HUA LIEN INTERNATIONAL (HOLDING) COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 00969)

2011 INTERIM REPORT

UNAUDITED INTERIM RESULTS

The board of directors (the "Board") of Hua Lien International (Holding) Company Limited (the "Company") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30th June 2011 together with the comparative figures as follow:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30th June 2011

	Notes	**Six months ended 30th June** **2011** **(unaudited)** **HK$'000**	2010 (unaudited) HK$'000 (restated)
Continuing operations			
Turnover	(3)	**79,442**	131,635
Cost of sales		**(40,519)**	(80,156)
Gross profit		**38,923**	51,479
Other operating income		**629**	738
Distribution costs		**–**	(13)
Administrative expenses		**(8,561)**	(5,998)
Other expenses	(4)	**(10,575)**	(35,575)
Profit from operations		**20,416**	10,631
Finance costs	(5)	**(22,068)**	(20,301)
Loss before tax		**(1,652)**	(9,670)
Income tax expense	(7)	**–**	–
Loss for the period from continuing operations	(6)	**(1,652)**	(9,670)
Discontinued operations			
Profit for the period from discontinued operations		**–**	67,447
(Loss) profit for the period		**(1,652)**	57,777

	Notes	Six months ended 30th June 2011 (unaudited) HK$'000	2010 (unaudited) HK$'000 (restated)
Other comprehensive expense for the period			
Reserve released upon disposal of subsidiaries		**–**	(33,398)
Total comprehensive (expense) income for the period		**(1,652)**	24,379
(Loss) profit for the period attributable to:			
Owners of the Company		**(1,652)**	56,880
Non-controlling interests		**–**	897
		(1,652)	57,777
Total comprehensive (expense) income for the period attributable to:			
Owners of the Company		**(1,652)**	23,482
Non-controlling interests		**–**	897
		(1,652)	24,379
Dividend	(9)	**–**	–
(Loss) earnings per share	(8)		
From continuing and discontinued operations			
– Basic (cents per share)		**(0.13)**	4.56
– Diluted (cents per share)		**(0.13)**	3.22
From continuing operations			
– Basic and Diluted (cents per share)		**(0.13)**	(0.77)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30th June 2011

	Notes	**30th June 2011 (unaudited) HK$'000**	31st December 2010 (audited) HK$'000
Non-current assets			
Property, plant and equipment	(10)	**238**	297
Goodwill		**226,511**	226,511
Intangible asset		**373,650**	384,225
		600,399	611,033
Current assets			
Trade and other receivables	(11)	**148,839**	184,117
Bank balances and cash		**358,166**	306,141
		507,005	490,258
Current liabilities			
Trade and other payables	(12)	**94,068**	108,371
		94,068	108,371
Net current assets		**412,937**	381,887
Total Assets Less Current Liabilities		**1,013,336**	992,920
Non-current liability			
Convertible notes		**498,459**	501,381
Net assets		**514,877**	491,539
Capital and reserves			
Share capital	(13)	**130,118**	124,868
Reserves		**384,759**	366,671
Total equity		**514,877**	491,539

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th June 2011

	Attributable to owners of the Company											
	Share capital HK$'000	Share Premium HK$'000	Warrant reserve HK$'000	Convertible notes equity reserve HK$'000	Translation reserve HK$'000	Goodwill reserve HK$' 000	Special reserve HK$ ' 000	PRC statutory reserves HK$'000	Accumulated losses HK$'000	Total HK$' 000	Non-controlling interests HK$' 000	Total HK$' 000
At 1st January 2011 (audited)	**124,868**	**232,604**	**4,942**	**230,845**	**–**	**–**	**–**	**–**	**(101,720)**	**491,539**	**–**	**491,539**
Loss for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,652)**	**(1,652)**	**–**	**(1,652)**
Other comprehensive expense	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total comprehensive expense	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,652)**	**(1,652)**	**–**	**(1,652)**
Issue of shares on exercise of convertible notes	**5,250**	**30,788**	**–**	**(11,048)**	**–**	**–**	**–**	**–**	**–**	**24,990**	**–**	**24,990**
At 30th June 2011 (unaudited)	**130,118**	**263,392**	**4,942**	**219,797**	**–**	**–**	**–**	**–**	**(103,372)**	**514,877**	**–**	**514,877**
At 1st January 2010 (audited)	124,868	232,604	4,942	230,845	33,398	(24,509)	238,966	21,910	(375,938)	487,086	–	487,086
Profit for the period	–	–	–	–	–	–	–	–	56,880	56,880	897	57,777
Other comprehensive expense Reserves released upon disposal of subsidiaries	–	–	–	–	(33,398)	–	–	–	–	(33,398)	–	(33,398)
Total comprehensive (expense) income	–	–	–	–	(33,398)	–	–	–	56,880	23,482	897	24,379
Disposal of subsidiaries	–	–	–	–	–	24,509	(238.966)	(21,910)	236,367	–	–	–
Pre-determined distribution	–	–	–	–	–	–	–	–	–	–	(897)	(897)
At 30th June 2010 (unaudited & restated)	124,868	232,604	4,942	230,845	–	–	–	–	(82,691)	510,568	–	510,568

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30th June 2011

	Six months ended 30th June	
	2011	2010
	(unaudited)	(unaudited)
	HK$'000	HK$'000
NET CASH FROM (USED IN) OPERATING ACTIVITIES	**51,814**	(24,941)
NET CASH FROM INVESTING ACTIVITIES	**211**	62,804
NET CASH USED IN FINANCING ACTIVITIES	**–**	(1,329)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**52,025**	36,534
CASH AND CASH EQUIVALENTS AT 1st JANUARY	**306,141**	172,185
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**–**	–
CASH AND CASH EQUIVALENTS AT 30th JUNE	**358,166**	208,719
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	**358,166**	208,719

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

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

2. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31st December 2010.

In the current interim period, the Group has applied, for the first time, a number of new or revised standards and interpretations (the "new or revised HKFRSs") issued by HKICPA.

The application of the new and revised HKFRSs in the current period has no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

The Group has not early applied new or revised standards that have been issued but are not yet effective. The following new or revised standards have been issued after the date the consolidated financial statements for the year ended 31st December 2010 were authorised for issuance and are not yet effective:

HKFRS 10	Consolidated Financial Statements[1]
HKFRS 11	Joint Arrangements[1]
HKFRS 12	Disclosure of Interests in Other Entities[1]
HKFRS 13	Fair Value Measurement[1]
HKAS 27 (as revised in 2011)	Separate Financial Statements[1]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[1]

[1] Effective for annual periods beginning on or after 1st January 2013

The directors of the Company anticipate that the application of the above new and revised standards will have no material impact on the results and the financial position of the Group.

3. SEGMENT INFORMATION

The Group determines its operating segments based on internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the "CODM") in order to allocate resources to the segment and to assess its performance. The Group only has one identified operating segment, which is the supporting services to sweetener and ethanol business, for the period ended 30th June 2011 and the Group's reportable segments identified for the comparative period ended 30th June 2010 by CODM consisted two segments were as follow:

Supporting services to sweetener and ethanol business	This segment is engaged in provision of (i) facilities, raw materials and goods supply services; (ii) management and technical staff; (iii) related consulting services on construction; & (iv) contract manufacturing services; to the sweetener and ethanol business.
Manufacturing and trading of leather	This segment was engaged in leather manufacturing, processing and trading. These discontinued operations were disposed on 28th February 2010.

Six months ended 30th June 2011 – unaudited

	Revenue			Operating Profit (Loss)		
	Continuing operations HK$'000	**Discontinued operations** HK$'000	**Total** HK$'000	**Continuing operations** HK$'000	**Discontinued operations** HK$'000	**Total** HK$'000
Supporting services to sweetener and ethanol business	**79,442**	**–**	**79,442**	**21,427**	**–**	**21,427**
Manufacturing and trading of leather	**–**	**–**	**–**	**–**	**–**	**–**
	79,442	**–**	**79,442**	**21,427**	**–**	**21,427**
Central administration costs				**(1,011)**	**–**	**(1,011)**
Finance costs				**(22,068)**	**–**	**(22,068)**
Loss before taxation				**(1,652)**	**–**	**(1,652)**
Income tax expense				**–**	**–**	**–**
Loss for the period				**(1,652)**	**–**	**(1,652)**

Six months ended 30th June 2010 – unaudited & restated

	Revenue			Operating Profit (Loss)		
	Continuing operations HK$'000	Discontinued operations HK$'000	Total HK$'000	Continuing operations HK$'000	Discontinued operations HK$'000	Total HK$'000
Supporting services to sweetener and ethanol business	131,635	–	131,635	36,416	–	36,416
Manufacturing and trading of leather	–	21,920	21,920	–	(8,837)	(8,837)
	131,635	21,920	153,555	36,416	(8,837)	27,579
Impairment loss on trade and other receivables				(25,000)	–	(25,000)
Gain on disposal of subsidiaries				–	76,897	76,897
Central administration costs				(785)	–	(785)
Finance costs				(20,301)	(604)	(20,905)
Profit (loss) before taxation				(9,670)	67,456	57,786
Income tax expense				–	(9)	(9)
Profit (loss) for the period				(9,670)	67,447	57,777

Total segment assets

30th June 2011 – unaudited	**Continuing operations** HK$'000	**Discontinued operations** HK$'000	**Total** HK$'000
Supporting services to sweetener and ethanol business	**716,864**	**–**	**716,864**
Unallocated	**390,540**	**–**	**390,540**
	1,107,404	**–**	**1,107,404**

31st December 2010 – audited	Continuing operations HK$'000	Discontinued operations HK$'000	Total HK$'000
Supporting services to sweetener and ethanol business	709,567	–	709,567
Unallocated	391,724	–	391,724
	1,101,291	–	1,101,291

4. OTHER EXPENSES

Continuing operations	Six months ended 30th June 2011 (unaudited) HK$'000	2010 (unaudited) HK$'000
Amortisation of intangible assets	**10,575**	10,575
Impairment loss on trade and other receivables	**–**	25,000
	10,575	35,575

5. FINANCE COSTS

Continuing operations	Six months ended 30th June 2011 (unaudited) HK$'000	2010 (unaudited) HK$'000
Effective interest expense on convertible notes wholly repayable within five years	**22,068**	20,301

6. LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS

	Six months ended 30th June 2011 (unaudited) HK$'000	2010 (unaudited) HK$'000
Loss for the period from continuing operations has been arrived at after charging:		
Depreciation of property, plant and equipment	**72**	42

7. INCOME TAX EXPENSE (RELATING TO CONTINUING OPERATIONS)

No provision for income tax has been made in the consolidation financial statements as loss sustained during the period and no taxation in relevant jurisdictions where it operates.

8. (LOSS) EARNINGS PER SHARE

From continuing and discontinued operations

The calculation of the basic (loss) earnings per share attributable to owners of the Company is based on the following data:

	Six months ended 30th June	
	2011	2010
	(unaudited)	(unaudited)
	HK$'000	HK$'000
(Loss) earnings		
(Loss) profit for the purpose of basic (loss) earnings per share	**(1,652)**	56,880
Effect of dilutive potential ordinary shares:		
Interest on convertible notes	**–**	20,301
(Loss) profit for the purposes of diluted (loss) earnings per share	**(1,652)**	77,181

	2011 (unaudited) '000	2010 (unaudited) '000
Number of Shares		
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	**1,251,871**	1,248,680
Effect of dilutive potential ordinary shares:		
Convertible notes	**–**	1,097,000
Warrants	**–**	51,125
Weighted average number of ordinary shares for the purpose of diluted (loss) earnings per share	**1,251,871**	2,396,805

The diluted loss per share from continuing and discontinued operations for the period ended 30th June 2011 is the same as basic loss per share as there is no dilutive effect from the assumed exercise of warrants and conversion of the Company's outstanding convertible notes on the loss from continuing and discontinued operations attributable to owners of the Company.

From continuing operations

The calculation of the basic loss per share from continuing operations attributable to owners of the Company is based on the following data:

	Six months ended 30th June	
	2011	2010
	(unaudited)	(unaudited)
	HK$'000	HK$'000
		(restated)
Loss figures are calculated as follows:		
(Loss) profit for the purpose of basic (loss) earnings per share	**(1,652)**	56,880
Less:		
Profit for the period from discontinued operations	**–**	66,550
Loss for the purpose of basic loss per share from continuing operations	**(1,652)**	(9,670)

The diluted loss per share from continuing operation for the period ended 30th June 2011 is the same as basic loss per share as there is no dilutive effect from the assumed exercise of warrants and conversion of the Company's outstanding convertible notes on the loss from continuing operations attributable to owners of the Company.

The denominators used are the same as those detailed above for basic (loss) earnings per share.

From discontinued operations

There is no (loss) earnings per share for the discontinued operations for the period ended 30th June 2011.

Basic earnings per share for the discontinued operations for the comparative period ended 30th June 2010 was HK5.33 cents per share, based on the profit for that period from the discontinued operations of HK$66,550,000 and the denominators detailed above for basic earnings per share. Diluted earnings per share for the discontinued operations for the period ended 30th June 2010 was HK3.60 cents per share, based on the profit for the period from the discontinued operations of approximately HK$86,851,000 and the denominators detailed above for diluted earnings per share.

9. DIVIDEND

The Board does not recommend the payment of an interim dividend for the period ended 30th June 2011 (six months ended 30th June 2010: Nil).

10. ADDITIONS OF PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent HK$13,000 (six months ended 30th June 2010: HK$256,000) on acquisition of property, plant and equipment.

11. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade receivables, net of allowance for doubtful debts, of continuing operations of approximately HK$148,109,000 as at 30th June 2011 (31st December 2010: HK$183,616,000). The Group allows a credit period of 365 days for trade customers of supporting services to sweetener and ethanol business.

	30th June 2011 (unaudited) HK$'000	31st December 2010 (audited) HK$'000
Not yet due	**134,071**	158,397
Overdue 1 – 90 days	**14,038**	25,219
Overdue 91 – 180 days	**–**	–
Overdue 181 – 365 days	**–**	–
Overdue > 365 days	**–**	–
	148,109	183,616

12. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of continuing operations of approximately HK$85,218,000 as at 30th June 2010 (31st December 2010: HK$91,913,000). The following is an analysis of trade payables by age based on the invoice date.

	30th June 2011 (unaudited) HK$'000	31st December 2010 (audited) HK$'000
Not yet due	**77,794**	91,913
Overdue 1 – 90 days	**7,424**	–
Overdue 91 – 180 days	**–**	–
Overdue 181 – 365 days	**–**	–
Overdue > 365 days	**–**	–
	85,218	91,913

13. SHARE CAPITAL

	Number of shares '000	Value HK$'000
Ordinary share of HK$0.1 each		
Authorised:		
As at 31st December 2010 (audited) and 30th June 2011 (unaudited)	6,000,000	600,000
Issued and fully paid:		
As at 31st December 2010 (audited)	1,248,680	124,868
Issue of shares on exercise of convertible notes (Note)	52,500	5,250
As at 30th June 2011 (unaudited)	1,301,180	130,118

Note: On 20th June 2011, the Company issued 52,500,000 shares on exercise of conversion rights under the convertible notes with a principal amount of HK$31,500,000.

14. COMMITMENTS

(a) Operating lease commitments

	For the six months ended 30th June	
	2011	2010
	(unaudited)	(unaudited)
	HK$'000	HK$'000
Minimum lease payments paid during the period under operating leases in respect of office premises	**445**	359

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases that fall due as follows:

	30th June	31st December
	2011	2010
	(unaudited)	(audited)
	HK$'000	HK$'000
Within one year	**516**	833
In the second to fifth year inclusive	**–**	–
Over five years	**–**	–
	516	833

Operating lease payments principally represent rentals payable by the Group for certain of its office premises.

(b) Capital commitments

The Group did not have any significant capital commitments at the end of the reporting period.

15. RELATED PARTY TRANSACTIONS

During the period, the Group have certain transactions with related parties. Details of these transactions for the period and balances at 30th June 2011 with these related parties are as follows:

(a) Transaction with related parties

	Six months ended 30th June 2011 (unaudited) HK$'000	Six months ended 30th June 2010 (unaudited) HK$'000
Sales to four subsidiaries of COMPLANT International Sugar Industry Co., Ltd. (Note (i))	**79,442**	131,635
Purchases from substantial shareholder of COMPLANT International Sugar Industry Co., Ltd. (Note (ii))	**39,100**	75,211
Rental and building management fee paid to substantial shareholder of COMPLANT International Sugar Industry Co., Ltd. (Note (iii))	**445**	323

Notes:

(i) Pursuant to four supply and service agreements dated 15th December 2008, which approved by independent shareholders of the Company on 20th February 2009, Sino-Africa Technology & Trading Limited (the "SATT"), a subsidiary of the Company, rendering supporting services to sweetener and ethanol business to four subsidiaries of COMPLANT International Sugar Industry Co., Ltd., a substantial shareholder of the Company.

(ii) Pursuant to an supply and service agreement dated 15th December 2008, which approved by independent shareholders of the Company on 20th February 2009, SATT, a subsidiary of the Company, receiving supporting services to sweetener and ethanol business from the substantial shareholder of COMPLANT International Sugar Industry Co., Ltd., a substantial shareholder of the Company.

(iii) The amount paid by SATT pursuant to two tenancy agreements dated 15th December 2008 and 30th December 2009 respectively between SATT, a subsidiary of the Company and the substantial shareholder of COMPLANT International Sugar Industry Co., Ltd., a substantial shareholder of the Company.

(b) Trade receivables and payable of related parties

	At 30th June 2011 (unaudited) HK$'000	At 31st December 2010 (audited) HK$'000
Trade receivables of four subsidiaries of COMPLANT International Sugar Industry Co., Ltd. (Note (i))	**148,109**	183,616
Trade payable to substantial shareholder of COMPLANT International Sugar Industry Co., Ltd. (Note (ii))	**85,218**	91,913

Notes:

(i) The trade receivables are interest free and unsecured. The amount receivables by SATT, a subsidiary of the Company, rendering supporting services to sweetener and ethanol business to four subsidiaries of COMPLANT International Sugar Industry Co., Ltd., a substantial shareholder of the Company.

(ii) The trade payable is interest free and unsecured. The amount payables by SATT, a subsidiary of the Company, in relation to receiving supporting services to sweetener and ethanol business from the substantial shareholder of COMPLANT International Sugar Industry Co., Ltd., a substantial shareholder of the Company.

(c) Key management personnel compensation

Remuneration for key management personnel is as follows:

	For the six months ended 30th June	
	2011	2010
	(unaudited)	(unaudited)
	HK$'000	HK$'000
Short-term employee benefits	**469**	656

16. PLEDGE OF ASSETS

No assets of the Group had been pledged as at 30th June 2011.

17. CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 30th June 2011.

18. EVENTS AFTER THE END OF INTERIM PERIOD

After the end of the reporting period, since the condition precedent to the subscription agreements of new shares and convertible notes signed between the Company and China-Africa Development Fund (the "CADFund") on 22nd October 2010 fulfilled, the Board authorized on 25th August 2011 the issue of 90,000,000 subscription shares at HK$0.6 each and the convertible notes of principal amount of HK$24,000,000 to China-Africa Xin Xing Investment Limited, a wholly owned subsidiary of CADFund on 26th August 2011.

19. COMPARATIVE FIGURES

To conform to the presentation in the Group's annual financial statements for the year ended 31st December 2010, certain items in condensed consolidated statement of comprehensive income and in condensed consolidated statement of changes in equity for the 2010 Period had been reclassified as follows:

	Amount original stated HK$'000	Reclassification HK$'000	Amount as restated HK$'000
Items on condensed consolidated statement of comprehensive income for the 2010 Period			
Administrative expenses	(16,573)	10,575	(5,998)
Other expenses	(25,000)	(10,575)	(35,575)
Gain on disposal of subsidiaries	76,897	(76,897)	–
Profit (loss) for the period from discontinued operations	(9,450)	76,897	67,447
(Loss) earnings per shares			
From continuing operations			
– Basic (cents per share)	5.38	(6.15)	(0.77)
– Diluted (cents per share)	3.65	(4.42)	(0.77)
From discontinued operations			
– Basic (cents per share)	(0.82)	6.15	5.33
– Diluted (cents per share)	(0.82)	4.42	3.60
Items on condensed consolidated statement of changes in equity for the 2010 Period			
Special reserve	238,966	(238,966)	–
Accumulated losses	(321,657)	238,966	(82,691)

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the period ended 30th June 2011, the Group recorded turnover from continuing operations of approximately HK$79,442,000 (six months ended 30th June 2010: HK$131,635,000). The decrease in turnover from continuing operations of approximately HK$52 million was mainly due to the decrease in ad hoc orders of approximately HK$41 million for mechanical and electrical equipments since their construction and rehabilitation projects of customers in Madagascar and Benin had completed in last 2010 Period together with there was also some delay in regular orders for fertilizers and farm chemicals in the first half of the year which further increased the turnover shortfall by approximately of HK$8 million and HK$2 million respectively. The orders for fertilizers and farm chemicals are expected to improve in second half of the year when the customers start to restock their inventory.

Gross profit for the six months ended 30 June 2011 declined by HK$12.6 million to approximately HK$38.9 million (six months ended 30th June 2010: HK$51.5 million) but with gross profit margin increased by approximately 10% to 49% (six months ended 30th June 2010: 39%). The change was mainly due to the decrease in sales of approximately HK$41 million of lower gross margin products of mechanical and electrical equipments during the period.

The profit from operations increased by approximately HK$9.8 million to approximately HK$20.4 million for the six months ended 30th June 2011 (six months ended 30th June 2010: HK$10.6 million). The improvement was mainly due to the reduction of other expense of HK$25 million as no further impairment loss on trade receivables incurred during the period.

The net loss from continuing operations for the period was approximately HK$1.7 million (six months ended 30th June 2010: approximately HK$9.7 million). Basic loss per share from continuing operations for the period ended 2011 was HK0.13 cents (six months ended 30th June 2010: HK0.77 cents). The net loss from continuing operations mainly came from the decrease in gross profit by approximately HK$12.6 million from approximately HK$51.5 million for the six months ended 30th June 2010 to approximately 38.9 million for the six months ended 30th June 2011. The decreased gross profit, resulting from the decrease in sale orders during the period, was marginally insufficient to cover the administration expenses of approximately HK$8 million, the other expense of amortization of intangible assets of approximately HK$10.5 million and the finance cost on the effective interest expense on convertible notes of approximately HK$22 million and a net loss of HK$1.7 million resulted.

Excluding those non-cash items of amortization of intangible assets and finance costs, the Group is trading profitably and this indicated by positive net cash inflow from operation of approximately HK$52 million during the period.

There is no revenue and profit attributable to the discontinued operations during six month ended 30th June 2011 (six months ended 30th June 2010: turnover from discontinued operations is approximately HK$21.9 million, net profit of approximately HK$67.5 million and the Basic earnings per share from discontinued operations for the period was HK5.33 cents).

During the period under review, the Group only had one identified segment activities of supporting services to sweetener and ethanol business and all the customers were located in Africa, which recorded a revenue of approximately HK$79.4 million (Six months ended 30th June 2010: HK$131.6 million) and the operating profit of this segment was approximately HK$21.4 million (Six month ended 30th June 2010: HK$36.4 million). The review of performance of this segment had already covered in above sections. There was no discontinued operations of the period under review.

FINANCIAL REVIEW

The Group achieved a strong cash inflow from operation of approximately HK$52 million during the period. Bank deposits and cash balances of continuing operations as at 30th June 2011 amounted to approximately HK$358,166,000 (31st December 2010: HK$306,141,000), mainly denominated in Hong Kong Dollars and US Dollars.

Total equity of the Group as at 30th June 2011 amounts to approximately HK$514,877,000 (31st December 2010: HK$491,539,000).

The Group financed its operation with cash flow generated internally. The bank balances were placed in short term deposits with major banks in Hong Kong.

As at 30th June 2011, the Group's total borrowings consisted of the outstanding five-year zero-coupon Hong Kong-dollar convertible notes of continuing operations of approximately HK$498.5 million (31st December 2010: HK$501.4 million). The debt to equity ratio of the Group as at 30th June 2011 calculated as a ratio of total borrowings (including convertible notes) to total equity was approximately 96.8% (31st December 2010: 102.0%). The decrease in ratio was mainly due to decrease in convertible notes as result of the conversion of convertible notes of principal amount of HK$31.5 million into 52,500,000 ordinary shares during the period. All the Group's borrowings as at 30th June 2011 are denominated in Hong Kong Dollars.

Pledge of assets

No assets of the Group had been pledged as at 30th June 2011.

EMPLOYEE REMUNERATION POLICY

At 30th June 2011, the Group employed 56 full time management, administrative and operation staff in Hong Kong and the PRC (31st December 2010: 53).

The Group's emolument policies are formulated on the bases of individual performance and the salary trend in the various regions, and are reviewed every year. The Company has set up share options plan as an incentive to directors and eligible employees.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

The Group had no material acquisition or disposal of subsidiaries, associates or jointly-controlled entities during the period under review.

Future plans for material investments and capital assets

The Company signed the MOU on 31st January 2010 in respect of the Possible Transactions.

Definitions used in the Announcement on 1st February 2010 are adopted herein unless the context requires otherwise.

The Board is currently considering entering into joint ventures with CADFund and COMPLANT for long term strategic cooperation to develop Ethanol Biofuel Business in various African countries.

The initial phase under consideration would be to incorporate Benin JV and use it as a vehicle to establish a Benin PC in the Republic of Benin, a country in West Africa, for engaging in Ethanol Biofuel Business. In order to finance the possible joint venture, the Company is considering to raise approximately HK$78 million (before deducting related expenses) by way of (i) issue of new Shares for approximately HK$54 million (before deducting related expenses) and (ii) issue of the first batch of Convertible Notes for approximately HK$24 million (before deducting related expenses) to CADFund for funding its share of capital contribution for the incorporation of Benin JV and the operation of Benin PC. Further information concerning the progress on the Benin JV and the issue of New Shares and Convertible Notes are shown in section of "Prospects" and "Events after the end of interim period" respectively.

Other than Benin JV, the Company is considering incorporating companies with CADFund and COMPLANT under Other JV as holding companies to set up companies in other African countries for developing business in the generation of renewable energy. For the purpose of funding such Other JV, the Company also considers to issue the remaining batch of Convertible Notes to CADFund in the ensuing 3 years to raise approximately HK$312 million (before deducting related expenses). The terms and conditions (including but not limited to the amounts of investments and the forms of cooperation) have not yet been finalized and further negotiations are necessary.

Capital Structure

A principal amount of HK$31,500,000 convertible notes were converted into 52,500,000 shares on 20th June 2011.

Treasury Policies

The Group continues to adhere to prudent treasury policies. The Group's overall financial and funding policies were aimed to control credit risk to lower the risk of credit sales, the liquidity risk to ensure that funds would be recovered on a timely basis to fulfill the requirement of debt repayment and to closely monitor the overall currency and interest rate exposures to minimize risks in their fluctuation. When considered appropriate the Group will hedge against currency exposure as well as interest rate exposure.

The Group did not use any derivative financial instruments to hedge for its risk exposure during the period ended 30th June 2011.

Foreign Exchange exposure

The sales and purchases of the Group during the period are mainly denominated in same currency of United States Dollars. Hence, the Group's exposure to foreign exchange risk arising from sales and purchases is expected to be minimal. The use of financial instruments for hedging purposes is not considered necessary.

Currency exposure arising from net assets of the foreign operations of the Group is managed primarily through financing denominated in the relevant foreign currencies. The Group did not use any derivative financial instruments to hedge for its foreign exchange risk exposure on net assets during the period ended 30th June 2011.

Contingent Liabilities

At the end of the reporting period, the Company had not provided any guarantees in favour of any third party nor were there any significant contingent liabilities.

Significant Investment Held

The Group had not made any significant investment during the period ended 2011 and 2010.

PROSPECTS

Looking ahead, the turnover from supporting services for sweetener and ethanol business currently show a slight decrease as compared to the same period last year but turnover is expected to improve when the orders of fertilizers start to deliver later this year.

The initial work for the possible ethanol biofuel project in Benin (as announced in 1st February 2010 which is a joint venture with China-Africa Development Fund and COMPLANT International Sugar Industry Co., Ltd.) is still underway and the Group is negotiating with the government of Benin for various tax and other incentives granting to this project. Further announcement will be made when necessary.

Even the Board announced on 20th July 2011 of the termination of novation of certain rights and obligations for acquiring assets and lease of lands in Jamaica, the Group is still keen on developing business in Jamaica and plans to solicit new supply contract for supporting services to sweetener and ethanol business to Jamaica as the first and foremost step to enter this market.

DIRECTORS' INTERESTS IN SECURITIES

As at 30th June 2011, the interests of the directors and their associates in the ordinary shares in the Company as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (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 contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

Long position in shares

	Number of ordinary shares held				
Name of director	Beneficial Owner	Held by Spouse	Held by controlled corporation	Total	Approximately percentage of interest
		(Note)	(Note)		
Mr. Hu Yebi	–	3,448,000	212,495,083	215,943,083	16.60%

Note: Mr. Hu Yebi and his spouse, Ms. Li Ling Xiu are deemed (by virtue of the SFO) to be interested in 340,943,083 shares, among these 340,943,083 shares, as to 3,448,000 shares held by Ms. Li Ling Xiu and as to 212,495,083 shares and also as to 125,000,000 shares convertible from convertible notes of principal amount of HK$75,000,000 held by Hollyview International Limited, a company beneficially owned by Mr. Hu Yebi.

Save as disclosed above, as at 30th June 2011, there were no other interests or short positions of the directors in any shares of the Company which have been notified to the Company pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which any such director was taken or deemed to have under such provisions of SFO) or recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

SHARE OPTION SCHEME

The Company has, in accordance with Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), adopted a new share option scheme (the "2007 Share Option Scheme"), as approved by the shareholders of the Company at the extraordinary general meeting held on 20th September 2007. The purpose of the 2007 Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to the employees, directors, consultants and advisers of the Group and to promote the success of the Group. The details of the 2007 Share Option Scheme as pursuant to the Listing Rules are set out in the Company's circular dated 3rd September 2007.

As at the end of the reporting period, no share option has been granted under the 2007 Share Option Scheme since its adoption.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than the share option scheme as disclosed above, at no time during the period was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debts securities (including debentures) of, the Company or any other body corporate and none of the directors, their spouses or children under the age of 18, had any rights to subscribe for securities in the Company, or had exercised any such rights.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30th June 2011, as far as is known to the Directors or the chief executive of the Company, the following persons (other than Directors or chief executive of the Company) had interests in shares and underlying shares and debentures of the Company, as recorded in the register required to be kept under section 336 of the SFO:

Long positions in shares

Name of shareholder	Capacity	Number of shares interested	Approximate percentage of the issued share capital of the Company
COMPLANT International Sugar Industry Co., Ltd. (Note)	Beneficial interests	300,000,000	23.06%

Note: State-owned Assets Supervision and Administration Commission (中國國務院國有資產監督管理委員會) holds 100% of the State Development & Investment Corp. (國家開發投資公司) which holds 100% of China National Complete Plant Import & Export Corporation (Group) (中國成套設備進出口(集團)總公司) which in turn holds 70% in COMPLANT International Sugar Industry Co., Ltd.. Besides these 300,000,000 shares, COMPLANT International Sugar Industry Co., Ltd. also holds convertible notes which can be converted into 889,500,000 shares during its conversion period.

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Company has complied with the Code of Corporate Governance Practices ("CG Code") as set out in Appendix 14 of the Listing Rules for the six months ended 30th June 2011, except for the following deviations.

Code Provision A.2

The Company segregates the role of Chairman from the Managing Director who also assumes the responsibilities of chief executive officer. Mr. Shih Chian Fang was the Chairman of the Board till his resignation on 2nd August 2011 and Mr. Liaw Yuan Chian was the Managing Director till his resignation on 16th December 2010. The Company has not refilled these positions yet that calls for an exhaustive scrutiny in the selection. During the six month ended 30th June 2011, the Chairman continue to manage and provide leadership to the Board in terms of overall strategies and business directions of the Group whereas Managing Director now become a rank temporarily shared by the Executive Directors, other than the Chairman, who is responsible for policy making and corporate management. The Company remains structured to ensure appropriate segregation of duties so that power is not concentrated in any one individual. After the resignation of Chairman of Board, the Board considered the balance of power between the Board members and the balance of authority between the Board and the management will not be impaired given that half of the Board members are independent non-executive and a clear division of responsibilities are in place for the running of the business of the Group.

Code Provision A.4.1

None of the existing independent non-executive directors of the Company is appointed for a specific term. However, all the independent non-executive directors are subject to retirement by rotation at each annual general meeting under the bye-laws of the Company. As such, the company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the CG code.

REVIEW OF INTERIM FINANCIAL STATEMENTS

The Audit Committee comprises three independent non-executive directors has held meetings to review with management the accounting principles and practices adopted by the Group and discussing internal controls and financial reporting matters including a review of the unaudited condensed interim financial statements for the six months ended 30th June 2011.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in Appendix 10 of the Listing Rules (the "Model Code"). Having made specific enquiry of all the directors, all the directors confirmed that they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by directors adopted by the Company.

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

During the period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

By order of the Board
Hu Yebi
Executive Director

Hong Kong, 25th August 2011