連 發 國 際 股 份 有 限 公 司
Ever Fortune International Holdings Limited

(Incorporated in Bermuda with limited liability)
(stock code: 875)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2009

The Board of Directors (the "Board") of Ever Fortune International Holdings Limited (the "Company") announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively to as the "Group") for the six months ended 30 June 2009, along with the comparative figures and selected explanatory notes, which are prepared in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, and have been reviewed by the Audit Committee of the Company.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2009

	Note	**Six months ended 30 June**	
		2009	2008
		HK$'000	*HK$'000*
		(unaudited)	(unaudited)
Continuing operations			
Turnover	2	**14,377**	–
Cost of sales		**(12,859)**	–
Gross profit		**1,518**	–
Other revenue		–	62
Selling and distribution expenses		**(542)**	–
Staff costs		**(797)**	(1,116)
Depreciation		**(230)**	(257)
Administrative and other operating expenses		**(4,303)**	(4,335)
Loss from operations		**(4,354)**	(5,646)
Gain on disposal of a subsidiary		–	355
Loss before taxation		**(4,354)**	(5,291)
Income tax	4	**(12)**	–
Loss for the period from continuing operations		**(4,366)**	(5,291)

	Note	Six months ended 30 June 2009 HK$'000 (unaudited)	2008 HK$'000 (unaudited)
Discontinued operations			
Gain for the period from discontinued operations		**–**	878
Loss and total comprehensive income for the period	*3*	**(4,366)**	(4,413)
Attributable to:			
Owners of the Company		**(4,366)**	(4,413)
Minority interests		**–**	–
		(4,366)	(4,413)
Dividends	*6*	**–**	–
Earnings/(loss) per share	*7*		
Basic and diluted			
– Continuing operations		**(HK0.17 cents)**	(HK0.20 cents)
– Discontinued operations		**–**	HK0.03 cents
		(HK0.17 cents)	(HK0.17 cents)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2009

	Notes	As at 30 June 2009 HK$'000 (unaudited)	As at 31 December 2008 HK$'000 (audited)
Non-current assets			
Property, plant and equipment		**433**	652
Current assets			
Trade and other receivables	8	**12,532**	1,245
Cash and cash equivalents		**1,331**	3,067
		13,863	4,312
Current liabilities			
Trade and other payables	9	**70,885**	59,699
Other borrowings, unsecured	10	**2,586**	86
Tax payable		**12**	–
		73,483	59,785
Net current liabilities		**(59,620)**	(55,473)
Net liabilities		**(59,187)**	(54,821)
Capital and reserves			
Share capital		**25,325**	25,325
Reserves		**(84,512)**	(80,146)
Total equity attributable to owners of the Company		**(59,187)**	(54,821)
Minority interests		**–**	–
Total equity		**(59,187)**	(54,821)

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2009 has been prepared in accordance with HKAS 34 "Interim Financial Reporting" and 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 condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2008, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants.

Certain new standards, amendments to standards or interpretations are mandatory for the first time for the financial year beginning 1 January 2009. Those that are relevant to the Group's operations are as follows:

– HKFRS 8 Operating Segments

  HKFRS 8, which replaces HKAS 14 Segment Reporting, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The management assessed no change of the reportable segments presented for the period ended 30 June 2009.

– HKAS 1 (Revised) Presentation of Financial Statements

  HKAS 1 (Revised) introduces changes in the presentation and disclosures of financial statements. The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, this standard introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements.

Certain new standards, amendments to standards or interpretations are mandatory for the first time for the financial year beginning 1 January 2009 but did not have material impact or relevant to the Group are as follows:

– HKFRSs (Amendments) Improvements to HKFRSs
– HKAS 23 (Revised) Borrowing Costs
– HKAS 32 & 1 (Amendments) Puttable Financial Instruments and Obligations Arising on Liquidation
– HKFRS 1 and HKAS 27 (Amendments) Cost of an Investment in a Subsidiary, Jointly Controlled Entity or an Associate
– HKFRS 2 (Amendment) Share-based Payment – Vesting Conditions and Cancellations
– HKFRS 7 (Amendment) Improving Disclosure about Financial Instruments
– HK(IFRIC) – INT 13 Customer Loyalty Programmes
– HK(IFRIC) – INT 15 Agreements for the Construction of Real Estate
– HK(IFRIC) – INT 16 Hedges of a Net Investment in a Foreign Operation.

Certain new standards, amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2009 and have not been early adopted. The directors of the Company are in the process of assessing the potential impact of these new or revised standards, amendments or interpretations and so far anticipate that the application of these new or revised standards, amendments or interpretations will have no material financial impact on the results and the financial position of the Group are as follows:

– HKAS 27 (Revised) Consolidated and Separate Financial Statements[1]
– HKAS 39 (Amendment) Eligible Hedged Items[1]
– HKFRS 3 (Revised) Business Combinations[1]
– HK (IFRIC) – INT 17 Distributions of Non-cash Assets to Owners[1]
– HK (IFRIC) – INT 18 Transfers of Assets from Customers[2]
– HKFRSs (Amendments) Improvements to HKFRS published in May 2009[3]

1 Effective for annual periods beginning on or after July 1, 2009
2 Effective for transfers of assets from customers received on or after July 1, 2009
3 Effective for annual periods beginning on or after July 1, 2009 and 1 January 2010

2. TURNOVER

Turnover represented revenue arising on net amounts received and receivable from trading of agricultural produce, less sale returns and trade discounts. The amount of each significant category of revenue recognised in turnover for both continuing and discontinued operations are as follows:

	Six months ended 30 June	
	2009	2008
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Continuing operations		
Trading of agricultural produce	**14,377**	–
Discontinued operations		
Rental income from exhibition centre	**–**	–
	14,377	–

3. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging/(crediting):

(a) Finance costs

No finance costs were incurred for the six months ended 30 June 2009 (2008: Nil).

(b) Staff costs (including directors' emoluments)

	Continuing operations		Discontinued operations		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)	**(unaudited)**	(unaudited)
Salaries, wages and other benefits	**776**	1,087	–	2	**776**	1,089
Contributions to defined contributed retirement plans	**21**	27	–	–	**21**	27
	797	1,114	–	2	**797**	1,116

(c) Other items

	Continuing operations		Discontinued operations		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)	**(unaudited)**	(unaudited)
Depreciation for property: plant and equipment	**230**	257	–	–	**230**	257
Operating lease changes: minimum lease payments	**1,214**	1,206	–	–	**1,214**	1,206
Auditors' remuneration						
– audit services	**200**	175	–	–	**200**	175
– other service	–	172	–	–	–	172
Net foreign exchange losses	–	–	–	84	–	84
Legal and professional fee	**8**	1,396	–	–	**8**	1,396
Gain on disposal of subsidiaries	–	(355)	–	(877)	–	(1,232)

4. INCOME TAX

	Six months ended 30 June	
	2009	2008
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Hong Kong profits tax	**12**	–
Overseas profits tax	**–**	–
	12	–

Hong Kong profits tax has been provided at 16.5% (2008: Nil) on the estimated assessable profits for the interim period.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

There was no significant unprovided deferred tax charge in respect of the period.

5. SEGMENT INFORMATION

The Group has adopted HKFRS 8, Operating Segments, effective from 1 January 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In contrast, the predecessor standard (HKAS 14, Segment Reporting) required an entity to identify two sets of segments (business and geographical), using a risks and returns approach, with the entity's "system of internal financial reporting to key management personnel" serving only as the starting point for the identification of such segments. In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has not resulted in a re-designation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14. Nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit or loss.

Business segments

The Group comprises the following main business segments:

(a) Assets holding: Assets holding

(b) Agricultural produce: Trading of agricultural produce

(c) Exhibition: Management of exhibition and event centres (Discontinued operations)

There were no inter-segment sales and transfer during the current and prior period.

An analysis of the Group's turnover, contribution to loss from operations for the period ended 30 June 2009 and 2008 and certain assets, liabilities and expenditure information regarding business segments is as follows:

	Six months ended 30 June							
	Continuing operations				**Discontinued operations**			
	Assets holding		**Agricultural produce**		**Exhibition**		**Consolidated**	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)	**(unaudited)**	(unaudited)	**(unaudited)**	(unaudited)
Revenue:								
External sales	**–**	–	**14,377**	–	**–**	–	**14,377**	–
Inter-segment sales	**–**	–	**–**	–	**–**	–	**–**	–
Total revenue	**–**	–	**14,377**	–	**–**	–	**14,377**	–
Results:								
Segment result	**(4,429)**	(5,570)	**75**	–	**–**	(15)	**(4,354)**	(5,585)
Interest income							**–**	62
Unallocated corporate expenses							**–**	(122)
Loss from operations							**(4,354)**	(5,645)
Finance costs							**–**	–
Gain on disposal of subsidiaries								
– segments	**–**	–	**–**	–	**–**	–	**–**	355
– unallocated							**–**	–
Gain on disposal of subsidiaries attributable to discontinued operations								
– segment	**–**	–	**–**	–	**–**	877	**–**	877
Loss before taxation							**(4,354)**	(4,413)
Income tax			**(12)**				**(12)**	–
Loss for the period							**(4,366)**	(4,413)
Other information:								
Capital expenditure								
– segment	**–**	–	**–**	–	**–**	–	**–**	–
– unallocated	**11**						**11**	–
Depreciation and amortisation								
– segment	**230**	229	**–**	–	**–**	–	**230**	229
– unallocated		28						28

	Six months ended 30 June							
	Continuing operations				Discontinued operations			
	Assets holding		Agricultural produce		Exhibition		Consolidated	
	30 June 2009	31 Dec 2008	**30 June 2009**	31 Dec 2008	**30 June 2009**	31 Dec 2008	**30 June 2009**	31 Dec 2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)	**(unaudited)**	(unaudited)	**(unaudited)**	(unaudited)
Assets:								
Segment assets	**14,296**	4,964	**–**	–	**–**	–	**14,296**	4,964
Unallocated corporate assets							**–**	–
Consolidated total assets							**14,296**	4,964
Liabilities:								
Segment liabilities	**73,483**	59,785	**–**	–	**–**	–	**73,483**	59,785
Unallocated corporate liabilities							**–**	–
Consolidated total liabilities							**73,483**	59,785

6. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2009 (2008: Nil).

7. LOSS PER SHARE

The calculation of the basic loss per share is based on the Group's loss for the period of HK$4,366,000 (six months ended 30/6/2008: loss of HK$4,413,000) and the number of ordinary shares of 2,532,543,083 (six months ended 30/6/2008: 2,532,543,083).

No diluted loss per share has been presented because the exercise of the Company's outstanding share options during the period has an anti-dilutive effect on the basic loss per share for the period.

8. TRADE AND OTHER RECEIVABLES

	30 June 2009	31 December 2008
	HKD'000	*HKD'000*
	(unaudited)	(audited)
Trade receivables (note (i))	**11,277**	–
Other receivables	**6**	65
Prepayments and deposits	**1,249**	1,180
	12,532	1,245

note (i): Trade receivables

The Group's credit terms to trade debtors range from 75 to 90 days. At 30 June 2009 and 31 December 2008, the ageing analysis of the trade receivables was as follows:

	30 June 2009	31 December 2008
	HKD'000	*HKD'000*
	(unaudited)	(audited)
Current to 90 days	**10,816**	–
91 days to 180 days	**461**	–
181 days to 365 days	**–**	–
Over 365 days	**–**	–
	11,277	–

9. TRADE AND OTHER PAYABLES

	30 June 2009	31 December 2008
	HKD'000	*HKD'000*
	(unaudited)	(audited)
Trade payables (note (ii))	**10,859**	–
Other payables and accruals	**2,385**	2,658
Due to related companies	**57,641**	57,041
	70,885	59,699

note (ii): Trade payables

At 30 June 2009 and 31 December 2008, the ageing analysis of the trade payables was as follows:

	30 June 2009 *HKD'000* **(unaudited)**	31 December 2008 *HKD'000* (audited)
Current to 90 days	**9,620**	–
91 days to 180 days	**1,239**	–
181 days to 365 days	**–**	–
Over 365 days	**–**	–
	10,859	–

10. OTHER BORROWINGS, UNSECURED

	30 June 2009 *HKD'000* **(unaudited)**	31 December 2008 *HKD'000* (audited)
Other borrowings (note (iii))	**2,586**	86

At 30 June 2009, the other borrowings were repayable as follows:

	30 June 2009 *HKD'000* **(unaudited)**	31 December 2008 *HKD'000* (audited)
Within 1 year or on demand	**2,586**	86

note (iii): On 19 January 2009, Trade Front Limited ("Trade Front"), a subsidiary company of the Group, entered into a loan agreement with Right Day Holdings Limited (the "Investor") whereby a loan facility of up to HK$10,000,000 would be provided by the Investor to First Novel Limited ("First Novel") and Trade Front and extended to Trade Day Holdings Limited ("Trade Day") (the "Loan Agreement"). The entire issued share capital of each of Trade Front, Trade Day and their immediate holding company, First Novel, has been pledged to the Investor as a security. The term for the loan facility is repayable on demand and has a late interest rate at one per cent (1%) per month. As at 30 June 2009, HK$2,500,000 was drawn under the loan facility.

No interest is charged on the outstanding balance of HK$86,000.

11. COMMITMENTS

Operating lease arrangements

At 30 June 2009, the total future minimum lease payments under non-cancellable operating leases in respect of land and buildings are payables as follows:

	30 June 2009 *HKD'000* **(unaudited)**	31 December 2008 *HKD'000* (audited)
Within 1 year	**919**	2,411
After 1 year but within 5 years	**16**	895
	935	3,306

The Group leases two properties from two independent parties under operating leases. One of the leases runs for a period of two years, without option to renew. Another one lease runs for a period of three years, with an option to renew the lease for a further three years. Both leases do not include contingent rentals.

Capital Commitment

The Group and the Company did not have any significant capital commitments for the current and prior periods.

12. COMPARATIVE FIGURES

Certain corporative figures have been reclassified conform with the current period's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

A loss of HK$4,366,000 was recorded by the Group in respect of the six months ended 30 June 2009. The Directors reactivated the business of trading in agricultural produce in March 2009 and the turnover during the period amounted to HK$14 million. Such agricultural produce was ultimately supplied to various supermarket chains in Hong Kong.

A revised resumption proposal for the Group has been submitted to the Hong Kong Stock Exchange in September 2009, with the support of a new investor ("Investor").

Liquidity and financial resources

The Group financed the operations primarily from advance from shareholders. As at 30 June 2009, the Group had cash and bank balances of HK$1,331,000 (31 December 2008: HK$3,067,000). As at 30 June 2009, the Group's current ratio was 0.19 (31 December 2008: 0.07).

Charges on assets

On 19 January 2009, Trade Front entered into a loan agreement with the Investor whereby a loan facility of up to HK$10,000,000 would be provided by the Investor to First Novel and Trade Front and extended to Trade Day. The entire issued share capital of each of Trade Front, Trade Day and their immediate holding company, First Novel, has been pledged to the Investor as a security. The term for the loan facility is repayable on demand and has a late interest rate at one per cent (1%) per month.

Save as disclosed, the Group had not pledged any asset as at 30 June 2009.

Gearing Ratio

The Group's gearing ratio as at 30 June 2009 was 5.14 (31 December 2008: 12.04), which was arrived at by dividing the total liabilities by total assets.

Contingent liabilities and guarantees

As at 30 June 2009, the Group had not provided any guarantees in favor of any third party nor were there any significant contingent liabilities.

Exposure to foreign exchange risk

During the half-year period to 30 June 2009, the Group conducted its business transactions principally in Hong Kong dollars. Therefore, no significant foreign exchange risk for the Group.

Capital expenditure

As at 30 June 2009, there has not been any material capital expenditure.

Material acquisitions and disposal

There was a material disposal during the period ended 30 June 2008. On 14 March 2008, two subsidiaries of the Group, namely 連雲港豪景實業有限公司and連雲港旭景實業有限公司 were deregistered. The deregistration of the subsidiaries during the period resulted in a gain of HK$1,232,000 for the period ended 30 June 2008. Save as disclosed, there has not been any material acquisitions or disposals of assets of the Group in both periods of the reporting.

Employees and remuneration policies

As at 30 June 2009, the Group has a total of 4 (2008: 4) employees. It is the corporate policy of the Group to set the remuneration of its employees at a level consummate with their responsibilities, experience and qualification and in line with market conditions.

The Company has adopted a share option scheme (the "Scheme") in June 2002. Eligible participants under the Scheme include, among others, the Company's directors, independent non-executive directors and other directors/employees of the Group. As at 30 June 2009, there are no outstanding options under the Scheme.

Prospects

The Group's business is currently operating on firm foundations since its commencement in March 2009. Its feature is a steady and recurring business model based on the provision of high quality agricultural produce as a result of the ever growing demand for vegetables as part of the human dietary habit. A revised resumption proposal for the Group with a detailed expansion plan has been submitted to the HKEx in September 2009. The current business will be complemented by future expansion plans after investor's capital injection during the implementation of the resumption proposal. The Group intends to implement the following strategies:

(a) Expansion of the sales network

One of the key drivers of business growth is the possibility of directly supplying agricultural products to restaurants and other chain eateries. The Company is confident that, with its extensive contacts and network in the catering industry, including through the experience of new management upon resumption, it will be able to penetrate the catering and restaurant industry effectively. Furthermore, the Company also intends to supply vegetables to supermarket chains in the PRC, and this will prove invaluable to the Company in respect of establishing and expanding the Company's sales and distribution network in the PRC.

(b) Expansion of the Group's sourcing network and vegetable processing capabilities

It is the Company's intention to expand its vegetable sourcing network in the PRC, such as directly sourcing from farmers and through vegetable wholesalers.

The expansion plans will be implemented through the investments in vegetable collection points and vegetable processing and packaging centre as described below:

(i) Vegetable collection points

A vegetable collection point serves as an interface between the Company and local farmers to source vegetables, which includes a cold storage, equipment and a team of research personnel and workers. In this regard, the team will work directly with local farmers for the purpose of negotiating contract farming for the Company. Subject to each stage of negotiation, the Company may provide seeds and technology to the farmers and agree a minimum purchase price for vegetables. The setting up of cold storage facilities is aimed at facilitating temporary storage for delivery to a centralised vegetable processing and packaging centre. Several locations with close proximity to the farmlands in PRC provinces such as Shandong, Yunnan, Guangdong and Shanxi are being considered for setup of vegetable collection points. The diversified locations for the collection points enable the Company to source a variety of vegetables in different seasons.

(ii) Vegetable processing and packaging centre

The vegetable processing and packaging centre is a centralised centre for processing and packaging vegetables acquired through the collection points, which includes plants, equipment, cold storage, warehouse and a team of research personnel and workers. It provides standard services such as quality inspection and general processing and will gradually cover more value-added services including cleaning, cutting, sterilisation, drying and packaging to restaurants customers. The Company is considering a number of locations to set up the processing and packaging centre in the Guangdong province of the PRC.

The Directors believes that the resumption proposal that involves investor's capital injection to strengthen the capital base of the Group and a detailed expansion plan to develop upstream vegetables sourcing and processing businesses will create a sustainable business model with enormous growth opportunities.

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

During the six months ended 30 June 2009, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the heading "Directors' interests and short positions in shares and underlying shares" above, at no time during the period was the Company or any of its subsidiaries a party to any arrangement to enable the directors or their respective spouse or minor children to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SHARE OPTION SCHEME

The Company has adopted a share option scheme in June 2002. As at 30 June 2009, there are no outstanding option.

CORPORATE GOVERNANCE

To the best knowledge of and so far as is known to the current members of the Board, the Company has complied with the Code Provisions ("Code Provisions") as set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules with the exception of Code Provision A.4.2.

A.4.2 Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

The Company's bye-laws deviate from Code Provision A.4.2 as it provides that one-third of the directors for the time being (save for the Chairman or Managing Director), or if their number is not three nor three nor a multiple of three, then the number nearest to one-third, shall retire from office and being eligible, offer themselves for re-election at the annual general meetings and that any new director appointed by the Board during the year shall hold office until the next following annual general meeting after appointment, and he/she shall be eligible for re-election.

To conform with Code Provision A.4.2, the Company in practice has complied with and adopted the said Code Provision A.4.2. According to the current corporate governance practices of the Company, all directors of the Company shall recommend themselves for re-election once every three years and any new director appointed to fill a casual vacancy shall submit himself/herself for re-election by shareholders at the first general meeting after appointment.

Due to the death of Mr. Yim Hing Wah on 14th July, 2009, the Company has not complied with Rule 3.10 that every board of directors must include at least three independent non-executive directors. The Board has already identified a suitable candidate but further details are still being finalised.

Save as disclosed above, please refer to the "Corporate Governance Report" contained in the Company's 2008 annual report for more information about the corporate governance practices of the Company.

AUDIT COMMITTEE

The current audit committee of the Company comprises Mr. So Hoi Pan and Mr. Zhao Wen, all of whom are independent non-executive directors of the Company. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including the review of the condensed consolidated financial statements for the six months ended 30 June 2009.

THE MODEL CODE

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" as set out in Appendix 10 to the Listing Rules. Having made specific enquiries with all the directors of the Company, the directors confirmed for the six months ended 30 June 2009 that they have complied with the "Model Code for Securities Transactions by Directors of Listed Issuers" as set out in Appendix 10 of Listing Rules. The Company has also adopted written guidelines on no less exacting terms than the Model Code for relevant employees. No incident of non-compliance of the employees' written guidelines by relevant employees was noted by the Company during the period.

RESTRUCTURING OF THE COMPANY

On 16 February 2009, the Company announced that a restructuring agreement (the "Restructuring Agreement") for the implementation of a new restructuring proposal, involving, among other things, capital reorganisation, debt restructuring, subscription of new shares and subscription of convertible preference shares, was entered into on 19 December 2008 between the Company and the Investor. On 14 January 2009, an addendum to the Restructuring Agreement was executed by the relevant parties.

In January 2009, First Novel and Trade Front were set up by the Company. First Novel is an investment holding company whereas Trade Front is principally engaged in trading of agricultural produce, namely seeds and seedlings including bean seeds and bean sprouts. In February 2009, the Company set up Trade Day as a wholly-owned subsidiary of First Novel to engage in the trading of agricultural produce of a wide range of vegetables. Through First Novel, Trade Front and Trade Day, the Company has recommenced its agriculture business with an initial focus on trading agricultural produce to Hong Kong and the PRC markets.

The Investor will become the controlling shareholder of the Company upon completion of the transactions as contemplated under the Restructuring Agreement.

MATERIAL LITIGATIONS

The Company was not involved in any material litigation or arbitration during the reporting period.

DESPATCH OF INTERIM REPORT AND PUBLICATION ON WEBSITE

The interim report containing full details of the Company's unaudited interim results for the six months ended 30 June 2009 will be despatched to all its shareholders and be published on the websites of the Company (www.875.com.hk) and of the Stock Exchange (www.hkexnews.hk) on or before 30 September 2009.

At the request of the Company, trading in the securities of the Company has been suspended since 9:30 a.m. on 28 April, 2005 and will remain suspended until further notice.

By Order of the Board
Zhou Wenjun
Chairman

Hong Kong, 18 September 2009

As at the date of this announcement, the directors of the Company are:

Executive Directors:

Mr. Zhou Wenjun
Mr. Ji Kewei
Mr. Ding Jiangyong
Mr. Dai Jun
Mr. Sun Kejun

Independent Non-Executive Directors:

Mr. So Hoi Pan
Mr. Zhao Wen