



China Agri-Products Exchange Limited

(Incorporated in Bermuda with limited liability)

Stock Code:149

Dedicated

to developing

Agriculture

Sincere in
serving

2009 Interim Report

Agriculture

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Chan Chun Hong, Thomas, *Chairman*
Mr. Ying Yat Man, *Chief Executive Officer*
Mr. Leong Weng Kin

Independent Non-executive Directors

Mr. Ng Yat Cheung
Mr. Lee Chun Ho
Ms. Lam Ka Jen, Katherine

AUDIT COMMITTEE

Ms. Lam Ka Jen, Katherine, *Chairman*
Mr. Lee Chun Ho
Mr. Ng Yat Cheung

REMUNERATION COMMITTEE

Mr. Chan Chun Hong, Thomas, *Chairman*
Mr. Ng Yat Cheung
Mr. Lee Chun Ho
Ms. Lam Ka Jen, Katherine
Mr. Leong Weng Kin

NOMINATION COMMITTEE

Mr. Chan Chun Hong, Thomas, *Chairman*
Mr. Ng Yat Cheung
Mr. Lee Chun Ho
Ms. Lam Ka Jen, Katherine
Mr. Ying Yat Man

COMPANY SECRETARY

Ms. Mak Yuen Ming, Anita

PRINCIPAL BANKERS

China Construction Bank Corporation
China Construction Bank (Asia)
Corporation Limited
The Hongkong and Shanghai Banking
Corporation Limited

LEGAL ADVISERS

DLA Piper Hong Kong
Freshfields Bruckhaus Deringer
Morrison & Foerster

AUDITORS

CCIF CPA Limited

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1702, 17th Floor
Far East Consortium Building
121 Des Voeux Road Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermudianna Road
Pembroke HM08
Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricolor Investor Services Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

STOCK CODE

149

HOMEPAGE

<http://www.cnagri-products.com>

INTERIM DIVIDEND

The board of directors (the “**Board**” or “**Directors**”) of China Agri-Products Exchange Limited (the “**Company**” together with its subsidiaries, collectively the “**Group**”) does not recommend the payment of an interim dividend for the six months ended 30 June 2009 (For the six months ended 30 June 2008: Nil, but a distribution out of contributed surplus of HK\$0.02 per share for the six months ended 30 June 2008).

MANAGEMENT DISCUSSION AND ANALYSIS

Summary of Operating Results

For the six months ended 30 June 2009, the Group recorded a turnover of approximately HK\$49.7 million (2008: approximately HK\$118.9 million) and a gross profit of approximately HK\$36.4 million (2008: approximately HK\$101.0 million), representing a decrease of approximately 58.2% and 64.0%, respectively, as compared to the corresponding period last year. The decrease was mainly due to the fall in turnover of the Company’s subsidiary 武漢白沙州農副產品大市場有限公司 (Wuhan Baisazhou Agricultural By-product Grand Market Company Limited) (“**Baisazhou**”).

The loss attributable to equity holders of the Group was approximately HK\$158.2 million compared to profit of approximately HK\$18.4 million for the corresponding period last year. Such decline in the Group results is primarily attributable to (i) the significantly reduced profitability of the agricultural produce exchange operated by Baisazhou; and (ii) impairment of intangible assets arising from the Group’s acquisition of Baisazhou.

Material Acquisition

Acquisition of the entire interest in Shiney Day Investments Limited

On 12 February 2009, the Group entered into an agreement with Active Day Investments Limited for the acquisition of the entire interest of Shiney Day Investments Limited and its subsidiaries (the “**Shiney Day Group**”) at a cash consideration of HK\$150 million (the “**Acquisition**”). The Shiney Day Group held a 65% of equity interest in Yulin Hong-Jin Agricultural By-products Wholesale Marketplace Limited (“**Yulin Hong-Jin**”) and a 51% equity interest in Xuzhou Yuan Yang Trading Development Company Limited (“**Xuzhou Yuan Yang**”). Yulin Hong-Jin owns a land with total site area of approximately 274,000 square metres at Yulin, Guangxi Province, the People’s Republic of China (the “**PRC**”), which has been developed into a large scale agricultural by-products wholesale market. Xuzhou Yuan Yang is the owner of and is principally engaged in the operation of an agricultural wholesale market in Xuzhou, Jiangsu Province, the PRC. The Acquisition was completed in March 2009. The Directors considered that the Acquisition is closely related to the daily life of the general population of the PRC, given the favourable government policies on agricultural, further expansion of agricultural wholesale market business of the Group to other geographical locations in the PRC would allow the Group to gain full support from the PRC government with promising prospects.

Review of Operations

The Group is principally engaged in the property rental business in respect of agricultural produce exchanges and the food and beverage, both in the PRC.

Agricultural produce exchanges

Baisazhou, being strategically located in Wuhan, owns and operates at this key gathering point for buyers and sellers of agricultural produce in the central location in the PRC, an agricultural produce exchange occupying a site area of approximately 269,000 square metres. Due to a major fall in its turnover as a result of certain business arrangements, this operation recorded significantly reduced profitability during the period under review.

The development of our agricultural wholesale market complex in Yulin, Guangxi Province, the PRC with various two-storey market stalls and a multi-storey godown is now at its final stage. The Group anticipates this marketplace to commence operation in the last quarter of the year and will positively generate profit for the Group in years to come. The Acquisition of this market was completed in March of this year.

The Group's agricultural wholesale market in Xuzhou, Jiangsu Province, the PRC with various single-storey market stalls and a multi-storey godown is the major marketplace for the supply of fruit and seafood in Xuzhou city. This marketplace is well-equipped and handles a wide range of products. As the Group acquired this operation only in March of this year, its contribution to the Group's turnover is expected to experience significant growth in the second half of the year.

Restaurant operation

The Group's restaurant operation in Shenzhen and Beijing continued to generate steady income for the Group and total turnover of this operation was approximately HK\$13.8 million for the six months ended 30 June 2009 (2008: approximately HK\$12.4 million).

Administrative expenses and other expenses

The Group has recorded substantial increases in administrative expenses to approximately HK\$34.6 million (2008: approximately HK\$20.3 million) and other expenses to approximately HK\$196.9 million (2008: approximately HK\$23.2 million) which were mainly due to the effect of the Group's additional operations at the agricultural produce exchanges in Yulin and Xuzhou, and the impairment of intangible assets in respect of acquisition of Baisazhou.

Future Plans and Prospects

Looking forward, it is expected that the PRC government will continue its support, favourable policies and measures for agricultural and rural development issues. These supportive policies and measures are beneficial for the growth of agricultural upstream, midstream and downstream businesses cycles in the long-term. The Group will continue to focus on intensifying its investment in agricultural by-products wholesale markets in the PRC to further entrench its commitment in supporting the State's "Vegetable Basket Project". In addition, the Group endeavors to build and expand its network of wholesale market platform by establishing partnership in the PRC and exploring business development in the management of agricultural by-products wholesale markets in different cities and provinces in the PRC, so as to deliver long-term benefits to the shareholders of the Company.

Liquidity and Financial Resources

As at 30 June 2009, the Group had total cash and cash equivalents amounting to approximately HK\$312.1 million (31 December 2008: approximately HK\$239.2 million) whilst total assets and net assets were approximately HK\$2,044.1 million (31 December 2008: approximately HK\$1,459.2 million) and approximately HK\$631.7 million (31 December 2008: approximately HK\$463.5 million), respectively. The Group's gearing ratio as at 30 June 2009 was approximately 1.36 (31 December 2008: approximately 1.19), being a ratio of total bank and other borrowings and promissory notes of approximately HK\$861.3 million (31 December 2008: approximately HK\$551.5 million) to total shareholders' funds of approximately HK\$631.7 million (31 December 2008: approximately HK\$463.5 million).

As at 30 June 2009, outstanding capital commitments, contracted but not provided for, amounted to approximately HK\$37.7 million (31 December 2008: approximately HK\$60.8 million) in relation to the purchase of property, plant and equipment and construction contracts.

As at 30 June 2009, the Group had pledged the land use rights and construction work in progress with carrying amount of approximately HK\$416.3 million (31 December 2008: approximately HK\$255.1 million) to secure certain bank loans.

The Group did not have any outstanding foreign exchange contracts, interest or currency swaps, other derivative financial instruments, options or convertible notes as at 30 June 2009.

Fund Raising Activities

Top-up placing and placing of new shares under general mandate

The Company placed a total of 153 million shares, on a best efforts basis, to the independent third parties at a price of HK\$0.25 per share under the general mandate granted to the Directors by the shareholders at the annual general meeting of the Company held on 23 May 2008, completion of which took place on 25 February 2009 and an aggregate net proceeds of approximately HK\$37.0 million were raised for general working capital purpose.

Placing of new shares under a specific mandate

On 7 May 2009, the Company entered into a placing agreement with Kingston Securities Limited in respect of the placing of a total of 2 billion shares, on a best efforts basis, to the independent third parties at a price of HK\$0.08 per share under a specific mandate granted to the Directors by the shareholders at a special general meeting held on 2 June 2009, completion of which took place on 19 June 2009 and the net proceeds of approximately HK\$155.2 million were raised and were intended to be applied towards meeting the working capital requirements of the agricultural produce exchanges operated by the Group and the Group's other general working capital requirements.

Capital Reorganisation

Pursuant to a special resolution passed by the shareholders of the Company at a special general meeting held on 27 April 2009, the Company underwent a capital reorganisation, comprising, inter alia, (i) the change in currency denomination of all the issued and unissued shares from US\$0.02 each to HK\$0.156 each (the "**Redenominated Shares**"); (ii) the reduction of each issued Redenominated Share from HK\$0.156 to HK\$0.01 by cancelling HK\$0.146 of the paid-up capital on each issued Redenominated Share (the "**Capital Reduction**"); and (iii) the cancellation of the entire authorised but unissued share capital of the Company, including share capital arising from the Capital Reduction, and the subsequent increases by the creation of such number of new shares of HK\$0.01 each to bring the authorised share capital of the Company to HK\$300,000,000. The capital reorganisation became effective on 28 April 2009.

Adoption of Chinese Name as Secondary Name

Pursuant to a special resolution passed by the shareholders of the Company at a special general meeting of the Company held on 27 April 2009, and with subsequent approval by the Registrar of Companies in Bermuda and the Registrar of Companies in Hong Kong on 3 August 2009 and 18 August 2009, respectively, the Chinese name of "中國農產品交易所有限公司" has been adopted as the secondary name of the Company.

Contingent Liabilities

As at 30 June 2009, the Group had no significant contingent liability (31 December 2008: approximately HK\$26.7 million).

Employees and Remuneration Policies

As at 30 June 2009, the Group had 434 employees (2008: 500 employees), approximately 96.3% of whom were located in the PRC. The related employees' costs for the period (excluding Directors' emoluments) amounted to approximately HK\$4.67 million (2008: approximately HK\$4.60 million). The Group's remuneration policy is reviewed periodically by the remuneration committee and the Board and remuneration is determined by reference to market terms, company performance, and individual qualifications and performance.

DISCLOSURE OF INTERESTS

Directors' Interests and Short Positions in Shares, Underlying Shares or Debentures of the Company and its Associated Corporations

As at 30 June 2009, none of the Directors or chief executive of the Company, nor any of their respective associates, had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") pursuant to Part XV of the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") under the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

Directors' Rights to Acquire Shares or Debentures

At no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the Director or their respective spouse or children under the age of 18, nor were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or chief executive of the Company to acquire such rights in any other body corporate.

Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares

As at 30 June 2009, to the best knowledge of the Directors, the following persons (other than the Directors or chief executive of the Company) had, or were deemed or taken to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Long positions in the ordinary shares of HK\$0.01 each of the Company:

Name of shareholder	Notes	Capacity	Total number of shares held	Approximate percentage of the Company's total issued share capital (Note c)
Au Tsui Yee Maggie		Beneficial Owner	290,000,000	9.93%
So Chi Ming		Beneficial Owner	290,000,000	9.93%
LeRoi Holdings Limited ("LeRoi Holdings")	(a)	Interest of a controlled corporation	261,765,080	8.97%
Wang Xiu Qun	(b)	Beneficial owner	180,000,000	6.17%
Zhou Jiu Ming	(b)	Interest of the spouse	180,000,000	6.17%

Notes:

- (a) LeRoi Holdings, through Onger Investments Limited ("**Onger**"), its wholly-owned subsidiary, which held 261,765,080 shares of the Company, was taken to be interested in the same shares.
- (b) Mr. Zhou Jiu Ming, as the spouse of Ms. Wang Xiu Qun, was deemed to be interested in 180,000,000 shares of the Company.
- (c) The percentages stated represented the number of shares over the total number of 2,918,658,596 shares in the issued share capital of the Company as at 30 June 2009.

Save as disclosed above, as at 30 June 2009, there were no other persons (other than the Directors or chief executive of the Company) who had any interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEME

On 4 June 2002, the Company adopted a share option scheme (the “**Scheme**”) for the primary purpose of providing incentive to selected eligible persons (the “**Participants**”) to take up share options for their contribution to the Group. Under the Scheme, the Board may grant share options to the Participants to subscribe for shares of the Company (the “**Share(s)**”) for a consideration of HK\$1.00 for each lot of share options granted. The exercise price is to be determined by the Board and shall not be less than the highest of (i) the official closing price of the Shares as stated in the daily quotations sheets of the Stock Exchange on the offer date which must be a business day (and for this purpose, shall be taken to be the date of the Board meeting at which the Board proposes to grant the share options); (ii) the average of the official closing price of the Shares as stated in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the offer date; and (iii) the nominal value of a Share. The number of Shares in respect of which share options may be granted to the Participants in any 12-month period up to and including the date of grant is not permitted to exceed 1% of the Shares in issue at any point in time, without prior approval from the shareholders of the Company. Share options granted to substantial shareholders or independent non-executive Directors in excess of 0.1% of the share capital of the Company and with a value in excess of HK\$5,000,000 must be approved in advance by the shareholders of the Company. The Scheme became effective on 4 June 2002 and will expire on 3 June 2012. There is no specific requirement that an share option must be held for any minimum period before it can be exercised but the Board is empowered to impose at its discretion any such minimum period at the time of grant of any particular share option. The period during which an share option may be exercised will be determined by the Board at its absolute discretion, save that no share option may be exercised more than ten years from the date of grant.

Details of the movements of the share options under the Scheme during the period were as follows:

Capacity	Date of grant	Exercise period	Exercise Price (HK\$)	Number of share options		
				Outstanding as at 1 January 2009	Lapsed/ cancelled during the period under review	Outstanding as at 30 June 2009
Employees	4.6.2007	5.6.2007-4.6.2012	2.48	5,300,000	(5,300,000)	–

During the six months ended 30 June 2009, no share options under the Scheme was granted and as at 30 June 2009, there was no outstanding share options under the Scheme.

CORPORATE GOVERNANCE AND OTHER INFORMATION

The Company has complied with the Code on Corporate Governance Practices (the “**Code**”) as set out in Appendix 14 to the Listing Rules throughout the period ended 30 June 2009 except for the following deviation:

Code Provision A.4.1

Under code provision A.4.1 of the Code, non-executive directors should be appointed for a specific term, subject to re-election. During the period ended 30 June 2009, Mr. James Yin and Mr. Jee Wengue both of them were independent non-executive Directors and who both resigned on 12 February 2009 and Mr. Yan Feng Xian, an independent non-executive Director and retired at the annual general meeting of the Company held on 8 June 2009, were not appointed for a specific term but all of them were subject to retirement by rotation at annual general meeting pursuant to the bye-laws of the Company. Currently, all non-executive Directors are appointed with specific term and all Directors (both executive and non-executive) are subject to retirement by rotation at the annual general meeting in accordance with bye-law 99 of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company’s standard of corporate governance in this regard is no less than that provided under code provision A.4.1 of the Code.

Changes in information on Directors

In accordance with Rule 13.51B(1) of the Listing Rules, the changes in information on Directors since the date of the 2008 annual report of the Company, which are required to be disclosed pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules, are set out below:

1. Mr. Zhu Zhou (“**Mr. Zhu**”), Mr. Yang Zong Lin, Mr. Yang Wei Yuan and Mr. Yan Feng Xian (“**Mr. Yan**”) had retired by rotation as executive Directors or independent non-executive Director in accordance with the bye-laws of the Company with effect from the conclusion of the annual general meeting of the Company held on 8 June 2009 (the “**2009 AGM**”). Furthermore, Mr. Zhu also ceased to be the chief executive officer of the Company and Mr. Yan ceased to be the chairman of the audit committee and a member of each of the audit committee, remuneration committee and nomination committee of the Company with effect from the conclusion of the 2009 AGM;
2. Mr. Ying Yat Man (“**Mr. Ying**”), an executive Director, was redesignated as the chief executive officer of the Company with effect from 8 June 2009 to fill the vacancy arising from the retirement by rotation and cessation of Mr. Zhu as an executive Director and the chief executive officer of the Company respectively. Notwithstanding his redesignation as the chief executive officer of the Company, Mr. Ying remained as an executive Director and a member of the nomination committee of the Company; and
3. Ms. Lam Ka Jen, Katherine, an independent non-executive Director, was appointed as the chairman of the audit committee of the Company with effect from 15 September 2009 to fill the vacancy arising from the cessation of Mr. Yan as chairman of audit committee of the Company following his retirement by rotation as independent non-executive Director at the 2009 AGM.

Save as disclosed above and other information as published, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Purchase, Sale or Redemption of Listed Securities of the Company

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 June 2009.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries of all Directors, the Company confirmed that all Directors had complied with the required standard set out in the Model Code throughout the period under review.

Audit Committee

The Company has an audit committee (the "**Audit Committee**"), which was established in accordance with the requirements of the Listing Rules, for the purposes of reviewing and providing supervision over the Group's financial reporting processes and internal controls. On 12 February 2009, Mr. James Yin and Mr. Jee Wengue resigned as independent non-executive Directors and Mr. Ng Yat Cheung, Mr. Lee Chun Ho and Ms. Lam Ka Jen, Katherine, being independent non-executive Directors, were appointed as members of the Audit Committee. Mr. Yan Feng Xian retired as an independent non-executive Director at the annual general meeting of the Company held on 8 June 2009. The existing Audit Committee comprises all the independent non-executive Directors, namely Mr. Ng Yat Cheung, Mr. Lee Chun Ho and Ms. Lam Ka Jen, Katherine, and is chaired by Ms. Lam Ka Jen, Katherine. The Audit Committee has reviewed with the management the unaudited condensed consolidated interim results for the six months ended 30 June 2009.

Appreciations

I would like to take this opportunity to thank our customers, business partners, institutional investors and other shareholders for the continued support they gave to the Group during the period. I would also like to thank my fellow board members and all staff for their hard work and contribution to the Group.

By Order of the Board
China Agri-Products Exchange Limited
Chan Chun Hong, Thomas
Chairman

Hong Kong, 25 September 2009

INTERIM RESULTS

The Board is pleased to announce the unaudited condensed consolidated results of the Group for the six months ended 30 June 2009, together with the comparative figures for the corresponding period in 2008. These interim condensed consolidated financial statements were not audited, but have been reviewed by the audit committee of the Company.

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2009

	Notes	For the six months ended 30 June	
		2009 (Unaudited) HK\$'000	2008 (Unaudited) (Restated) HK\$'000
Revenue	3	49,677	118,904
Cost of sales		(13,289)	(17,953)
Gross profit		36,388	100,951
Other income		11,643	3,063
Fair value change on conversion options embedded in convertible notes		—	9,944
Administrative expenses		(34,579)	(20,337)
Other expenses		(196,882)	(23,183)
Finance costs	4	(31,956)	(28,218)
(Loss)/profit before taxation		(215,386)	42,220
Income tax credit/(expense)	5	44,678	(17,850)
(Loss)/profit for the period	6	(170,708)	24,370
Other comprehensive income			
Exchange differences arising on translation of foreign operations		(2,583)	16,890
Other comprehensive income for the period		(2,583)	16,890
Total comprehensive income for the period		(173,291)	41,260
(Loss)/profit for the period attributable to:			
Owners of the Company		(158,159)	18,368
Non-controlling interests		(12,549)	6,002
		(170,708)	24,370

Condensed Consolidated Statement of Comprehensive Income

(Continued)

For the six months ended 30 June 2009

	Notes	For the six months ended 30 June	
		2009 (Unaudited) HK\$'000	2008 (Unaudited) (Restated) HK\$'000
Total comprehensive income attributable to:			
Owners of the Company		(160,630)	33,731
Non-controlling interests		(12,661)	7,529
		(173,291)	41,260
(Loss)/earnings per share	8		
Basic		(HK\$ 0.16)	HK\$ 0.02
Diluted		(HK\$ 0.16)	HK\$ 0.01

Condensed Consolidated Statement of Financial Position

As at 30 June 2009

		As at 30 June 2009	As at 31 December 2008
	Notes	(Unaudited) HK\$'000	(Audited) HK\$'000
Non-current assets			
Property, plant and equipment		489,901	15,398
Investment properties		883,473	713,450
Prepaid land lease payment		247	—
Intangible assets		300,045	484,036
Held-to-maturity financial assets		1,932	—
Goodwill	10	27,466	—
		1,703,064	1,212,884
Current assets			
Financial assets at fair value through profit or loss		10,754	—
Inventories		802	807
Trade and other receivables	11	17,332	6,355
Cash and cash equivalents		312,126	239,185
		341,014	246,347
Current liabilities			
Trade and other payables	12	318,171	247,220
Government grants		1,535	1,369
Income tax payable		72,271	68,829
Bank and other borrowings	13	46,426	239,455
		438,403	556,873
Net current liabilities		(97,389)	(310,526)
Total assets less current liabilities		1,605,675	902,358
Non-current liabilities			
Bank and other borrowings	13	511,299	17,039
Promissory notes		303,604	294,967
Deferred tax liabilities		159,034	126,864
		973,937	438,870
NET ASSETS		631,738	463,488
CAPITAL AND RESERVES			
Share capital	14	29,187	119,443
Reserves		395,568	273,522
Equity attributable to equity holders of the Company			
Non-controlling interests		424,755	392,965
		206,983	70,523
TOTAL EQUITY		631,738	463,488

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2009

	Attributable to equity holders of the Company											
	Capital					Share			Retained profits	Non-controlling		Total equity
	Share capital	Share premium	redemption reserve	Shareholders contribution	Contributed surplus	options reserve	Translation reserve	Total		interests		
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
				Note (a)	Note (b)						(Restated)	
At 1 January 2008 (audited)	91,363	553,217	945	664	2,096,598	3,554	16,511	(2,109,026)	653,826	126,604	780,430	
Exchange differences arising on translation of foreign operations recognised directly in equity	-	-	-	-	-	-	15,363	-	15,363	1,527	16,890	
Profit for the period	-	-	-	-	-	-	-	18,368	18,368	6,002	24,370	
Total comprehensive income for the period	-	-	-	-	-	-	15,363	18,368	33,731	7,529	41,260	
Conversion of convertible notes	28,080	300,477	-	-	-	-	-	-	328,557	-	328,557	
At 30 June 2008 (unaudited)	119,443	853,694	945	664	2,096,598	3,554	31,874	(2,090,658)	1,016,114	134,133	1,150,247	
Exchange differences arising on translation of foreign operations recognised directly in equity	-	-	-	-	-	-	23,919	-	23,919	2,658	26,577	
Loss for the period	-	-	-	-	-	-	-	(631,755)	(631,755)	(66,268)	(698,023)	
Total comprehensive income for the period	-	-	-	-	-	-	23,919	(631,755)	(607,836)	(63,610)	(671,446)	
Distribution to shareholders	-	-	-	-	(15,313)	-	-	-	(15,313)	-	(15,313)	

Condensed Consolidated Statement of Changes in Equity (Continued)

For the six months ended 30 June 2009

	Attributable to equity holders of the Company											
	Capital					Share			Retained profits	Non-controlling		Total equity
	Share capital	Share premium	redemption reserve	Shareholders contribution	Contributed surplus	options reserve	Translation reserve	Total		interests		
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
				Note (a)	Note (b)							
At 31 December 2008	119,443	853,694	945	664	2,081,285	3,554	55,793	(2,722,413)	392,965	70,523	463,488	
Exchange differences arising on translation of foreign operations recognised directly in equity	-	-	-	-	-	-	(2,471)	-	(2,471)	(112)	(2,583)	
Loss for the period	-	-	-	-	-	-	-	(158,159)	(158,159)	(12,549)	(170,708)	
Total comprehensive income for the period	-	-	-	-	-	-	(2,471)	(158,159)	(160,630)	(12,661)	(173,291)	
Share option lapsed	-	-	-	-	-	(3,554)	-	3,554	-	-	-	
Issue of shares	43,868	148,552	-	-	-	-	-	-	192,420	-	192,420	
Share capital reduction	(134,124)	-	-	-	134,124	-	-	-	-	-	-	
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	149,121	149,121	
At 30 June 2009 (unaudited)	29,187	1,002,246	945	664	2,215,409	-	53,322	(2,877,018)	424,755	206,983	631,738	

Notes:

- (a) The shareholders' contribution represents deemed contribution arising from non-current interest-free loan granted by the former ultimate holding company.
- (b) The contributed surplus of the Group represents (i) aggregate of the difference between the nominal amount of the share capital of the subsidiaries at the date on which they were acquired by the Group and the nominal amount of the share capital issued as consideration for the acquisition and (ii) contribution arising from capital reorganisation and group reorganisation in 1995.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2009

	Notes	For the six months ended 30 June	
		2009 (Unaudited) HK\$'000	2008 (Unaudited) (Restated) HK\$'000
Net cash from operating activities		29,302	30,478
Net cash used in investing activities			
Purchase of property, plant and equipment	9	(18,964)	(74,474)
Proceeds from shortfall of profit guarantee		—	69,646
Proceeds from disposal of property, plant and equipment		—	301
Purchase of financial assets at fair value through profit or loss		(10,754)	—
Purchase of held-to-maturity financial assets		(1,932)	—
Acquisition of a subsidiary	18	(122,548)	—
Other investing cash flows		—	(448)
		(154,198)	(4,975)
Net cash from/(used in) financing activities:			
Interest paid		(13,919)	(10,540)
Interest received		76	3,063
Fund from new bank loans		57,037	—
Repayment of bank and other loans		(37,038)	—
Proceeds from issue of shares		192,420	—
		198,576	(7,477)
Net increase in cash and cash equivalents		73,680	18,026
Cash and cash equivalents at 1 January		239,185	260,894
Effect of foreign exchange rate changes		(739)	2,797
Cash and cash equivalents at 30 June, representing bank balances and cash		312,126	281,717

Notes to the Condensed Consolidated Financial Statements

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with Hong Kong Accounting Standard (the “**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

In preparing the condensed consolidated financial statements, the directors of the Company (the “**Director(s)**”), having given careful consideration to the future liquidity of the Group in light of the consolidated net current liabilities of approximately HK\$97.4 million as at 30 June 2009, are satisfied that the Group will be able to meet in full its financial obligations as they fall due in the foreseeable future. Accordingly, the condensed consolidated financial statements are prepared on a going concern basis.

2. CHANGES IN ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at fair values as appropriate.

A number of new or revised Standards and Interpretations are effective for the financial year beginning on 1 January 2009. Except as described below, the same accounting policies, presentation and methods of computation have been followed in these condensed consolidated financial statements as were applied in the preparation of the Group’s financial statements for the year ended 31 December 2008.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendments to paragraph 80 of HKAS 39
HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 32 and HKAS 31 (Amendments)	Puttable Financial Instruments and Obligation Arising on Liquidation
HKFRS 1 and HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Share-based Payment — Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) — Int 9 and HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC) — Int 13	Customer Loyalty Programmes
HK(IFRIC) — Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) — Int 16	Hedges of a Net Investment in a Foreign Operation

2. CHANGES IN ACCOUNTING POLICIES *(Continued)*

HKAS 1 (Revised) "Presentation of Financial Statements" has introduced a number of terminology changes, including revised titles for the condensed consolidated financial statements, and has resulted in a number of changes in presentation and disclosure.

HKFRS 8 "Operating Segments" is a disclosure standard that requires the identification of operating segments to be performed on the same basis as financial information that is reported internally for the purpose of allocating resources between segments and assessing their performance. The predecessor standard HKAS 14 "Segment Reporting", required the identification of two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has not resulted in a re-designation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14 (see note 3).

The adoption of the new and revised HKFRSs has had no material effect on the reported results and financial position of the Group for the current and prior accounting periods. Accordingly, no prior period adjustment has been recognised.

The Group has not early applied the following new or revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of improvements to HKFRSs issued in 2008 ¹
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 ²
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ¹
HKAS 39 (Amendment)	Eligible Hedged Items ¹
HKFRS 1 (Amendment)	Additional exemptions for first-time adopters ³
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions ³
HKFRS 3 (Revised)	Business Combinations ¹
HK(IFRIC) — Int 17	Distribution of Non-cash Assets to Owners ¹
HK(IFRIC) — Int 18	Transfers of Assets from Customers ⁴

¹ Effective for annual periods beginning on or after 1 July 2009

² Amendments that are effective for annual periods beginning on or after 1 July 2009 or 1 January 2010 as appropriate

³ Effective for annual periods beginning on or after 1 January 2010

⁴ Effective for transfers on or after 1 July 2009

The adoption of HKFRS 3 (Revised) may affect the Group's accounting for business combination for which the acquisition dates are on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary that do not result in loss of control of the subsidiary, will be accounted for as equity transactions.

The Directors anticipate that the application of other new and revised standards, amendments or interpretation will have no material impact on the results and the financial positions of the Group.

3. SEGMENT INFORMATION

The Group has adopted HKFRS 8 "Operating Segments" with effect from 1 January 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the executive management in order to allocate resources to the segment and to assess its performance. In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has not resulted in a re-designation of the Group's reportable segment as compared with the primary reportable segment determined with HKAS 14 segment reporting, nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit or loss.

The Group has identified the following two reportable segments. No other operating segments have been aggregated to form the following reportable segments.

Property rental: the leasing of properties

Restaurant operation: the sales of food and beverage

All the operations of the Group are in the PRC.

For the six months ended 30 June 2009

	Property Rental HK\$'000	Restaurant Operation HK\$'000	Consolidated HK\$'000
REVENUE			
External sales	35,834	13,843	49,677
RESULT			
Segment results	18,832	(162)	18,670
Unallocated corporate expenses			(30,980)
Other income			11,643
Impairment of intangible assets			(174,430)
Amortisation of intangible assets			(8,333)
Finance costs			(31,956)
Loss before taxation			(215,386)
Income tax credit			44,678
Loss for the period			(170,708)

3. SEGMENT INFORMATION (Continued)

For the six months ended 30 June 2008

	Property Rental	Restaurant Operation	Consolidated
	HK\$'000	HK\$'000	HK\$'000
REVENUE			
External sales	106,470	12,434	118,904
RESULT			
Segment results	89,092	17	89,109
Unallocated corporate expenses			(8,495)
Other income			3,063
Fair value change on conversion options embedded in convertible notes			9,944
Amortisation of intangible assets			(23,183)
Finance costs			(28,218)
Profit before taxation			42,220
Income tax expense			(17,850)
Profit for the period			24,370

The Group's assets and liabilities are physically located in the PRC including Hong Kong and accordingly, no analysis on segment assets and liabilities and capital expenditure is provided.

4. FINANCE COSTS

	For the six months ended 30 June	
	2009	2008
	HK\$'000	HK\$'000
Interest on bank advances and other borrowings wholly repayable within five years	13,919	10,540
Promissory notes	9,400	9,349
Effective interest on convertible notes	—	675
Effective interest on promissory notes	8,637	7,654
	31,956	28,218

5. INCOME TAX (CREDIT)/EXPENSE

	For the six months ended 30 June	
	2009	2008
	HK\$'000	HK\$'000 (Restated)
Other tax:		
PRC Enterprises Income Tax	1,012	18,202
Deferred tax	(45,690)	(352)
Income tax (credit)/expense	(44,678)	17,850

No provision for Hong Kong Profits Tax has been made in the condensed consolidated financial statements as the Company and its subsidiaries had no assessable profits in both periods.

6. (LOSS)/PROFIT FOR THE PERIOD

	For the six months ended 30 June	
	2009	2008
	HK\$'000	HK\$'000
(Loss)/Profit for the period has been arrived at after charging the following items:		
Depreciation	2,204	2,023
Amortisation of intangible assets	8,333	23,183
Impairment of intangible assets	174,430	—
Unrealised losses of listing securities	1,680	—

7. DIVIDENDS

The Board does not propose the payment of any interim dividend in respect of the period under review (2008: Nil, but a distribution out of contributed surplus of HK\$0.02 per share for the six months ended 30 June 2008).

8. (LOSS)/EARNINGS PER SHARE

The calculation of basic and diluted (loss)/earnings per share attributable to equity holders of the Company is based on the following data:

	For the six months ended 30 June	
	2009	2008
	HK\$'000	HK\$'000
(Loss)/earnings		
(Loss)/earnings for the purpose of basic earnings per share attributable to equity holders of the Company	(158,159)	18,368
Effect of dilutive potential ordinary shares:		
Interest on convertible notes	—	675
Fair value change on conversion options embedded in convertible notes	—	(9,944)
(Loss)/earnings for the purpose of diluted earnings per share	(158,159)	9,099

Number of shares

	For the six months ended 30 June	
	2009	2008
	'000	'000
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	1,004,764	758,736
Effect of dilutive potential ordinary shares:		
Conversion of convertible notes	—	6,923
Weighted average number of ordinary shares for the purpose of diluted (loss)/earnings per share	1,004,764	765,659

The diluted (loss)/earnings per share equal to the basic (loss)/earnings per share for the six months ended 30 June 2009 as all the Company's share options has been lapsed.

The computation of diluted earnings per share does not assume the conversion of the Company's share options for the six months ended 30 June 2008 as the exercise price of the Company's share options was higher than the average market price for shares.

9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

During the period, the Group acquired property, plant and equipment at a cost of approximately HK\$18,964,000 (2008: approximately HK\$74,474,000).

During the period, the Group's exchange realignment on investment properties amounted to HK\$2,393,000. The Group's investment properties were fair valued by valuers at 30 June 2009.

10. GOODWILL

	HK\$'000
COST	
At 1 January 2009	—
Acquisition of a subsidiary (Note 18)	27,466
<hr/>	
At 30 June 2009	27,466
<hr/>	
IMPAIRMENT	
At 1 January 2009	—
Impairment loss recognised in the period	—
<hr/>	
At 30 June 2009	—
<hr/>	
CARRYING AMOUNTS	
At 30 June 2009	27,466
<hr/>	
At 31 December 2008	—
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The carrying amounts of goodwill (net of impairment loss) as at 30 June 2009 is attributed to the business of property rental and management of agricultural products exchange in Xuzhou and Yulin, the PRC.

The recoverable amount of goodwill has been determined on the basis of a value in use calculations. Its recoverable amount is based on certain key assumptions. The value in use calculations use cash flow projections based on financial budgets approved by management covering a 5-year period, and a discount rate of 12.4%. The set of cash flow beyond the 5-year period is extrapolated using a steady 2.1% growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Cash flow projections during the budget period are also based on the expected property rental income, income from ancillary services and commission income from operation of agricultural exchange market during the budget period. Expected cash inflows/outflows, which include the expected property rental income, income from ancillary services and commission income from operation of agricultural exchange market, have been determined based on past performance and management's expectations for the market development.

11. TRADE AND OTHER RECEIVABLES

The Group allows an average credit period ranging from 30 days to 60 days to its trade customers. Included in trade and other receivables are trade receivables of approximately HK\$1,033,000 (31 December 2008: approximately HK\$1,598,000) and their aged analysis at the balance sheet date is as follows:

	At 30 June 2009	At 31 December 2008
	HK\$'000	HK\$'000
0-90 days	925	689
More than 90 days but less than 180 days	57	108
More than 180 days	51	801
Trade receivables	1,033	1,598
Other receivables	16,299	4,757
	17,332	6,355

12. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of approximately HK\$1,351,000 (31 December 2008: approximately HK\$1,340,000) and their aged analysis at the balance sheet date is as follows:

	At 30 June 2009	At 31 December 2008
	HK\$'000	HK\$'000
0-90 days	591	1,340
Over 90 days	760	—
	1,351	1,340
Construction payables	81,568	88,355
Rental receipt in advance	3,111	48,639
Other tax payables	28,309	16,274
Other payables and accruals	73,570	24,827
Interest payable	33,240	20,191
Amount due to former shareholders of the Company's subsidiary	9,058	26,645
Amount due to a sub-contractor	86,652	—
Deposit	1,312	20,949
	318,171	247,220

13. BANK AND OTHER BORROWINGS

	At 30 June 2009	At 31 December 2008
	HK\$'000	HK\$'000
Secured bank borrowings	337,541	238,319
Unsecured other borrowings	220,184	18,175
	557,725	256,494
Carrying amount repayable:		
Within one year	46,426	239,455
More than one year, but not exceeding two years	511,299	17,039
	557,725	256,494
Less: Amounts due within one year shown under current liabilities	(46,426)	(239,455)
	511,299	17,039

- (a) Included in the above balances are bank borrowings with variable-rate borrowings of approximately HK\$337,541,000 (2008: approximately HK\$238,319,000) which carry interest adjustable for changes of borrowing rate offered by The People's Bank of China. The average rate charged by the banks during the period ranged from 5.4% to 7.8% (2008: 5.4% to 9.0%) per annum. Interest is repriced every 30 days. The other borrowings of approximately HK\$220,184,000 (2008: approximately HK\$18,175,000) were obtained from two independent third parties and carry interest fixed at 6% and 6.4% per annum, respectively (2008: 6.4% and 12.0%).
- (b) The ranges of effective interest rates (which equal to contracted interest rates) on the Group's borrowings are as follows:

	At 30 June 2009	At 31 December 2008
	HK\$'000	HK\$'000
Effective interest rate:		
Fixed-rate borrowings	6.0% - 6.4 %	6.4% - 12.0 %
Variable-rate borrowings	5.4% - 7.8 %	5.4% - 9.0 %

- (c) The secured bank borrowings are secured by the land use rights included in investment properties with a carrying amount of approximately HK\$416,267,000 (2008: approximately HK\$255,140,000).

14. SHARE CAPITAL

	Number of shares	Share capital HK\$'000
At 1 January 2008, 31 December 2008		
Authorised ordinary shares of US\$0.02 each	19,000,000,000	2,964,000
At 30 June 2009		
Authorised ordinary shares of HK\$0.01 each	30,000,000,000	300,000(c)
Issued and fully paid		
At 1 January 2008	585,658,596	91,363
Conversion of convertible notes	180,000,000 (a)	28,080
At 30 June 2008 and at 31 December 2008	765,658,596	119,443
Issue of shares	153,000,000 (b)	23,868
Share capital reduction	—	(134,124)(c)
Issue of shares	2,000,000,000 (d)	20,000
At 30 June 2009	2,918,658,596	29,187

- (a) On 8 January 2008, the 180,000,000 ordinary shares issued and allotted upon conversion of the convertible notes in an aggregate principal amount of HK\$360,000,000 (the “Notes”) by the holder of the Notes at a conversion price of HK\$2.00 per share. The aforesaid shares are subject to a lock up period of twelve months from the date of issue of the Notes.
- (b) On 13 February, 2009, the Company placed a total of 153,000,000 ordinary new shares of US\$0.02 each at a price of HK\$0.25 per share. These shares were issued and allotted on 25 February 2009 upon completion under the general mandate granted to the Directors by the shareholders of the Company at a special general meeting held on 23 May 2008.
- (c) Pursuant to a special resolution passed on 27 April 2009, the Company underwent a capital reorganisation, comprising, inter alia, (i) the change in currency denomination of all the issued and unissued shares from US\$0.02 each to HK\$0.156 each (the “Redenominated Shares”); (ii) the reduction of each issued Redenominated Share from HK\$0.156 to HK\$0.01 by cancelling HK\$0.146 of the paid-up capital on each issued Redenominated Share (the “Capital Reduction”); and (iii) the cancellation of the entire authorised but unissued share capital of the Company, including share capital arising from the Capital Reduction, and the subsequent increases by the creation of such number of new shares of HK\$0.01 each to bring the authorised share capital of the Company to HK\$300,000,000. The credit arising from the Capital Reduction was credited to the contributed surplus account of the Company.

14. SHARE CAPITAL *(Continued)*

- (d) On 7 May 2009, the Company entered into a placing agreement with a placing agent in respect of placing of a total of 2,000,000,000 new shares of HK\$0.01 each at a price of HK\$0.08 per share. These shares were issued and allotted on 19 June 2009 upon completion under the specific mandate granted to the Directors by the shareholders of the Company at a special general meeting held on 2 June 2009.

15. CAPITAL COMMITMENTS

	At 30 June 2009	At 31 December 2008
	HK\$'000	HK\$'000
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of the acquisition of:		
– property, plant and equipment	35,248	57,708
– construction in progress	2,443	3,074
	37,691	60,782

16. CONTINGENT LIABILITIES

At 30 June 2009, there was no contingent liabilities for the Group (31 December 2008: Nil).

17. PLEDGE OF ASSETS

At 30 June 2009, the Group had pledged investment properties with a carrying amount of approximately HK\$416,267,000 (31 December 2008: approximately HK\$255,140,000).

18. ACQUISITION OF A SUBSIDIARY

Pursuant to an acquisition agreement dated 12 February 2009 entered into with an independent third party, the Company undertook to acquire the entire equity interest in Shiney Day Investments Limited (“**Shiney Day**”, together with its subsidiaries the “**Shiney Day Group**”) for a cash consideration of HK\$150,000,000. Shiney Day indirectly held subsidiaries which were principally engaged in the business of management and sub-licensing of agricultural by-products wholesale market in Yulin, Guangxi Province, the PRC and Xuzhou, Jiangsu Province, the PRC. The acquisition was completed on 25 March 2009.

18. ACQUISITION OF A SUBSIDIARY (Continued)

Details of assets acquired and liabilities assumed as at the acquisition date were as follows:

	Carrying amount immediately before the combination	Fair value adjustments	Fair value
	HK\$'000	HK\$'000	HK\$'000
Net assets acquired			
Property, plant and equipment	205,628	251,106	456,734
Investment properties	159,496	28,370	187,866
Prepaid lease payments	247	—	247
Goodwill	6,444	—	6,444
Prepayments, deposits and other receivables	6,685	—	6,685
Bank balances and cash	27,452	—	27,452
Accruals and other payables	(42,659)	—	(42,659)
Bank and other borrowings	(45,285)	—	(45,285)
Amount due to a former shareholder	(238,200)	—	(238,200)
Income tax payable	(3,137)	—	(3,137)
Deferred tax liabilities	(8,180)	(69,868)	(78,048)
	<u>68,491</u>	<u>209,608</u>	<u>278,099</u>
Non-controlling interests			(149,121)
Goodwill on acquisition			<u>21,022</u>
Total consideration satisfied by cash consideration paid			<u>150,000</u>
Net cash outflow arising on acquisition:			
Cash consideration paid			(150,000)
Bank balances and cash acquired			<u>27,452</u>
			<u>(122,548)</u>

18. ACQUISITION OF A SUBSIDIARY *(Continued)*

The initial accounting for the acquisition of Shiney Day Group involves identifying and determining the fair values to be assigned to the identifiable assets, liabilities and contingent liabilities and the cost of the business combination. The initial accounting for the acquisition has been determined provisionally, awaiting the finalisation of identification of fair values of identifiable assets and liabilities of Shiney Day Group. Hence, the assets, liabilities and contingent liabilities may be subject to further changes upon finalisation of the said fair values. The valuation for the purpose of purchase accounting is preliminary and is subject to review by experts; thus, the allocation of the purchase price is subject to adjustment.

19. RELATED PARTY DISCLOSURES*Compensation of key management personnel*

The remuneration of Directors as key management of the Group during the period was as follows:

	For the six months ended 30 June	
	2009	2008
	HK\$'000	HK\$'000
Short-term benefits	1,770	1,995
Post-employment benefits	12	6
	1,782	2,001

The remuneration of key management personnel, which were the Directors, were decided by the Board, who are authorised by the shareholders, having regard to the performance of the individuals and market trends.

20. COMPARATIVE FIGURES

Certain comparative figures have been adjusted or reclassified as a result of the restatement of prior period and operating balances.

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.

21. APPROVAL OF THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2009 were approved and authorised to issue by the Board on 25 September 2009.