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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 PERIOD ENDED 30 JUNE 2013**

### **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 2013, with comparative figures for the corresponding periods in 2012. These condensed consolidated interim financial statements have not been audited, but have been reviewed by HLB Hodgson Impey Cheng Limited, the Group’s external auditors, and the Audit Committee.

### **CONDENSED CONSOLIDATED INCOME STATEMENT**

*For the six months ended 30 June 2013*

	<i>Notes</i>	<b>Six months ended 30 June</b>	
		<b>2013</b>	<b>2012</b>
		<b>HK\$</b>	<b>HK\$</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
Turnover	4	<b>26,793,446</b>	34,606,300
Cost of equity securities disposed of		<b>(24,005,285)</b>	(33,308,950)
Unrealised fair value change on financial assets at fair value through profit or loss		<b>274,755</b>	(12,920,579)
Change in fair value of derivative component in convertible bond receivable		<b>(161,070)</b>	–
Interest income on convertible bond		<b>3,363,657</b>	–
Impairment loss on available-for-sale financial assets		<b>(6,000,000)</b>	–
Dividend income		<b>67,000</b>	338,745
		<hr/>	<hr/>
Gross profit/(loss)		<b>332,503</b>	(11,284,484)

\* *For identification purpose only*

		<b>Six months ended 30 June</b>	
		<b>2013</b>	2012
		<b>HK\$</b>	<b>HK\$</b>
	<i>Notes</i>	<b>(Unaudited)</b>	(Unaudited)
Other income	4	<b>1,182</b>	369,133
Administrative expenses		<b>(11,465,246)</b>	(10,785,207)
Other operating expenses		<b>(3,285,002)</b>	(3,237,003)
Finance costs	5	<b>(1,780)</b>	(3,553)
Loss before income tax		<b>(14,418,343)</b>	(24,941,114)
Income tax expenses	7	<b>(10,953)</b>	–
Loss for the period	6	<b><u>(14,429,296)</u></b>	<b><u>(24,941,114)</u></b>
Loss for the period attributable to owners of the Company		<b><u>(14,429,296)</u></b>	<b><u>(24,941,114)</u></b>
Loss per share attributable to owners of the Company ( <i>HK cents</i> )			
– Basic and diluted	8	<b><u>(4.82)</u></b>	<b><u>(8.35)</u></b>

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2013

	Six months ended 30 June	
	2013	2012
	<i>HK\$</i>	<i>HK\$</i>
	(Unaudited)	(Unaudited)
Loss for the period	<u>(14,429,296)</u>	<u>(24,941,114)</u>
Other comprehensive income for the period, net of income tax:		
Items that may be reclassified subsequently to profit or loss:		
Change in fair values of available-for-sale financial assets	24,214	–
Reclassification of available-for-sale financial assets upon impairment	2,800,000	–
Exchange differences arising from translation of foreign operations	<u>(7,152)</u>	–
Other comprehensive income for the period, net of income tax	<u>2,817,062</u>	–
Total comprehensive loss for the period	<u><u>(11,612,234)</u></u>	<u><u>(24,941,114)</u></u>
<b>Total comprehensive loss for the period attributable to owners of the Company</b>	<u><u>(11,612,234)</u></u>	<u><u>(24,941,114)</u></u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

		As at 30 June 2013 <i>HK\$</i> (Unaudited)	As at 31 December 2012 <i>HK\$</i> (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		3,433,339	3,381,513
Intangible asset		120,000	120,000
Convertible bond receivable	9	–	21,672,209
Derivative component in convertible bond receivable	9	–	185,850
Financial assets at fair value through profit or loss Available-for-sale financial assets		–	9,808,750
		<u>12,238,496</u>	<u>15,414,282</u>
		<u>15,791,835</u>	<u>50,582,604</u>
<b>Current assets</b>			
Convertible bond receivable	9	22,572,153	–
Derivative component in convertible bond receivable	9	24,780	–
Financial assets at fair value through profit or loss		18,159,010	16,125,018
Deposits for acquisition of investments		5,000,000	5,000,000
Other receivables, prepayments and deposits		6,963,787	4,302,866
Cash and cash equivalents		<u>8,401,171</u>	<u>12,637,602</u>
		<u>61,120,901</u>	<u>38,065,486</u>
<b>Total assets</b>		<u><u>76,912,736</u></u>	<u><u>88,648,090</u></u>

	<b>As at 30 June 2013 HK\$ (Unaudited)</b>	<b>As at 31 December 2012 HK\$ (Audited)</b>
<b>EQUITY</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	2,993,000	2,993,000
Reserves	<u>72,315,845</u>	<u>83,928,079</u>
<b>Total equity</b>	<u><b>75,308,845</b></u>	<u>86,921,079</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Other payables and accruals	1,597,389	1,721,394
Tax payables	<u>6,502</u>	<u>5,617</u>
<b>Total liabilities</b>	<u><b>1,603,891</b></u>	<u>1,727,011</u>
<b>Total equity and liabilities</b>	<u><b>76,912,736</b></u>	<u>88,648,090</u>
<b>Net current assets</b>	<u><b>59,517,010</b></u>	<u>36,338,475</u>
<b>Total assets less current liabilities</b>	<u><b>75,308,845</b></u>	<u>86,921,079</u>
<b>Net assets value per share</b>	<i>10</i> <u><b>0.2516</b></u>	<u>0.2904</u>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

*For the six months ended 30 June 2013*

## 1. BASIS OF PREPARATION

The condensed consolidated interim financial statements for the six months ended 30 June 2013 have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). They have been prepared under the historical cost convention, except for certain financial instruments, which are carried at fair values. The condensed consolidated interim financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest dollar except when otherwise indicated. The condensed consolidated interim financial statements are unaudited, but have been reviewed by HLB Hodgson Impey Cheng Limited, the Group’s external auditors, and the Audit Committee.

## 2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in preparing the condensed consolidated interim financial statements are consistent with those adopted in the preparation of the Group’s annual financial statements for the year ended 31 December 2012 except for the adoption of the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the HKICPA as discussed below.

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations (“new and revised HKFRSs”) issued by the HKICPA, which are effective for the Group’s financial year beginning 1 January 2013.

Amendments to HKFRSs	Annual Improvements 2009-2011 Cycle
HKFRS 1 (Amendments)	Government Loans
HKFRS 7 (Amendments)	Disclosure – Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 10, HKFRS 11 & HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities – Transition Guidance
HKFRS 13	Fair Value Measurement
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine

The application of the above new and revised HKFRSs had no material effect on the results and financial positions of the Group for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

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

HKFRS 9	Financial Instruments <sup>2</sup>
HKFRS 9 & HKFRS 7 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosure <sup>2</sup>
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities <sup>1</sup>
HKAS 32 (Amendments)	Presentation – Offsetting Financial Assets and Financial Liabilities <sup>1</sup>
HKAS 36 (Amendments)	Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets <sup>1</sup>
HKAS 39 (Amendments)	Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting <sup>1</sup>
HK(IFRIC) – Int 21	Levies <sup>1</sup>

<sup>1</sup> *Effective for annual periods beginning on or after 1 January 2014*

<sup>2</sup> *Effective for annual periods beginning on or after 1 January 2015*

The Group is in the process of assessing the potential impact of the above new and revised HKFRSs upon initial application but is not yet in a position to state whether the above new and revised HKFRSs will have a significant impact on the Group's results of operations and financial position. The Group intends to adopt the new/revised standards and amendments to existing standards when they become effective.

### **3. SEGMENT INFORMATION**

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

The Group has six (six months ended 30 June 2012: seven) reportable business segments. Each business segment is managed separately and is engaged in investment in listed and unlisted companies in Hong Kong, the People's Republic of China (the "PRC"), Macau, Australia and the United States (the "US"). The following summary describes the operations in each of the Group's reportable business segments.

### ***Listed investments***

There are three (six months ended 30 June 2012: four) reportable business segments under this category, namely investments in listed companies on the Stock Exchange of Hong Kong, investment in a listed company on the Australian Securities Exchange Limited and investment in a listed company on the New York Stock Exchange Euronext. The major sources of income of net income from these three business segments are gains on disposals of listed securities and dividend income, if any.

### ***Unlisted investments***

There are three (six months ended 30 June 2012: three) reportable business segments under this category, namely investments in unlisted companies in Hong Kong, the PRC and Macau. The major sources of income of these three business segments are dividend income from investments or guaranteed return provided by counterparties of the unlisted investments.

Segment results represent the gross profit/(loss) for the period in each business 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\$	Australia HK\$	United States HK\$	Hong Kong HK\$	The PRC HK\$	Macau HK\$	
For the six months ended 30 June 2013 (Unaudited)							
Turnover	25,480,661	-	1,312,785	-	-	-	26,793,446
Segment results	2,862,799	-	267,117	-	(6,000,000)	3,202,587	332,503
Interest income							1,182
Interest expenses							(1,780)
Depreciation							(796,112)
Unallocated expenses							(13,954,136)
Income tax expenses							(10,953)
Loss for the period							<u>(14,429,296)</u>



	Listed investments				Unlisted investments			Total HK\$
	Hong Kong HK\$	The PRC HK\$	Australia HK\$	The US HK\$	Hong Kong HK\$	The PRC HK\$	Macau HK\$	
For the six months ended 30 June 2012 (Unaudited)								
Turnover	32,593,421	2,012,879	–	–	–	–	–	34,606,300
Segment results	(10,980,453)	905,252	(1,189,708)	(19,575)	–	–	–	(11,284,484)
Interest income								369,133
Depreciation								(309,435)
Finance costs								(3,553)
Unallocated expenses								(13,712,775)
Loss for the period								(24,941,114)

#### 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:

	Six months ended 30 June	
	2013 HK\$ (Unaudited)	2012 HK\$ (Unaudited)
<b>Turnover:</b>		
Sale of equity securities	<u>26,793,446</u>	<u>34,606,300</u>
<b>Other income:</b>		
Bank interest income	<u>1,182</u>	<u>1,082</u>
Other interest income	<u>–</u>	<u>368,051</u>
	<u>1,182</u>	<u>369,133</u>

## 5. FINANCE COSTS

	Six months ended 30 June	
	2013 <i>HK\$</i> (Unaudited)	2012 <i>HK\$</i> (Unaudited)
Interest on bank overdrafts	<u>(1,780)</u>	<u>(3,553)</u>

## 6. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging the following items:

	Six months ended 30 June	
	2013 <i>HK\$</i> (Unaudited)	2012 <i>HK\$</i> (Unaudited)
Depreciation	796,112	309,435
Minimum lease payments under operating leases: – property rental	<u>1,653,719</u>	<u>1,796,610</u>
Staff costs:		
Employee benefits expense (including directors' remuneration):		
Salaries and allowances	3,903,572	3,062,337
Mandatory provident fund contributions	<u>72,570</u>	<u>38,657</u>
	<u>3,976,142</u>	<u>3,100,994</u>

## 7. INCOME TAX

No Hong Kong profits tax has been provided as the Group did not have any assessable profits for the period (six months ended 30 June 2012: Nil).

The PRC enterprise income tax is calculated at 25% of the estimated assessable profit for the period (six months ended 30 June 2012: Nil).

## 8. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss for the period attributable to owners of the Company of HK\$14,429,296 (six months ended 30 June 2012: HK\$24,941,114) and the weighted average number of ordinary shares of 299,300,000 ordinary shares (six months ended 30 June 2012: 298,751,868 ordinary shares).

During the six months ended 30 June 2013 and 2012, the Company's outstanding share options were not included in the calculation of diluted loss per share because the effects of the Company's outstanding share options were anti-dilutive.

## 9. CONVERTIBLE BOND RECEIVABLE/DERIVATIVE COMPONENT IN CONVERTIBLE BOND RECEIVABLE

During the six months ended 30 June 2012, the Group entered into an agreement to subscribe for convertible bond ("CB") with principal amount of RMB20,000,000 from Ascent Glory Holdings Limited ("AGHL"), a wholly owned subsidiary of Grand Success Business Limited ("GSBL") at a consideration of RMB20,000,000 (approximately HK\$24,680,000). The CB carries interest of 20% per annum and will mature on 12 June 2014. The initial conversion price is RMB2,400 per share (subject to adjustment). Unless previously converted or lapsed, AGHL will redeem the CB on 12 June 2014 at the redemption amount which is 100% of the principal amount of outstanding CB. Since the CB will be matured in the coming twelve months, both convertible bond receivable and derivative component in convertible bond are classified as current asset as at 30 June 2013.

Both GSBL and AGHL were incorporated in the British Virgin Islands and AGHL holds 50% equity interest in 澳門飛馬煙草(集團)有限公司 (English translation as "Macao Pegasus Tabacco (Group) Limited"), a company incorporated in Macau with principal activities of manufacture, wholesale, retail, import and export of cigarettes to and from Macau.

The CB was recognised as follows:

	<b>Debt component HK\$</b>	<b>Derivative component HK\$</b>
At 1 January 2013 (audited)	<b>21,672,209</b>	<b>185,850</b>
Interest credited for the period	<b>899,944</b>	–
Fair value change	–	<b>(161,070)</b>
<b>At 30 June 2013 (unaudited)</b>	<b><u>22,572,153</u></b>	<b><u>24,780</u></b>

The methods and assumptions applied for the valuation of the CB are as follows:

**(i) Valuation of debt component**

The fair value of debt component was calculated based on the present value of contractually determined stream of future cash flows discounted at the required yield, which was determined with reference to the credit rating of the CB issuer and maturity term. The effective interest rate of the debt component as at 30 June 2013 and 31 December 2012 is 32.41%.

**(ii) Valuation of derivative component**

Derivative component is measured at fair value using the Binomial Model, at initial recognition and at the end of the reporting period.

**10. NET ASSETS VALUE PER SHARE**

The calculation of net assets value per share is based on the net assets of HK\$75,308,845 (31 December 2012: HK\$86,921,079) and 299,300,000 (31 December 2012: 299,300,000) ordinary shares in issue as at 30 June 2013.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **INTERIM DIVIDEND**

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2013 (2012: Nil).

### **FINANCIAL REVIEW**

The Group recorded a turnover of HK\$26,793,446 (2012: HK\$34,606,300) and a loss of HK\$14,429,296 (2012: HK\$24,941,114) for the six months ended 30 June 2013.

As at 30 June 2013, the Group's net asset value ("NAV") per share was HK\$0.2516 (31 December 2012: HK\$0.2904), decreased by 13.37% compared to that as at 31 December 2012.

### **INVESTMENT REVIEW**

In the first half of 2013, the negative factors affecting investment market still existed, but their impact was less substantial than that of last year. The Company had restructured its investment portfolio of listed securities by leveraging on the improved external market sentiment, and successfully achieved a turnaround from a gross loss in last year to a gross profit from investment in the first half year.

### **PROSPECT**

In the half year just past, it was encouraging to envisage the economies in Europe and US were recovering slowly with the US stock market reaching new records high again and again, demonstrating that the insight that the backbone of global economy had again returned back to the developed countries. The foreign exchange crisis in India should be a typical reflection of the expectation that the US's QE exit would generate a huge pressure on the emerging economies. With the continuous improvement in the US employment statistics, it is expected that the US Federal Reserves may start reducing its treasury bonds purchase in the fourth quarter of this year, and duly commences its QE exit plan, hence the economies of emerging countries will sustain more pressure than in the first half year. In Japan, after the ruling party alliance won the Senate election, it had laid a solid foundation for Shinzo Abe to continue implementing the policies of reviving its economy. Shinzo Abe may launch a series of measures shortly to adjust its economic structure and optimize the structures in agriculture,

green energy and export to facilitate the rejuvenation of Japanese economy to once again regain its international competitive advantages. The new consumption tax policy in Japan will be launched pending its economic recovery conditions, and prior to this, it is expected that the Japanese economy will always be in a delicate condition.

After experiencing the production capacity reduction, deleveraging and economic slowdown in the first half year, the overall economy of China still remained sound because of its prudent adjustment and control. With the gradual launching of a series of measures by the central government in adjusting its economic structure, it is expected that the tertiary industry devoting to improve and enhance people's living standard like medical, entertainment, pension, environmental protection and new urbanization sectors or areas will become the economic development focuses of China in future. Under the background of high rapid development of internet and intelligent terminals, information spending will be escalated to national strategic level, for which the change of people's consumption behavior or habits will bring tremendous business opportunities. We are continuously paying attention and keeping up with the potential long-term investment opportunities arising from such industries or sectors.

For the second half year, after its economy had experienced a short stabilization because of inventory replenishment, the China economy may still encounter difficulties under the main background of deleveraging and structure adjustment, in particular that its liquidity might face more intense situation in the fourth quarter. This will bombard the relevant investment industries like the real estate sector that are driven by funds. We will pay prudent attention regarding the impact or change on China economy as a result of such situation, seeking short-term investment opportunities under the cyclical investment targets.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 30 June 2013, the cash and bank balances of the Group were approximately HK\$8.4 million (31 December 2012: approximately HK\$12.63 million).

The Group did not pledge any marketable securities for banking facilities as at 30 June 2013 (31 December 2012: Nil) nor has any bank borrowing. The gearing ratio was nil (31 December 2012: Nil).

As at 30 June 2013, 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, therefore, the Board considers the Group's no exposure to foreign exchange fluctuation.

## **CAPITAL STRUCTURE**

At as 30 June 2013, the Company's total number of issued shares was 299,300,000 (As at 31 December 2012: 299,300,000).

## **STAFF**

As at 30 June 2013, the Company has 19 staff, including three Executive Directors. Among those staff, 15 were in Hong Kong, 2 in Shenzhen and 2 in Shanghai. Total staff cost and directors' remuneration paid during the first half of 2013 was approximately HK\$3.9 million (2012: approximately HK\$3.1 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.

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

During the six months ended 30 June 2013, 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, the Audit Committee was comprised of Mr. Ku Siu Fun Alex, Ms. Li Meizhen and Mr. Zheng Gang. Mr. Zheng Gang resigned on 10 May 2013 and Mr. Fan Wai Kong Michael was appointed on 21 May 2013 to fill in the vacancy. As at the date of this announcement, the Audit Committee of the Company comprises Mr. Ku Siu Fun Alex (Chairman of the Audit Committee), Ms. Li Meizhen and Mr. Fan Wai Kong Michael. All of them are the 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 review and approval of the Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2013.

## **REMUNERATION COMMITTEE**

During the period under review, the members of the Remuneration Committee were Mr. Ku Siu Fun Alex, Ms. Li Meizhen, Mr. Chu Wai Lim and Mr. Zheng Gang. Mr. Chu Wai Lim resigned on 10 January 2013 and Mr. Zheng Gang resigned on 10 May 2013. Mr. Chan Yiu Pun Clement and Mr. Fan Wai Kong Michael were appointed as the members of the Remuneration Committee on 10 January 2013 and 21 May 2013 respectively.

As at the date of this announcement, the Remuneration Committee comprises one Executive Director and three Independent Non-executive Directors: Mr. Chan Yiu Pun Clement, Mr. Ku Siu Fun Alex, Ms. Li Meizhen and Mr. Fan Wai Kong Michael (Chairman of the Remuneration Committee). The Remuneration Committee has adopted terms of reference which are in line with the CG Code.

## **NOMINATION COMMITTEE**

During the period under review, the members of the Nomination Committee were Mr. Ku Siu Fun Alex, Ms. Li Meizhen, Mr. Yang Yongdong and Mr. Zheng Gang. Mr. Zheng Gang resigned on 10 May 2013 and Mr. Fan Wai Kong Michael filled in the vacancy of the member of the Nomination Committee on 21 May 2013.



As at the date of this announcement, the Nomination Committee comprises one Executive Director and three Independent Non-executive Directors: Mr. Yang Yongdong, Mr. Ku Siu Fun Alex (Chairman of the Nomination Committee), Md. Li Meizhen and Mr. Fan Wai Kong Michael. The Nomination Committee has adopted terms of reference which are in line with the CG Code.

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

During the period under review, the Company has complied with all of the provisions under the CG Code except for the following derivation:

### **Code A.4.1**

All the Independent Non-executive Directors were not appointed for a specific term, however, their appointment are subject to re-election.

The Company believes that a sound corporate governance is fundamental for the development of the Company as well as for the benefits of the shareholders, therefore, the Company commits to continue to improve its corporate governance if necessary.

By Order of the Board of  
**Opes Asia Development Limited**  
**Chan Yiu Pun Clement**  
*Executive Director*

Hong Kong, 28 August 2013

*As at the date of this announcement, the executive directors of the Company are Mr. Yang Yongdong, Mr. Chan Yiu Pun Clement and Mr. Zhou Tao David and the independent non-executive directors of the Company are Mr. Ku Siu Fun Alex, Ms. Li Meizhen and Mr. Fan Wai Kong Michael.*