

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2008

Unaudited

	Attributable to equity holders of the Company										
	Share capital	Share premium account	Legal reserve	Foreign currency translation reserve	Share-based payment reserve	Property revaluation reserve	Investment revaluation reserve	Retained profits	Minority Total	Minority interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 July 2007	14,251	712,641	-	25,542	1,351	15,708	-	568,188	1,337,681	24	1,337,705
Translation difference	-	-	-	15,458	-	-	-	-	15,458	-	15,458
Issue of subscribed shares	1,425	242,935	-	-	-	-	-	-	244,360	-	244,360
Recognition of share-based payment	-	-	-	-	15,703	-	-	-	15,703	-	15,703
Profit for the Period	-	-	-	-	-	-	-	127,899	127,899	(1,248)	126,651
At 31 December 2007	<u>15,676</u>	<u>955,576</u>	<u>-</u>	<u>41,000</u>	<u>17,054</u>	<u>15,708</u>	<u>-</u>	<u>696,087</u>	<u>1,741,101</u>	<u>(1,224)</u>	<u>1,739,877</u>
At 1 July 2008	15,901	986,140	97	125,429	20,056	16,389	(4,647)	829,419	1,988,784	5,026	1,993,810
Translation difference	-	-	-	(66)	-	-	-	-	(66)	-	(66)
Issue of subscribed shares	800	32,091	-	-	(3,651)	-	-	-	29,240	-	29,240
Recognition of share-based payment	-	-	-	-	7,944	-	-	-	7,944	-	7,944
Share options cancelled/lapsed and transfer to retained profits	-	-	-	-	(16,099)	-	-	16,099	-	-	-
Change of fair value of available-for-sale financial assets	-	-	-	-	-	-	(19,541)	-	(19,541)	-	(19,541)
Profit for the Period	-	-	-	-	-	-	-	58,905	58,905	(2,802)	56,103
At 31 December 2008	<u>16,701</u>	<u>1,018,231</u>	<u>97</u>	<u>125,363</u>	<u>8,250</u>	<u>16,389</u>	<u>(24,188)</u>	<u>904,423</u>	<u>2,065,266</u>	<u>2,224</u>	<u>2,067,490</u>

Secondary reporting format – business segments

	Distribution	Cultivation and distribution	Logistics services	Leasing	Corporate and unallocated	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
For the six months ended						
31 December 2008						
Revenue	471,790	423,580	93,828	2,278	-	991,476
Segment results	19,048	15,580	35,608	1,956	-	72,192
Other income						5,564
Unallocated expenses						(13,256)
Finance costs	(763)	(30)	-	-	(3,728)	(4,521)
Profit before taxation						59,979
At 31 December 2008						
Segment assets	1,160,614	752,345	507,043	7,889	39,421	2,467,312
Investments						13,649
Total assets						2,480,961
Segment liabilities	130,156	76,965	8,895	-	197,455	413,471
Total liabilities						413,471
Other segment information:						
Capital expenditure	4,794	32,380	645	-	136	37,955
Depreciation and amortisation	17,042	10,133	22,005	138	327	49,645
For the six months ended						
31 December 2007						
Revenue	672,587	284,373	74,773	1,841	-	1,033,574
Segment results	89,638	14,476	31,537	1,565	-	137,216
Other income						4,919
Unallocated expenses						(27,049)
Share of profits of associates					20,317	20,317
Finance costs	(1,381)	-	-	-	(2,459)	(3,840)
Profit before taxation						131,563
At 31 December 2007						
Segment assets	1,004,898	248,754	325,200	8,908	300,958	1,888,718
Investments						247,737
Total assets						2,136,455
Segment liabilities	166,262	29,485	7,454	-	193,377	396,578
Total liabilities						396,578
Other segment information:						
Capital expenditure	16,520	7,872	7,388	200	26	32,006
Depreciation and amortisation	9,667	5,992	2,595	651	288	19,193

5. PROFIT FROM OPERATIONS

Profit from operations is arrived at after charging:

	Six months ended	
	31 December	
	2008	2007
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Amortisation and depreciation	49,645	19,193
Cost of inventories sold	729,175	787,758
Loss on disposals of investments	–	5,588
Share-based payment expenses	7,944	15,703
Operating lease charges on land and buildings	8,045	4,429
Impairment of trade receivables	18,094	–
Impairment of intangible assets	11,400	–
	11,400	–

6. FINANCE COSTS

	Six months ended	
	31 December	
	2008	2007
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest on bank loans and overdrafts	4,512	3,830
Finance leases charges	9	10
	4,521	3,840

7. TAXATION

	Six months ended	
	31 December	
	2008	2007
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current period tax:		
Hong Kong	–	28
Overseas	3,876	4,884
	3,876	4,912

During the Period under review, the Group had also carried out its clientele extension plans in its agro-business through acquiring certain distribution businesses in fresh produce products in the PRC. The increased distribution volume in fresh produce products had also made contribution to the utilisation of the cold chain logistics services in Zhongshan logistics hub. Turnover for distribution of fresh produce products and provision of cold chain logistics services had recorded a growth rate of approximately 49% and 25% respectively when compared with the same period last year.

During the Period under review, Zhongshan logistics hub had obtained official endorsement from the Guangdong Entry-Exit Inspection and Quarantine Bureau as the specified cold-chain storage facilities for imported frozen products. The Group had redeveloped part of its storage and logistics facilities in Zhongshan logistics hub to meet various stringent quarantine, specification and quality requirements. Upon completion of the reconstruction work, the Group would be able to expand its distribution scale in frozen products currently mainly carried out in the eastern region by our Shanghai logistics hub to the southern region of the PRC by our Zhongshan logistics hub. To cope with the further expansion by Zhongshan logistics hub, the Group had acquired a distribution business in frozen products. Such acquisition would broaden the distribution network of frozen products in the southern region of the PRC.

During the Period under review, Zhongshan logistics hub had also finalised the extension plans in its second phase development. The extension would encompass the establishment of a central warehouse equipped with a hygiene and quarantine centre of internationally recognised standards and various repackaging facilities for agro-products. In view of the recent turbulence in global financial markets, the Group would first start the construction work of the central warehouse that would act as the storage and processing hub for China's agro products for domestic sales. The extension plan for the hygiene and quarantine centre together with other logistics facilities built for the export of China's agro products in Zhongshan logistics hub would be deferred and revisited until China's export industry restored.

During the Period under review, the Group had carried out its product extension plans in its cosmetic business. Turnover for distribution of cosmetic products during the Period recorded a growth rate of 31% when compared with the same period last year. The growth momentum was mainly attributable to the realisation of the Group's product extension plan in its cosmetic business development. Different from the previous model with its procurement from overseas countries, the Group had started sourcing the cosmetic products and toiletries of certain established brandnames from the PRC manufacturers and sold to the pharmacy, department and retail chain stores at a more affordable price in the PRC.

DISCLOSURE OF ADDITIONAL INFORMATION DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 31 December 2008, the interests and short positions of each director and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance (the "SFO"), as recorded in the register required to be kept 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 Companies ("Model Code"), were as follows:

INTERESTS IN THE SHARES OF THE COMPANY

Name of director	Notes	Number of issued ordinary shares held	Percentage of the issued share capital
Mr. Lam Kwok Hing	1	241,600,000	14.47%
Ms. Lee Choi Lin, Joecy	2	85,680,000	5.13%
Mr. Chu Ki	3	14,000,000	0.84%

Notes:

- These shares are held by Best Global Asia Limited ("Best Global"), a company incorporated in the British Virgin Islands (the "BVI"). The entire issued share capital of Best Global is beneficially owned by Mr. Lam Kwok Hing, the spouse of Ms. Lee Choi Lin, Joecy.
- These shares are held by World Invest Holdings Limited ("World Invest"), a company incorporated in the BVI. The entire issued share capital of World Invest is beneficially owned by Ms. Lee Choi Lin, Joecy, the spouse of Mr. Lam Kwok Hing.
- These shares are held by Asia Startup Group Limited ("Asia Startup"), a company incorporated in the BVI. The entire issued share capital of Asia Startup is beneficially owned by Mr. Chu Ki.

All the interests disclosed above represent long position in the shares of the Company.

Save as disclosed above, as at 31 December 2008, none of the directors or chief executive of the Company and their respective associates had any interests or short positions in shares, underlying shares or debentures of the Company, its subsidiaries or any associated corporations (within the meaning of Part XV of the SFO) which were required to be entered into the register kept by the Company pursuant to Section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or pursuant to the Model Code.

The following share options were outstanding under the SO Scheme during the Period:

Name or category of participants	Number of share options				At 31 Dec 2008	Date of grant of share options	Exercise period of share options	Exercise prices of share options Note (i) HK\$	Closing price of Company's shares immediately before the date the options were granted/ exercised HK\$
	At 1 Jul 2008	Granted during the period	Exercised during the period	Cancelled/lapsed during the period					
Executive director Peng Zhanrong Note (ii)	-	15,000,000	-	15,000,000	-	19 Sep 2008	19 Sep 2008 to 18 Sep 2013	0.724	0.700/N/A
Executive director Chiau Che Kong Note (ii)	-	15,000,000	-	15,000,000	-	19 Sep 2008	19 Sep 2008 to 18 Sep 2013	0.724	0.700/N/A
Non-Executive director Chan Yuk, Foebé	-	15,000,000	-	-	15,000,000	19 Sep 2008	19 Sep 2008 to 18 Sep 2013	0.724	0.700/N/A
Independent non-executive director John Handley	1,500,000	-	-	1,500,000	-	13 Nov 2007	15 Nov 2007 to 14 Nov 2012	1.612	1.540/N/A
	2,000,000	-	-	2,000,000	-	6 Feb 2008	18 Mar 2008 to 17 Mar 2013	0.994	0.980/N/A
Employees (in aggregate)	97,500,000	-	-	97,500,000	-	21 Aug 2007	21 Aug 2007 to 20 Aug 2012	1.240	1.200/N/A
	55,000,000	-	-	30,000,000	25,000,000	6 Feb 2008	18 Mar 2008 to 17 Mar 2013	0.994	0.980/N/A
	-	30,000,000	30,000,000	-	-	26 Nov 2008	26 Nov 2008 to 25 Nov 2013	0.388	0.370/0.540
	-	30,000,000	-	-	30,000,000	23 Dec 2008	23 Dec 2008 to 22 Dec 2013	0.550	0.550/N/A
Other eligible participants (in aggregate)	-	67,500,000	-	-	67,500,000	23 Dec 2008	1 Jul 2010 to 30 Jun 2015	0.550	0.550/N/A
	672,000	-	-	-	672,000	30 Apr 2002	1 May 2002 to 30 Apr 2012	0.249*	0.279/N/A
	10,080,000	-	-	-	10,080,000	3 Feb 2006	3 Feb 2006 to 2 Feb 2011	1.196*	1.348/N/A
	-	50,000,000	50,000,000	-	-	29 Oct 2008	29 Oct 2008 to 28 Oct 2013	0.352	0.340/0.418
	<u>166,752,000</u>	<u>222,500,000</u>	<u>80,000,000</u>	<u>161,000,000</u>	<u>148,252,000</u>				

* The number of share options and exercise prices have been adjusted to reflect the open offer issue after the grant of the share options.

AUDIT COMMITTEE

The Company has an Audit Committee which was established in accordance with the requirements of the Code, for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee consists of one non-executive Director, namely Ms. Chan Yuk, Foebé and two independent non-executive Directors, namely Ms. Mak Yun Chu and Mr. Poon Yiu Cheung, Newman. The interim report has been reviewed and approved by the Audit Committee, but not audited by the Company's auditors.

REMUNERATION COMMITTEE

The Company has set up the remuneration committee with specific written terms of reference in accordance with the provisions set out in the Code in July 2005. The Remuneration Committee comprises one executive Director, namely Mr. Lam Kwok Hing and two independent non-executive Directors, namely Mr. Poon Yiu Cheng, Newman and Ms. Mak Yun Chu. The responsibilities and authorities of the Remuneration Committee are clearly stated in the terms of reference, including but not limited to recommendations to the Board on the Company's policy and structure for all remuneration of the Directors and the senior management and review and approval of the compensation package to Executive Directors and senior management. The Remuneration Committee has adopted terms of reference which are in line with the Code.

BOARD OF DIRECTORS

As at the date of this report, the Board comprised three executive Directors, namely Mr. Lam Kwok Hing (Chairman), Mr. Chu Ki, and Ms. Lee Choi Lin, Joecy; one non-executive Director, namely Ms. Chan Yuk, Foebé; and three independent non-executive Directors, namely Mr. John Handley, Mr. Poon Yiu Cheung, Newman and Ms. Mak Yun Chu.

On behalf of the Board

Lam Kwok Hing

Chairman

Hong Kong, 27 March 2009