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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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2011

INTERIM RESULTS

The Board of Directors (the “Board”) of Opes Asia Development Limited (the “Company”) announced the unaudited interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2011, with comparative figures for the corresponding periods in 2010. The condensed consolidated interim financial statements are unaudited, but have been reviewed by the Company’s audit committee.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2011

| | | (Unaudited) | |
|--|------|--------------------------|------------------|
| | | Six months ended 30 June | |
| | Note | 2011 HK\$ | 2010 HK\$ |
| Turnover | 4 | 9,219,427 | 41,400 |
| Cost of equity securities disposed of | | (8,469,684) | — |
| Unrealised fair value losses on financial assets at fair value through profit or loss | | (15,513,799) | (1,981,193) |
| Impairment loss on available-for-sale financial assets | | (6,720,000) | — |
| Gross loss | | (21,484,056) | (1,939,793) |
| Other income | 4 | 1,542 | 38,248 |
| Administrative expenses | | (3,036,044) | (2,468,893) |
| Other operating expenses | | (829,596) | (472,524) |
| Finance costs | 5 | (18) | — |
| Loss for the period | 6 | (25,348,172) | (4,842,962) |
| Attributable to: | | | |
| Equity holders of the Company | | (25,348,172) | (4,842,962) |
| | | | (Restated) |
| Loss per share for loss attributable to the equity holders of the Company during the period | | | |
| — basic | 8 | (HK cents 1.322) | (HK cents 0.259) |
| — diluted | | (HK cents 1.322) | (HK cents 0.259) |

* For identification purpose only

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2011

| | (Unaudited) | |
|---|----------------------------|---------------------------|
| | Six months ended 30 June | |
| | 2011 | 2010 |
| | <i>HK\$</i> | <i>HK\$</i> |
| Loss for the period | <u>(25,348,172)</u> | <u>(4,842,962)</u> |
| Other comprehensive income | | |
| Available-for-sale financial assets: | | |
| Changes in fair value | <u>(1,500,000)</u> | — |
| Other comprehensive expenses for the period, (net of tax) | <u>(1,500,000)</u> | — |
| Total comprehensive loss for the period | <u><u>(26,848,172)</u></u> | <u><u>(4,842,962)</u></u> |
| Total comprehensive loss attributable to: | | |
| Equity holders of the Company | <u><u>(26,848,172)</u></u> | <u><u>(4,842,962)</u></u> |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2011

| | (Unaudited) 30 June 2011 <i>HK\$</i> | (Audited) 31 December 2010 <i>HK\$</i> |
|--|---|---|
| | <i>Note</i> | |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 309,623 | 101,697 |
| Financial assets at fair value through profit or loss | 11,800,000 | 17,995,000 |
| Available-for-sale financial assets | 12,600,000 | 20,820,000 |
| | 24,709,623 | 38,916,697 |
| Current assets | | |
| Financial assets at fair value through profit or loss | 31,193,651 | 30,398,457 |
| Deposit for acquisition of an investment | — | — |
| Other receivables, prepayments and deposits | 1,531,835 | 5,925,634 |
| Cash and cash equivalents | 72,918,145 | 22,187,585 |
| | 105,643,631 | 58,511,676 |
| Total assets | 130,353,254 | 97,428,373 |
| EQUITY | | |
| Capital and reserves attributable to the Company's equity holders | | |
| Share capital | 2,494,200 | 1,630,200 |
| Reserves | 127,312,255 | 95,437,459 |
| Total equity | 129,806,455 | 97,067,659 |
| LIABILITIES | | |
| Current liabilities | | |
| Other payables and accrued charges | 546,799 | 360,714 |
| Total liabilities | 546,799 | 360,714 |
| Total equity and liabilities | 130,353,254 | 97,428,373 |
| Net current assets | 105,096,832 | 58,150,962 |
| Total assets less current liabilities | 129,806,455 | 97,067,659 |
| Net asset value per share | 9 | 0.0595 |

1. BASIS OF PREPARATION

This unaudited condensed consolidated interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”), including compliance with Hong Kong Accounting Standard (“HKAS”) 34, Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). It was authorised for issuance on 31 August 2011.

Except as described in note 2 to the interim financial report, the unaudited condensed consolidated interim financial report has been prepared in accordance with the same accounting policies adopted in the 2010 annual financial statements.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This unaudited condensed consolidated interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2010 annual financial statements. The unaudited condensed interim consolidated financial statements and notes thereon do not include all of the information required for full set of consolidated financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”, which term collectively includes HKASs and Interpretations).

The financial information relating to the financial year ended 31 December 2010 that is included in the interim financial report as being previously reported information does not constitute the Group’s statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2010 are available from the Group’s registered office. The auditor has expressed an unqualified opinion on those financial statements in their report dated 28 March 2011.

2. SIGNIFICANT ACCOUNTING POLICIES

The HKICPA has issued new and revised HKFRSs and a number of amendments to HKFRSs that are first effective for the current accounting period of the Group.

In the current interim period, the Group has applied, for the first time, the following new or revised HKFRSs and amendments issued by the HKICPA, which are effective for the Group’s financial year beginning on 1 January 2011. The adoption of the following new and revised HKFRSs and amendments had no significant impacts on the Group’s accounting policies and had no significant effect on the results reported for the first half of 2011.

| | |
|-------------------------------|--|
| HKFRSs (Amendments) | Improvements to HKFRSs 2010 |
| HKFRS 1 (Amendments) | Limited exemption from comparative HKFRS 7 disclosures for first-time adopters |
| HKAS 24 (Revised) | Related party disclosures |
| HKAS 32 (Amendments) | Classification of rights issues |
| HK(IFRIC)-Int 14 (Amendments) | Prepayments of a minimum funding requirement |
| HK(IFRIC)-Int 19 | Extinguishing financial liabilities with equity instruments |

3. SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker, the Executive Directors of the Company, that are used to make strategic decisions.

The Group has five reportable segments. The segments are managed separately as each segment engages 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 Group's reportable segments.

The business of investment in listed companies mainly refers to the investments in the Stock Exchange, the Shenzhen Stock Exchange and the Australian Securities Exchange Limited. The major sources of 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 and 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 Group'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.

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

| | Listed investments | | | Unlisted investments | | Total HK\$ |
|--|--------------------|-----------------|--------------------|----------------------|-----------------|---------------------|
| | Hong Kong HK\$ | The PRC HK\$ | Australia HK\$ | Hong Kong HK\$ | The PRC HK\$ | |
| For the six months ended 30 June 2011 | | | | | | |
| TURNOVER | <u>9,204,189</u> | <u>15,238</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>9,219,427</u> |
| Segment results | <u>(6,388,025)</u> | <u>1,542</u> | <u>(8,377,573)</u> | <u>(6,720,000)</u> | <u>—</u> | <u>(21,484,056)</u> |
| Interest income | | | | | | 1,542 |
| Depreciation | | | | | | (55,074) |
| Interest expenses | | | | | | (18) |
| Unallocated income | | | | | | — |
| Unallocated expenses | | | | | | <u>(3,810,566)</u> |
| Loss for the period | | | | | | <u>(25,348,172)</u> |

| | Listed investments | | | Unlisted investments | | Total HK\$ |
|--|--------------------|-----------------|-------------------|----------------------|-----------------|--------------------|
| | Hong Kong HK\$ | The PRC HK\$ | Australia HK\$ | Hong Kong HK\$ | The PRC HK\$ | |
| For the six months ended 30 June 2010 | | | | | | |
| TURNOVER | <u>41,400</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>41,400</u> |
| Segment results | <u>(4,245,911)</u> | <u>—</u> | <u>2,306,118</u> | <u>—</u> | <u>—</u> | <u>(1,939,793)</u> |
| Interest income | | | | | | 38,248 |
| Depreciation | | | | | | (86,293) |
| Interest expenses | | | | | | — |
| Unallocated income | | | | | | — |
| Unallocated expenses | | | | | | <u>(2,855,124)</u> |
| Loss for the period | | | | | | <u>(4,842,962)</u> |

4. TURNOVER AND OTHER INCOME

The Group is engaged in investment in equity securities. Turnover and other income recognised during the period are as follows:

| | (Unaudited) | |
|---|---------------------------------|---------------|
| | Six months ended 30 June | |
| | 2011 | 2010 |
| | HK\$ | HK\$ |
| Turnover: | | |
| Sales of financial assets at fair value through profit or loss | 9,078,664 | — |
| Dividend income | 140,763 | 41,400 |
| | <u>9,219,427</u> | <u>41,400</u> |
| Other income: | | |
| Interest income | <u>1,542</u> | <u>38,248</u> |

5. FINANCE COSTS

| | (Unaudited) | |
|-----------------------------|---------------------------------|-------------|
| | Six months ended 30 June | |
| | 2011 | 2010 |
| | HK\$ | HK\$ |
| Interest on bank overdrafts | <u>18</u> | <u>—</u> |

6. LOSS FOR THE PERIOD

| | (Unaudited) | |
|---|---------------------------------|------------------|
| | Six months ended 30 June | |
| | 2011 | 2010 |
| | HK\$ | HK\$ |
| Loss for the period is arrived at: | | |
| After charging the following items: | | |
| Depreciation | 55,074 | 86,293 |
| Operating lease payment in respect of rental premises | 547,426 | 432,720 |
| Impairment loss on other receivables | — | 36,986 |
| | <u>—</u> | <u>—</u> |
| Staff costs, including directors' emoluments | | |
| Wages and salaries | 1,460,558 | 1,339,800 |
| Retirement benefits scheme contributions | 26,456 | 35,600 |
| | <u>26,456</u> | <u>35,600</u> |
| | <u>1,487,014</u> | <u>1,375,400</u> |

7. INCOME TAX

No Hong Kong Profits is provided as the Group has no estimated assessable profit for the period (2010: Nil).

8. LOSS PER SHARE

(a) Basic

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

| | (Unaudited) | |
|---|---------------------------------|-------------------------|
| | Six months ended 30 June | |
| | 2011 | 2010 |
| | HK\$ | HK\$ |
| Loss attributable to equity holders of the Company | <u>(25,348,172)</u> | <u>(4,842,962)</u> |
| Weighted average number of ordinary shares in issue | <u>1,917,908,259</u> | <u>1,868,966,667</u> |
| Basic loss per share | <u>(HK cents 1.322)</u> | <u>(HK cents 0.259)</u> |

(b) Diluted

Diluted loss 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 market share price of the Company's shares during the period) 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.

| | 2011 HK\$ | 2010 <i>HK\$</i> (Restated) |
|--|--------------------------------|-----------------------------------|
| Loss attributable to equity holders of the Company | <u>(25,348,172)</u> | <u>(4,842,962)</u> |
| Weighted average number of ordinary shares in issue | 1,917,908,259 | 1,868,966,667 |
| Adjustments for | | |
| — Share options | <u>—</u> | <u>—</u> |
| Weighted average number of ordinary shares for diluted loss per share | <u>1,917,908,259</u> | <u>1,868,966,667</u> |
| Diluted loss per share | <u>(HK cents 1.322)</u> | <u>(HK cents 0.259)</u> |

The weighted average number of ordinary shares of the purpose of calculating basic and diluted earnings per share in 2010 has been adjusted to reflect the issuance of shares under the open offer of the Company's shares during the six months ended 30 June 2011.

9. NET ASSET VALUE PER SHARE

The calculation of net asset value per share is based on the net assets of HK\$129,806,455 (31 December 2010: HK\$97,067,659) and 2,494,200,000 (31 December 2010: 1,630,200,000) ordinary shares in issue as at 30 June 2011.

10. EVENTS AFTER THE END OF THE REPORTING PERIOD

The Group has no significant events after the end of the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2011 (2010: Nil).

FINANCIAL REVIEW

The Group recorded a loss of HK\$25,348,172 for the six months ended 30 June 2011 (2010: net loss of HK\$4,842,962). This is mainly due to the net unrealised fair value loss and impairment loss on the Group's listed investments and direct investment.

As at 30 June 2011, the Group's net asset value ("NAV") per share was HK\$0.0520 (31 December 2010: HK\$0.0595), decreased by 12.6% compared to that as at 31 December 2010. At the end of the period under review, the Company's share price was HK\$0.070 (31 December 2010: HK\$0.119), reflecting a 34.6% (31 December 2010: 100.00%) premium to NAV per share.

INVESTMENT REVIEW

In the first half of 2011, the global economy remained turbulent and the capital market experienced dramatic changes. Although the economy of most countries regained upward momentum gradually, inflation pressure remained high. Prices of commodities and precious metals rose to a record high and the CPIs around the world were inching up. Different countries had taken measures to curb inflation and stimulate economic recovery. Unfortunately, while the global economy has yet to recover from the US subprime mortgage crisis, the new round of European sovereign debt crisis emerged, making the global financial markets even more unstable.

Under such complicated circumstances, the confidence of investors all over the world was generally weak. The global market indexes fluctuated significantly in the first half of the year. As a result of the unfavourable market conditions, the Group has suffered from a negative performance of its existing investment portfolio in the half year.

The Group adheres to prudent investment strategies and continuously strengthens risk control and investment management, as well as reviews established investment direction, investment strategies and investment models. Adjustments have been made to some of the investment projects to control investment risks and achieve the medium and long term goal of appreciation in value of the investments.

PROSPECT

We expect that the pressure of inflation will remain high in the second half of the year and the adverse impact from European debt crisis may spread. It is very likely that the prices of international commodities will remain volatile and the likelihood of the implementation of monetary easing by the US-led Western economies will increase. However, the growth of the emerging economies is expected to be maintained while significant recovery in the global economy may continue to face uncertainties.

The Group will keep an eye on the changing environment of the global economy; prudently assess its existing investment portfolio and direct investment projects, including investments in new energy and organic agriculture; evaluate the various aspects like social and economic benefits; and make timely adjustment to its investment portfolio on the basis of risk control and effectiveness.

Meanwhile, the Group will continuously identify appropriate investment opportunities, especially the special opportunities in the market of China, benefitting from the rapid growth of the Chinese economy, including the appreciation of Renminbi. The management sees tremendous growth potential in the domestic financial service industry on the mainland in the coming years. The Group is in initial exploration over a number of potential financial service projects in the mainland and is conducting corresponding preliminary assessments. The management believes that the Group's overall results will be improved and the achievement of the goal of long term continuous capital appreciation for investors will be achieved if these projects are to be implemented successfully.

LIQUIDITY AND FINANCIAL RESOURCES

The Group continued to maintain a healthy financial position. As at 30 June 2011, the cash and bank balances of the Group were approximately HK\$72.9 million (31 December 2010: approximately HK\$22.2 million). The Board believes that the Group has sufficient working capital for its operations.

The Group did not pledge any marketable securities for banking facilities as at 30 June 2011 (31 December 2010: Nil) nor has any bank borrowing. The gearing ratio was nil (31 December 2010: Nil).

As at 30 June 2011, the Group had no material capital commitments and contingent liabilities.

EXPOSURE TO FOREIGN EXCHANGE RISK

Majority of the Group's investment are denominated in Hong Kong dollars (for certain investment in Hong Kong equity as well as cash with bank). The Group also has some investments in Australian Securities Exchange Limited (approximately 6.7% of total assets). As such, the Board considers the Group's exposure to foreign exchange fluctuation acceptable and no particular hedging strategy is needed to be adopted.

CAPITAL STRUCTURE

At as 30 June 2011, the Company's total number of issued shares was 2,494,200,000 (As at 31 December 2010: 1,630,200,000).

STAFF

As at 30 June 2011, the Company comprised of three executive directors, all of them are salaried, and two professional employees. Total staff cost, including contributions to Mandatory Provident Fund scheme, and directors' remuneration, paid during the first half of 2011 was approximately HK\$1.5 million (2010: approximately HK\$1.4 million). The remuneration packages for the employees and the directors are in line with the prevailing market practice and are determined on the basis of performance and experience of each individual.

THE BOARD

Dr. Wai Chung Fai resigned as Executive Director and the Chairman of the Board of the Company with effect from 11 March 2011 and Mr. Cheung Tung Lan, Tony was appointed as Non-executive Director and the Chairman of the Board with effective from 18 March 2011 to fill the causal vacancy.

Mr. Shiu Kwok Keung resigned as Executive Director and Chief Executive Officer of the Company and Mr. Yang Yongdong was appointed as Executive Director and Chief Executive Officer of the Company to fill the causal vacancy both effective from 15 April 2011.

Mr. Chen Man Lung and Mr. Choi Shek Chau resigned as Independent Non-executive Directors, members of Audit Committee and members of Remuneration Committee of the Company with effective from 21 April 2011 and 9 May 2011 respectively; Mr. Chan Yuk Sang and Professor Chen Yamin were appointed as Independent Non-executive Directors, members of Audit Committee and members of Remuneration Committee of the Company with effective from 21 April 2011 and 9 May 2011 respectively to fill the causal vacancy.

Mr. Wang Shiyan was appointed as Non-executive Director of the Company with effective from 28 July 2011.

As at the date of this announcement, the Board consists of three Executive Directors namely, Mr. Yang Yongdong, Mr. Chu Wai Lim, and Ms. Fong Son Wa; two Non-executive Directors namely, Mr. Cheung Tung Lan, Tony and Mr. Wang Shiyan; and three Independent Non-executive Directors namely, Mr. Tsang Wai Wa, Professor Chen Yamin and Mr. Chan Yuk Sang.

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

During the six months ended 30 June 2011, the Company and subsidiaries did not purchase, sell or redeem any of the Company's listed securities.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules. Upon enquiry by the Company, all Directors of the Company have confirmed that they have complied with the required standards set out in the Model Code throughout the period under review.

AUDIT COMMITTEE

During the period under review, Mr. Chan Yuk Sang and Professor Chen Yamin were appointed as member of Audit Committee of the Company to fill the vacancy arising from the resignation of Mr. Chen Man Lung and Mr. Choi Shek Chau.

As at the date of this announcement, the Audit Committee of the Company comprises Mr. Tsang Wai Wa, Professor Chen Yamin and Mr. Chan Yuk Sang who are all Independent Non-executive Directors of the Company.

The Audit Committee met and reviewed with the management the accounting principles and practices adopted by the Group, and discussed internal controls and financial reporting matters including a review of the Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2011.

REMUNERATION COMMITTEE

A Remuneration Committee was established by the Company on 30 August 2005, in accordance with the requirement of the Code on Corporate Governance Practices (the "CG Code") set out in Appendix 14 of the Listing Rules. During the period under review, Mr. Chan Yuk Sang and Professor Chen Yamin were appointed as member of Remuneration Committee of the Company to fill the vacancy arising from the resignation of Mr. Chen Man Lung and Mr. Choi Shek Chau. As at the date of this announcement, the Remuneration Committee comprises one Executive Director and three Independent Non-executive Directors: Mr. Chu Wai Lim, Mr. Tsang Wai Wa, Professor Chen Yamin and Mr. Chan Yuk Sang. Mr. Chu Wai Lim was the chairman of the Remuneration Committee. The Remuneration Committee has adopted terms of reference which are in line with the CG Code.

NOMINATION COMMITTEE

The Company has not yet to appoint a Nomination Committee, the establishment of which is a recommended best practice by the Stock Exchange.

The current Board practice of appointment of new directors is that all valid nomination of candidates, accompanied with related details of their biographies, for directorships in the Company would be brought before the Board for consideration as soon as practicable. Consideration would be given to factors such as the candidate's experience and qualifications relevant to the Company's business. It is believed that members of the Board would collectively have the required professional knowledge and skills in discharging the Board's responsibility in identifying, recruiting and evaluating new nominees to the Board and the assessment of qualifications of nominated candidates for directorship.

During the period under review, the Board has adopted the aforesaid nomination policy in the nomination and appointment of Directors.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES UNDER THE LISTING RULES

The Company will continue to improve its corporate governance and believes it is fundamental for the development of the Company as well as for the benefits of the shareholders. The Board is pleased to confirm that the Company has complied with the CG Code applicable during the period.

By Order of the Board
Chu Wai Lim
Executive Director

Hong Kong, 31 August 2011