中國高速(集團)有限公司 *
China Velocity Group Limited

(Incorporated in Bermuda with limited liability)
(Stock Code: 149)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE, 2007

The board of directors (the "Board") of China Velocity Group Limited (the "Company") announces that the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30th June, 2007 together with comparative figures for the corresponding period in 2006 are as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30th June, 2007

		Six months ended 30th June,	
		2007	2006
	NOTES	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Revenue	*3*	**11,069**	17,891
Cost of sales		**(6,964)**	(11,882)
Gross profit		**4,105**	6,009
Other income		**6**	254
Administrative expenses		**(12,537)**	(7,615)
Impairment loss recognised on goodwill		**(1,847)**	—
Other expenses		**(397)**	(550)
Finance costs		**—**	(9,844)
Loss before taxation		**(10,670)**	(11,746)
Income tax expense	*4*	**(2)**	(4)
Loss for the period	*5*	**(10,672)**	(11,750)
Attributable to:			
— Equity holders of the Company		**(10,664)**	(11,743)
— Minority interests		**(8)**	(7)
		(10,672)	(11,750)
Loss per share	*6*		
— Basic		**HK$(0.04)**	HK$(0.04)
— Diluted		**N/A**	N/A

CONDENSED CONSOLIDATED BALANCE SHEET

At 30th June, 2007

	NOTES	**30.6.2007** **HK$'000** **(unaudited)**	31.12.2006 *HK$'000* (audited)
Non-current assets			
Property, plant and equipment		**1,849**	2,372
Prepaid lease payments		**32,362**	32,842
Deposits for acquisition of subsidiary		**10,271**	—
Goodwill		**—**	1,847
		44,482	37,061
Current assets			
Inventories, at cost		**910**	1,107
Trade and other receivables	*7*	**31,252**	33,870
Prepaid lease payments		**959**	959
Bank balances and cash		**4,530**	2,140
		37,651	38,076
Current liabilities			
Trade and other payables	*8*	**3,737**	6,927
Loan from ultimate holding company		**21,057**	6,696
Tax payable		**—**	3
		24,794	13,626
Net current assets		**12,857**	24,450
		57,339	61,511
Capital and reserves			
Share capital		**43,549**	43,276
Reserves		**(49)**	4,388
Equity attributable to equity holders of the Company		**43,500**	47,664
Minority interests		**13,839**	13,847
Total equity		**57,339**	61,511

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard No. 34 "Interim Financial Reporting".

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31st December, 2006. In addition, the Group newly adopted the following accounting policies during the period.

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to employees

The fair value of services received determined by reference to the fair value of share options granted at the grant date is recognised as an expense in full at the grant date when the share options granted vest immediately, with a corresponding increase in equity (share options reserve).

At the time when the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to accumulated losses.

In the current interim period, the Group has applied, for the first time, a number of new standard, amendment and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning on 1st January, 2007. The adoption of these new HKFRSs had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

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

HKAS 23 (Revised)	Borrowing Costs[1]
HKFRS 8	Operating Segments[1]
HK(IFRIC) — Int 11	HKFRS 2: Group and Treasury Share Transactions[2]
HK(IFRIC) — Int 12	Service Concession Arrangements[3]

[1] Effective for annual periods beginning on or after 1st January, 2009
[2] Effective for annual periods beginning on or after 1st March, 2007
[3] Effective for annual periods beginning on or after 1st January, 2008

The directors of the Company anticipate that the application of these standards or interpretations will have no material impact on the results and the financial position of the Group.

3. SEGMENTAL INFORMATION

Business segments

For management purposes, the Group is currently organised into the following divisions. These divisions are the basis on which the Group reports its primary segment information.

An analysis of the Group's turnover and contribution to operating results by business segment is presented below:

Six months ended 30th June, 2007

	Property sale and development	**Restaurant operation**	**Consolidated**
	HK$'000	*HK$'000*	*HK$'000*
REVENUE			
External sales	—	11,069	11,069
RESULT			
Segment result	(491)	(262)	(753)
Unallocated corporate expenses			(8,076)
Impairment loss recognised on goodwill	—	(1,847)	(1,847)
Other income			6
Loss before taxation			(10,670)
Income tax expense			(2)
Loss for the period			(10,672)

Six months ended 30th June, 2006

	Property sale and development	**Property rental**	**Restaurant operation**	**Consolidated**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
REVENUE				
External sales	4,595	2,277	11,019	17,891
RESULT				
Segment result	(483)	1,454	(251)	720
Unallocated corporate expenses				(2,876)
Other income				254
Finance costs				(9,844)
Loss before taxation				(11,746)
Income tax expense				(4)
Loss for the period				(11,750)

4. INCOME TAX EXPENSE

The income tax charge for the six months ended 30th June, 2006 and 2007 represented taxation charge in the People's Republic of China (the "PRC").

Taxation charge in the PRC is calculated at the rates prevailing in the respective jurisdictions.

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

5. LOSS FOR THE PERIOD

	Six months ended 30th June,	
	2007	2006
	HK$'000	*HK$'000*
Loss for the period has been arrived at after charging the following items:		
Depreciation and amortisation	**588**	596
Amortisation of prepaid lease payments	**480**	480

6. LOSS PER SHARE

The calculation of the basic loss per share attributable to the equity holders of the Company is based on the loss attributable to equity holders of the Company of HK$10,664,000 (six months ended 30th June, 2006: HK$11,743,000) and on the weighted average number of 277,630,972 (six months ended 30th June, 2006: 277,408,596) ordinary shares in issue during the period.

No diluted loss per share has been presented for the six months ended 30th June, 2007 as the exercise of the share options would result in a decrease in the loss per share for the period.

No diluted loss per share has been presented for the six months ended 30th June, 2006 as there is no potential ordinary share in issue during the period.

7. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables at 30th June, 2007 are trade receivables of approximately HK$833,000 (31.12.2006: HK$456,000) and their aged analysis is as follows:

	30.6.2007	31.12.2006
	HK$'000	*HK$'000*
0 — 90 days	**763**	456
Over 90 days	**70**	—
Trade receivables	**833**	456
Other receivables *(note)*	**30,419**	33,414
	31,252	33,870

Note:

Included in other receivables at 30th June, 2007 is the remaining consideration receivables of HK$27.6 million (31.12.2006: HK$32.8 million) from the Group's disposal of its entire interests in, and shareholders' loan to, Huizhou Gladly Property Limited, Huizhou World Express Property Limited and Huizhou Best Glory Limited (the "Huizhou Companies") to State Achieve Properties Limited (the "Purchaser"), an independent third party, for a cash consideration of RMB50.0 million (equivalent to HK$46.8 million) in August, 2004.

The shareholder of the Purchaser has pledged the share of the Purchaser for the consideration receivables. The net assets of the Purchaser mainly comprised of properties in the PRC with fair value amounting to approximately RMB111,000,000 (equivalent to HK$102,000,000) at 31st December, 2006. The remaining amount of HK$27.6 million have been fully settled up to the report date.

8. TRADE AND OTHER PAYABLES

Included in trade and other payables at 30th June, 2007 are trade payables of approximately HK$1,016,000 (31.12.2006: HK$1,033,000) and their aged analysis is as follows:

	30.6.2007	31.12.2006
	HK$'000	*HK$'000*
0 - 90 days	**1,016**	310
Over 90 days	**—**	723
	1,016	1,033
Other payables	**2,721**	5,894
	3,737	6,927

INTERIM DIVIDEND

The Directors of the Company do not recommend the payment of an interim dividend for the six months ended 30th June, 2007 (six months ended 30th June, 2006: Nil)

REVIEW OF OPERATIONS AND RESULTS

The turnover of the Group for the half year ended 30th June, 2007 was approximately HK$11.1 million compared to approximately HK$17.9 million for the corresponding period in the previous year. The decrease was mainly due to the drop of the turnover of the business of property sale and development and the business of property rental in the period.

The loss attributable to shareholders of the Group for the period was HK$10.7 million while the loss was HK$11.7 million for the corresponding period in the previous year.

The Board of the Company does not recommend the payment of any interim dividend for the period (2006: Nil).

Acquisition of Baisazhou

On 2nd May, 2007, the Group entered into the sale and purchase agreement for the acquisition of 90% interest in Wuhan Baisazhou Agricultural By-product Grand Market Co., Ltd. at a total consideration of HK$1,156 million. Except for the approval from Ministry of Commerce of the PRC Government, all precedent conditions has been fulfilled and the acquisition expected to be completed shortly.

Baisazhou Agricultural Products Exchange

Wuhan Baisazhou Agricultural By-products Grand Market Co., Ltd. is principally engaged in the operation of the agricultural products exchange ("Baisazhou Exchange") in the city of Wuhan, the PRC. The Baisazhou Exchange was situated at Hongshan District of Wuhan with a site area of approximately 270,000 sq.m. and a total gross floor area of approximately 160,000 sq.m. as at 31st December, 2006. It provides a platform and trading floors for trading of various agricultural products, including vegetables, fresh water products, cereal and oil, etc. Located at the centre of the PRC, Wuhan is the necessary passthrough and stopover for the northern and southern buyers and sellers in the PRC with advantage of proximity to major railway, highways and river-trade terminal. For the year ended 31st December, 2006, Wuhan Baisazhou Agricultural By-products Grand Market Co., Ltd. had an audited profit after taxation of HK$75.3 million. The vendors has guaranteed to the Group that the audited net profit for the year ending 31st December, 2007 will not less than HK$150 million.

Placing of Shares

The Company entered into a Placing Agreement with Cazenove Asia Limited, the placing agent, to place 300 million new shares to independent placees at HK$2.05 per share on 4th July, 2007. The placing was completed on 13th July, 2007 and approximately HK$591 million of net proceeds has been received by the Company, of which, HK$410 million will be used for the completion of the acquisition of Wuhan Baisazhou Agricultural By-products Grand Market Co., Ltd. and the remaining approximately HK$181 million will be used as capital expenditure in Baisazhou Exchange and general working capital purpose.

Employees and Remuneration Policies

As at 30th June, 2007, the Group had approximately 150 employees in Hong Kong and the PRC. Remuneration policies are reviewed periodically and determined by reference to market terms, company performance, an individual qualifications and performance.

Liquidity and Financial Resources

During the period, the Group was mainly financed by cash from operations and cash from the ultimate holding company of the Group, Velocity International Limited.

As at 30th June, 2007, the Group's cash and bank balances amounted to approximately HK$4.5 million while the total assets and the net assets were approximately HK$82.1 million and HK$57.3 million respectively. Most of the Group's deposits were deposited with banks as short-term deposits and denominated in either Hong Kong dollars or Renimbi, which are directly related to the Group's business in the areas of currencies concerned.

As at 30th June, 2007, the was no borrowings, either short or long term, in the Group.

As at 30th June, 2007, the Group did not enter into any material foreign exchange contracts, interest or currency swaps or other financial activities and did not have any committed borrowing facilities.

Prospects and Plan for the Future

The Group mainly engages in the business of property investment and development and the food and beverage business in the PRC. Looking ahead, given the strong growth momentum of the PRC economy, the Group had entered into the sale and purchase agreement for the acquisition of 90% interest of Wuhan Baisazhou By-product Grand Market Co., Ltd. The Directors are of the view that the acquisition provides an opportunity for the Group to diversify into the agricultural products exchange business in the PRC; broaden the income base of the Company and consistent with the Company's business strategy and interest of the Company and its shareholders as a whole.

Change of Name

The Company proposed to change its name to "China Agri-Products Exchange Limited" to reflect the diversion into the agricultural products exchange business upon the completion of the acquisition of Wuhan Baisazhou By-product Grand Market Co., Ltd.

Purchase, Sale or Redemption of Listed shares

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the six months ended 30th June, 2007.

Compliance with the Code on Corporate Governance Practices

The Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 to the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") during the six months ended 30th June, 2007 except for the following deviation:—

Code Provision A.4.1

Under the code provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. The current independent non-executive directors of the Company are not appointed for a specific term. However, all directors (including executive and non-executive) of the Company are subject to retirment by rotation at the annual general meeting in accordance with Bye-Law 98 of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance are no less than those in the Code.

Compliance with the Model Code

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as the code of conduct regarding Directors' securities transactions. The Company has confirmed with all directors that they had complied with the required standard set out in the Model Code throughout the six months ended 30th June, 2007.

Review by Audit Committee

The Group's interim financial report for the six months ended 30th June, 2007 have been reviewed by the audit committee which comprises three independent non-executive directors of the Company and by the Company's auditors, Deloitte Touche Tohmatsu.

Appreciations

The Board would like to take this opportunity to thank the Company's shareholders for their continual support and wish to extend its sincere appreciation for the efforts and loyalty of our staff.

Publication of Interim Results and Interim Report on the Website of the Stock Exchange

A detailed results announcement of the Company for the six months ended 30th June 2007 containing all information required by paragraphs 46(1) to 46(6) of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange will be published on the website of the Stock Exchange in due course.

By order of the Board of
CHINA VELOCITY GROUP LIMITED
Fu Jie Pin
Chairman

Hong Kong, 21st September, 2007.

As at the date hereof, the Board comprises seven directors, of which four are executive directors, namely Mr. Fu Jie Pin, Mr. Chen Hong Bo, Mr. Yang Zong Lin and Mr. Zhu Zhou; and three are independent non-executive directors, namely Mr. Yan Feng Xian, Mr. Tong Ka Ming and Mr. Jee Wengue.

* *For identification purpose only*