



OPES ASIA DEVELOPMENT LIMITED 華保亞洲發展有限公司 *

(Formerly known as China Treasure (Greater China) Investments Limited)
(Continued into Bermuda with limited liability)
(Stock Code: 810)





CORPORATE INFORMATION

Board of Directors

Executive Directors:

Li Ji Ning (*Chairman*)

Chu Wai Lim

Lau Shun Chi, Benjamin

Independent Non-executive Directors:

Chen Man Lung

Yin Ling

Shiu Kwok Keung

Audit Committee

Shiu Kwok Keung (*Chairman*)

Chen Man Lung

Yin Ling

Remuneration Committee

Li Ji Ning (*Chairman*)

Chen Man Lung

Yin Ling

Shiu Kwok Keung

Company Secretary

Chui Yee Man

Auditors

Lau & Au Yeung C.P.A. Limited

Investment Manager

Success Talent Investments Limited

Principal Banker

Standard Chartered Bank (Hong Kong)
Limited

Custodian

Standard Chartered Bank (Hong Kong)
Limited

Solicitors

As to Hong Kong Law

D.S. Cheung & Co.

As to Bermuda Law

Appleby Hunter Bailhache

Registered Office

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Principal Place of Business in Hong Kong

Unit 1809, 18th Floor
Tower 2, Lippo Centre
89 Queensway
Hong Kong

Registrars in Hong Kong

Tricor Tengis Limited
26/F., Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

Stock Code on the Stock Exchange of Hong Kong Limited

810

The Board of Directors (the “Board”) of Opes Asia Development Limited (the “Company”) is pleased to present the unaudited interim results of the Company for the six months ended 30 June 2007.

CONDENSED INCOME STATEMENT

For the six months ended 30 June 2007

		(Unaudited)	
		Six months ended 30 June	
	<i>Note</i>	2007	2006
		HK\$	HK\$
Turnover	4	7,122,209	43,644,977
Cost of equity securities disposed of		(5,050,931)	(25,528,705)
Unrealised fair value gains/(losses) on financial assets at fair value through profit or loss		33,378,475	(1,381,578)
Gross profit		35,449,753	16,734,694
Other income	4	291,898	503,180
Administrative expenses		(3,305,002)	(1,493,913)
Other operating expenses		(631,155)	(616,015)
Profit before income tax	5	31,805,494	15,127,946
Income tax expense	6	(246,976)	(218,000)
Profit for the period		31,558,518	14,909,946
Attributable to:			
Equity holders of the Company	7	31,558,518	14,909,946
Earnings per share for profit attributable to the equity holders of the Company during the period			
– basic	8	0.5456	0.1206
– diluted		N/A	N/A

CONDENSED BALANCE SHEET

As at 30 June 2007

	Note	(Unaudited) 30 June 2007 HK\$	(Audited) 31 December 2006 HK\$
ASSETS			
Non-current assets			
Financial assets at fair value through profit or loss	9	36,875,000	–
Available-for-sale financial asset		4,000,000	4,000,000
		40,875,000	4,000,000
Current assets			
Financial assets at fair value through profit or loss	9	35,861,096	44,384,892
Other receivable, prepayments and deposits		410,940	345,878
Bank balances and cash		22,411,723	8,091,531
		58,683,759	52,822,301
Total assets		99,558,759	56,822,301
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	10	1,236,000	12,360,000
Reserves		97,973,242	44,166,724
Total equity		99,209,242	56,526,724
LIABILITIES			
Current liabilities			
Other payables and accrued charges		83,941	276,977
Current income tax liabilities		265,576	18,600
Total liabilities		349,517	295,577
Total equity and liabilities		99,558,759	56,822,301
Net current assets		58,334,242	52,526,724
Total assets less current liabilities		99,209,242	56,526,724
Net asset value per share	11	0.8027	0.4573

CONDENSED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2007

	Note	(Unaudited)				Total HK\$
		Share capital HK\$	Share premium HK\$	Contributed surplus HK\$	Retained earnings HK\$	
At 1 January 2006		12,360,000	86,489,636	-	(52,329,989)	46,519,647
Profit for the period		-	-	-	14,909,946	14,909,946
At 30 June 2006		12,360,000	86,489,636	-	(37,420,043)	61,429,593
At 1 January 2007		12,360,000	86,489,636	-	(42,322,912)	56,526,724
Capital reduction	10	(12,236,400)	-	12,236,400	-	-
Share premium cancellation	10	-	(86,489,636)	86,489,636	-	-
Transfer	10	-	-	(37,420,043)	37,420,043	-
Rights issue	10	1,112,400	10,011,600	-	-	11,124,000
Profit for the period		-	-	-	31,558,518	31,558,518
At 30 June 2007		1,236,000	10,011,600*	61,305,993*	26,655,649*	99,209,242

* These reserve accounts comprise the reserves of HK\$97,973,242 (31 December 2006: HK\$44,166,724) in the condensed balance sheet.



CONDENSED CASH FLOW STATEMENT

For the six months ended 30 June 2007

	(Unaudited)	
	Six months ended 30 June	
	2007	2006
	HK\$	HK\$
Net cash generated from operating activities	2,904,294	820,292
Net cash generated from/(used in) investing activities	291,898	(4,000,000)
Net cash generated from financing activities	11,124,000	–
Net increase/(decrease) in cash and cash equivalents	14,320,192	(3,179,708)
Cash and cash equivalents at beginning of period	8,091,531	25,892,172
Cash and cash equivalents at end of period	22,411,723	22,712,464
Analysis of balances of cash and cash equivalents		
Bank balances and cash	22,411,723	22,712,464

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2007

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 "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 19 September 2007.

This unaudited interim financial report has been prepared in accordance with the same accounting policies adopted in the 2006 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 2006 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 2006 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 2006 are available at the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 17 April 2007.

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of new and revised HKFRSs that are effective or available for early adoption for accounting periods beginning on or after 1 January 2007. The Board has determined the accounting policies to be adopted in the preparation of the Company's annual financial statements for the year ending 31 December 2007, on the basis of HKFRSs currently in issue. The adoption of the following new HKFRSs does not result in substantial changes in the Company's accounting policies.

- HKAS 1 (Amendment) – Capital Disclosures¹;
- HKFRS 7 – Financial Instruments: Disclosures¹;
- HK(IFRIC)-Int 7 – Applying the Restatement Approach under HKAS 29, Financial Reporting in Hyperinflationary Economies²;
- HK(IFRIC)-Int 8 – Scope of HKFRS 2³;
- HK(IFRIC)-Int 9 – Reassessment of Embedded Derivatives⁴; and
- HK(IFRIC)-Int 10 – Interim Financial Reporting and Impairment⁵.

¹ Effective for annual periods beginning on or after 1 January 2007.

² Effective for annual periods beginning on or after 1 March 2006.

³ Effective for annual periods beginning on or after 1 May 2006.

⁴ Effective for annual periods beginning on or after 1 June 2006.

⁵ Effective for annual periods beginning on or after 1 November 2006.

The HKFRSs that will be effective or are available for voluntary early adoption in the annual financial statements for the year ending 31 December 2007 may be affected by the issue of additional interpretations or other changes announced by the HKICPA subsequent to the date of issuance of this interim report. Therefore the policies that will be applied in the Company's financial statements for that period cannot be determined with certainty at the date of issuance of this interim financial report.

3. SEGMENTAL INFORMATION

The Company is principally engaged in investment in listed and unlisted companies in the People's Republic of China (the "PRC"), Hong Kong and Australia during the period.

All of the activities of the Company are based in Hong Kong and most of the Company's revenue and operating profits are derived from Hong Kong.

Accordingly, no segment information is presented.

4. TURNOVER AND OTHER INCOME

An analysis of revenue and other income is as follows:

	(Unaudited) Six months ended 30 June	
	2007	2006
	HK\$	HK\$
Turnover:		
Sales of financial assets at fair value through profit or loss	<u>7,122,209</u>	<u>43,644,977</u>
Other income:		
Bank interest income	235,607	433,196
Dividend income	<u>56,291</u>	<u>69,984</u>
	<u>291,898</u>	<u>503,180</u>

5. PROFIT BEFORE INCOME TAX

	(Unaudited) Six months ended 30 June	
	2007	2006
	HK\$	HK\$
Profit before income tax is arrived at:		
After crediting the following item:		
Net exchange gains	<u>—</u>	<u>54,117</u>
And after charging the following items:		
Operating lease payment in respect of rental premises	<u>285,706</u>	<u>153,935</u>
Staff costs, including directors' emoluments		
Wages and salaries	1,348,834	1,056,832
Retirement benefits scheme contributions	<u>50,877</u>	<u>22,290</u>
	<u>1,399,711</u>	<u>1,079,122</u>

6. INCOME TAX EXPENSE

During the six months ended 30 June 2007, Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profit for the period.

	(Unaudited)	
	Six months ended 30 June	
	2007	2006
	HK\$	HK\$
Hong Kong profits tax	246,976	218,000

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

	(Unaudited)	
	Six months ended 30 June	
	2007	2006
	HK\$	HK\$
Profit before income tax	31,805,494	15,127,946
Tax at the statutory rate of 17.5% (2006: 17.5%)	5,565,961	2,647,391
Tax effect on non-taxable income	(5,337,244)	(346,735)
Tax effect on non-deductible expenses	18,259	29,200
Tax effect of prior year's unrecognised tax losses utilised this period	-	(2,111,856)
	246,976	218,000

7. 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\$31,558,518 (2006: HK\$14,909,946).

**8. 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 period.

	(Unaudited)	
	Six months ended 30 June	
	2007	2006
	HK\$	HK\$
Profit attributable to equity holders of the Company	31,558,518	14,909,946
Weighted average number of ordinary shares in issue	57,839,337	123,600,000
Basic earnings per share	0.5456	0.1206

(b) Diluted

No diluted earnings per share has been presented because the Company did not have any potential ordinary shares in issue during the period.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	(Unaudited)	(Audited)
	30 June	31 December
	2007	2006
	HK\$	HK\$
Listed securities		
Equity securities – Hong Kong	62,216,140	36,636,572
Equity securities – Australia	10,519,956	7,748,320
Market value of listed securities	72,736,096	44,384,892
Less: Current portion	(35,861,096)	(44,384,892)
Non-current portion	36,875,000	–

Changes in financial assets at fair value through profit or loss are recorded in the income statement.

The fair value of all equity securities is based on their current bid prices in an active market.

10. SHARE CAPITAL

	(Unaudited) 30 June 2007 HK\$	(Audited) 31 December 2006 HK\$
<i>Authorised</i>		
20,000,000,000 (2006: 2,000,000,000) ordinary shares of HK\$0.01 (2006: HK\$0.1) each	<u>200,000,000</u>	<u>200,000,000</u>
<i>Issued and fully paid</i>		
123,600,000 ordinary shares of HK\$0.01 (2006: HK\$0.1) each	<u>1,236,000</u>	<u>12,360,000</u>

During the period, the Company carried out Capital Reorganisation which involved Share Consolidation, Capital Reduction, Subdivision and Share Premium Cancellation. The Share Consolidation was implemented to consolidate every ten Shares of HK\$0.1 each into one Consolidated Share of HK\$1.0 each. Immediately after the Share Consolidation, the authorised share capital of the Company is HK\$200,000,000 divided into 200,000,000 Consolidated Shares of HK\$1 each. The Consolidated Shares rank pari passu in all respects with each other.

The Capital Reduction of approximately HK\$12.24 million involves a reduction of the nominal value of the then issued Consolidated Shares from HK\$1.0 to HK\$0.01 each by cancelling the paid-up capital to the extent of HK\$0.99 on each of the then issued Consolidated Shares. The Subdivision involves the sub-division of each authorised but unissued Consolidated Share into 100 Adjusted Shares of HK\$0.01 each. The Share Premium Cancellation involves the cancellation of the entire amount of approximately HK\$86.49 million as at 30 June 2006 standing to the credit of the share premium account of the Company.

The credit arising from the Capital Reduction and the Share Premium Cancellation is transferred to the contributed surplus account of the Company. A credit of an aggregate amount of approximately HK\$98.73 million arises in the books of the Company as a result of the Capital Reduction and the Share Premium Cancellation, which approximately HK\$37.42 million is used to set off in full the accumulated losses of the Company as at 30 June 2006. The remaining HK\$61.31 million may be applied in future in such manner as is permitted by the laws of Bermuda and the Bye-laws of the Company.

During the period, the Company completed a rights issue of 111,240,000 shares of HK\$0.01 each (the "Rights Shares") at a price of HK\$0.1 per Rights Share on the basis of nine Rights Shares for every share held on the record date. Details of the Rights Issue are set out in the prospectus of the Company dated 26 March 2007.

**11. NET ASSET VALUE PER SHARE**

The calculation of net asset value per share is based on the net assets of HK\$99,209,242 (31 December 2006: HK\$56,526,724) and the 123,600,000 (31 December 2006: 123,600,000) ordinary shares in issue as at 30 June 2007.

12. COMMITMENTS UNDER OPERATING LEASES

The Company leases an office under a non-cancellable operating lease agreement.

The future aggregate minimum lease payments under the non-cancellable operating lease are as follows:

	(Unaudited) 30 June 2007 HK\$	(Audited) 31 December 2006 HK\$
Not later than 1 year	485,636	555,012
Later than 1 year but not later than 5 years	–	208,130
	485,636	763,142

13. RELATED PARTY TRANSACTIONS

Under Listing rules Chapter 21.13, any investment manager, investment adviser or custodian (or any connected person thereof) is regarded as connected person.

The following transactions were carried out with related parties:

	(Unaudited) Six months ended 30 June 2007 HK\$	2006 HK\$
Investment management fee paid to United Gain Investment Limited	–	359,554
Success Talent Investments Limited	99,677	–
	99,677	359,554



During the period ended 30 June 2006, under the Investment Management Agreement, United Gain Investment Limited ("United Gain") was entitled to a monthly management fee equivalent to 1.25% per annum of the net asset value of the Company as at the last dealing day on the Stock Exchange in each calendar month, calculated on the basis of the actual number of days in the relevant calendar month over a year of 365 days. In addition, United Gain was also entitled to an annual incentive fee equivalent to 5% of the Surplus Net Asset Value* of the Company for each financial year. The total fees paid to United Gain were subject to a maximum amount of HK\$650,000 for the year ended 12 June 2006 and HK\$158,001 for the period from 13 June to 31 December 2006.

* *Surplus Net Asset Value mean "in relation to each financial year, 15% of the surplus in the net asset value as at the year end date of the financial year less the net asset value as at the year end date of the previous financial year."*

The above Investment Management Agreement expired on 31 December 2006 and the Company entered into the New Investment Management Agreement with Success Talent Investments Limited ("Success Talent") on 20 March 2007, pursuant to which Success Talent has agreed to provide investment management services to the Company for a period of two years from the effective date of its appointment at a fixed fee of HK\$30,000 per month.

14. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

Up to the date of issue of this unaudited condensed interim financial report, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ending 31 December 2007.

The Company is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Company's results of operations and financial position.

In addition, the following developments may result in new or amended disclosures in the interim financial report:

- HK(IFRIC)-Int 11 – HKFRS 2 – Group and Treasury Share Transactions¹;
- HK(IFRIC)-Int 12 – Service Concession Arrangements²;
- HKFRS 8 – Operating Segments³; and
- HKAS 23 (Revised) – Borrowing Costs³.

¹ Effective for annual periods beginning on or after 1 March 2007.

² Effective for annual periods beginning on or after 1 January 2008.

³ Effective for annual periods beginning on or after 1 January 2009.

15. COMPARATIVE FIGURES

Certain of the comparative figures in the condensed income statement have been reclassified to conform with the current period's presentation.



INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2007 (2006: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

The Company recorded a net profit after income tax of HK\$31,558,518 for the six months ended 30 June 2007 (2006: HK\$14,909,946), representing an increase of 111.66% over the same period in 2006. This is mainly attributable to fair value gains from the Company's listed investments.

As at 30 June 2007, the Company's net asset value ("NAV") per share was HK\$0.8027 (31 December 2006: HK\$0.4573), up 75.53% compared to that as at 31 December 2006. At the end of the period under review, the Company's share price was HK\$1.68 (31 December 2006: HK\$0.356), reflecting a 109.29% premium (31 December 2006: 22.15% discount) to NAV per share.

Investment Review

During the six months period, the Company continued to invest in certain listed securities in Hong Kong and Australia, some of which are designed for short to medium term investment. The Company's investment portfolio as at 30 June 2007 remained largely unchanged from that disclosed in the Company's 2006 annual report with the exception of several stock disposals as the Company took advantage of the rising market when the investments reached their pre-set target price.

The Company continued to follow its solid investment philosophy, acquiring securities that fit its portfolio objectives and disposing those that may have reached their respective target prices. During the first six months of the year, the Company realized handsome gains from the disposal of certain listed investments. As at 30 June 2007, the Company continued to hold solid investment portfolio with exposure in high growth areas.



OUTLOOK AND PROSPECTS

The favorable results for the first half of the fiscal year 2007, which have outpaced the overall growth of the Hong Kong economy, are only the beginning of what looks to be a fantastic year. In the second half of the year, the Company may experiment with different investment composition given the changing market dynamics. Despite that, the Company is always on the lookout for listed and unlisted investments in high growth areas that could offer attractive return. Furthermore, the Company would continue to seek direct investment opportunities in the Greater China region under the same investment criteria adopted at the end of the fiscal year 2006. The Company remains confident of its investment philosophy and comfortable with its investment choices. Going forward, the Company remains prudent in its investment selection process and will continue to identify promising projects to invest in.

LIQUIDITY AND FINANCIAL RESOURCES

The Company continued to maintain a healthy balance sheet. As at 30 June 2007, the cash and bank balances of the Company were approximately HK\$22.4 million (31 December 2006: approximately HK\$8.1 million). The Board believed 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 2007 (31 December 2006: Nil) nor has any bank borrowing. The gearing ratio is nil (31 December 2006: Nil).

As at 30 June 2007, 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 investment in Hong Kong equity as well as cash with bank). The Company also has some investment in an Australian listed vehicle (approximately 11% of total asset). 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

As a result of the Capital Reorganisation disclosed in note 10 to the interim financial statements, the total number of shares in issue as at 30 June 2007 remained at 123,600,000.

STAFF

As at 30 June 2007, the Company comprised of three executive directors, all of them are salaried, and five employees. Total staff cost, including contributions to Mandatory Provident Fund scheme and directors' remuneration, paid during the first half of 2007 was 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.

DIRECTORS' AND CHIEF EXECUTIVES' INTEREST

At 30 June 2007, the interests and short positions of each director in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO"), as recorded in the register maintained by the Company under Section 352 of Part XV of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

Name of director	Number of issued ordinary shares held	Percentage of issued share capital of the Company
Li Ji Ning	18,100,000(L)	14.64%

(L) – Long position

Save as disclosed above, as at 30 June 2007, none of the directors had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.



SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme"), was adopted pursuant to a resolution passed on 8 February 2002, and revised pursuant to a resolution passed on 6 December 2002, for the primary purpose of providing incentives to directors and eligible participants (as defined in the Scheme), and will expire on 7 February 2012. Under the Scheme, the Board of the Company may grant options to directors of the Company (including non-executive directors and independent non-executive directors) and its eligible participants to subscribe for shares in the Company.

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point of time, without prior approval from the Company's shareholders. The number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5 million must be approved in advance by the Company's shareholders.

Options granted must be taken up within 7 days of the date of grant, upon payment of HK\$1.00 for the options granted. Options may be exercised at any time from the date of grant of the share option to a period to be notified by the Board of the Company to each grantee at the time of making such offer, which shall not expire later than 10 years from the date of grant. The exercise price is determined by the Board of the Company at its absolute discretion and will not be less than the higher of (a) the closing price of the shares of the Company as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant; and (b) the average closing price of the shares of the Company as stated in the daily quotations sheets issued by the Stock Exchange for the 5 business days immediately preceding the date of grant; and (c) the nominal value of a share of the Company on the date of grant.

No option has been granted under the Scheme since its adoption.



SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2007, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO showed that there was no person, other than the director of the Company whose interests are set out in the section "Directors' and chief executives' interest" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DENBENTURES

Save as disclosed in the share option scheme disclosures, at no time during the six months ended 30 June 2007 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director of the Company or their respective spouse or minor children, or were any such rights exercised by them; or was the Company a party to any arrangement to enable the directors of the Company to acquire such rights in any other body corporate.

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

During the six months ended 30 June 2007, the Company did not purchase, sell or redeem any of the Company's listed securities.

POST BALANCE SHEET EVENT

The Company has no significant post balance sheet events to report.

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

The Audit Committee of the Company comprises Ms. Yin Ling, Mr. Chen Man Lung and Mr. Shiu Kwok Keung 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 Company, and discussed internal controls and financial reporting matters including a review of the Company's unaudited condensed consolidated financial statements for the six months ended 30 June 2007.

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. Li Ji Ning, Mr. Chen Man Lung, Mr. Shiu Kwok Keung and Ms. Yin Ling. Mr. Li Ji Ning is 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.



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OPES ASIA
DEVELOPMENT LIMITED
Interim Report 2007

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
Lau Shun Chi, Benjamin
Executive Director

Hong Kong, 19 September 2007