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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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2009

INTERIM RESULTS

The Board of Directors (the "Board") of Opes Asia Development Limited (the "Company") is pleased to announce the unaudited interim results of the Company for the six months ended 30 June 2009, with comparative figures for the corresponding periods in 2008. The condensed interim financial statements are unaudited, but have been reviewed by the Company's audit committee.

CONDENSED INCOME STATEMENT

For the six months ended 30 June 2009

		(Unaudited)	
		Six months ended 30 June	
		2009	2008
	Note	HK\$	HK\$
Turnover	4	791,100	700,000
Cost of equity securities disposed of		(845,000)	(560,000)
Unrealised fair value gains/(losses) on financial assets at fair value through profit or loss		12,409,461	(14,162,493)
Gross profit/(loss)		12,355,561	(14,022,493)
Other income	4	741	23,784
Administrative expenses		(8,786,752)	(2,959,180)
Other operating expenses		(485,824)	(600,467)
Profit/(Loss) for the period	5	3,083,726	(17,558,356)
Attributable to:			
Equity holders of the Company		3,083,726	(17,558,356)
Earnings/(Loss) per share for profit/(loss) attributable to the equity holders of the Company during the period			
– basic	7	HK cents 0.205	HK cents (1.291)
– diluted		HK cents 0.205	HK cents (1.290)

* For identification purpose only

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2009

	(Unaudited)	
	Six months ended	
	2009	2008
	HK\$	HK\$
Profit/(Loss) for the period	<u>3,083,726</u>	<u>(17,558,356)</u>
Other comprehensive income		
Other comprehensive income for the period, (net of tax)	<u>—</u>	<u>—</u>
Total comprehensive income/(loss) for the period	<u>3,083,726</u>	<u>(17,558,356)</u>
Total comprehensive income/(loss) attributable to:		
Equity holders of the Company	<u>3,083,726</u>	<u>(17,558,356)</u>

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2009

	(Unaudited) 30 June 2009 HK\$	(Audited) 31 December 2008 HK\$
<i>Note</i>		
ASSETS		
Non-current assets		
Property, plant and equipment	360,576	–
Financial assets at fair value through profit or loss	24,190,000	6,490,000
Available-for-sale financial assets	22,200,000	22,200,000
	46,750,576	28,690,000
Current assets		
Financial assets at fair value through profit or loss	8,326,063	11,201,602
Deposits for acquisition of investments	3,000,000	3,000,000
Other receivables, prepayments and deposits	766,816	6,039,238
Bank balances and cash	27,640,052	1,078,712
	39,732,931	21,319,552
Total assets	86,483,507	50,009,552
EQUITY		
Capital and reserves attributable to the Company's equity holders		
Share capital	1,614,600	1,359,600
Reserves	82,442,074	48,238,638
Total equity	84,056,674	49,598,238
LIABILITIES		
Current liabilities		
Other payables and accrued charges	2,426,833	411,314
Total liabilities	2,426,833	411,314
Total equity and liabilities	86,483,507	50,009,552
Net current assets	37,306,098	20,908,238
Total assets less current liabilities	84,056,674	49,598,238
Net asset value per share	0.0521	0.0365

1. BASIS OF PREPARATION

This unaudited 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 17 September 2009.

Except as described in note 2 to the interim financial report, the unaudited interim financial report has been prepared in accordance with the same accounting policies adopted in the 2008 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 interim financial report contains condensed 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 Company since the 2008 annual financial statements. The unaudited condensed interim financial statements and notes thereon do not include all of the information required for full set of 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 2008 that is included in the interim financial report as being previously reported information does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2008 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 20 April 2009.

2. SIGNIFICANT ACCOUNTING POLICIES

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

In the current interim period, the Company has applied, for the first time, the following new or revised standards and amendments issued by the HKICPA, which are effective for the Company's financial year beginning on 1 January 2009. The adoption of the following new and revised standards and amendments has had no significant impacts on the Company's accounting policies and has no significant effect on the results reported for the first half of 2009.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning on or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKAS 1 (Revised)	Presentation of Financial Statements
HKFRS 2 (Amendment)	Share-based Payment – Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments

The amendments to HKFRS 7 do not contain any additional disclosure requirements specifically applicable to the interim financial report. The impact of the remainder of these developments on the interim financial report is as follows:

- HKAS 1 (Revised 2007) has introduced a number of terminology changes, including revised titles for the interim financial report, and has resulted in a number of changes in presentation and disclosure. As a result of the adoption of HKAS 1 (Revised 2007), details of changes in equity during the period arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expenses in a revised statement of changes in equity. All other items of income and expense are presented in the income statement, if they are recognised as part of profit or loss for the period, or otherwise in a new primary statement, the statement of comprehensive income. The new format for the statement of comprehensive income and the statement of changes in equity has been adopted in this interim financial report and corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

- HKFRS 8 requires segment disclosure to be based on the way that the Company's chief operating decision maker regards and manages the Company, with the amounts reported for each reportable segment being the measures reported to the Company's chief operating decision maker for the purposes of assessing segment performance and making decisions about operating matters. This contrasts with the presentation of segment information in prior years which was based on a disaggregation of the Company's financial statements into segments based on its investments. The adoption of HKFRS 8 has resulted in the presentation of segment information in a manner that is more consistent with internal reporting provided to the Company's most senior executive management, and has resulted in additional reportable segments being identified and presented (see note 3). As this is the first period in which the Company has presented segment information in accordance with HKFRS 8, additional explanation has been included in the interim financial report which explains the basis of preparation of the information. Corresponding amounts have also been provided on a basis consistent with the revised segment information.
- The "Improvements to HKFRSs (2008)" comprise a number of minor and non-urgent amendments to a range of HKFRSs which the HKICPA has issued as an omnibus batch of amendments.

3. SEGMENTS INFORMATION

The Company has adopted HKFRS 8 "Operating Segments" with effect from 1 January 2009. HKFRS 8 requires operation segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the Company's chief operating decision maker in order to allocate resources to the segments and to assess their performance. The chief operating decision makers of the Company are the Executive Directors of the Company. In contrast, HKAS 14 required an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments.

The Company determines its operating segments based on the reports reviewed by the chief operating decision-makers 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 and the Australian Securities Exchange Limited. The major sources of income of the business are gain 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 Company's Executive Directors 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 Company's reportable segments as provided to the Company's chief operating decision makers 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\$	Hong Kong HK\$	The PRC HK\$	
For the six months ended 30 June 2009					
TURNOVER	<u>791,100</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>791,100</u>
Segment results	<u>20,318,879</u>	<u>(7,963,318)</u>	<u>–</u>	<u>–</u>	<u>12,355,561</u>
Bank interest income					741
Depreciation					(14,382)
Unallocated expenses					(9,258,194)
Profit for the period					<u>3,083,726</u>
	Listed investments		Unlisted investments		Total HK\$
	Hong Kong HK\$	Australia HK\$	Hong Kong HK\$	The PRC HK\$	
For the six months ended 30 June 2008 (Restated)					
TURNOVER	<u>700,000</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>700,000</u>
Segment results	<u>(11,785,476)</u>	<u>(2,237,017)</u>	<u>–</u>	<u>–</u>	<u>(14,022,493)</u>
Bank interest income					23,784
Depreciation					–
Unallocated expenses					(3,559,647)
Loss for the period					<u>(17,558,356)</u>

4. TURNOVER AND OTHER INCOME

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

	(Unaudited)	
	Six months ended 30 June	
	2009	2008
	HK\$	HK\$
Turnover:		
Sales of financial assets at fair value through profit or loss	791,100	700,000
Other income:		
Bank interest income	741	23,784

5. PROFIT/(LOSS) FOR THE PERIOD

	(Unaudited)	
	Six months ended 30 June	
	2009	2008
	HK\$	HK\$
Profit/(Loss) for the period is arrived at:		
After charging the following items:		
Depreciation	14,382	–
Share options granted to consultants	4,492,522	498,643
Operating lease payment in respect of rental premises	550,948	369,086
Staff costs, including directors' emoluments		
Wages and salaries	1,658,583	1,343,240
Share options granted	1,439,908	202,575
Retirement benefits scheme contributions	33,913	28,750
	3,132,404	1,574,565

6. INCOME TAX EXPENSE

No Hong Kong profits tax is provided as there is no estimated assessable profit for the period (2008: Nil).

7. EARNINGS/(LOSS) PER SHARE

(a) Basic

Basic earnings/(loss) per share is calculated by dividing the profit/(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	
	2009	2008
	HK\$	HK\$
Profit/(Loss) attributable to equity holders of the Company	3,083,726	(17,558,356)
Weighted average number of ordinary shares in issue	1,502,837,569	1,359,600,000
Basic earnings/(loss) per share	HK cents 0.205	HK cents (1.291)

(b) Diluted

Diluted earnings/(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 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.

	2009	2008
	HK\$	HK\$
Earnings/(Loss) Profit/(Loss) attributable to equity holders of the Company	3,083,726	(17,558,356)
Weighted average number of ordinary shares in issue	1,502,837,569	1,359,600,000
Adjustments for – Share options	3,397,298	1,853,928
Weighted average number of ordinary shares for diluted earnings/(loss) per share	1,506,234,867	1,361,453,928
Diluted earnings/(loss) per share	HK cents 0.205	HK cents (1.290)

8. NET ASSET VALUE PER SHARE

The calculation of net asset value per share is based on the net assets of HK\$84,056,674 (31 December 2008: HK\$49,598,238) and 1,614,600,000 (31 December 2008: 1,359,600,000) ordinary shares in issue as at 30 June 2009.

9. EVENTS AFTER THE END OF THE REPORTING PERIOD

After the balance sheet date, an aggregate of 15,600,000 share options were exercised to subscribe for a total of 15,600,000 ordinary shares of the Company at a total consideration of HK\$2,690,000, out of which HK\$15,600 were credited to the share capital, HK\$402,903 were debited to the share-based payment reserves and the balance of HK\$3,077,303 were credited to the share premium.

For the aforesaid exercise of share options of total 15,600,000 ordinary shares, out of which 9,000,000 ordinary shares and 2,000,000 ordinary shares were exercised by executive directors, Mr. Chu Wai Lim and Ms. Fong Son Wa on 3 July 2009 respectively. Their interests in the issued share capital of the company on 3 July 2009, the date they exercised the share options, were as follows:

Long position

Name of Directors	Nature of interests	Ordinary shares of HK\$0.001 each	Approximate percentage of total issued shares at 3 July 2009, 1,627,200,000 shares
CHU Wai Lim	Interests in issued shares	9,000,000	0.55%
FONG Son Wa	Interests in issued shares	2,000,000	0.12%
	Interests in underlying shares	7,000,000	0.43%

10. COMPARATIVE FIGURES

As a result of the application of HKAS 1 (Revised 2007), *Presentation of Financial Statements*, and HKFRS 8, *Operating Segments*, certain comparative figures have been adjusted to conform to current period's presentation and to provide comparative amounts in respect of items disclosed for the first time in 2009. Further details of these developments are disclosed in note 2.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2009 (2008: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

The Company recorded a net profit of HK\$3,083,726 for the six months ended 30 June 2009 (2008: net loss of HK\$17,558,356), representing significant turnaround situation of the Company. This is mainly due to the net unrealised fair value gains from the Company's listed investments.

As at 30 June 2009, the Company's net asset value ("NAV") per share was HK\$0.0521 (31 December 2008: HK\$0.0365), increased by 42.74% compared to that as at 31 December 2008. At the end of the period under review, the Company's share price was HK\$0.290 (31 December 2008: HK\$0.0850), reflecting a 456.62% (31 December 2008: 132.88%) premium to NAV per share.

INVESTMENT REVIEW

During the first half of 2009, different governments and their central banks have adopted a sequence of Quantitative Easing Monetary Policy to stabilise the investment environment. With signs of recovery beginning to sprout, the Company's investment portfolio of listed securities was encouraging. Except for certain dealings, the portfolio was maintained similar as disclosed in the corresponding period in 2008. On the other hand, the Company is continuously seeking for direct investment opportunities, targeting related aspects of the PRC's organic farming area and emerging leasing market as its main direction. Since the worldwide economic environment is still volatile, the Company has strived to strengthen its risk control and internal management while formulating its investment strategy prudently, with an aim to minimise the market risk and gradually achieve our long-term investment objectives.

PROSPECTS

The PRC is one of the countries suffering from serious desertification in the world. The desertification area in the PRC has taken up one-third of its land area and has been expanding. The Government expressed clear that it would insist on a sustainable development market road on environmental protection, planting agricultural products with high economic value in order to speed up the green coverage in the northwest region and bring the high economic benefits to the agricultural reform. Under great support by the State policy, investment in ecological conservation agriculture will bring enormous business opportunities and represents a meaningful investment direction for an enterprise with humanistic spirit.

Our Company, as an investment enterprise, possesses a long term investment vision and a clear investment belief. The Company has been investing in microorganism green technology and organic farming for long, and will keep on looking for more investment opportunities in these areas. Our target is the use of microorganism green technology to improve soil so as to increase the cultivatable areas in the PRC. Meanwhile, in achieving the goals of "high value, high quality and high productivity", through the organic farming and the use of advanced green biotechnology, we are able to compete with the traditional farming which uses chemical fertilizers and help farmers to increase their income substantially.

The technology of our investment project has been widely applied to a wide range of cultivation, including rice, grape, pumpkin, tangerine, sugar cane, banana and other categories of vegetables and fruits. Having tested repeatedly, the technology has shown notable improvement. The generated products have been awarded organic certifications from various local and foreign authorities and the technology is able to be applied to large scale cultivation. We believe that the Company would bring remarkable return to our shareholders in the very near future by providing an investment platform to the investors in the area of environmental conservation.

LIQUIDITY AND FINANCIAL RESOURCES

The Company continued to maintain a healthy financial position. As at 30 June 2009, the cash and bank balances of the Company were approximately HK\$27.6 million (31 December 2008: approximately HK\$1.1 million). The Board believes that the Company has sufficient working capital for its operations.

The Company did not pledge any marketable securities for banking facilities as at 30 June 2009 (31 December 2008: Nil) nor has any bank borrowing. The gearing ratio was nil (31 December 2008: Nil).

As at 30 June 2009, the Company had no material capital commitments and contingent liabilities.

EXPOSURE TO FOREIGN EXCHANGE RISK

Majority of the Company's investment are denominated in HK\$ (for certain investment in Hong Kong equity as well as cash with bank). The Company also has some investments in Australian Securities Exchange Limited (approximately 0.4% of total assets). As such, the Board considers the Company's exposure to foreign exchange fluctuation acceptable and no particular hedging strategy needs to be adopted.

CAPITAL STRUCTURE

At as 30 June 2009, the Company's total number of issued shares was 1,614,600,000 (As at 31 December 2008: 1,359,600,000).

STAFF

As at 30 June 2009, the Company comprised of four 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 2009 was approximately HK\$1.7 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 2009, the Company 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 ("Model Code"). 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

The Audit Committee of the Company comprises Mr. Tsang Wai Wa, Mr. Chen Man Lung and Mr. Choi Shek Chau who are all Independent Non-executive Directors of the Company.

During the period under review, Mr. Shiu Kwok Keung has re-designated as an executive director and resigned as the chairman of the Audit Committee and a member of Remuneration Committee of the Company with effect from 22 January 2009. In order to address to the non-compliance of Rule 3.10 of the Listing Rules, the Company had used its best efforts to identify other suitable person to be an independent non-executive director and a member of the Audit and Remuneration Committee of the Company. On 7 April 2009, Mr. Tsang Wai Wa was appointed as an independent non-executive director as well as the chairman of the Audit Committee and a member of the Remuneration committee of the Company to fill the casual vacancy.

The Audit Committee met and reviewed with the management the accounting principles and practices adopted by the Company, and discussed internal controls and financial reporting matters including a review of the Company's unaudited condensed financial statements for the six months ended 30 June 2009.

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. The Remuneration Committee comprises one Executive Director and three Independent Non-executive Directors: Mr. Chu Wai Lim, Mr. Tsang Wai Wa, Mr. Chen Man Lung and Mr. Choi Shek Chau. During the period under review, Mr. Shiu Kwok Keung resigned as a member of the Remuneration Committee due to his redesignation as an executive director and Mr. Tsang Wai Wa was appointed to fill the casual vacancy. 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 yet to appoint a Nomination Committee, the establishment of which is a recommended best practice by the Stock Exchange.

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 continues 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
Shiu Kwok Keung
Executive Director

Hong Kong, 17 September 2009

As at the date of this announcement, the Board comprises four executive directors, namely, Dr. Wai Chung Fai, Mr. Shiu Kwok Keung, Mr. Chu Wai Lim and Ms. Fong Son Wa; and three independent non-executive directors, namely, Mr. Tsang Wai Wa, Mr. Chen Man Lung and Mr. Choi Shek Chau.