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

(formerly China Velocity Group Limited
中國高速(集團)有限公司*)
(Incorporated in Bermuda with limited liability)
(Stock code: 0149)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE, 2008

The board of directors (the "Board") of China Agri-Products Exchange Limited (the "Company") announces that the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30th June, 2008 together with comparative figures for the corresponding period in 2007 are as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 30th June, 2008

	NOTE	Six months ended 30th June, 2008 HK$'000 (unaudited)	2007 HK$'000 (unaudited)
Revenue	3	**118,904**	11,069
Cost of sales		**(17,953)**	(6,964)
Gross profit		**100,951**	4,105
Other income		**3,063**	6
Fair value change on conversion options embedded in convertible notes		**9,944**	—
Impairment loss on goodwill		**(17,000)**	—
Administrative expenses		**(15,915)**	(14,384)
Other expenses		**(4,422)**	(397)
Finance costs		**(28,218)**	—
Profit (loss) before taxation		**48,403**	(10,670)
Income tax expense	4	**(23,646)**	(2)
Profit (loss) for the period	5	**24,757**	(10,672)
Attributable to:			
Equity holders of the Company		**18,716**	(10,664)
Minority interests		**6,041**	(8)
		24,757	(10,672)
Earnings (loss) per share	7		
Basic		**HK$0.02**	HK$(0.04)
Diluted		**HK$0.01**	N/A

* *For identification purpose only*

CONDENSED CONSOLIDATED BALANCE SHEET

At 30th June, 2008

	NOTE	**30.6.2008** *HK$'000* **(unaudited)**	31.12.2007 *HK$'000* (audited)
Non-current assets			
Property, plant and equipment		**109,802**	37,654
Investment properties		**642,459**	604,210
Goodwill		**814,066**	900,712
		1,566,327	1,542,576
Current assets			
Inventories		**1,007**	1,172
Trade and other receivables	*8*	**29,131**	31,193
Bank balances and cash		**281,717**	260,894
		311,855	293,259
Current liabilities			
Trade and other payables	*9*	**175,507**	217,150
Derivative financial instruments		**—**	49,869
Taxation liabilities		**74,572**	52,684
Bank and other borrowings		**265,769**	71,628
		515,848	391,331
Net current liabilities		**(203,993)**	(98,072)
Total assets less current liabilities		**1,362,334**	1,444,504
Non-current liabilities			
Convertible notes		**—**	287,957
Bank and other borrowings		**17,051**	194,355
Promissory notes		**287,229**	279,575
Deferred tax liabilities		**11,301**	5,510
		315,581	767,397
		1,046,753	677,107
Capital and reserves			
Share capital		**119,443**	91,363
Share premium and reserves		**885,232**	551,210
Equity attributable to equity holders of the Company		**1,004,675**	642,573
Minority interests		**42,078**	34,534
		1,046,753	677,107

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30th June, 2008

1. BASIS OF PREPARATION

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

In preparing the condensed consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the consolidated net current liabilities of approximately HK$204.0 million at 30th June, 2008. In particular, the Group has bank borrowings of HK$183.9 million which are repayable in May 2009. The directors are now in negotiation with the banks to extend and reschedule the repayment of the said bank borrowings. Provided that the Group can extend and reschedule the repayment of the bank borrowings, the directors are satisfied that the Group will be able to meet in full its financial obligations as they fall due in the foreseeable future. Accordingly, the condensed consolidated financial statements are prepared on a going concern basis.

2. PRINCIPAL ACCOUNTING POLICIES

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

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 of the Company and its subsidiaries (the "Group") for the year ended 31st December, 2007.

In the current interim period, the Group has applied, for the first time, the following new interpretations ("new Interpretations") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning on 1st January 2008.

HK(IFRIC) — Int 11	HKFRS 2: Group and Treasury Share Transactions
HK(IFRIC) — Int 12	Service Concession Arrangements
HK(IFRIC) — Int 14	HKAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of these new Interpretations 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 or revised or amended standards and interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[2]
HKAS 32 and HKAS 1 (Amendment)	Puttable Financial Instruments and Obligations Arising on Liquidation[1]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[1]
HKFRS 3 (Revised)	Business Combinations[2]
HKFRS 8	Operating Segments[1]
HK(IFRIC) - INT 13	Customer Loyalty Programmes[3]
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate[1]
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation[4]

[1] Effective for accounting periods beginning on or after 1st January, 2009
[2] Effective for accounting periods beginning on or after 1st July, 2009
[3] Effective for accounting periods beginning on or after 1st July, 2008
[4] Effective for accounting periods beginning on or after 1st October, 2008

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1st July, 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The directors of the Company anticipate that the application of the other new or revised standards or interpretations will have no material impact on the results and the financial position of the Group.

3. SEGMENT INFORMATION

Business segments

For management purposes, the Group is currently organised into the following divisions. These divisions are the basis 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, 2008

	Property rental and management *HK$'000*	Restaurant operation *HK$'000*	Others *HK$'000*	Consolidated *HK$'000*
REVENUE				
External sales	**106,470**	**12,434**	**—**	**118,904**
RESULT				
Segment results	**72,592**	**13**	**(12)**	**72,593**
Unallocated corporate expenses				**(8,979)**
Other income				**3,063**
Fair value change on conversion options embedded in convertible notes				**9,944**
Finance costs				**(28,218)**
Profit before taxation				**48,403**
Income tax expense				**(23,646)**
Profit for the period				**24,757**

Six months ended 30th June, 2007

	Property rental and management *HK$'000*	Restaurant operation *HK$'000*	Others *HK$'000*	Consolidated *HK$'000*
REVENUE				
External sales	—	11,069	—	11,069
RESULT				
Segment results	—	(262)	(491)	(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)

4. INCOME TAX EXPENSE

	Six months ended 30th June,	
	2008	2007
	HK$'000	*HK$'000*
Current tax:		
PRC Enterprise Income Tax	**18,202**	2
Deferred tax	**5,444**	—
Income tax expense	**23,646**	2

On 16th March 2007, the People's Republic of China (the "PRC") promulgated the Law of the People's Republic of China (the "PRC") on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the PRC. On 6th December 2007, the State Council of the PRC issued Implementation Regulation of the New Law. The New Law and the Implementation Regulation have changed the tax rate from 33% to 25% for the Group's subsidiaries from 1st January 2008.

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. PROFIT (LOSS) FOR THE PERIOD

	Six months ended 30th June, 2008	2007
	HK$'000	*HK$'000*
Profit (loss) for the period has been arrived at after charging the following items:		
Depreciation	**2,023**	588
Amortisation of prepaid lease payments	**—**	480
Impairment loss on goodwill	**17,000**	—

6. DIVIDENDS

No dividends were paid during the period.

The directors have determined that a distribution out of contributed surplus of HK0.02 cents per share (2007: Nil) should be paid to the shareholders of the Company whose names appear in the Register of Members on 8th October, 2008.

7. EARNINGS (LOSS) PER SHARE

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

	Six months ended 30th June, 2008	2007
	HK$'000	*HK$'000*
Earnings (Loss)		
Earnings (loss) for the purpose of basic earnings per share attributable to equity holders of the Company	**18,716**	(10,664)
Effect of dilutive potential ordinary shares:		
Interest on convertible notes	**675**	—
Fair value change on conversion options embedded in convertible notes	**(9,944)**	—
Earnings (loss) for the purpose of diluted earnings per share	**9,447**	(10,664)

Number of shares

	Six months ended 30th June,	
	2008	2007
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	**758,736**	277,631
Effect of dilutive potential ordinary shares:		
Conversion of convertible notes	**6,923**	N/A
Weighted average number of ordinary shares for the purpose of diluted earnings (loss) per share	**765,659**	N/A

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

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.

8. TRADE AND OTHER RECEIVABLES

The Group allows an average credit period ranging from 30 days to 60 days to its trade customers.

Included in trade and other receivables are trade receivables of approximately HK$20,372,000 (31.12.2007: HK$20,492,000) and their aged analysis at the balance sheet date is as follows:

	30.6.2008	31.12.2007
	HK$'000	*HK$'000*
0-90 days	**22,658**	20,492
Trade receivables	**22,658**	20,492
Other receivables	**6,473**	10,701
	29,131	31,193

9. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of approximately HK$1,209,000 (31.12.2007: HK$1,395,000) and their aged analysis at the balance sheet date is as follows:

	30.6.2008	31.12.2007
	HK$'000	*HK$'000*
0 — 90 days	**1,209**	—
Over 90 days	**—**	1,395
	1,209	1,395
Construction payables	**46,801**	71,178
Rental receipt in advance	**24,151**	49,881
Other tax payables	**19,846**	18,559
Other payables and accruals	**83,500**	76,137
	175,507	217,150

INTERIM DIVIDEND

The Board of the Company has determined not to pay any interim dividend (2007: Nil) but determined a payment of distribution out of contributed surplus ("distribution") of HK$0.02 cents per ordinary share for the period ended 30th June 2008 (2007: Nil). The distribution will be paid on or about 17th October 2008 to those shareholders whose names appear on the register of members at the close of business on 8th October 2008.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 9th October 2008 to Tuesday, 14th October 2008, both days inclusive, during which no transfer of shares of the Company will be effected. In order to qualify for the distribution, all transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4 p.m. on Wednesday, 8th October 2008.

REVIEW OF OPERATIONS AND RESULTS

The turnover of the Group for the half year ended 30th June 2008 was approximately HK$118.9 million compared to approximately HK$11.1 million for the corresponding period in the previous year. The increase was mainly due to a full period's turnover has been consolidated from the newly acquired subsidiary — Wuhan Baisazhou Agricultural By-product Grand Market Company Limited ("Baisazhou").

The profit attributable to shareholders of the Group for the period was HK$18.7 million while the loss was HK$10.7 million for the corresponding period in the previous year.

The Board of the Company did not recommend the payment of any interim dividend but recommended a payment of distribution out of contributed surplus ("distribution") of HK$0.02 cents per ordinary share for the period ended 30.6.2008 (2007:Nil).

Acquisition of Baisazhou

On 5th December 2007, the Group successfully acquired 90% interest in the Baisazhou at a consideration of HK$1,156 million. Pursuant to the sale and purchase agreements, the Group had issued HK$360 million convertible notes; HK$376 million of promissory notes and HK$420 million cash to the vendors for the settlement of the transaction of which HK$270 million had already been paid to the vendor before 31st December 2007 and the balance of HK$150 million required to be settled upon the completion of the annual audit of the Baisazhou for the year ended 31st December 2007. The vendor had guaranteed to the Group that the audited net profit of the Baisazhou for the year ended 31st December 2007 excluding any government subsidies would not be less than HK$150 million. In the event that such guarantee could not be fulfilled, the vendor would compensate the Group on a dollar-to-dollar basis. As the audited net profit of the Baisazhou for the year ended 31st December 2007 excluding government subsidies was about HK$75 million, the Group only required to remit HK$75 million to the vendor and the payment was made in May 2008 and the balance of HK$75 million was kept in the Group.

Change of Name

With effect from 7th December 2007, both the English and Chinese name of the Company changed from "China Velocity Group Limited" to "China Agri-Products Exchange Limited" and "中國高速集團有限公司" to "中國農產品交易有限公司" for identification purposes only. With effect on 11 January 2008, the share of the Company is traded on the Stock Exchange under its new name. At the same day, the stock short name for trading in the, shares of the Company on the Stock Exchange also changed as "CH AGRI-PROD EX" and "中國農產品交易" to reflect the change of the name. It is considered that such change provides a better identification of the business operations of the Company.

Conversion of Convertible Notes

On 7th January 2008, the Group received a notice from the Convertible Notes holder to convert the total amount of HK$360 million convertible notes into 180 million company's shares at HK$2 each. With the completion of the conversion, the Group does not have any outstanding Convertible Notes and the total number of the shares of the Group has been increased to 765,658,596 shares.

Employees and Remuneration Policies

As at 30th June 2008, the Group had approximately 500 employees in Hong Kong and the PRC. Remuneration policy is reviewed periodically and determined by reference to market terms, company performance, and individual qualifications and performance.

Liquidity and Financial Resources

As at 30th June 2008, the Group had cash and bank balances amounted to approximately HK$281.7 million (31st December 2007: HK$260.9 million) while the total assets and net assets were approximately HK$1,878.2 million (31st December 2007: HK$1,835.8 million) and HK$1,046.8 million (31st December 2007: HK$677.1 million) respectively. The Group's gearing ratio as at 30th June 2008 was 0.5 (31st December 2007: 0.8), being a ratio of total bank and other borrowings and promissory notes of approximately HK$570.0 million (31st December 2007: HK$545.5 milliion) to shareholders' funds of approximately HK$1,046.8 million (31st December 2007: HK$677.1 million).

As at 30th June 2008, Baisazhou pledged all of the land use rights in respect of the investment properties to secure the bank loan granted to the Company itself.

The Group did not enter into any foreign exchange contracts, interest or currency swaps or other financial derivatives.

Borrowing requirement are not seasonal as they tend to follow the pattern of capital expenditure and investment.

Management team

In order to strengthen the internal control and the business development of the Group, the following directors and management staff have been designated to have the following duties and responsibilities:

Mr Yang Wei Yuan, the director and Chief Operating Officer, and Mr Zhu Zhou, the director, are the key personnel to manage the business in Baisazhou and the operations in Hong Kong. They both are responsible for the administration of the Group's business, as well as to formulate and implement company policies, an answerable to the board of directors in relation to the overall operation of the Group.

Mr Zhou Guo Bin, the general manager, and Mr Wan Hang Bing, the financial controller, are the key management staff in managing the daily operation in Baisazhou which including the implementation of the electronic transaction system and development and expansion of existing and new product market.

Prospects and Plan for the future

During the period, the Group mainly engages in the business of property investment and development; property rental and the food and beverage business in the PRC. With the acquisition of the Baisazhou, both the income and profit of the group has significantly increased. In the second half of 2008, the directors believe that the government measures will continually come up to stabilize food prices, regardless of whether agri-products price will stabilize, the industry participants from upstream to downstream should all be benefit. In the case of food price continue to rise, the Baisazhou benefit from higher pricing and increase the respective income from the transaction levy. On the other hand, if the government stabilize prices by aggressively boosting supply resulting in volume growth in agri-products. This will increase the demand for Baisazhou trading space and services.

After re-structuring of the management team, the directors believe that top level management can have a better communication between the Hong Kong and the PRC office which can enhance a harmonic environment and a better prospect to the future of the company.

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, 2008.

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, 2008 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 retirement 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, 2008.

Review by Audit Committee

The Group's interim financial report for the six months ended 30th June, 2008 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 on the Websites of the Stock Exchange and the Company

The 2008 interim report of the Company containing all information required by the Listing Rules will be despatched to shareholders of the Company as well as published on the Stock Exchange's website at http://www.hkex.com.hk and the Company's website at http://www.cnagri-products.com in due course.

By Order of the Board
China Agri-Products Exchange Limited
Fu Jie Pin
Chairman

Hong Kong, 24th September, 2008.

As at the date of this announcement, the Board comprises Mr. Fu Jie Pin, Mr. Chen Hong Bo, Mr. Yang Zong Lin, Mr. Zhu Zhou and Mr. Yang Wei Yuan as executive Directors, Mr. Yan Feng Xian, Mr. James Yin and Mr. Jee Wengue as independent non-executive Directors.