs.

Impairment losses for bad and doubtful debts are assessed and provided based on the directors' regular review of ageing analysis and evaluation of collectability. A considerable level of judgement is exercised by the directors when assessing the credit worthiness and past collection history of each individual customer. An increase or decrease in the above impairment loss would affect the net loss in the year and in future years.

FORD EAGLE GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2012

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

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

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

(b) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

The directors are of the opinion that the Group is engaged in a single segment of business being provision of advisory services in one geographical area being the People's Republic of China (including Hong Kong). Accordingly, no segmental analysis is considered necessary.

(c) Revenue

Revenue is measured at the fair value of the consideration received or receivable. The Group provides advice to private companies on restructuring, mergers and acquisitions, as well as structuring and coordinating Initial Public Offerings and listings in major international equity markets.

(i) Revenue from provision of services relating

- One off corporate and advisory services are recognised after the services have been rendered;
- Fixed monthly income in relation to coordinating initial public offering projects is recognised as monthly service income in accordance with the terms of the contracts and that the portion of fee income conditional upon successful completion of the initial public offering transaction will be recognised when the transaction has been successfully completed; and
- Recovering part of the costs incurred in an unsuccessful initial public offering project in the last financial reporting period from the corporate adviser was recognised on an agreed basis over the relevant period in which the service rendered as agreed.

(ii) Interest income

Interest income is recognised on a time apportioned basis using the effective interest method.

(d) Expenses

All expenses are accounted for on an accrual basis and are presented as revenue items except for expenses that are incidental to the disposal of an investment which are deducted from the disposal proceeds.

FORD EAGLE GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2012

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

Deferred income tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

(f) Foreign currency transactions

Transactions in currencies other than Sterling are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit or loss.

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

(g) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Results of subsidiaries are consolidated from the date on which control of the subsidiaries is transferred to the Group. They are deconsolidated from the date that control ceases.

Investments in subsidiaries are accounted for at cost less impairment. Intercompany transactions, balances and income and expenses on transactions between group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised assets are also eliminated.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less provision for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

FORD EAGLE GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2012

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is provided in order to write off each asset over its estimated useful life on straight-line basis as follows :

Motor vehicle	25%
Furniture, fixtures and equipment	10%

(i) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Where there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise.

(j) Financial instruments

Financial assets and financial liabilities are recognised when an entity in the Group becomes a party to the contractual provisions of a financial instrument. Financial assets and financial liabilities are offset if there is a legally enforceable right to set off the recognised amounts and interests and it is intended to settle on a net basis.

(i) Financial assets

The Group classifies its financial assets as either at fair value through profit and loss, or as available-for-sale financial assets. The Group does not hold any held to maturity financial assets or financial assets classified as loans and receivables.

The classification is dependent on the purpose for which the financial assets are acquired and is determined by the directors on initial recognition.

Financial assets at fair value through profit or loss are financial assets which are held for trading. A financial asset is classified as at fair value through profit or loss if it is acquired principally for the purpose of selling in the short term. Derivatives are also classified as held for trading unless they are designated as effective hedges. Such assets are classified as current assets. Financial assets at fair value through profit or loss are shown at fair value at each reporting date with changes in fair value being recognised in profit or loss.

Available-for-sale financial assets consist of equity investments in other companies where the Group does not exercise either control or significant influence. Available-for-sale financial assets are shown at fair value at each reporting date with changes in fair value being recognised in other comprehensive income.

Where financial assets are quoted, the fair value at each reporting date is based on the quoted bid price at that date. Where an available-for-sale financial asset consists of an equity investment in an unquoted entity where a reliable fair value cannot be determined, such investments are shown at cost less impairment.

FORD EAGLE GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2012

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments - continued

(ii) Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangement entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Financial liabilities and equity instruments are recorded at the proceeds received, net of issue costs.

(k) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(l) Interest-bearing borrowings

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

(m) Employee benefits

Short term employee benefits

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

Defined contribution plans

The obligations for contributions to defined contribution retirement plans are recognised as expenses in profit or loss as incurred. The assets of the plans are held separately from those of the Group in certain independently administered funds.

(n) Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest (no revision is considered necessary for the current period). The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to the profit and loss reserve. Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods or services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. There are no non-market vesting conditions.

FORD EAGLE GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2012

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Provisions

Provision is recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation, and the obligation can be reliably measured. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(p) Change in accounting policy and disclosures

In 2012, the Group adopted the new and amended standards, interpretations to the published standards and the improvements to IFRS which are relevant to its operation.

Standards in effect in 2012 adopted by the Group

The following standards, interpretations, and amendments to standards have been adopted in the financial statements.

Revised IAS 24	Related party disclosures
Amendments to IFRS 7	Financial instruments: Disclosures on derecognition
Amendment to IFRIC 14	IAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction

The adoption of the new and revised IFRSs has had no significant financial effect on these consolidated financial statements.

New standards, amendments to standards and interpretations

At the date of authorisation of these consolidated financial statements, IASB (International Accounting Standards Board) and IFRIC (International Financial Reporting Interpretations Committee) have issued the following standards and interpretations with an effective date after the date of these financial statements :

Amendment to IAS 1	Financial statement presentation regarding other comprehensive income
Amendment to IAS 32	Offsetting financial assets and financial liabilities
Amendment to IAS 34	Interim Financial Reporting
Amendment to IFRS 7	Financial instruments: disclosures - offsetting financial assets and financial liabilities
IFRS 9	Financial instruments
IFRS 10	Consolidated financial statements
IFRS 11	Joint arrangements
IFRS 12	Disclosures of interests in other entities
IFRS 13	Fair value measurement
IAS 19	Employee benefits

The Group did not early adopt any of these new or revised IAS and IFRS, amendments and interpretation to existing IAS and IFRS. Management is currently assessing the financial impact of these revisions to the Group's financial position and performance.

FORD EAGLE GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2012

5. TURNOVER

The principal activities of the Group are provision of advisory services to private companies on restructuring, mergers and acquisitions as well as structuring and coordinating Initial Public Offerings and listings in major international equity markets.

Turnover represents amount received and receivable for services rendered to customers. The category of revenue recognised in turnover during the year are as follows :-

	<u>2012</u> GBP	<u>2011</u> GBP
Fixed monthly income	10,976	3,366
Recovering part of the costs incurred in an unsuccessful initial public offering project	-	40,000
Conditional fee income upon successful completion of initial public offering project	356,990	-
One off corporate and advisory services	23,699	-
	<hr/>	<hr/>
	<u>£391,665</u>	<u>£43,366</u>

6. OTHER INCOME

	<u>2012</u> GBP	<u>2011</u> GBP
Bank interest income	33	45
Exchange gain	525	-
Change in fair value of financial assets at fair value through profit of loss - note 15c)	104,800	-
Other income	16,200	3,383
	<hr/>	<hr/>
	<u>£121,558</u>	<u>£3,428</u>

7. FINANCE COSTS

	<u>2012</u> GBP	<u>2011</u> GBP
Bank charges	1,111	1,230
Interest on unsecured loans	12,502	-
	<hr/>	<hr/>
	<u>£13,613</u>	<u>£1,230</u>

FORD EAGLE GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2012

8. PROFIT/(LOSS) BEFORE TAX

Profit/(Loss) before tax is stated after charging :

	<u>2012</u> <u>GBP</u>	<u>2011</u> <u>GBP</u>
Audit fees*	7,158	5,470
Commission paid	-	3,974
Depreciation - note 11)	-	4,370
Impairment of trade receivables - note 16)	-	30,000
Impairment of available-for-sale financial assets - note 14)	47,834	-
Legal and professional fees	33,417	94,955
Loss on disposal of property, plant and equipment	18,757	3,255
Staff costs (including directors' remuneration)		
- Mandatory provident fund contributions	976	1,603
- Salaries, allowances and others	113,102	115,963
- Provision for performance bonus – note 15b)	106,200	-
Rental expenses	3,109	41,970
Travel and hotel accommodation expenses	8,095	15,333
	<u> </u>	<u> </u>

* Audit fees represent auditor's remuneration for work undertaken in connection with the statutory audit of the Group's financial statements. No fees were charged by the Group's current auditors for the provision of transaction related services for the current year.

9. INCOME TAX EXPENSES

(a) No provision for income tax has been made in these financial statements as the Group's operating subsidiary has sufficient tax losses brought forward to set off in full the amount of estimated assessable profits achieved by that subsidiary for the current year (2011 : No provision for income tax was made as the Group's operating subsidiary sustained an estimated tax loss for that year).

(b) Reconciliation between income tax expenses and accounting profit/(loss) at applicable tax rates :-

	<u>2012</u> <u>GBP</u>	<u>2011</u> <u>GBP</u>
Profit/(Loss) on ordinary activities before tax	£124,281	(£317,447)
Profit/(Loss) on ordinary activities at applicable tax rates	14,263	(63,130)
Tax effect of expenses not deductible	5,086	98
Tax effect of income not taxable	(17,495)	-
Tax effect on other temporary difference	(31)	297
Tax effect of tax losses utilised	(35,374)	-
Tax effect of tax losses not recognised	33,551	62,735
	<u> </u>	<u> </u>
Income tax expenses	£ -	£ -
	<u> </u>	<u> </u>

FORD EAGLE GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2012

10. PROFIT/(LOSS) PER SHARE

Basic profit/(loss) per share is calculated by dividing the net profit/(loss) attributable to shareholders by the weighted average number of ordinary shares outstanding during the year.

	<u>2012</u> <u>GBP</u>	<u>2011</u> <u>GBP</u>
Profit/(loss) attributable to shareholders	124,281	(317,447)
Weighted average number of ordinary shares in issue	3,730,677	3,205,500
Basic and diluted profit/(loss) per share (pence)	3.33	(9.90)
	=====	=====

There is no difference between basic and diluted loss per share.

11. PROPERTY, PLANT AND EQUIPMENT

	<u>The Group</u>		
	<u>Motor</u> <u>vehicle</u> <u>GBP</u>	<u>Furniture,</u> <u>fixtures and</u> <u>and equipment</u> <u>GBP</u>	<u>Total</u> <u>GBP</u>
At cost:-			
As at 1 January, 2011	28,099	43,931	72,030
Additions	-	585	585
Disposals	(28,099)	(585)	(28,684)
Exchange realignment	-	69	69
	-----	-----	-----
As at 31 December, 2011	-	44,000	44,000
Disposals	-	(43,052)	(43,052)
Exchange realignment	-	(948)	(948)
	-----	-----	-----
As at 31 December, 2012	-	-	-
	-----	-----	-----
Aggregate depreciation:-			
As at 1 January, 2011	7,024	20,719	27,743
Charge for the year	-	4,370	4,370
Written back on disposal	(7,024)	(56)	(7,080)
Exchange realignment	-	142	142
	-----	-----	-----
As at 31 December, 2011	-	25,175	25,175
Written back on disposal	-	(24,295)	(24,295)
Exchange realignment	-	(880)	(880)
	-----	-----	-----
As at 31 December, 2012	-	-	-
	-----	-----	-----
Net carrying amount:-			
As at 31 December, 2012	£ -	£ -	£ -
	=====	=====	=====
As at 31 December, 2011	£ -	£18,825	£18,825
	=====	=====	=====

FORD EAGLE GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2012

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	<u>The Company</u>		
	<u>Motor vehicle GBP</u>	<u>Furniture, fixtures and and equipment GBP</u>	<u>Total GBP</u>
At cost:-			
As at 1 January, 2011	28,099	21,438	49,537
Disposals	(28,099)	-	(28,099)
	-----	-----	-----
As at 31 December, 2011	-	21,438	21,438
Disposals	-	(21,438)	(21,438)
	-----	-----	-----
As at 31 December, 2012	-	-	-
	-----	-----	-----
Aggregate depreciation:-			
As at 1 January, 2011	7,024	2,100	9,124
Charge for the year	-	2,143	2,143
Written back on disposal	(7,024)	-	(7,024)
	-----	-----	-----
As at 31 December, 2011	-	4,243	4,243
Written back on disposal	-	(4,243)	(4,243)
	-----	-----	-----
As at 31 December, 2012	-	-	-
	-----	-----	-----
Net carrying amount:-			
As at 31 December, 2012	£ -	£ -	£ -
	=====	=====	=====
As at 31 December, 2011	£ -	£17,195	£17,195
	=====	=====	=====

FORD EAGLE GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2012

12. INVESTMENTS IN SUBSIDIARIES

	<u>The Company</u>	
	<u>2012</u> GBP	<u>2011</u> GBP
Unlisted shares, at cost		
At 1 January	40,000	52,500
Written off on dissolution	-	(12,500)
	-----	-----
At 31 December	40,000	40,000
	-----	-----
Less : Impairment of investments		
At 1 January	(40,000)	(12,500)
Impairment made for the year	-	(40,000)
Written off on dissolution	-	12,500
Reversal of impairment	40,000	-
	-----	-----
At 31 December	-	(40,000)
	-----	-----
	£40,000	£ -
	=====	=====

Particulars of subsidiaries held by the Company as at 31 December, 2012 are as follows :-

<u>Name of company</u>	<u>Place of incorporation/ operation</u>	<u>Particulars of paid up capital</u>	<u>Percentage of equity held</u>		<u>Principal activity</u>
			<u>Direct</u>	<u>Indirect</u>	
Ford Eagle Capital Limited	Hong Kong	HK\$500,000	100%	-	Management, consultancy services
Ford Eagle Investment Consulting (Shenzhen) Limited	PRC	RMB1,000,000	-	100%	Management consultancy services

Subsequent to the reporting period end date on 8 May, 2013, the Board of Directors has resolved to dispose both subsidiaries to a non-executive director Wing Tak Jack Law for £1 – note 30).

FORD EAGLE GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2012

13. AMOUNTS DUE (TO)/FROM SUBSIDIARIES

	<u>The Company</u>	
	<u>2012</u> GBP	<u>2011</u> GBP
Ford Eagle Capital Limited	(176,689)	170,240
Ford Eagle Investment Consulting (Shenzhen) Limited	-	34,425
Less : Impairment loss	-	(204,665)
	<u> </u>	<u> </u>
	(£176,689)	£ -
	<u> </u>	<u> </u>

The amounts (to)/from due are interest free and unsecured.

14. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	<u>The Group</u>		<u>The Company</u>	
	<u>2012</u> GBP	<u>2011</u> GBP	<u>2012</u> GBP	<u>2011</u> GBP
Unlisted securities, at cost	96,165	-	96,165	-
Less : Satisfied as staff costs (note b)	(12,000)	-	(12,000)	-
Less : Impairment	(47,834)	-	(47,834)	-
Less : Disposal to a subsidiary	-	-	(36,331)	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	£36,331	£ -	£ -	£ -
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

- (a) In accordance with the Sale and Purchase Agreement “the Agreement” dated 18 April, 2012, the Company acquired 10% equity interest in Winning Step Investment Limited (“Winning Step”), a company incorporated in the British Virgin Islands, at a consideration of GBP96,165 which was satisfied by issuance of 641,100 Ordinary Shares of 10 pence each at the price of 15 pence per share of the Company. The principal activity of Winning Step is investment in properties in Hong Kong.
- (b) Under the Agreement, 80,000 Ordinary Shares out of the 641,100 Ordinary Shares were issued to Mr. Chin Pang Tse, an employee of the Group for his service rendered as an introducer in this acquisition transaction. An amount of GBP12,000 representing the cost of the 80,000 Ordinary Shares was accounted for as staff costs in these financial statements. Subsequent to the reporting period, Mr. Chin Pang Tse was appointed a director of the Company on 13 March, 2013.
- (c) The management conducted an impairment review of the investment in Winning Step by end of 2012. Based on the management accounts provided by Winning Step which were made up to the year ended 31 December, 2012, Winning Step had net assets of HK\$4,541,370 and incurred net loss of HK\$14,115,677 for the year then ended.

FORD EAGLE GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2012

14. AVAILABLE-FOR-SALE FINANCIAL ASSETS (CONTINUED)

By sharing 10% interest in Winning Step, the Company should be entitled to equity interest of HK\$454,137 (equivalent to GBP36,331) after taking up impairment loss to the fair value of all investment properties sold by Winning Step to third party after to the reporting period end date, in April, 2013.

- (d) On 31 December, 2012, the Company transferred all of its equity interest in Winning Step to Ford Eagle Capital Limited, its subsidiary, at a consideration GBP1, resulting in a loss of GBP36,330 charged to the Company's profits or loss for the year. The loss is however reversed in the Group's consolidated financial statements.

15. FINANCIAL ASSETS/(LIABILITIES) AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>The Group</u>	
	<u>2012</u>	<u>2011</u>
	GBP	GBP
Financial assets - notes a) and c)		
Listed equity securities at inception	320,000	-
Fair value gain for listed equity securities set aside for performance bonus	26,200	-
Fair value gain through profit or loss at year end	78,600	-
	<hr/>	<hr/>
Financial liabilities - note b)	424,800	-
Listed equity securities at inception and at year end	(106,200)	-
	<hr/>	<hr/>
	<u>£318,600</u>	<u>£ -</u>

- (a) In July, 2012, Ford Eagle Capital Limited, a subsidiary, was granted 4,000,000 ordinary shares at 1 pence each of LZYE Group Plc. "LZYE" as agreed settlement to its services rendered to LZYE for in advance of LZYE's successful listing on an UK Stock Exchange AIM in August 2012. The service fee is measured at fair value based on the placement price of 8 pence per share immediately before the listing of LZYE.

FORD EAGLE GROUP LIMITED
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15. FINANCIAL ASSETS/(LIABILITIES) AT FAIR VALUE THROUGH PROFIT OR LOSS - CONTINUED

(b) On 28 December, 2012, it was resolved by the Board of Directors that 1,000,000 ordinary shares of LZYE was to be set aside and to be granted to the management team as performance bonus in recognition of their services for this IPO project. The allocation of these shares among the management team is yet to be determined at the date of approval of these consolidated financial statements by the Board of Directors. An equivalent of financial liabilities relating to the 1,000,000 ordinary shares of LZYE is provided for with the corresponding amount of staff costs recognised in profit or loss at the closing price of 10.62 pence per share on that date.

(c) At 31 December, 2012, the financial assets held are comprised of :-

	Held for disposal 3,000,000 ordinary shares of LZYE GBP	Set aside for performance bonus 1,000,000 ordinary shares of LZYE GBP	Total GBP
On inception	240,000	80,000	320,000
Fair value gain			
- on 28 December, 2012	-	26,200	26,200
- on 31 December, 2012	78,600	-	78,600
	78,600	26,200	104,800
	£318,600	£106,200	£424,800
	£318,600	£106,200	£424,800

(d) The financial assets and liabilities were measured at the closing price of 10.62 pence per share on 31 December, 2012. On 20 May, 2013, the closing price of the shares was 5.88 pence per share.

16. TRADE AND OTHER RECEIVABLES

	<u>The Group</u>		<u>The Company</u>	
	<u>2012</u> GBP	<u>2011</u> GBP	<u>2012</u> GBP	<u>2011</u> GBP
Trade receivables	2,873	33,499	-	30,000
Less: impairment loss	-	(30,000)	-	(30,000)
	2,873	3,499	-	-
Rental deposits paid	705	-	-	-
Sundry receivables	-	1,183	-	-
	£3,578	£4,682	£ -	£ -
	£3,578	£4,682	£ -	£ -

FORD EAGLE GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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16. TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade debts are due on presentation of invoices to customers and have been past due for less than one year (2011 : 3 months) at the end of the reporting period. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

17. CASH AND CASH EQUIVALENTS

	<u>The Group</u>		<u>The Company</u>	
	<u>2012</u> GBP	<u>2011</u> GBP	<u>2012</u> GBP	<u>2011</u> GBP
Cash at bank and on hand	£80,341	£29,259	£210	£5,626
	=====	=====	====	=====

18. TRADE AND OTHER PAYABLES

	<u>The Group</u>		<u>The Company</u>	
	<u>2012</u> GBP	<u>2011</u> GBP	<u>2012</u> GBP	<u>2011</u> GBP
Accruals	7,038	42,530	6,240	37,281
Customer's deposit	-	1,666	-	-
Other payable	520	-	-	-
	-----	-----	-----	-----
	£7,558	£44,196	£6,240	£37,281
	=====	=====	=====	=====

19. UNSECURED LOANS

	<u>The Group</u>	
	<u>2012</u> GBP	<u>2011</u> GBP
Repayable within one year - note (a)	39,900	-
Repayable after one year - note (b)	79,800	-
	-----	-----
	£119,700	£-
	=====	=====

- (a) The loan is unsecured and bears interest at the rate of 2% per month. The loan is due for repayment on 31 December, 2013.
- (b) The loan is unsecured and bears interest at the rate of 12% per annum. The loan is due for repayment on 1 January, 2014.

FORD EAGLE GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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20. LOANS FROM RELATED PARTIES

	<u>The Group</u>		<u>The Company</u>	
	<u>2012</u> <u>GBP</u>	<u>2011</u> <u>GBP</u>	<u>2012</u> <u>GBP</u>	<u>2011</u> <u>GBP</u>
Wing Tak Jack Law (a director)	144,612	101,445 *	-	90,763
Chongju Guo (a shareholder)	200,296	203,998	-	203,998
	<u>£344,908</u>	<u>£305,443</u>	<u>£ -</u>	<u>£294,761</u>

The loans are interest free, unsecured and shall not be requested for repayment for at least the next twelve months from 31 December, 2012.

* Net of a balance of £3,013 due from Wing Tak Jack Law to Ford Eagle Capital Limited, a subsidiary at 31 December, 2011.

21. SHARE CAPITAL

	<u>2012</u> <u>GBP</u>	<u>2011</u> <u>GBP</u>
Authorised :		
100,000,000 Ordinary Shares of 10p each	10,000,000	10,000,000
Issued and fully paid :		
At the beginning of the year		
3,205,500 Ordinary Shares of 10p each (2011 : 3,205,500)	320,550	320,550
Increase during the year		
941,100 Ordinary Shares of 10p each (2011 : Nil)	94,110	-
At the end of the year		
4,146,600 Ordinary Shares of 10p each (2011 : 3,205,500)	<u>£414,660</u>	<u>£320,550</u>

On 19 April, 2012, 23 April, 2012 and 28 May, 2012, the Company issued 80,000, 561,000 and 100 ordinary shares of 10 pence each respectively at 15 pence per share in exchange for 10% interest in a company incorporated in Hong Kong.

On 24 September, 2012, the Company issued 300,000 Ordinary Shares of 10 pence each at 15 pence per share. Out of the 300,000 Ordinary Shares, 100,000 Ordinary Shares each were allotted to Anthony Charles Drury and Garry Alides Willinge as settlement of performance bonus of GBP15,000 granted to each director in respect of their services rendered to the Group for the year ended 31 December 2012 [note 24a)]. The remaining 100,000 Ordinary Shares were allotted to a creditor for settlement of trade payable.

On 8 May, 2013, the board of directors proposed a share reorganisation and an Open Offer of New Ordinary Shares to the Company's shareholders, details of which are disclosed in note 30 to the financial statements.

FORD EAGLE GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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23. GOODWILL

	GBP
Cost :-	
As at 1 January, 2011	28,481
Less : Written off on dissolution of a subsidiary (note 12)	(12,500)

As at 31 December, 2011 and 2012	15,981

Accumulated impairment loss :-	
As at 1 January, 2011	28,481
Less : Written off on dissolution of a subsidiary (note 12)	(12,500)

As at 31 December, 2011 and 2012	15,981
	=====
Net carrying amount :-	
As at 31 December, 2012	£ -
	=====
As at 31 December, 2011	£ -
	=====

24. DIRECTORS' REMUNERATION AND DIRECTORS' INTERESTS

The directors had the following interests in the shares of the Company at 31 December, 2012 and 2011 :-

Directly and indirectly held by the directors

	<u>2012</u>	<u>2011</u>	
Anthony Charles Drury	100,000	-	Ordinary shares
Wing Tak Jack Law	1,810,000	1,810,000	Ordinary shares
Wing Sang Wilson Hui	140,000	140,000	Ordinary shares
Garry Alides Willinge	100,000	-	Ordinary shares
Nicholas John Arnold Littlewood	223,750	223,750	Ordinary shares
	=====	=====	

FORD EAGLE GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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24. DIRECTORS' REMUNERATION AND DIRECTORS' INTERESTS (CONTINUED)

Details of the directors' annual remuneration are as follows :-

	<u>2012</u> GBP	<u>2011</u> GBP
Anthony Charles Drury – note a)	26,840	2,560
Wing Tak Jack Law	36,480	36,480
Wing Sang Wilson Hui – note 26a)	-	4,800
Garry Alides Willinge – note a)	19,800	4,800
Nicholas John Arnold Littlewood	4,080	24,000
Man Sang Eric Tsang	-	3,600
Andrew Pawley	-	400
	<hr/>	<hr/>
	£87,200	£76,640
	<hr/> <hr/>	<hr/> <hr/>

(a) Included in remuneration of Anthony Charles Drury and Garry Alides Willinge were performance bonus of GBP15,000 granted to each director in respect of their services rendered to the Group for the year ended 31 December 2012, which was satisfied by allotment of the Company's shares for 100,000 Ordinary Shares of 10 pence each at a price of 15 pence per share.

(b) All directors shall retire from office by rotation and retiring directors shall be eligible for re-election in the forthcoming Annual General Meeting.

25. OPERATING LEASE COMMITMENTS

As at 31 December, 2012 the Group had future aggregate minimum lease payments under non-cancellable operating leases in respect of office premises and staff quarter located in the People's Republic of China as follows :-

	<u>2012</u> GBP	<u>2011</u> GBP
Within one year	3,474	-
Later than one year but within five years	-	-
	<hr/>	<hr/>
	£3,474	£ -
	<hr/> <hr/>	<hr/> <hr/>

FORD EAGLE GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2012

26. RELATED PARTY TRANSACTIONS

As defined in International Accounting Standard 24 "Related Party Disclosures", parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related party transactions are transfers of resources or obligations between related parties, regardless of whether a price is charged.

- (a) Remuneration for key management personnel of the Company, including amounts paid to the Company's directors are disclosed in note 24.

During the year, Wing Sang Wilson Hui, a director of the Company, was entitled to an annual remuneration of GBP4,800. Subsequent to the reporting period, Mr. Hui has confirmed in writing to waive a total director's fee of GBP6,000 due to him, being GBP4,800 accrued for the current year and GBP1,200 accrued for last year. Mr. Hui resigned as director on 28 December, 2012. The waiver has been accounted in these financial statements.

In addition, an employee of the Group was remunerated with 80,000 Ordinary Shares of the Company for his service rendered as an introducer in acquiring the available-for-sale financial assets from a third party as disclosed in note 14b).

- (b) As disclosed in note 14c), the Company disposed its available-for-sale financial assets to Ford Eagle Capital Limited, its subsidiary, at its book value of GBP1 on 31 December, 2012.

There were no material related party transactions entered into during the year ended 31 December, 2011.

- (c) At the end of the reporting date, the Company had the following balances with its related parties :-

	<u>The Group</u>		<u>The Company</u>	
	<u>2012</u> <u>GBP</u>	<u>2011</u> <u>GBP</u>	<u>2012</u> <u>GBP</u>	<u>2011</u> <u>GBP</u>
Wing Tak Jack Law				
- a director	144,612	101,445 *	-	90,763
Chongju Guo				
- a shareholder	200,296	203,998	-	203,998
	<u>£344,908</u>	<u>£305,443</u>	<u>£ -</u>	<u>£294,761</u>

- * Net of a balance of £3,013 due from Wing Tak Jack Law to Ford Eagle Capital Limited, a subsidiary in last year.

FORD EAGLE GROUP LIMITED
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27. NET LIABILITIES VALUATION

The net liabilities valuation per share is calculated by dividing the net liabilities attributable to the equity holders of the Company at the end of the reporting period by the number of shares in issue.

	<u>2012</u> <u>GBP</u>	<u>2011</u> <u>GBP</u>
Net liabilities	(33,316)	(296,873)
Number of Ordinary Shares in issue	4,146,600	3,205,500
Net liabilities valuation per share	(£0.01)	(£0.09)
	=====	=====

28. WARRANTS

Under the Deed of Warrant Grant dated 16 June, 2010, the Company had issued 150,000 warrants which are exercisable at 21 pence per share up to 1 August, 2015 to Axiom Nominees Limited, the nominee of Axiom Capital Limited, the then the corporate financial advisor of the Company for the application for admission to the then PLUS Stock Exchange. On 31 October, 2012, PLUS Stock Exchange was rebranded and relaunched as the ICAP Securities and Derivative Exchange "ISDX".

29. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk), credit risk, liquidity risk and cash flow interest rate risk.

Risk management is carried out by the Board of Directors.

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Hong Kong dollar and Renminbi. Foreign exchange risk arises from commercial transactions, recognised monetary assets and liabilities and net investments in foreign operations.

Net liabilities of the Group denominated in Hong Kong dollar and Renminbi at the year end amounted to £387,202 (2011 : net liabilities of £20,313). At 31 December 2012, had the exchange rate between the Hong Kong dollar, Renminbi and Sterling increased or decreased by 10% with all other variables held constant, the increase or decrease respectively in net assets/liabilities would amount to approximately £38,720 (2011 : £1,469).

(ii) Cash flow and fair value interest rate risk and sensitivity

The Group's cash and cash equivalents are held with financial institutions at market interest rates and the interests on unsecured borrowings are charged at fixed rates. There are no other financial assets and liabilities which are interest bearing. The Group is therefore not subject to significant cash flow or fair value interest rate risk and a sensitivity analysis has not been provided.

FORD EAGLE GROUP LIMITED
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29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk

The Group's credit risk is primarily attributable to trade receivables and cash balances held with financial institutions. Management has a credit policy in place and the exposure to credit risk of trade receivables are monitored on an ongoing basis while cash balances are held with high-credit-quality financial institutions.

In respect of trade receivables, individual credit evaluations are performed on all customers. These evaluations focus on the customers' past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Normally, the Group does not obtain collateral from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of reporting period, the trade receivables were due from one customer (2011 : two customers).

As part of the Group's trade receivable monitoring and evaluation procedures, during the year, the Group identified an amount of trade receivable of £30,000 was impaired and full provision had therefore been made during 2011. Management has since then tightened its credit policy over new clients and business.

The maximum exposure to credit risk without taking account of any collateral held is represented by the carrying amount of each financial asset in the statement of financial position after deducting any impairment allowance. The Group does not provide any guarantees which would expose the Group or the Company to credit risk.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company aims to maintain flexibility in funding.

The following table details the remaining contractual maturities at the reporting end date of the Group's and the Company's financial liabilities which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates) and the earliest date the Group and the Company can be required to pay :-

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29. FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group

	2012				2011			
	Carrying amount GBP	Total contractual undiscouted cash flow GBP	Within 1 year or on demand GBP	Over 1 year GBP	Carrying amount GBP	Total contractual undiscouted cash flow GBP	Within 1 year or on demand GBP	Over 1 year GBP
Financial liabilities at fair value through profit or loss	106,200	(106,200)	(106,200)	-	-	-	-	-
Trade and other payables	7,558	(7,558)	(7,558)	-	44,196	(44,196)	(44,196)	-
Unsecured loans	119,700	(138,852)	(58,254)	(80,598)	-	-	-	-
Loans from related parties	344,908	(344,908)	-	(344,908)	305,443	(305,443)	-	(305,443)
	<u>£578,366</u>	<u>(£597,518)</u>	<u>(£172,012)</u>	<u>(£425,506)</u>	<u>£349,639</u>	<u>(£349,639)</u>	<u>(£44,196)</u>	<u>(£305,443)</u>

The Company

	2012				2011			
	Carrying amount GBP	Total contractual undiscouted cash flow GBP	Within 1 year or on demand GBP	Over 1 year GBP	Carrying amount GBP	Total contractual undiscouted cash flow GBP	Within 1 year or on demand GBP	Over 1 year GBP
Trade and other payables	6,240	(6,240)	(6,240)	-	37,281	(37,281)	(37,281)	-
Amount due to a subsidiary	176,689	(176,689)	(176,689)	-	-	-	-	-
Loans from related parties	-	-	-	-	294,761	(294,761)	-	(294,761)
	<u>£182,929</u>	<u>(£182,929)</u>	<u>(£182,929)</u>	<u>£-</u>	<u>£332,042</u>	<u>(£332,042)</u>	<u>(£37,281)</u>	<u>(£294,761)</u>

(d) Fair values

Financial instruments carried at fair value

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

- Level 1 (highest level): fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments
- Level 2: fair values measured using quoted prices in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data
- Level 3 (lowest level): fair values measured using valuation techniques in which any significant input is not based on observable market data

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29. FINANCIAL RISK MANAGEMENT (CONTINUED)

2012

	The Group			
	Level 1	Level 2	Level 3	Total
	GBP	GBP	GBP	GBP
Financial assets				
- listed equity securities	424,800	-	-	424,800
Financial liabilities				
- listed equity securities	106,200	-	-	106,200
	<u>£318,600</u>	<u>£ -</u>	<u>£ -</u>	<u>£318,600</u>

2012

	The Company			
	Level 1	Level 2	Level 3	Total
	GBP	GBP	GBP	GBP
Financial assets				
- listed equity securities	-	-	-	-
Financial liabilities				
- listed equity securities	-	-	-	-
	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>

30. SUBSEQUENT EVENTS

On 8 May, 2013, the Company put forward proposals relating to disposal of a trading subsidiary, change of business and adoption of investing strategy, capital reorganisation, open offer to raise GBP207,330 and change of name etc. to be passed at a general meeting to take place on 31 May, 2013. The proposals put forward are :-

1) Capital reorganisation

THAT each of the issued ordinary shares of nominal value 10 pence each in the capital of the Company be converted into stock of GBP0.10 and such stock be immediately reconverted into one ordinary share of nominal value 1 pence (an "Ordinary Share") and one Non-Voting share of nominal value 9 pence (a "Non-Voting Ordinary Share") with each class of shares having the rights and being subject to the restrictions set out in the Articles of Association of the Company.

2) Open offer to raise GBP207,330

For every one New Ordinary Shares held following the Share Capital Reorganisation, a shareholder can acquire a further five Open Offer Shares at a price of 1 pence each.

FORD EAGLE GROUP LIMITED
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30. SUBSEQUENT EVENTS (CONTINUED)

The offer to acquire new Ordinary Shares as part of the Open Offer is non-renounceable and therefore cannot be transferred (except to satisfy market claims).

The Open Offer Price of 1 pence per Open Offer Share represents a 90% discount to the closing price of 10 pence per Existing Ordinary Share on 7 May 2013 (being the last Business Day before announcement of the Open Offer).

Globe Alliance Group Limited which holds 24.87% of the Company has irrevocably committed to take up its full entitlement to acquire Open Offer Shares under the Open Offer and is underwriting the Open Offer for the Company. This indicates their strong support for the Company and the Open Offer.

3) Disposal of a trading subsidiary

Ford Eagle Capital Limited, ("FEC") a wholly owned subsidiary of the Company, is involved in management consulting. As at 31 March 2013, it had net liabilities of GBP184,076 before taking into account of amount due from the Company to FEC of GBP161,688. The major assets of FEC are certain listed shares with current market value of GBP176,400 which are subject to a lock up until August 2013. FEC's total debts amount to GBP366,582, of which GBP246,582 is currently due. In order to strengthen the balance sheet and to avoid a further drain of cash flow of the Company, the Board proposes to dispose the Company's entire interest in FEC to Mr. Wing Tak Jack Law "Jack Law" for a total consideration of GBP1 in exchange for Jack Law taking over the debt of GBP161,688 due by the Company to FEC.

As the Company will no longer have any interest in FEC, this effectively constitutes a disposal of the Company's trading subsidiary to a related party, Jack Law, and a fundamental change in the Company's business. Under the ISDX Rules for Issuers, any disposal, either directly or indirectly, to one of more related parties that will result in a fundamental change in the business, will require the consent of shareholders.

Jack Law will not vote on this resolution. The Directors, excluding Jack Law, believe that the terms of this transaction are fair and reasonable insofar as the Shareholders are concerned.

4) Change of business strategy and investing strategy

As a result of the disposal, the Company will become an Investing Company.

The proposed investing strategy is to maximise Shareholder value over a period of five to seven years by investing a combination of debt and equity in businesses with potential for significant growth in the medium to long term.

FORD EAGLE GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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30. SUBSEQUENT EVENTS (CONTINUED)

The Company will seek investments which would generally create capital appreciation for its Shareholders. The Directors' main investment criteria are :

- * A strong and credible business plan;
- * A core of competent and dedicated management team committed to developing and expanding the business;
- * Businesses with highly marketable products/services which require funding to growth;
- * Businesses which have the potential to realise sustainable value through the receipt of further funding and possibly listing on a public market;
- * Investment opportunities which can be developed through the investment of capital or where part of or all of the consideration could be satisfied by the issue of ordinary shares or other securities in the Company; and
- * Businesses where the Directors can be proactive in value-creation through their experience and expertise.

5) Change of name

To change of the Company's name to Globe Capital Limited

In respect of the proposed disposal of FEC to Jack Law in 3) above, the directors consider that the disposal together with the associated transactions is beneficial to the Group as set out below :-

	GBP
Taking over of debt by Jack Law	(161,688)
Consideration received	(1)
	<hr/>
	(161,689)
Less : Carrying value of available-for-sale financial assets at 31 December, 2012 - note 14	36,331
Carrying value of FEG at 31 December, 2012 - note 12	40,000
	76,331
	<hr/>
Excess liabilities taken over	(£85,358)
	<hr/> <hr/>