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 2013

The board of directors (the "**Board**" or "**Directors**") 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 2013, together with the comparative figures for the previous financial year, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2013

		2013	2012
	Notes	***HK$'000***	*HK$'000*
Turnover	*4*	**408,544**	287,482
Cost of operation		**(216,561)**	(126,900)
Gross profit		**191,983**	160,582
Other revenue and other net income		**9,645**	5,328
Net gain in fair value of investment properties		**671,065**	538,287
General and administrative expenses		**(245,895)**	(236,234)
Selling expenses		**(42,774)**	(12,654)
Profit from operations		**584,024**	455,309
Finance costs	*5(a)*	**(164,848)**	(103,337)
Profit before taxation	*5*	**419,176**	351,972
Income tax	*6*	**(198,457)**	(135,488)
Profit for the year		**220,719**	216,484

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(Continued)*
For the year ended 31 December 2013

	Notes	**2013** **HK$'000**	2012 *HK$'000*
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**83,530**	18,684
Other comprehensive income for the year, net of income tax		**83,530**	18,684
Total comprehensive income for the year, net of income tax		**304,249**	235,168
Profit attributable to:			
Owners of the Company		**154,980**	145,678
Non-controlling interests		**65,739**	70,806
		220,719	216,484
Total comprehensive income attributable to:			
Owners of the Company		**228,795**	161,923
Non-controlling interests		**75,454**	73,245
		304,249	235,168
Earnings per share			
— Basic (restated)	*8(a)*	**HK$2.10**	HK$1.97
— Diluted (restated)	*8(b)*	**HK$2.10**	HK$1.97

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2013

	Note	2013 HK$'000	2012 HK$'000
Non-current assets			
Property, plant and equipment		**45,412**	30,575
Investment properties		**3,420,587**	3,408,915
Goodwill		**6,444**	6,444
		3,472,443	3,445,934
Current assets			
Stock of properties		**1,646,691**	168,149
Trade and other receivables	9	**293,903**	313,930
Loan receivables		**12,789**	—
Financial assets at fair value through profit or loss		**5,546**	5,410
Tax receivable		**—**	4,521
Cash and cash equivalents		**267,422**	393,954
		2,226,351	885,964
Current liabilities			
Deposits and other payables		**989,606**	947,899
Deposit receipts in advance		**99,620**	135,054
Bank and other borrowings		**961,128**	275,452
Government grants		**2,941**	2,860
Promissory notes		**376,000**	376,000
Income tax payable		**36,801**	7,581
		2,466,096	1,744,846
Net current liabilities		**(239,745)**	(858,882)
Total assets less current liabilities		**3,232,698**	2,587,052
Non-current liabilities			
Bank and other borrowings		**1,104,876**	969,358
Deferred tax liabilities		**506,974**	350,188
		1,611,850	1,319,546
Net assets		**1,620,848**	1,267,506
Capital and reserves			
Share capital		**29,510**	24,610
Reserves		**1,170,079**	893,070
Total equity attributable to owners of the Company		**1,199,589**	917,680
Non-controlling interests		**421,259**	349,826
Total equity		**1,620,848**	1,267,506

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2013

1. GENERAL

China Agri-Products Exchange Limited (the "**Company**", together with its subsidiaries the "**Group**") 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 Group is principally engaged in the management and sales of agricultural produce exchange markets in the People's Republic of China ("**PRC**").

2. SIGNIFICANT ACCOUNTING POLICIES

(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) Basis of preparation of consolidated financial statements

(i) Going concern basis

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

— the Group had consolidated net current liabilities of approximately HK$239,745,000 as at 31 December 2013;

— the Group had outstanding bank and other borrowings of approximately HK$2,066,004,000, out of which an aggregate of approximately HK$961,128,000 is due for repayment within the next twelve months after 31 December 2013; and

— the Group had promissory notes of approximately HK$376,000,000 and interest payable of approximately HK$117,500,000 included under deposits and other payables are outstanding as at 31 December 2013.

The Directors adopted the going concern basis in the preparation of the consolidated 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*

On 4 December 2013, the Company entered into an underwriting agreement with, among others, the underwriters, whereby the Company proposed to raise gross proceeds of approximately HK$514,600,000 before expenses, by way of the rights issue of 1,106,619,045 rights shares at the subscription price HK$0.465 per rights share. The proposed rights issue was duly passed by way of poll at the special general meeting held on 17 February 2014. For the detail, please refer to the Company's announcements, circular and prospectus dated 19 December 2013, 13 January 2014, 22 January 2014, 23 January 2014, 17 February 2014, 20 February 2014 and 3 March 2014 respectively.

(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.

(iv) *Writ issued by the Company against Ms. Wang and Tian Jiu*

On 21 September 2012, the High Court of Hong Kong Special Administrative Region Court of First Instance (the "**Court**") granted an injunction order ("**Injunction Order**") until further order of the Court and/or hearing of the Company's inter parties summons on 5 October 2012. The Injunction Order restrained Ms. Wang Xiu Qun ("**Ms. Wang**") and Wuhan Tian Jiu Industrial and Commercial Development Co., Ltd. ("**Tian Jiu**") from indorsing, assigning, transferring or negotiating the two instruments (purportedly described as promissory notes in the sale and purchase reement between the Company and each of Ms. Wang and Tian Jiu respectively) (the two instruments collectively as "**Instruments**") to any third party.

On 5 October 2012, the Company obtained a court order from the Court to the effect that undertakings were given by Ms. Wang and Tian Jiu (the "**Undertakings**") not to indorse, assign, transfer or negotiate the Instruments, and enforce payment by presentation of the Instruments to the Company, in each case until final determination of the court action commenced by the Company against Ms. Wang and Tian Jiu in October 2011. The Court further ordered that there will be a continuation of the Injunction Order until further order.

In March 2013, the Company, Ms. Wang and Tian Jiu applied jointly to the Court to discharge the Injunction Order without prejudice to the continuing effect of the Undertakings. Such application was granted by the Court. According to the legal advisers of the Company, the Undertakings and the Injunction Order have the same legal effect.

Under the Undertakings, currently obtained by the Company the Instruments will no longer fall due for payment by the Company on 5 December 2012.

In the opinion of the Directors, in light of the various measures or 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 consolidated 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 consolidated 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 the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in HKAS 2 or value in use in HKAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Company has applied, for the first time, the following new standard, amendments and interpretations ("**new HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), which are effective for the Company's financial year beginning 1 January 2013. A summary of the new HKFRSs are set out as below:

HKFRS 1 (Amendments)	Government Loan
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKFRS 7 (Amendments)	Disclosures — Offsetting Financial Assets and Financial Liabilities
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements Disclosure of Interests in Other Entities: Transition Guidance
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2009-2011 Cycle
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine

Except for the amendments to HKAS 1, the application of these new HKFRSs has no material impact on the results and the financial position of the Group.

The nature of the impending changes in accounting policy on adoption of the amendments to HKAS 1 is described below.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 July 2012.

The amendments to HKAS 1 introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renamed as a statement of profit or loss. 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 items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (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 do not change the option to present items of other comprehensive income either before tax or net of tax.

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

HKFRS 9	Financial Instruments[3]
HKFRS 9, HKFRS 7 and HKAS 39 (Amendments)	Hedge Accounting and amendments to HKFRS 9, HKFRS 7 and HKAS 39[3]
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities[1]
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities[1]
HKAS 36	Recoverable Amount and Disclosures for Non-Financial Assets[1]
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting[1]
HK(IFRIC)-Int 21	Levies[1]
HKAS 19 (Amendments)	Defined Benefits Plans: Employee Contributions[2]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010-2012 Cycle[2]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011-2013 Cycle[2]
HKFRS 14	Regulatory Deferral Accounts[4]

1 Effective for annual periods beginning on or after 1 January 2014, with earlier application permited.
2 Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.
3 No mandatory effective date yet determined but is available for adoption.
4 Effective for annual periods beginning on or after 1 January 2016.

HKFRS 9 — Financial Instruments

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described below:

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.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that 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 of financial liabilities attributable to changes in the financial liabilities' 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 fair value through profit or loss was presented in profit or loss.

The date when entities would be required to apply HKFRS 9 was previously stated at 1 January 2015. This mandatory effective date has been removed to provide sufficient time for preparers of financial statements to make the transition to the new requirements, which will now become effective from a later date yet to be announced.

The Directors anticipate that the application of HKFRS 9 may have a significant impact on amounts reported in respect of Group's financial assets. However, it is not practical to provide a reasonable estimate of that effect until a detailed review has been completed.

Amendments to HKFRS 7 and HKAS 32 — Offsetting Financial Assets and Financial Liabilities and the related disclosures

The amendments to HKAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement".

The amendments to HKFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amendments to HKFRS 7 are effective for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. The disclosures should be provided retrospectively for all comparative periods. However, the amendments to HKAS 32 are not effective until annual periods beginning on or after 1 January 2014, with retrospective application required.

The Directors anticipate that the application of these amendments to HKAS 32 and HKFRS 7 may result in more disclosures being made with regard to offsetting financial assets and financial liabilities in the future.

Amendments to HKAS 36 — Impairment of Assets: Recoverable Amount Disclosure for Non-Financial Assets

The amendments to HKAS 36 are to remove certain unintended disclosure requirements which may be introduced by the consequential amendments to HKAS 36 when HKFRS 13 was issued. Furthermore, these amendments require the disclosure of additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal. The amendments to HKAS 36 are effective for annual periods beginning on or after 1 January 2014. Earlier application is permitted. However, an entity may not apply those amendments in periods (including comparative periods) in which it does not also apply HKFRS 13.

The Directors anticipate that the application of these amendments to HKAS 36 will have no material impact on the Group's financial performance and positions.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) — Investment Entities

The Investment Entities amendments apply to a particular class of business that qualify as investment entities. The term "investment entity" refers to an entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. An investment entity must also evaluate the performance of its investments on a fair value basis. Such entities could include private equity organisations, venture capital organisations, pension funds, sovereign wealth funds and other investment funds.

Under HKFRS 10, reporting entities were required to consolidate all investees that they control (i.e. all subsidiaries). Preparers and users of financial statements have suggested that consolidating the subsidiaries of investment entities does not result in useful information for investors. Rather, reporting all investments, including investments in subsidiaries, at fair value, provides the most useful and relevant information.

In response to this, the amendments provide an exception to the consolidation requirements in HKFRS 10 and require investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them. The amendments also set out disclosure requirements for investment entities.

The amendments are effective from 1 January 2014 with early adoption permitted in order to allow investment entities to apply the amendments at the same time they first apply the rest of HKFRS 10.

The Directors anticipate that the application of these amendments to HKFRS 10, HKFRS 12 and HKFRS 27 (2011) will have no material impact on the Group's financial performance and positions.

Amendments to HKAS 39 — Novation of Derivatives and Continuation of Hedge Accounting

The narrow-scope amendments will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met (in this context, a novation indicates that parties to a contract agree to replace their original counterparty with a new one).

This relief has been introduced in response to legislative changes across many jurisdictions that would lead to the widespread novation of over-the-counter derivatives. These legislative changes were prompted by a G20 commitment to improve transparency and regulatory oversight of over-the-counter derivatives in an internationally consistent and non-discriminatory way.

Similar relief will be included in HKFRS 9.

The amendments will be effective for annual periods beginning on or after 1 January 2014 and applied retrospectively. Earlier application is permitted.

The Directors anticipate that the application of these amendments to HKAS 39 will have no material impact on the Group's financial performance and positions.

HK (IFRIC) — Int 21 Levies

HK (IFRIC) — Int 21 is an interpretation of HKAS 37 and addresses how an entity should account for liabilities to pay levies imposed by governments, other than income taxes, in its financial statements. The principal question raised was about when the entity should recognise a liability to pay a levy. It clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. HK(IFRIC) — Int 21 is effective for annual periods beginning on or after 1 January 2014 with earlier application permitted.

4. TURNOVER

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

	2013	2012
	HK$'000	*HK$'000*
Property rental income	**137,824**	95,723
Revenue from property ancillary services	**39,064**	34,607
Commission income from agricultural produce exchange market	**62,037**	59,260
Revenue from property sales	**169,619**	97,892
	408,544	287,482

The Group has two reportable segments under HKFRS 8, (i) agricultural produce exchange market operation 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 segments for the current and prior years:

	Agricultural produce exchange market operation		Property sale		Consolidated	
	2013	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Turnover						
External sales	**238,925**	189,590	**169,619**	97,892	**408,544**	287,482
Result						
Segment result	**668,631**	531,946	**6,661**	7,548	**675,292**	539,494
Unallocated corporate result					**(91,268)**	(84,185)
Profit from operations					**584,024**	455,309
Finance costs					**(164,848)**	(103,337)
Profit before taxation					**419,176**	351,972
Income tax					**(198,457)**	(135,488)
Profit for the year					**220,719**	216,484

The accounting policies of the reportable segments are the same as the Group's accounting policies describe in note 2, business segment represents the profit/(loss) from each segment without allocation of central administrative costs and directors' salaries, 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 (2012: Nil).

Segment assets and liabilities

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

	Agricultural produce exchange market operation		Property sale		Consolidated	
	2013	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Assets						
Segment assets	**3,922,216**	3,940,816	**1,646,691**	178,122	**5,568,907**	4,118,938
Unallocated corporate assets					**129,887**	212,960
					5,698,794	4,331,898
Liabilities						
Segment liabilities	**1,542,528**	1,602,100	**469,812**	85,453	**2,012,340**	1,687,553
Unallocated corporate liabilities					**2,065,606**	1,376,839
					4,077,946	3,064,392

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 agricultural produce exchange market operation.

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

Other segment information

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

	Agricultural produce exchange market operation		Property sale		Unallocated		Consolidated	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Capital expenditure — others	**259,730**	834,902	**—**	—	**4,187**	451	**263,917**	835,353
Net gain in fair value of investment properties	**671,065**	538,287	**—**	—	**—**	—	**671,065**	538,287
Unrealised gain/(loss) on financial assets at fair value through profit or loss	**—**	—	**—**	—	**133**	(335)	**133**	(335)
Depreciation and amortisation	**5,800**	4,664	**—**	—	**743**	442	**6,543**	5,106

Information about major customers

For the year ended 2013 and 2012, no other single customers contributed 10% or more to the Group's revenue.

Geographical information

As at the end of reporting period, the entire of revenue of the Group were generated from external customers located in 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 its major products and services were stated as above.

5. PROFIT BEFORE TAXATION

Profit before taxation is arrived after charging:

(a) Finance costs

	2013	2012
	HK$'000	*HK$'000*
Interest on bank and other borrowings wholly repayable within five years	**145,941**	63,490
Interest on bank and other borrowings wholly repayable over five years	**4,982**	—
Interest on promissory notes	**23,500**	40,022
Less: Amounts classified as capitalised into investment properties under construction	**(8,768)**	(175)
Amounts classified as capitalised into stock of properties	**(807)**	—
	164,848	103,337

The weight average capitalisation rate on borrowing is from 6.4% to 9.8% per annum (2012: 6.4%).

(b) Staff costs (including directors' emoluments)

	2013	2012
	HK$'000	*HK$'000*
Contributions to defined contribution retirement plans	**685**	515
Salaries, wages and other benefits	**98,191**	71,660
	98,876	72,175

(c) Other items

	2013	2012
	HK$'000	*HK$'000*
Depreciation	**6,543**	5,106
Loss on disposal on property, plant and equipment	**52**	220
Auditors' remuneration		
— audit services	**1,200**	950
— other services	**200**	250
Operating lease charges: minimum lease payments		
— property rental	**3,389**	2,826
Unrealised loss on financial assets through profit or loss	**—**	335
Realised loss on disposal of financial assets at fair value through profit or loss	**—**	893
Cost of stock of properties	**135,928**	78,620

6. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	2013	2012
	HK$'000	*HK$'000*
Current tax		
— PRC enterprise income tax	**53,508**	14,059
	53,508	14,059
Deferred tax		
Origination and reversal of temporary difference	**144,949**	121,429
	198,457	135,488

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 2013 and 2012. 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% (2012: 25%).

7. DIVIDEND

The directors do not recommend the payment of any dividend in respect of the years ended 31 December 2013 and 2012 respectively.

8. EARNINGS PER SHARE

(a) Basic earnings per share

The Company implemented the share consolidation on the basis that every Forty (40) of nominal value of HK$0.01 each in the issued share capital has been consolidated into one (1) consolidated share of nominal value of HK$0.40; and then the nominal value of all the issued consolidated shares had been reduced from HK$0.40 each to HK$0.01 each and the issued share capital have been reduced by HK$0.39 per consolidated share in issue. The effective date of the share consolidation and capital reduction was 18 February 2014.

The basic and diluted earnings per share of all periods presented shall be adjusted for the effects from share consolidation accounted for retrospectively. Upon the share consolidation becoming effective, issued number of shares of 2,950,984,135 were consolidated into 73,774,603.

The calculation of basic earnings per share is based on the profit for the year attributable to owners of the Company of approximately HK$154,980,000 (2012: approximately HK$145,678,000) on the number of consolidated shares.

(b) Diluted earnings per share

Diluted earnings per share for the year ended 31 December 2013 and 2012 were the same as basic earnings per share as there was no diluted event during the year.

9. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade debtors with the following ageing analysis as of the end of reporting period:

	The Group	
	2013	2012
	HK$'000	*HK$'000*
Less than 90 days	**229**	485
More than 90 days but less than 180 days	**11**	18
More than 180 days	**10**	18
	250	521

The Group generally allows an average credit period of 30 days to its trade customers. The Group may on a case by case basis, and after evaluation of the business relationships and creditworthiness of its customers, extend the credit period upon customers' report.

EXTRACT OF THE AUDITORS' REPORT

The following is an extract of the independent auditor's report on the Group's annual financial statements for the year ended 31 December 2013:

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 2013 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$239,745,000. 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

MANAGEMENT DISCUSSION AND ANALYSIS

Turnover and gross profits

For the year ended 31 December 2013, the Group recorded a turnover of approximately HK$408.5 million, representing a remarkable increase of approximately HK$121.0 million or approximately 42.1% increase from approximately HK$287.5 million last year. The increase was mainly attributable to increase in income of the Group's agricultural produce exchanges markets and continuing sales recognition of certain property sales at Yulin Hongjin Agricultural and By-Product Market ("**Yulin Market**").

The gross profit of the Group increased by approximately 19.6% to approximately HK$192.0 million from approximately HK$160.6 million last year. Gross profit margin of the Group for the year was approximately 47.0%, compared to approximately 55.9% last year. The slight drop in gross profit margin was mainly due to the property sale margin being lower than that of the agricultural produce exchange market operation business.

Net gain in fair value of investment properties

The net gain in fair value of investment of approximately HK$671.1 million (2012: approximately HK$538.3 million) and was mainly due to the increase in market value of the Group's property projects in the PRC and growth in property management income from our projects.

Administrative expenses, selling expenses and finance cost

General and administrative expenses were approximately HK$245.9 million (2012: approximately HK$236.2 million). The slight increase was attributable to the Group's administrative expenses and business development costs. Selling expenses were approximately HK$42.8 million (2012: approximately HK$12.7 million) and the increase was attributable to marketing and promotion expenses incurred at the newly constructed agricultural produce exchange market: Luoyang Hongjin Agricultural and By-Product Market ("**Luoyang Market**") in 2013. Finance costs were approximately HK$164.8 million (2012: approximately HK$103.3 million) and such increase was due to obtaining new interest bearing debts in the year.

Profit attributable to the owners of the Company

The profit attributable to owners of the Company for the year was approximately HK$155.0 million as compared to approximately HK$145.7 million last year. The moderate increment was mainly due to sales recognition of shops at Yulin Market as well as the outstanding operating performance from the Wuhan Baisazhou Agricultural and By-Product Exchange Market ("**Wuhan Baisazhou Market**").

DIVIDENDS

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2013 (2012: Nil). No interim dividend for 2013 was paid to the shareholders of the Company during the year (2012: Nil).

REVIEW OF OPERATIONS

The Group is principally engaged in the management and sales of agricultural produce exchange markets in the PRC. Both the operating performance and market ranking of our markets were satisfactory in 2013.

Wuhan Baisazhou Agricultural and By-Product Exchange Market

Located in the provincial capital of Hubei Province, Wuhan Baisazhou Market is one of the largest agricultural produce exchange operators in the PRC. Wuhan Baisazhou Market is situated in the Hongshan District of Wuhan City, with a site area of approximately 270,000 square metres, and a total gross floor area of approximately 160,000 square metres. In 2013, Wuhan Baisazhou Market was awarded "The Top 10 National Agricultural Wholesale Markets" (in terms of transaction value) by China Agricultural Wholesale Market Association. This award is a testament to the Group's effort and expertise in being a top-tier agricultural market operator in the PRC.

During the year under review, turnover at the Wuhan Baisazhou Market continued to rise with 23.6% compared with that of 2012. Operating performance was encouraging as the Wuhan Baisazhou Market has established its reputation and track record to customers and tenants.

Yulin Agricultural and By-Product Exchange Market

Yulin Market is one of the largest agricultural produce exchanges in Guangxi Zhuang Autonomous Region ("**Guangxi**"), the PRC. It has various types of market stalls and multi-storey godown. The Group successfully acquired two parcels of land of approximately 160,000 square metres in February 2011 and approximately 73,000 square metres in December 2012, respectively. Yulin Market has a land reserve of approximately 73,000 square metres for future development. The Group has partially completed the construction of an extension to the phase two development of Yulin Market which became a new growth driver for the Group in 2013. In the year under review, Yulin Market was ranked "Top 75 National Agricultural Wholesale Markets" (in terms of transaction amount) by China Agricultural Wholesale Market Association. As a new member of the agricultural produce market, this award proved Yulin Market's capability in becoming one of the key agricultural produce exchange markets in the Guangxi region.

During the year under review, the majority of the shops were sold and resultantly contributed to the Group's increase in turnover in 2013. Both agricultural produce exchange market operation and property sale performance were satisfactory, achieving a revenue growth of approximately 27.1% and 73.3% respectively as compared with last year.

Xuzhou Agricultural and By-Product Exchange Market

Xuzhou Agricultural and By-Product Wholesale Market ("**Xuzhou Market**") occupies approximately 200,000 square metres, and is located in the northern part of Jiangsu Province. The market houses various market stalls and godowns. Xuzhou Market is the major marketplace for the supply of fruit and seafood in the city, and the northern part of Jiangsu Province, the PRC. Xuzhou Market was ranked "The top 50 National Agricultural Wholesale Market" (in terms of transaction amount) by China Agricultural Wholesale Market Association in 2013.

The operating performance of Xuzhou Market was steady and satisfactory. Income in 2013 increased by approximately 12.1% as compared to last year.

Luoyang Agricultural and By-Product Exchange Market

Luoyang Market is the new flagship project of the Group and the first agricultural produce exchange market project in Henan Province, the PRC. Henan Province was the third most populous province in the PRC with more than 94 million people according to 2010 National Census and the fifth largest provincial economy among the 31 provinces and municipalities in the PRC according to the 2012 National Bureau Statistics. The strategic move into Henan Province is a notable milestone for the Group's future development in central China. The Group plans to build various types of market stalls and multi-storey shops. The Group successfully acquired two parcels of land: 133,000 square metres in August 2012, and 122,000 squares metres in October 2013 respectively. The construction of the Luoyang Market has been partially completed. The Luoyang Market has commenced its trial run in late 2013 and is expected to become a key business driver for the Group in 2014.

MATERIAL ACQUISITIONS

Acquisition of Lands

On 10 January 2013, the Group won a bid at the tender for five parcels of land in Kaifeng City of Henan Province of approximately 408,000 square metres for a total consideration of approximately RMB116.3 million for the development of new agricultural produce exchange produce project in Henan Province. Details were disclosed in the Company's announcement dated 11 January 2013.

On 15 January 2013, the Group won a tender bid for a parcel of land in Huaian City, Jiangsu Province, aggregating approximately 53,000 square metres for a consideration of RMB42.0 million and will be developed into a new agricultural produce exchange. Details were disclosed in the Company's announcement dated 16 January 2013.

On 21 October 2013, the Group won a tender bid for a parcel of land in Luoyang City, Henan Province, aggregating approximately 122,000 square metres for a consideration of approximately RMB43.1 million. This land will be developed as an extension to the existing agricultural produce exchange. Details were disclosed in the Company's announcement dated 23 October 2013.

EVENT AFTER THE REPORTING PERIOD

Acquisition of Lands

On 12 January 2014, the Group won a bid at the tender for three parcels of land in Panjin City of Liaoning Province, aggregating approximately 160,000 square metres for a consideration of RMB29.1 million. This site will be developed into a new agricultural produce exchange. Details were disclosed in the Company's announcement dated 20 January 2014.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2013, the Group had total cash and cash equivalents amounting to approximately HK$267.4 million (2012: approximately HK$394.0 million) whilst total assets and net assets were approximately HK$5,698.8 million (2012: approximately HK$4,331.9 million) and approximately HK$1,620.8 million (2012: approximately HK$1,267.5 million), respectively. The Group's gearing ratio as at 31 December 2013 was approximately 1.3 (2012: approximately 1.0), being a ratio of total bank and other borrowings and promissory notes of approximately HK$2,442.0 million (2012: approximately HK$1,620.8 million), net of cash and cash equivalents of approximately HK$267.4 million (2012: approximately HK$394.0 million) to shareholders' funds of approximately HK$1,620.8 million (2012: approximately HK$1,267.5 million).

CAPITAL COMMITMENT, PLEDGE AND CONTINGENT LIABILITIES

As at 31 December 2013, outstanding capital commitments, contracted but not provided for, amounted to approximately HK$590.5 million (2012: approximately HK$441.7 million) in relation to the purchase of property, plant and equipment, and construction contracts. As at 31 December 2013, the Group had no significant contingent liabilities (2012: Nil).

As at 31 December 2013, the Group pledged the shares and all assets of certain subsidiaries and the loans owned by these subsidiaries to the Company to a subsidiary of Wang On Group Limited. Details of the said pledges were disclosed in the Company's announcement dated 16 July 2012. The Group also pledged certain investment properties and stock of properties with carrying amount of approximately HK$1,836.0 million (2012: approximately HK$1,313.4 million for investment properties and approximately HK$20.8 million for bank deposit) to certain banks for secured bank loans.

The Group did not have any outstanding foreign exchange contracts, interest or currency swaps or other financial derivatives as at 31 December 2013. The revenue, operating costs and bank deposits of the Group are mainly denominated in Renminbi and Hong Kong dollars. Therefore, the Group is not exposed to any material foreign currency exchange risk.

FUND RAISING ACTIVITIES

Placing of new shares under general mandate

On 6 November 2013, the Company issued under the general mandate of the Company a total of 490 million new shares of the Company ("**Share(s)**") at a price of HK$0.112 per Share under a placing through a placing agent. The aggregate net proceeds of approximately HK$53.1 million was raised for the future development of existing and/or new agricultural produce exchanges and for the general working capital of the Group. Details of the placing were disclosed in the announcements of the Company dated 25 October 2013 and 6 November 2013, respectively.

Capital reorganisation, rights issue and bonus issue

On 19 December 2013, the Company announced, inter alia, a capital reorganisation (the "**Capital Reorganisation**") which became effective on 18 February 2014 pursuant to a special resolution passed at the special general meeting (the "**SGM**") of the Company held on 17 February 2014 and a rights issue the (the "**Rights Issue**") and bonus issue (the "**Bonus Issue**") which were approved at the SGM by an ordinary resolution. Under the Capital Reorganisation, the Rights Issue and the Bonus Issue:

(a) the issued shares of the Company were consolidation by way of the consolidation (the "**Share Consolidation**") of every forty (40) shares of nominal value of HK$0.01 each in the issued share capital of the Company into one consolidated share of nominal value of HK$0.40 (the "**Consolidated Share(s)**");

(b) the issued share capital of the Company was reduced (the "**Capital Reduction**") whereby (i) the nominal value of each of issued Consolidated Shares was reduced from HK$0.40 to HK$0.01 (the "**Adjusted Share(s)**") and the issued share capital of the Company was reduced to the extent of HK$0.39 per Consolidated Share; and (ii) any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation was to be cancelled;

(c) the credit arising from the Capital Reduction was applied to set off the accumulated loss of the Company;

(d) upon the Capital Reorganisation becoming effective, the Board also proposed to raise gross proceeds of approximately HK$514.6 million, before expenses, by way of the Rights Issue under which the Company would allot and issue 1,106,619,045 rights shares (the "**Rights Share(s)**") at the subscription price of HK$0.465 per Rights Share, on the basis of fifteen (15) Adjusted Shares for every one (1) Adjusted Share held at 4:00 p.m. on 28 February 2014 (i.e. the record date, being the date by reference to which entitlements to the Rights Issue would be determined); and

(e) subject to the satisfaction of the conditions of the Rights Issue, 73,774,603 bonus shares ("**Bonus Share(s)**") would be issued on the basis of one (1) Bonus Share for every fifteen (15) Rights Shares taken up under the Rights Issue.

The estimated net proceeds raised from the Rights Issue would be approximately HK$495.5 million and is intended to apply (i) as to approximately HK$450 million for development of existing and future agricultural exchange projects, of which approximately HK$300 million would be utilised for the acquisitions of land in the PRC and approximately HK$150 million would be utilised for the payments of construction costs of the agricultural produce exchanges in the PRC; and (ii) as to the remaining balance of approximately HK$45.5 million would be utilised for general working capital of the Group. Details of the Capital

Reorganisation, the Rights Issue and the Bonus Issue were disclosed in the announcements of the Company dated 19 December 2013, 13 January 2014, 22 January 2014, 23 January 2014, 17 February 2014 and 20 February 2014, respectively.

NUMBER OF EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2013, the Group had 1,509 (2012: 942) employees, approximately 96.5% 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.

PROSPECTS

Looking forward to 2014, 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 has started the planning of Kaifeng project in Henan Province and Qinzhou project in Guangxi, thereby boosting our growth driver in 2014.

Under the "Number 1 Policy of 2014" (the "**Document**"), agricultural developments will once again be the priority policy goal imposed by the PRC central government. The Document underscores the importance of rural reform and will expedite the development of modern agriculture through subsidies and investment in infrastructure. To capture the opportunities arising from the favorable government policy, the Group will continue to intensify its investment in agricultural by-products wholesale markets.

Facilitated by our leading position in agricultural produce markets, the Group will endeavor to negotiate, build and expand the network of sizable wholesale market platform by establishing partnership or direct investment in the various provinces. In light of our proven and successful business model, our professional experience, our leadership in the industry, and the significant increase in our land bank, the Group is confident to deliver long term benefits to the shareholders of the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, sole or redeemed any of the Company's listed securities during the year ended 31 December 2013.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

In the opinion of the Board, the Company had complied with the code provisions of the Code on the Corporate Governance Code (the "**CG Code**") set out in Appendix 14 to the Listing Rules throughout the year ended 31 December 2013 except for the following deviation:

Code provision A.2.1

Mr. Chan Chun Hong, Thomas, the chairman of the Board, has assumed the role of chief executive officer of the Company since August 2010. To re-comply with the code provision A.2.1 of the CG Code, with effect from 20 March 2013, Mr. Chan has resigned from the role of the chief executive officer of the Company but remains as the chairman of the Board and Mr. Wong Koon Kui, Lawrence, was re-designated as the chief executive officer of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its code of conduct regarding the securities transactions by the Directors 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, namely Ms. Lam Ka Jen, Katherine, Mr. Ng Yat Cheung and Mr. Lau King Lung, 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 2013.

ANNUAL GENERAL MEETING

The 2014 annual general meeting of the shareholders of the Company will be held at Chairman's Place, M/F, Hotel Nikko Hongkong, 72 Mody Road, Tsimshatsui East, Kowloon, Hong Kong, on Tuesday, 20 May 2014 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.hkexnews.hk) and the Company (www.cnagri-products.com). The 2013 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

Hong Kong, 4 March 2014

As at the date of this announcement, the executive Directors are Mr. Chan Chun Hong, Thomas, Mr. Wong Koon Kui, Lawrence, Mr. Leung Sui Wah, Raymond and Mr. Yau Yuk Shing and the independent non-executive Directors are Mr. Ng Yat Cheung, Ms. Lam Ka Jen, Katherine and Mr. Lau King Lung.