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OPES ASIA DEVELOPMENT LIMITED

華保亞洲發展有限公司*

(Continued into Bermuda with limited liability)

(Stock Code: 810)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2010

RESULTS

The Board of Directors (the “Board”) of Opes Asia Development Limited (the “Company”) is pleased to announce the audited results of the Company for the year ended 31 December 2010 as follows:

INCOME STATEMENT

For the year ended 31 December 2010

	<i>Note</i>	2010 HK\$	2009 HK\$
Turnover	4	16,207,050	6,071,100
Cost of equity securities disposed of		(9,125,233)	(285,000)
Unrealised fair value gains on financial assets at fair value through profit or loss		11,441,436	11,497,623
Gross profit		18,523,253	17,283,723
Other income	5	107,456	41,765
Administrative expenses		(4,985,261)	(11,207,982)
Other operating expenses		(1,141,550)	(4,556,654)
Finance costs	6	(15)	(24)
Profit before income tax		12,503,883	1,560,828
Income tax	7	—	—
Profit for the year		12,503,883	1,560,828
Attributable to:			
Equity holders of the Company	8	12,503,883	1,560,828
Earnings per share for profit attributable to the equity holders of the Company during the year	9		
— basic		HK cents 0.77	HK cents 0.10
— diluted		HK cents 0.77	HK cents 0.10

* For identification purposes only

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2010

	2010 <i>HK\$</i>	2009 <i>HK\$</i>
Profit for the year	<u>12,503,883</u>	<u>1,560,828</u>
Other comprehensive income/(loss):		
Available-for-sale financial assets:		
Changes in fair value	<u>—</u>	<u>(660,000)</u>
Other comprehensive income/(loss) for the year, (net of tax)	<u>—</u>	<u>(660,000)</u>
Total comprehensive income for the year	<u><u>12,503,883</u></u>	<u><u>900,828</u></u>
Total comprehensive income attributable to:		
Equity holders of the Company	<u><u>12,503,883</u></u>	<u><u>900,828</u></u>

STATEMENT OF FINANCIAL POSITION

As at 31 December 2010

	2010 HK\$	2009 HK\$
ASSETS		
Non-current assets		
Property, plant and equipment	101,697	274,283
Financial assets at fair value through profit or loss	17,995,000	22,420,000
Available-for-sale financial assets	20,820,000	20,927,000
	<u>38,916,697</u>	<u>43,621,283</u>
Current assets		
Financial assets at fair value through profit or loss	30,398,457	10,542,224
Deposit for acquisition of an investment	—	—
Other receivables, prepayments and deposits	5,925,634	5,748,548
Cash and cash equivalents	22,187,585	25,092,571
	<u>58,511,676</u>	<u>41,383,343</u>
Total assets	<u>97,428,373</u>	<u>85,004,626</u>
EQUITY		
Capital and reserves attributable to the Company's equity holders		
Share capital	1,630,200	1,630,200
Share premium	48,838,530	48,838,530
Contributed surplus	61,305,993	61,305,993
Share-based payment reserves	6,133,463	6,133,463
Available-for-sale fair value reserves	—	—
Accumulated losses	(20,840,527)	(33,344,410)
Total equity	<u>97,067,659</u>	<u>84,563,776</u>
LIABILITIES		
Current liabilities		
Other payables and accrued charges	360,714	440,850
Total liabilities	<u>360,714</u>	<u>440,850</u>
Total equity and liabilities	<u>97,428,373</u>	<u>85,004,626</u>
Net current assets	<u>58,150,962</u>	<u>40,942,493</u>
Total assets less current liabilities	<u>97,067,659</u>	<u>84,563,776</u>

Notes:

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and include applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities of the Stock Exchange of Hong Kong Limited (the “Listing Rules”). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and financial liabilities at fair value through profit or loss, which are carried at fair value (if any).

2. ADOPTION OF NEW OR REVISED HKFRS

The Company has adopted the amendments to HKFRSs that are relevant to its operations and effective for annual periods beginning on or after 1 January 2010. The impact of the application of the amendments to HKFRSs is discussed below.

Improvements to HKFRSs 2009

Amendments to a number of HKFRSs issued in May 2009

The principal effects of adopting these amendments to HKFRSs are as follows:

HKAS 1 Presentation of Financial Statements (as part of Improvements to HKFRSs 2009): It clarifies that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current.

HKAS 7 Statement of Cash Flows (as part of Improvements to HKFRSs 2009): It specifies that only expenditures that result in recognised assets in the consolidated statement of financial position are eligible for classification as investing activities.

3. SEGMENT INFORMATION

The Company determines its operating segments based on the reports reviewed by the chief operating decision maker that are used to make strategic decisions.

The Company has four reportable segments. The segments are managed separately as each business engaged in investment in listed and unlisted companies in Hong Kong, the People’s Republic of China (the “PRC”) and Australia. The following summary describes the operations in each of the Company’s reportable segments.

The business of investment in listed companies mainly refers to the investments in the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the Australian Securities Exchange Limited. The major sources of net income of the business are gains on disposals of investments and dividend income, if any.

The business of investment in unlisted companies mainly refers to the investments in the unlisted companies in Hong Kong and the PRC. The major sources of income of the business are dividend income from investments or guaranteed return provided by counter parties of certain unlisted investments.

Segment results represent the gross profit/(loss) for the period in each operating segment. This is the measure reported to the Company’s chief operating decision maker for the purpose of resources allocation and assessment of segment performance. Segment results exclude other income such as interest income and unallocated corporate expenses such as administrative and other operating expenses.

3. SEGMENT INFORMATION — Continued

Information regarding the Company's reportable segments as provided to the Company's chief operating decision maker for the purposes of allocation and assessment of segment performance for the year is set out below.

	Listed Investments		Unlisted Investments		Total HK\$
	Hong Kong HK\$	Australia HK\$	Hong Kong HK\$	The PRC HK\$	
For the year ended 31 December 2010					
TURNOVER	<u>10,927,050</u>	<u>—</u>	<u>—</u>	<u>5,280,000</u>	<u>16,207,050</u>
Segment results	<u>(2,585,226)</u>	<u>15,896,435</u>	<u>—</u>	<u>5,280,000</u>	<u>18,591,209</u>
Impairment			(107,000)		(107,000)
Interest income					39,500
Interest expenses					(15)
Depreciation					(172,586)
Unallocated income					—
Unallocated expenses					<u>(5,847,225)</u>
Profit for the year					<u>12,503,883</u>
Segment assets	31,253,514	17,139,943	—	26,100,000	74,493,457
Unallocated assets*					<u>22,934,916</u>
Total assets					<u>97,428,373</u>
Segment liabilities	—	—	—	—	—
Unallocated liabilities					<u>360,714</u>
Total liabilities					<u>360,714</u>
Capital expenditures	—	—	—	—	—
Unallocated capital expenditures					<u>—</u>
Total capital expenditures					<u>—</u>

* Unallocated assets mainly included cash and cash equivalents of HK\$22,187,585 and property, plant and equipment of HK\$101,697.

3. SEGMENT INFORMATION — Continued

	Listed Investments		Unlisted Investments		Total HK\$
	Hong Kong HK\$	Australia HK\$	Hong Kong HK\$	The PRC HK\$	
For the year ended 31 December 2009					
TURNOVER	<u>791,100</u>	<u>—</u>	<u>—</u>	<u>5,280,000</u>	<u>6,071,100</u>
Segment results	<u>19,069,525</u>	<u>(7,064,902)</u>	<u>—</u>	<u>5,280,000</u>	17,284,623
Impairment	—	—	(613,000)	—	(613,000)
Interest income					39,865
Interest expenses					(24)
Depreciation					(100,675)
Unallocated income					1,000
Unallocated expenses					<u>(15,050,961)</u>
Profit for the year					<u>1,560,828</u>
Segment assets	31,718,716	1,243,508	107,000	26,100,000	59,169,224
Unallocated assets*					<u>25,835,402</u>
Total assets					<u>85,004,626</u>
Segment liabilities	—	—	—	—	—
Unallocated liabilities					<u>(440,850)</u>
Total liabilities					<u>(440,850)</u>
Capital expenditures	—	—	—	—	—
Unallocated capital expenditures					<u>374,958</u>
Total capital expenditures					<u>374,958</u>

* Unallocated assets mainly included cash and cash equivalents of HK\$25,092,571 and property, plant and equipment of HK\$274,283

4. TURNOVER

The Company is engaged in investment in equity securities. Revenues recognised during the year are as follows:

	2010 <i>HK\$</i>	2009 <i>HK\$</i>
Sales of equity securities	10,927,050	791,100
Investment income	5,280,000	5,280,000
	<u>16,207,050</u>	<u>6,071,100</u>

5. OTHER INCOME

	2010 <i>HK\$</i>	2009 <i>HK\$</i>
Dividend income	67,956	900
Interest income	39,500	39,865
Sundry income	—	1,000
	<u>107,456</u>	<u>41,765</u>

6. FINANCE COSTS

	2010 <i>HK\$</i>	2009 <i>HK\$</i>
Interest on bank overdrafts	15	24

7. INCOME TAX

No Hong Kong profits tax is provided as there is no estimated assessable profit for the year (2009: Nil).

The taxation on the profit before tax differs from the theoretical amount that would arise using the taxation rate of Hong Kong as follows:

	2010 <i>HK\$</i>	2009 <i>HK\$</i>
Profit before tax	12,503,883	1,560,828
Tax calculated at a tax rate of 16.5%	2,063,140	257,537
Tax effects of:		
Income not subject to tax	(3,511,842)	(3,506,376)
Expenses not deductible for tax purposes	757,920	2,552,507
Tax losses for which no deferred income tax asset was recognised	664,723	711,187
Unrecognised deferred tax arising from temporary difference	26,059	(14,855)
Tax credit	—	—

There were no tax charge or credit relating to components of other comprehensive income for the year ended 31 December 2010 and 2009.

8. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of HK\$12,503,883 (2009: HK\$1,560,828).

9. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2010 <i>HK\$</i>	2009 <i>HK\$</i>
Profit attributable to equity holders of the Company	<u>12,503,883</u>	<u>1,560,828</u>
Weighted average number of ordinary shares in issue	<u>1,630,200,000</u>	<u>1,566,619,726</u>
Basic earnings per share	<u>HK cents 0.77</u>	<u>HK cents 0.10</u>

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share options. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	2010 <i>HK\$</i>	2009 <i>HK\$</i>
Earnings		
Profit attributable to equity holders of the Company	<u>12,503,883</u>	<u>1,560,828</u>
Weighted average number of ordinary shares in issue	<u>1,630,200,000</u>	<u>1,566,619,726</u>
Adjustment for:		
— Share options	<u>—</u>	<u>29,305,256</u>
Weighted average number of ordinary shares for diluted earnings per share	<u>1,630,200,000</u>	<u>1,595,924,982</u>
Diluted earnings per share	<u>HK cents 0.77</u>	<u>HK cents 0.10</u>

BUSINESS REVIEW AND PROSPECTS

Financial Review

Liquidity, Financial Resources and Capital Structure

The Company's bank balances and cash amounted to HK\$22.18 million at 31 December 2010. It is the Company's policy to secure adequate funding to match with cash flows required for working capital and investing activities.

There were no capital commitments as at 31 December 2010 which would require a substantial use of the Company's present cash resources or external funding.

The Company's gearing ratio was nil at end of 2010, as there was no long term borrowing of the Company at the year end.

The Company adopts a conservative policy in financial risk management with minimal exposure to interest rate and currency risks. The Company's principal operations are primarily conducted and recorded in Hong Kong dollars so that the exposure to foreign exchange fluctuations is minimal.

Investment Review

Operational Review for 2010

Last year, great fluctuation in the energy and food markets had been witnessed, making the issue of future stability of the price and supply of energy and food a rising concern for the public and the government. This leads to greater growth potential for our investment projects in environmental conservation. Our aim is to invest in projects which can bring in profit and is also sustainable. These investment projects are growing steadily and making profit contribution to the Company.

Investment Review

Our investment focus is mainly on projects in the Greater China region to grasp favorable opportunities to create long term revenue. Last year, the Company upheld its cautious investment philosophy to achieve steady growth in its investment projects. The profit for 2010 amounted to approximately HK\$12.50 million (2009: approximately HK\$1.56 million), mainly attributable to the gain from fair value changes in financial assets at fair value through profit and loss amounting to approximately HK\$11.44 million.

Benefited from the economic growth in China and the domestic demand stimulus measures adopted by the central government, the finance leasing industry and green food market in the PRC had been rapidly expanding. The unlisted investment projects in the emerging leasing market and organic agriculture of the Company in the Mainland China contributed net investment revenue (guaranteed profit) of HK\$5,280,000 to the Company.

Prospects

The car-leasing industry in the PRC continues to show promise as many corporate are now turning to leasing cars rather than buying them. Add to this the fact that cost for buying a car increased, more and more Chinese consumers, most of whom can't afford to buy a car at present, so they are becoming potential car renters. The emergence of the young driver segment with limited purchasing power is also a new source of revenue generation for automobile rental companies. Whilst the vehicle leasing industry in the PRC is still in the primary stage of development, the Company believe that the leasing business in our investment portfolio would continue to develop and grow.

The increasing global awareness for health and environmental issues is driving the market share of organic food in the food industry. In particular, the requirement for food safety of middle class in the PRC has significantly increased in recent years. The organic agriculture project in our investment portfolio transforms the agriculture and husbandry industry with the application of biotechnology to facilitate practice of organic farming. It removes the use of chemical fertilizers, hormone and antibiotics in farming and husbandry and effectively raising the quality and added-value of the products. Our project diversified its organic agriculture production to include grains, vegetable and fruit, pork and chicken etc. Though the sales outlets of these products are currently concentrated in Guangdong province, the project is expected to develop in a faster pace given the great room for growth in this market.

The Company continuously looks for investment opportunities, especially in the electric-powered cars industry. With the ongoing support to the industry from governments around the world, infrastructures for electric-powered cars are being built and network for charging points is expanding. These are in effect laying down foundations for the electric-powered cars industry and creating business opportunities in the technology development of battery performance, battery management and recharging equipment for electric-powered cars. We intend to capitalize on the opportunities with strategic partners.

FINANCIAL RESOURCES, BORROWINGS, CAPITAL STRUCTURE

As at 31 December 2010, the Company had cash and bank balances of approximately HK\$22.18 million. Invested assets increased by approximately HK\$15.32 million to approximately HK\$69.21 million, which indicated a 28% increase as compared to the previous year.

As at 31 December 2010, the Company's net assets were approximately HK\$97.07 million, an increase of approximately 15% as compared to 2009.

There were no capital commitments as at 31 December 2010, which would require a substantial use of the Company's present cash resources or external funding.

During the year under review, the Company's assets, liabilities and transactions were mainly denominated in Hong Kong Dollars and Australian Dollars. Because of its short-term nature, the Company had not actively hedged risks arising from the Australian Dollars.

The Company's gearing ratio as at 31 December 2010 was nil (2009: nil) as there was no long term borrowing at the end of the reporting period.

CHARGES ON THE COMPANY'S ASSETS AND CONTINGENT LIABILITIES

As at 31 December 2010, there were no charges on the Company's assets and the Company did not have any significant contingent liabilities.

STAFF COSTS

The Company's total staff costs (including directors' emoluments) for the year under review amounted to HK\$2,733,000 (2009: HK\$4,498,405).

DIVIDEND

The Board does not recommend the payment of a dividend for the year ended 31 December 2010 (2009: Nil).

LITIGATION

The Company has no pending litigation and proceedings.

PURCHASE, SALE OR REDEMPTION OF SHARES OF THE COMPANY

The Company has not purchased, sold or redeemed any of the Company's shares during the year ended 31 December 2010.

CORPORATE GOVERNANCE

The Board has reviewed the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") and has adopted the same as the Company's own code of corporate governance practices. During the financial year ended 31 December 2010, the Company has complied with all of the provisions under the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") contained in Appendix 10 of the Listing Rules as its own codes of conduct regarding securities transactions by Directors.

On specific enquires made, all Directors have confirmed that, in respect of the year ended 31 December 2010, they have complied with the required standard as set out in the Model Code.

AUDIT COMMITTEE

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Company and discussed auditing, internal controls and financial reporting matters including a review of the annual financial statements for the year ended 31 December 2010 ("Annual Report").

REVIEW OF FINANCIAL STATEMENTS

The Company's financial statements for the year ended 31 December 2010 have been reviewed by the Audit Committee of the Company. The figures in respect of the Company's income statement, statement of comprehensive income, the statement of financial position and the related notes thereto for the year ended 31 December 2010 as set out in the Preliminary Announcement have been agreed by the Company's auditors, FTW & Partners CPA Limited, to the amounts set out in the Company's audited financial statements for the year. The work performed by FTW & Partners CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by FTW & Partners CPA Limited on the Preliminary Announcement.

PUBLICATION ON THE STOCK EXCHANGE'S WEBSITE

The results announcement will be published on the Stock Exchange's website (<http://www.hkex.com.hk>). The 2010 Annual Report will be dispatched to the shareholders and will be made available on the website of Stock Exchange in due course.

On behalf of the Board
Opes Asia Development Limited
Shiu Kwok Keung
Executive Director

Hong Kong, 28 March 2011

As at the date of this announcement, the Board of the Company comprises three executive directors, namely Mr. Shiu Kwok Keung, Mr. Chu Wai Lim and Ms. Fong Son Wa, an non-executive director, namely Mr. Cheung Tung Lan, Tony and three independent non-executive directors, namely Mr. Tsang Wai Wa, Mr. Chen Man Lung and Mr. Choi Shek Chau.