CHINA AGRI-PRODUCTS EXCHANGE LIMITED
中國農產品交易有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 0149)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2011

The board of directors (the "**Board**") of China Agri-Products Exchange Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to the "**Group**") for the year ended 31 December 2011, together with the comparative figures for the previous financial year, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2011

	Notes	**2011** *HK$'000*	2010 *HK$'000* (restated)
Turnover	*4*	**211,845**	99,349
Cost of operation		**(101,793)**	(23,750)
Gross profit		**110,052**	75,599
Other revenue and other net income		**31,518**	7,014
Net gain in fair value of investment properties		**553,440**	1,060
General and administrative expenses		**(259,276)**	(101,832)
Selling expenses		**(53,556)**	(464)
Other operating expenses		**—**	(285,295)
Profit/(loss) from operations		**382,178**	(303,918)
Finance costs	*5(a)*	**(89,906)**	(73,224)
Profit/(loss) before taxation	*5*	**292,272**	(377,142)
Income tax	*6*	**(81,534)**	43,335
Profit/(loss) for the year from continuing operations		**210,738**	(333,807)
Discontinued operation			
Profit/(loss) for the year from discontinued operation		**4,699**	(2,460)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *(Continued)*
For the year ended 31 December 2011

	Notes	2011 HK$'000	2010 HK$'000 (restated)
Profit/(loss) for the year		**215,437**	(336,267)
Other comprehensive income/(loss), net of income tax			
Exchange differences on translating foreign operations		**50,803**	34,894
Total comprehensive income/(loss) for the year		**266,240**	(301,373)
Profit/(loss) attributable to:			
Owners of the Company		**117,717**	(325,689)
Non-controlling interests		**97,720**	(10,578)
		215,437	(336,267)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		**157,807**	(300,209)
Non-controlling interests		**108,433**	(1,164)
		266,240	(301,373)
Earnings/(loss) per share			
From continuing and discontinued operations			
— Basic	*8(a)*	**HK$0.14**	HK$(6.77)
— Diluted	*8(b)*	**HK$0.14**	HK$(6.77)
From continuing operations			
— Basic	*8(a)*	**HK$0.13**	HK$(6.72)
— Diluted	*8(b)*	**HK$0.13**	HK$(6.72)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2011

	Notes	2011 HK$'000	2010 HK$'000
Non-current assets			
Property, plant and equipment		**30,444**	27,334
Investment properties		**2,009,755**	1,523,227
Intangible assets		**—**	—
Goodwill		**6,444**	6,444
		2,046,643	1,557,005
Current assets			
Inventories		**—**	1,384
Stock of properties		**245,730**	—
Trade and other receivables	9	**97,730**	39,978
Financial assets at fair value through profit or loss		**4,646**	11,976
Cash and cash equivalents		**533,194**	81,539
		881,300	134,877
Current liabilities			
Trade and other payables	10	**396,523**	380,161
Deposit receipts in advance		**130,244**	9,969
Bank and other borrowings		**583,179**	165,454
Government grants		**2,838**	4,529
Promissory notes		**353,387**	—
Income tax payable		**15,037**	76,712
		1,481,208	636,825
Net current liabilities		**(599,908)**	(501,948)
Total assets less current liabilities		**1,446,735**	1,055,057
Non-current liabilities			
Bank and other borrowings		**185,717**	357,810
Promissory notes		**—**	331,629
Deferred tax liabilities		**225,667**	90,347
		411,384	779,786
Net assets		**1,035,351**	275,271

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

As at 31 December 2011

	Notes	**2011** *HK$'000*	2010 *HK$'000*
Capital and reserves			
Share capital		**24,610**	49,387
Reserves		**731,147**	38,530
Total equity attributable to owners of the Company		**755,757**	87,917
Non-controlling interests		**279,594**	187,354
Total equity		**1,035,351**	275,271

NOTES TO FINANCIAL STATEMENTS

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section of the annual report.

The Company is an investment holding company. Its subsidiaries are principally engaged in the business of property rental, property sale and restaurant operation. During the year, the restaurant operation business was discontinued.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and by the Hong Kong Companies Ordinance.

(b) Going concern basis

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group notwithstanding that:

— the Group had consolidated net current liabilities of approximately HK$599,908,000 as at 31 December 2011; and

— the Group had outstanding bank and other borrowings of approximately HK$768,896,000, out of which an aggregate of approximately HK$583,179,000 is due for repayment within the next twelve months after 31 December 2011.

The directors adopted the going concern basis in the preparation of the financial statements and implemented the following measures in order to improve the working capital and liquidity and cash flow position of the Group:

(i) Alternative sources of external funding

The Group is actively exploring the availability of alternative sources of external funding to strengthen the working capital position of the Group.

(ii) Attainment of profitable and positive cash flow operations

The Group is taking measures to tighten cost controls over various costs and expenses and to seek new investment and business opportunities with an aim to attain profitable and positive cash flow operations.

(iii) Necessary facilities

The Group is in the process of negotiating with its bankers to secure necessary facilities to meet the Group's working capital and financial requirements in the near future.

In the opinion of the directors, in light of the various measures/arrangements implemented after the end of reporting period together with the expected results of the other measures, the Group will have sufficient working capital for its current requirements and it is reasonable to expect the Group to remain a commercially viable concern. Accordingly, the directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for any future liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively. The effect of these adjustments has not been reflected in the financial statements.

(c) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for the investment properties and certain financial instruments, which are measured at fair values, as explained in detail in the Company's 2011 annual report.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The following new and revised Standards and Interpretations issued by the HKICPA have been applied by the Group in the current year and have affected the amounts reported in these consolidated financial statements. The application of these new and revised HKFRSs has had no material impact on the Group's financial performance and positions for the current and prior years, but may affect the accounting for future transactions or arrangement.

Amendments to HKAS 1 Presentation of Financial Statements (as part of Improvements to HKFRSs issued in 2010)

The amendments to HKAS 1 clarify that an entity may choose to disclose an analysis of other comprehensive income by item in the statement of changes in equity or in the notes to the financial statements. In the current year, for each component of equity, the Group has chosen to present such an analysis in the notes to the consolidated financial statements, with a single-line presentation of other comprehensive income in the consolidated statement of changes in equity. Such amendments have been applied retrospectively, and hence the disclosures in these consolidated financial statements have been modified to reflect the change (see the consolidated statement of changes in equity).

HKAS 24 Related Party Disclosures (as revised in 2009)

HKAS 24 (as revised in 2009) has been revised on the following two aspects: (a) HKAS 24 (as revised in 2009) has changed the definition of a related party and (b) HKAS 24 (as revised in 2009) introduces a partial exemption from the disclosure requirements for government-related entities.

The Company and its subsidiaries are not government-related entities. The application of the revised definition of related party set out in HKAS 24 (as revised in 2009) in the current year has resulted in the identification of related parties that were not identified as related parties under the previous Standard. Specifically, associates of the ultimate holding company of the Company are treated as related parties of the Group under the revised Standard whilst such entities were not treated as related parties of the Group under the previous Standard.

Amendments to HKFRS 3 Business Combinations

As part of Improvements to HKFRSs issued in 2010, HKFRS 3 was amended to clarify that the measurement choice regarding non-controlling interests at the date of acquisition is only available in respect of non-controlling interests that are present ownership interests and that entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. All other types of noncontrolling interests are measured at their acquisition date fair value, unless another measurement basis is required by other Standards. In addition, HKFRS 3 was amended to provide more guidance regarding the accounting for share-based payment awards held by the acquiree's employees. Specifically, the amendments specify that share-based payment transactions of the acquiree that are not replaced should be measured in accordance with HKFRS 2 Share-based Payment at the acquisition date ('market-based measure').

Amendments to HKAS 32 Classification of Rights Issues

The amendments address the classification of certain rights issues denominated in a foreign currency as either equity instruments or as financial liabilities. Under the amendments, rights, options or warrants issued by an entity for the holders to acquire a fixed number of the entity's equity instruments for a fixed amount of any currency are classified as equity instruments in the financial statements of the entity provided that the offer is made pro rata to all of its existing owners of the same class of its non-derivative equity instruments. Before the amendments to HKAS 32, rights, options or warrants to acquire a fixed number of an entity's equity instruments for a fixed amount in foreign currency were classified as derivatives. The amendments require retrospective application.

Amendments to HK (IFRIC) — Int 14 Prepayments of a Minimum Funding Requirement

The Interpretation addresses when refunds or reductions in future contributions should be regarded as available in accordance with paragraph 58 of HKAS 19; how minimum funding requirements might affect the availability of reductions in future contributions; and when minimum funding requirements might give rise to a liability. The amendments now allow recognition of an asset in the form of prepaid minimum funding contributions.

HK (IFRIC) — Int 19 Extinguishing Financial Liabilities with Equity Instruments

The Interpretation provides guidance on the accounting for the extinguishment of a financial liability by the issue of equity instruments. Specifically, under HK (IFRIC) — Int 19, equity instruments issued under such arrangement will be measured at their fair value, and any difference between the carrying amount of the financial liability extinguished and the consideration paid will be recognised in profit or loss.

Improvements to HKFRSs issued in 2010

Except for the amendments to HKAS 1 described earlier, the application of Improvements to HKFRSs issued in 2010 has not had any material effect on amounts reported in the consolidated financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 1 Amendments	First time Adoption of Hong Kong Financial Reporting Standards — Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[1]
HKFRS 7 Amendments	Disclosures — Transfers of Financial Assets[1]
HKFRS 7 Amendments	Disclosures — Offsetting Financial Assets and Financial Liabilities[2]
HKFRS 9	Financial Instruments[6]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]
HKAS 1 Amendments	Presentation of Items of Other Comprehensive Income[3]
HKAS 12 Amendments	Deferred Tax — Recovery of Underlying Assets[4]
HKAS 19 (as revised in 2011)	Employee Benefit[2]
HKAS 27 (as revised in 2011)	Separate Financial Statements[2]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[2]
HKAS 32 Amendments	Offsetting Financial Assets and Financial Liabilities[5]
HK(IFRIC) — Int 20	Stripping Costs in Production Phase of Surface Mine[2]

1 Effective for annual periods beginning on or after 1 July 2011.
2 Effective for annual periods beginning on or after 1 January 2013.
3 Effective for annual periods beginning on or after 1 July 2012.
4 Effective for annual periods beginning on or after 1 January 2012.
5 Effective for annual periods beginning on or after 1 January 2014.
6 Effective for annual periods beginning on or after 1 January 2015.

The amendments to HKFRS 7 increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.

The directors anticipate that the application of the amendments to HKFRS 7 will affect the Group's disclosures regarding transfers of financial assets in the future.

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent reporting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation of changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2015, with earlier application permitted.

The directors anticipate that the adoption of HKFRS 9 in the future may have significant impact on amounts reported in respect of the Group's financial assets and financial liabilities (e.g. the Group's investments in redeemable notes that are currently classified as available-for-sale investments may have to be measured at fair value at the end of subsequent reporting periods, with changes in the fair value being recognised in profit or loss). Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

Key requirements of these five standards are described below.

HKFRS 10 replaces the parts of HKAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and HK (SIC) — Int 12 Consolidation — Special Purpose Entities. HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 11 replaces HKAS 31 Interests in Joint Ventures and HK (SIC) — Int 13 Jointly Controlled Entities — Non-Monetary Contributions by Venturers. HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate accounting.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

These five standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

The directors anticipate that these five standards will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013. The application of these five standards may have significant impact on amounts reported in the consolidated financial statements. The application of HKFRS 10 may result in the Group no longer consolidating some of its investees, and consolidating investees that were not previously consolidated (e.g. the Group's investment in associates may become the Group's subsidiaries based on the new definition of control and the related guidance in HKFRS 10). In addition, the application of HKFRS 11 may result in changes in the accounting of the Group's jointly controlled entities that are currently accounted for using proportionate consolidation. Under HKFRS 11, those jointly controlled entities will be classified as a joint operation or joint venture, depending on the rights and obligations of the parties to the joint arrangement. However, the directors have not yet performed a detailed analysis of the impact of the application of these Standards and hence have not yet quantified the extent of the impact.

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 Financial Instruments: Disclosures will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that HKFRS 13 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the new Standard may affect the amounts reported in the consolidated financial statements and result in more extensive disclosures in the consolidated financial statements.

The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 July 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

The amendments to HKAS 12 provide an exception to the general principles in HKAS 12 that the measurement of deferred tax assets and deferred tax liabilities should reflect the tax consequences that would follow from the manner in which the entity expects to recover the carrying amount of an asset. Specifically, under the amendments, investment properties that are measured using the fair value model in accordance with HKAS 40 Investment Property are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

The amendments to HKAS 12 are effective for annual periods beginning on or after 1 January 2012. The directors anticipate that the application of the amendments to HKAS 12 in future reporting periods may result in adjustments to the amounts of deferred tax liabilities recognised in prior years regarding the Group's investment properties of which the carrying amounts are presumed to be recovered through sale. However, the directors have not yet performed a detailed analysis of the impact of the application of the amendments and hence have not yet quantified the extent of the impact.

The amendments to HKAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of HKAS 19. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus.

The amendments to HKAS 19 are effective for annual periods beginning on or after 1 January 2013 and require retrospective application with certain exceptions. The directors anticipate that the amendments to HKAS 19 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the amendments to HKAS 19 may have impact on amounts reported in respect of the Group's defined benefit plans. However, the directors have not yet performed a detailed analysis of the impact of the application of the amendments and hence have not yet quantified the extent of the impact.

4. TURNOVER

Turnover represents revenue from (i) property rental income, (ii) property ancillary services, (iii) commission income from agricultural exchange market, and (iv) property sales. The amount of each significant category of revenue recognised during the year, net of discount and sales related tax, is analysed as follows:

	2011	2010
	HK$'000	*HK$'000*
Continuing operations:		
Gross rental income	**78,454**	69,589
Revenue from property ancillary services	**26,807**	6,585
Commission income from agricultural exchange market	**36,362**	23,175
Revenue from property sales	**70,222**	—
	211,845	99,349
Discontinued operation:		
Sales of food and beverages	**32,315**	30,603

The Group has two reportable segments under HKFRS 8, (i) property rental and (ii) property sales. The segmentations are based on the information about the operation of the Group that management uses to make decisions and regularly review by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance.

Segment revenue and results

The following is an analysis of the Group's revenues and results by reportable segment for the current and prior years:

	Continuing operations				Discontinued operation			
	Property rental		Property sale		Restaurant operation		Consolidated	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Turnover								
External sales	**141,623**	99,349	**70,222**	—	**32,315**	30,603	**244,160**	129,952
Result								
Segment result	**435,564**	(239,879)	**6,297**	—	**(1,240)**	(1,691)	**440,621**	(241,570)
Unallocated corporate expenses							**(60,228)**	(59,627)
Gain on disposal of subsidiaries	—	—	—	—	—	—	**6,484**	—
Impairment loss on goodwill	—	(5,181)	—	—	—	—	—	(5,181)
Profit/(loss) from operations							**386,877**	(306,378)
Finance costs							**(89,906)**	(73,224)
Profit/(loss) before taxation							**296,971**	(379,602)
Income tax							**(81,534)**	43,335
Profit/(loss) for the year							**215,437**	(336,267)

The accounting policies of the reportable segments are the same as the Group's accounting policies describe in the Company's 2011 annual report, business segment represents the profit/(loss) from each segment without allocation of central administrative costs and directors' salaries, impairment loss on goodwill, gain on disposal of subsidiaries, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the year (2010: Nil).

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment:

	Continuing operations				Discontinued operation			
	Property rental		Property sale		Restaurant operation		Consolidated	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Assets								
Segment assets	**2,222,943**	1,611,797	**245,730**	—	—	14,520	**2,468,673**	1,626,317
Unallocated corporate assets							**459,270**	65,565
Consolidated total assets							**2,927,943**	1,691,882
Liabilities								
Segment liabilities	**945,402**	868,086	**89,394**	—	—	1,143	**1,034,796**	869,229
Unallocated corporate liabilities							**857,796**	547,382
Consolidated total liabilities							**1,892,592**	1,416,611

For the purposes of monitoring segment performance and allocating resources between segments:

— all assets are allocated to reportable segments other than corporate assets. Goodwill is allocated to reportable segments; and

— all liabilities are allocated to reportable segments other than corporate liabilities, promissory notes and deferred tax liabilities.

Other segment information

The following is an analysis of the Group's other segment information:

	Continuing operations				Discontinued operation					
	Property rental		Property sale		Restaurant operation		Unallocated		Consolidated	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Capital expenditure										
— others	**164,554**	29,393	**—**	—	**5,327**	2,209	**—**	—	**169,881**	31,602
Depreciation and amortisation	**5,205**	8,815	**—**	—	**821**	2,101	**162**	429	**6,188**	11,345
Impairment loss										
— intangible assets	**—**	180,442	**—**	—	**—**	—	**—**	—	**—**	180,442
— goodwill	**—**	5,181	**—**	—	**—**	—	**—**	—	**—**	5,181
— trade and other receivables	**—**	88,279	**—**	—	**—**	—	**—**	—	**—**	88,279

Information about major customers

For the year ended 2010, included in revenues arising from property rental operations of approximately HK$99,349,000 are revenues of approximate HK$41,354,000 which arose from sales to the Group's largest customer.

For the year ended 2011, no other single customers contributed 10% or more to the Group's revenue.

Geographical information

As at the end of reporting period, over 90% of revenue of the Group were generated from external customers located in the People's Republic of China (the "**PRC**") and over 90% of non-current assets of the Group were located in the PRC. Accordingly, no geographical segment analysis on the carrying amount of segment assets or additions to property, plant and equipment is presented.

Revenue from major products and services

The Group's revenue from continuing operations from its major products and services were stated in Note 4 above.

5. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived after charging:

(a) Finance costs

	2011	2010
	HK$'000	*HK$'000*
Continuing operations:		
Interest on bank advances and other borrowings wholly repayable within five years	**49,348**	35,037
Interest on promissory notes	**40,558**	38,187
	89,906	73,224
Discontinued operation:	**—**	—
	89,906	73,224

(b) Staff costs (including directors' emoluments)

	2011 HK$'000	2010 HK$'000
Continuing operations:		
Contributions to defined contribution retirement plans	**389**	221
Salaries, wages and other benefits	**55,477**	26,708
	55,866	26,929
Discontinued operation:		
Salaries, wages and other benefits	**4,795**	3,988
	60,661	30,917

(c) Other items

	2011 HK$'000	2010 HK$'000
Continuing operations:		
Other amortisation of intangible assets*	**—**	5,673
Depreciation	**5,367**	3,571
Impairment loss on goodwill*	**—**	5,181
Impairment loss on intangible assets*	**—**	180,442
Impairment loss on trade and other receivables*	**—**	88,279
Loss on disposal on property, plant and equipment	**360**	6,184
Auditor's remuneration		
— audit services	**900**	900
— other services	**250**	304
Operating lease charges: minimum lease payments		
— property rental	**1,275**	1,176
Fair value loss on financial assets at fair value through profit or loss	**5,140**	—
Cost of stock of properties	**57,886**	—
Discontinued operation:		
Depreciation	**821**	2,101
Operating lease charges: minimum lease payments — property rental	**3,773**	3,482
Cost of inventories	**20,753**	20,271

* Included in "other operating expenses" as disclosed in the consolidated financial statements.

6. INCOME TAX IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Continuing operation

(i) Taxation in the consolidated statement of comprehensive income represents:

	2011	2010
	HK$'000	*HK$'000*
Current tax		
— PRC enterprise income tax	**9,037**	2,929
— Land Appreciation Tax ("**LAT**")	**16,669**	—
	25,706	2,929
Over provision in prior year		
— PRC enterprise income tax	**(72,770)**	—
	(72,770)	—
Deferred tax		
Origination and reversal of temporary difference	**128,598**	(46,264)
	81,534	(43,335)

No provision for Hong Kong Profits Tax has been made as the Group had no estimated assessable profits arising in Hong Kong for the years ended 31 December 2011 and 2010. PRC Enterprise Income Tax is computed according to the relevant legislation interpretations and practices in respect thereof during the year. PRC Enterprise Income Tax rate is 25% (2010: 25%).

The provision of LAT is estimated according to requirements set for the relevant PRC Taxes and regulation. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable deductions.

7. DISTRIBUTION OF CONTRIBUTED SURPLUS TO OWNERS OF THE COMPANY

The directors did not recommend the payment of any dividend in respect of the years ended 31 December 2011 and 2010 respectively.

8. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

For continuing and discontinued operations

The calculation of basic earnings/(loss) per share is based on the earnings/(loss) for the year attributable to owners of the Company of approximately HK$117,717,000 (2010: loss approximately HK$325,689,000) and the weighted average number of 840,390,812 ordinary shares (2010: 48,080,719 (restated)) in issue during the year after adjusting the effects of the share consolidation and rights issue. The basic loss per share for 2010 had been adjusted accordingly.

For continuing operations

The calculation of basic earnings/(loss) per share is based on the earnings/(loss) for the year attributable to owners of the Company of approximately HK$113,018,000 (2010: loss approximately HK$323,229,000) and the weighted average number of 840,390,812 ordinary shares (2010: 48,080,719 (restated)) in issue during the year after adjusting the effects of the share consolidation and rights issue. The basic loss per share for 2010 had been adjusted accordingly.

For discontinued operations

The calculation of basic earnings/(loss) per share is based on the earnings/(loss) for the year attributable to owners of the Company of approximately HK$4,699,000 (2010: loss approximately HK$2,460,000) and the weighted average number of 840,390,812 ordinary shares (2010: 48,080,719 (restated)) in issue during the year after adjusting the effects of the share consolidation and rights issue. The basic loss per share for 2010 had been adjusted accordingly.

(b) Diluted earnings/(loss) per share

Diluted earnings/(loss) per share for the years ended 31 December 2011 and 2010 were the same as basic earnings/(loss) per share as there was no diluted event during the years.

9. TRADE AND OTHER RECEIVABLES

The Group generally allows an average credit period of 30 days to its trade customers. Included in trade and other receivables as at 31 December 2011 are debtors of HK$417,000 (2010: HK$773,000) and their ageing analysis is as follows:

	2011	2010
	HK$'000	*HK$'000*
Less than 90 days	**311**	587
More than 90 days but less than 180 days	**81**	34
More than 180 days	**25**	152
	417	773

10. TRADE AND OTHER PAYABLES

Included in trade and other payables as at 31 December 2011 are trade payable of HK$Nil (2010: HK$1,274,000) and their ageing analysis is as follows:

	2011	2010
	HK$'000	*HK$'000*
Within 90 days	**—**	1,274
After 90 days but within 180 days	**—**	—
	—	1,274

11. COMPARATIVE FINANCIAL INFORMATION

Certain comparative figures have been restated to conform with current year's presentation.

EXTRACT OF THE AUDITORS' REPORT

The following is an extract of the independent auditors' report on the Group's annual audited financial statements for the year ended 31 December 2011:

Opinion

"In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2011 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material uncertainty concerning going concern basis of accounting

Without qualifying our opinion, we draw attention to note 2(b) to the consolidated financial statements which indicates that the Group's consolidated current liabilities exceeded its consolidated current assets by approximately HK$599,908,000. Notwithstanding the above, the consolidated financial statements have been prepared on a going concern basis, the validity of which is dependent on the Group's ability to extend its short-term borrowings upon maturity, obtain long-term financing facilities to re-finance its short-term borrowings, and derive adequate operating cash flows from the existing operations in order for the Group to meet its financial obligations as they fall due and to finance its future working capital and financial requirements. These conditions, along with other matters as set forth in note 2(b), indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern."

MANAGEMENT DISCUSSION AND ANALYSIS

Summary of Financial Results

Turnover and gross profits

For the year ended 31 December 2011, the Group recorded a turnover of approximately HK$211.8 million, a substantial increase of approximately HK$112.5 million or approximately 113.2% increase from approximately HK$99.3 million of continuing operations for the previous financial year.

The increase is mainly attributable to the increase in turnover of agricultural produce exchange projects and sale of certain properties of the Yulin project to tenants.

The gross profit of the Group is increased by approximately 45.6% to approximately HK$110.1 million from approximately HK$75.6 million of continuing operations for the previous financial year. The gross profit margin of the Group for the financial year is approximately 51.9% as compared to approximately 76.1% for the previous financial year.

Net gain in fair value of investment properties

The rise of net gain in fair value of investment of approximately HK$553.4 million (2010: approximately HK$1.0 million) was mainly due to the increase of property prices in the PRC and rental income of our projects.

Administrative expenses, selling expenses and finance cost

General and administrative expenses were approximately HK$259.3 million (2010: approximately HK$101.8 million). The increase was mainly due to the full year operating expenses of the Wuhan Baisazhou exchange and business development costs incurred at our various projects. Selling expenses were approximately HK$53.6 million (2010: approximately HK$0.5 million) and were mainly attributable to the Group's promotion expenses at the agricultural produce exchange in Wuhan Baisazhou in mid 2011. Finance costs were approximately HK$89.9 million (2010: approximately HK$73.2 million) and such increase was mainly due to obtaining new interest bearing debts during the year under review.

Profit attributable to owners of the Company

The profit attributable to owners of the Company for the year was approximately HK$117.7 million as compared to a loss of approximately HK$325.7 million for the previous year. The turnaround is mainly due to the change of fair value of investment properties of the Group and the sales of shops in the Yulin project.

DIVIDENDS

The directors of the Company do not recommend any payment of final dividend for the year ended 31 December 2011 (2010: Nil). No interim dividend was paid to the shareholders of the Company during the year under review (2010: Nil).

REVIEW OF OPERATIONS

During the year under review, the Group was principally engaged in the business of agricultural produce exchanges and property sale in the PRC. The Group ceased and disposed of its restaurant business in December 2011.

Agricultural produce exchanges

*Wuhan Baisazhou agricultural and by-product exchange market (the "**Wuhan Baisazhou Market**")*

The Wuhan Baisazhou Market, being located in the provincial capital of Hubei Province, is one of the largest agricultural produce exchange operators in the PRC. The Wuhan Baisazhou Market is situated at the Hongshan District of Wuhan with a site area of approximately 270,000 square metres and a total gross floor area of approximately 160,000 square metres.

During the year under review, the operations of the Wuhan Baisazhou Market contributed to the increase of turnover to the Group. In mid 2011, the market carried out a series of marketing campaigns aimed at attracting buying and selling parties to carry out trades in the market.

*Yulin agricultural and by-product exchange market (the "**Yulin Market**")*

The Yulin Market is one of the largest agricultural produce exchanges in Guangxi Zhuang Autonomous Region ("**Guangxi**"), the PRC. It has various two-storey market stalls at the leasing stage and a multi-storey godown. In 2011, the occupancy rate of the Yulin Market of the shops and warehouses was an encouraging 90% on average. Both the truck traffic volume and transaction volume of agricultural products in the Yulin Market were satisfactory. During the year under review, some of the shops were sold and contributed to the turnover increase of the Group in 2011.

In order to expand market share of agricultural produce exchange in Guangxi, the Group acquired an adjacent piece of land with an area of approximately 160,000 square metres in February 2011, expanding the land i.e. to be occupied by the Yulin Market to more than 400,000 square metres. The Group has commenced construction of of phase two of the Yulin Market which when completed (which is planned for April 2012) will be a new income driver to the Group in 2012.

*Xuzhou agricultural and by-product exchange market (the "**Xuzhou Market**")*

The Xuzhou Market occupies approximately 200,000 square metres, being located in northern part of Jiangsu Province at the eastern area of the PRC. It consists of various single-storey market stalls and a multi-storey godown. The Xuzhou Market is the major marketplace for the supply of fruit and seafood in Xuzhou city and the northern part of Jiangsu Province. The operating performance of the Xuzhou Market was satisfactory and its income increased by approximately 27% in 2011 compared with the previous year.

MATERIAL ACQUISITIONS AND DISPOSAL

Acquisition of lands

On 28 February 2011, the Group acquired an adjacent piece of land in Yulin, Guangxi of approximately 160,000 square metres for a consideration of approximately RMB62.7 million for the extension of the Yulin Market, which will expand its existing operations. Construction is in progress.

On 3 November 2011, the Group won a bid at the tender for a piece of land in Qinzhou, Guangxi of approximately 150,000 square metres for a consideration of approximately RMB21.7 million for the planned development of a new agricultural exchange project.

Disposal of restaurant operations

The total turnover of the Group's two restaurants located in Shenzhen and Beijing was approximately HK$32.3 million (2010: approximately HK$30.6 million) and the operating loss after income tax was approximately HK$1.8 million (2010: approximately: HK$2.5 million). Due to the continuous operating loss of our restaurant operations and in order to focus on the agricultural produce exchange business, the Group disposed of all its restaurant operations in December 2011 recording a gain of approximately HK$6.5 million. The net gain after tax of such discontinuing operations was approximately HK$4.7 million. Details of the disposal were referred to in the Company's announcement dated 16 December 2011.

FUND RAISING AND CAPITAL REORGANISATION

Placing of new shares under specific mandates

On 9 November 2010, the Company entered into placing agreements to place a total of 300 million shares, on a fully underwritten basis, and 300 million shares, on a best efforts basis, to independent third parties at a price of HK$0.25 per share under the specific mandates which the Board then sought and obtained approval from shareholders at a special general meeting of the Company held on 21 December 2010. Completion of the placing of all the 300 million fully underwritten shares took place on 5 January 2011 and net proceeds of approximately HK$73.1 million were raised for the repayment of loan and reduction of the Group's debt and gearing level and for expansion and further development of the Group's agricultural produce exchanges. The remaining 300 million best efforts placing shares were not issued and the relevant agreement was terminated in March 2011.

Capital reorganisation and rights issue

On 9 June 2011, the Company announced, inter alia, the following proposals of capital reorganisation (the "**Capital Reorganisation**"), which took effect on 1 August 2011 pursuant to a special resolution passed at the special general meeting of the Company held on the same date, and a proposed rights issue (the "**Rights issue**"):

(a) the consolidation of the issued shares of the Company (the "**Share Consolidation**") whereby every ten shares of nominal value of HK$0.10 each in the issued share of the Company was to be consolidated into one consolidated share of nominal value of HK$1.00 (the "**Consolidated Share**");

(b) the reduction of the issued share capital of the Company (the "**Capital Reduction**") whereby (i) the nominal value of all the issued Consolidated Shares was to be reduced from HK$1.00 each to HK$0.01 each (the "**Adjusted Shares**") and the nominal value of the issued share capital of the Company was accordingly to be reduced to the extent of HK$0.99 per Consolidated Share in issue; and (ii) any aggregated number of fractional Consolidated Shares in the issued share capital of the Company arising from the Share Consolidation was to be cancelled;

(c) the subdivision of every one authorised but unissued share of the Company of par value HK$0.10 into ten Adjusted Shares of HK$0.01 each; and

(d) upon the Capital Reorganisation becoming effective, the Board also proposed to raise gross proceeds of approximately HK$464.4 million, before expenses, by way of the Rights Issue. Pursuant to the Rights Issue, the Company would allot and issue 2,381,597,550 rights shares (the "**Rights Shares**") at the subscription price of HK$0.195 per Rights Share, on the basis of 30 Rights Shares for every one Adjusted Share. The estimated net proceeds of the Rights Issue would be approximately HK$452.2 million and were intended to be applied as to approximately HK$200 million for expansion of the Group's agricultural produce exchanges, approximately HK$150 million for the repayment of interest-bearing debts and the remaining balance of approximately HK$102.2 million as general working capital of the Group.

The directors of the Company continue to explore any opportunity with potential investors to raise further funds to explore appropriate new borrowing facilities in order to further strengthen the shareholders' base and further enhance the development of the Group.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2011, the Group had total cash and cash equivalents amounting to approximately HK$533.2 million (2010: approximately HK$81.5 million) whilst total assets and net assets were approximately HK$2,927.9 million (2010: approximately HK$1,691.9 million) and approximately HK$1,035.4 million (2010: approximately HK$275.3 million), respectively. The Group's gearing ratio as at 31 December 2011 was approximately 0.6 (2010: approximately 2.8), being a ratio of total bank and other borrowings and promissory notes of approximately HK$1,122.3 million (2010: approximately HK$854.9 million), net of cash and cash equivalents of approximately HK$533.2 million (2010: approximately HK$81.5 million) to shareholders' funds of approximately HK$1,035.4 million (2010: approximately HK$275.3 million).

CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

As at 31 December 2011, outstanding capital commitments, contracted but not provided for, amounted to approximately HK$161 million (2010: Nil) in relation to the purchase of property, plant and equipment, and construction contracts. As at 31 December 2011, the Group had pledged the investment properties and bank deposit with carrying amount of approximately HK$1,039 million and approximately HK$21 million, respectively (2010: approximately HK$595.6 million and nil, respectively) to secure bank loans. As at 31 December 2011, the Group had no significant contingent liabilities (2010: Nil).

The Group did not have any outstanding foreign exchange contracts, interest or currency swaps or other financial derivatives as at 31 December 2011. The revenue, operating costs and bank deposits of the Group were mainly denominated in Renminbi and Hong Kong dollars. Therefore, the Group was not exposed to any material foreign currency exchange risk.

PROSPECTS

Looking forward to 2012, the Group will continue to build a nationwide agricultural produce exchange network by leveraging on its leading position in the industry, readily replicable business model, well-developed management system and quality customer services. The Group will continue to focus on intensifying its investment in agricultural produce exchanges in the PRC to further entrench its commitment in supporting the "Vegetable Basket Project". In order to continue support the agricultural sector, the PRC Central Government once again issued the No.1 document at the beginning of the year 2012 with an emphasis on the development of the agricultural sector.

With the strategic position of our existing first tier agricultural produce exchanges, the Group will endeavor to negotiate, build and expand its network of wholesale market platforms by establishing partnerships in the PRC especially in Hubei Province, Jiangsu Province and Guangxi. With the favourable support of the agricultural logistic business from the Central Government and our professional experience in the industry, the Group is confident that this strategy and business model will deliver long term benefits to the shareholders of the Company.

NUMBER OF EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2011, the Group had 820 (2010: 734) employees, approximately 95.0% of whom were located in the PRC. The Group's remuneration policy is reviewed periodically and remuneration is determined by reference to market terms, company performance, and individual qualifications and performance.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2011.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions of the Code on Corporate Governance Practices (the "**CG Code**") set out in Appendix 14 to the Listing Rules during the year ended 31 December 2011 except for the following deviation:

Code provision A.2.1

Under code provision A.2.1, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual.

Mr. Chan Chun Hong, Thomas ("**Mr. Chan**"), the chairman of the Board, has also assumed the role of chief executive officer of the Company since 2 August 2010. Mr. Chan has extensive executive and financial management experience to accomplish his roles which is of great value in enhancing the efficiency to cope with the dynamic and challenging business environment. Furthermore, there are various experienced individuals in charge of the daily business operational units and the Board comprises three executive directors and three independent non-executive directors with balance of skill and experience appropriate for the Group's continuous development. However, the Company continues to review from time to time as this regard or will identify any other suitable personnel to take up the role of the chief executive officer, as and when appropriate, and will make further announcement in due course.

Further details of the Company's corporate governance practices are set out in the corporate governance report to be contained in the Company's 2011 annual report.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its code of conduct regarding the securities transactions by the directors of the Company on the terms no less exacting than the required standard set forth in the Model Code for the Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules. 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 financial year 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. The Audit Committee comprises all of the independent non-executive directors of the Company, 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 and the Company's auditors the consolidated financial statements for the year ended 31 December 2011.

ANNUAL GENERAL MEETING

The 2012 annual general meeting of the shareholders of the Company will be held at Harbour Room I, Mezzanine Floor, Kowloon Shangri-La Hong Kong, 64 Mody Road, Kowloon, Hong Kong on Thursday, 3 May 2012 at 10:00 a.m. and the notice convening such meeting will be published and despatched to the shareholders of the Company in the manner as required by the Listing Rules in due course.

PUBLICATION OF FINAL RESULTS AND DESPATCH OF ANNUAL REPORT

This results announcement is published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.cnagri-products.com). The 2011 annual report of the Company containing all the information required by the Listing Rules will be despatched to its shareholders and available on the above websites in due course.

By Order of the Board
China Agri-Products Exchange Limited
中國農產品交易有限公司
Chan Chun Hong, Thomas
Chairman and Chief Executive Officer

Hong Kong, 16 March 2012

As at the date of this announcement, the executive directors of the Company are Mr. Chan Chun Hong, Thomas, Mr. Leong Weng Kin, Mr. Leung Sui Wah, Raymond and the independent non-executive directors of the Company are Mr. Ng Yat Cheung, Mr. Lee Chun Ho and Ms. Lam Ka Jen, Katherine.