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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 2011

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 referred to as the "Group") for the six months ended 30 June 2011, 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 2011

		Six months ended 30 June	
	Note	**2011** ***HK$'000*** **(unaudited)**	2010 *HK$'000* (unaudited)
Turnover	*2*	**8,059**	7,065
Cost of sales		**(8,151)**	(6,258)
Gross (loss) profit		**(92)**	807
Selling and distribution expenses		**(292)**	(291)
Staff costs		**(644)**	(513)
Depreciation		**(4)**	(176)
Administrative and other operating expenses		**(2,218)**	(3,944)
Loss from operations before taxation		**(3,250)**	(4,117)
Income tax	*4*	**–**	–
Loss for the period	*3*	**(3,250)**	(4,117)
Attributable to:			
Owners of the Company		**(3,250)**	(4,117)
Dividends	*6*	**–**	–
Loss per share	*7*		
Basic and diluted		**(HK0.13 cents)**	(HK0.16 cents)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2011

	Note	**As at 30 June 2011** ***HK$'000*** **(unaudited)**	As at 31 December 2010 *HK$'000* (audited)
Non-current assets			
Property, plant and equipment		**11**	15
Current assets			
Trade and other receivables	*8*	**764**	941
Cash and cash equivalents		**2,413**	435
		3,177	1,376
Current liabilities			
Trade and other payables	*9*	**68,751**	66,614
Other borrowings	*10*	**9,246**	6,336
		77,997	72,950
Net current liabilities		**(74,820)**	(71,574)
Net liabilities		**(74,809)**	(71,559)
Equity			
Equity attributable to owners of the Company			
Share capital		**25,325**	25,325
Reserves		**(100,134)**	(96,884)
Total Equity		**(74,809)**	(71,559)

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2011 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 2010, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting periods of the Group. We believe the adoption of these new and revised HKFRSs will not have a material impact on the Group's financial position or results of operations.

2. TURNOVER

Turnover represented revenue arising on net amounts received and receivable from trading of agricultural produce, less sale returns and trade discounts as follows:

	Six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Trading of agricultural produce	**8,059**	7,065

3. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

(a) Finance costs

No finance costs were incurred for the six months ended 30 June 2011 (2010: Nil).

(b) Staff costs (including directors' emoluments)

	Six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Salaries, wages and other benefits	**628**	499
Contributions to defined contributed retirement plans	**16**	14
	644	513

(c) Other items

	Six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Depreciation for property, plant and equipment	**4**	176
Operating lease charges: minimum lease payments	**54**	910
Auditors' remuneration – audit services	**225**	230
– other services	**709**	–
Legal and professional fees	**842**	462
Cost of sales	**8,151**	6,258

4. INCOME TAX

	Six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Hong Kong profits tax	**–**	–
Overseas profits tax	**–**	–
	–	–

Hong Kong profits tax has not been provided as there are no 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

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.

Business segments

The Group comprises the following main business segments:

(a) Assets holding: Assets holding

(b) Agricultural produce: Trading of agricultural produce

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 2011 and 2010 and certain assets, liabilities and expenditure information regarding business segments are as follows:

	Six months ended 30 June					
	Assets holding		**Agricultural produce**		**Total**	
	2011	2010	**2011**	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)	**(unaudited)**	(unaudited)
Revenue:						
External sales	**–**	–	**8,059**	7,065	**8,059**	7,065
Inter-segment sales	**–**	–	**–**	–	**–**	–
Total revenue	**–**	–	**8,059**	7,065	**8,059**	7,065
Results:						
Segment result and loss before taxation	**(3,091)**	(3,343)	**(159)**	(774)	**(3,250)**	(4,117)
Income tax	**–**	–	**–**	–	**–**	–
Loss for the period	**(3,091)**	(3,343)	**(159)**	(774)	**(3,250)**	(4,117)
Other information: Capital expenditure						
– segment	**–**	–	**–**	–	**–**	–
– unallocated	**–**	1	**–**	–	**–**	1
Depreciation and amortisation						
– segment	**4**	176	**–**	–	**4**	176

	Assets holding		Agricultural produce		Total	
	2011	2010	**2011**	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)	**(unaudited)**	(unaudited)
Assets:						
Segment assets	**1,617**	1,163	**1,571**	2,627	**3,188**	3,790
Unallocated corporate asset	**–**	–	**–**	–	**–**	–
Consolidated total assets	**1,617**	1,163	**1,571**	2,627	**3,188**	3,790
Liabilities:						
Segment liabilities	**76,232**	69,757	**1,765**	88	**77,997**	69,845
Unallocated corporate liabilities	**–**	–	**–**	–	**–**	–
Consolidated total liabilities	**76,232**	69,757	**1,765**	88	**77,997**	69,845

6. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2011 (2010: 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$3,250,000 (six months ended 30/6/2010: loss of HK$4,117,000) and the number of ordinary shares of 2,532,543,083 (six months ended 30/6/2010: 2,532,543,083).

Diluted loss per share equal to basic loss per share as there are no dilutive potential ordinary shares outstanding during both periods presented.

8. TRADE AND OTHER RECEIVABLES

	30 June	31 December
	2011	2010
	HKD'000	*HKD'000*
	(unaudited)	(audited)
Trade receivables – note	**17**	118
Prepayments and deposits	**747**	823
	764	941

note: Trade receivables

Trade receivables are due within 60 days from date of billing. At 30 June 2011 and 31 December 2010, the ageing analysis of the trade receivables was as follows:

	30 June 2011 *HKD'000* (unaudited)	31 December 2010 *HKD'000* (audited)
Current	–	–
Over 90 days	17	118
	17	118

9. TRADE AND OTHER PAYABLES

	30 June 2011 *HKD'000* (unaudited)	31 December 2010 *HKD'000* (audited)
Trade payables	1,696	644
Other payables and accruals	2,473	2,337
Due to related companies – note	59,032	59,032
Due to directors – note	5,550	4,601
	68,751	66,614

note: These amounts are unsecured, interest free and repayable on demand.

At 30 June 2011 and 31 December 2010, the ageing analysis of the trade payables was as follows:

	30 June 2011 *HKD'000* (unaudited)	31 December 2010 *HKD'000* (audited)
Within 1 year or on demand	1,696	644
	1,696	644

10. OTHER BORROWINGS

	30 June 2011	31 December 2010
	HKD'000	*HKD'000*
	(unaudited)	(audited)
Other loan, unsecured (note (a))	**86**	86
Other loan, secured (note (b))	**9,160**	6,250
	9,246	6,336

At 30 June 2011 and 31 December 2010, other borrowings were repayable as follows:

	30 June 2011	31 December 2010
	HKD'000	*HKD'000*
	(unaudited)	(audited)
Within 1 year or on demand	**9,246**	6,336

Notes:

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

(b) On 19 January 2009, Trade Front Limited ("Trade Front"), a wholly-owned subsidiary company of the Group, has entered into a loan agreement with Right Day Holdings Limited ("Right Day") an independent potential investor. Right Day agrees to provide a loan facility of up to HK$10,000,000 for the working capital of Trade Front and Trade Day to reactivate the Group's previously discontinued agricultural product trading business. The loan facility is secured by the entire issued share capital of each of Trade Front, Trade Day and their immediate holding company, First Novel. As at 30 June 2011, HK$9,160,000 was drawn under the loan facility. No interest is charged on the outstanding amount. Subsequently on 5 August 2011, the repayment date under this facility was extended to 31 December 2011.

11. COMMITMENTS

Operating lease arrangements

At 30 June 2011, the total future minimum lease payments under non-cancellable operating leases in respect of land and buildings are payables as follows:

	30 June 2011	31 December 2010
	HKD'000	*HKD'000*
	(unaudited)	(audited)
Within 1 year	**103**	108
After 1 year but within 5 years	**–**	49
	103	157

The Group leases one property from an independent party under operating leases. The lease runs for a period of two years, with an option to terminate the lease after 12 months.

Capital Commitment

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

MANAGEMENT DISCUSSION AND ANALYSIS

A loss of HK$3,250,000 was recorded by the Group in respect of the six months ended 30 June 2011 and the turnover during the period amounted to HK$8,059,000 which represents a growth of 14% when compared to the corresponding period. Market conditions for the Group's products changed rapidly during the period and the Group suffered a gross loss of HK$92,000.

Liquidity and financial resources

The Group financed the operations primarily from advance from shareholders and a loan from investor. As at 30 June 2011, the Group had cash and bank balances of HK$2,413,000 (31 December 2010: HK$435,000). As at 30 June 2011, the Group's current ratio was 0.04 (31 December 2010: 0.02).

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.

Save as disclosed, the Group had not pledged any other asset as at 30 June 2011.

Gearing Ratio

The Group's gearing ratio as at 30 June 2011 was 24.47 (31 December 2010: 52.44), which was arrived at by dividing the total liabilities by total assets.

Contingent liabilities and guarantees

As at 30 June 2011, 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 2011, the Group conducted its business transactions principally in Hong Kong dollars. Therefore, there is no significant foreign exchange risk for the Group.

Capital expenditure

During the six months ended 30 June 2011 there has not been any material capital expenditure.

Material acquisitions

On 23 February 2010, announcement was made regarding the followings:

(a) On 23 December 2009, the Company has entered into a conditional sale and purchase agreement with an independent party for the acquisition of the entire equity interest in Natural Farm, which is the supplier of Trade Day and engaged in vegetable trading business and operates a vegetable processing centre in Dongguan, at a total consideration of HK$48,750,000. The total consideration of HK$48,750,000 will be satisfied by (a) HK$15,000,000 in cash; and (b) HK$33,750,000 by the issue of preference shares of the Company at an issue price of HK$0.15. The preference shares shall be issued in two phases: each of 50% shall be issued after the issue of the audited financial statements of Natural Farm for the years ending 31 March 2011 and 2012 respectively. The consideration of the acquisition is subject to the following adjustments: (a) If the average net profit after tax of Natural Farm for the years ending 31 March 2011 and 2012 is less than HK$7,500,000, the shortfall will be adjusted by reducing the number of preference shares to be issued; and (b) If the net asset value (plus shareholder's loan of HK$20,000,000 assigned to the Company) of Natural Farm as at the completion of the acquisition is less than HK$20,717,313.06, the shortfall will be paid by the vendor to the Company in cash.

(b) On 23 December 2009, the Company has entered into a conditional sale and purchase agreement with two independent parties for the acquisition of the entire equity interest in Polygold, which is engaged in vegetable retailing business at a total consideration of HK$16,250,000. The total consideration of HK$16,250,000 will be satisfied by (a) HK$5,000,000 in cash; and (b) HK$11,250,000 by the issue of preference shares of the Company at an issue price of HK$0.15. The preference shares shall be issued in two phases: each of 50% shall be issued after the issue of the audited financial statements of Polygold for the years ending 31 March 2011 and 2012 respectively. The consideration of the acquisition is subject to the following adjustments: (a) If the average net profit after tax of Polygold for the years ending 31 March 2011 and 2012 is less than HK$2,500,000, the shortfall will be adjusted by reducing the number of preference shares to be issued; and (b) If the net asset value of Polygold as at the completion of the acquisition is less than HK$1,871,890.60, the shortfall will be paid by the vendors to the Company in cash.

On 29 July 2011, announcement was made regarding the followings:

(c) On 2 August 2010, the Company has entered into a conditional sale and purchase agreement with two independent parties for the acquisition of the entire equity interest in Modern Excellence, which is engaged in vegetable retailing business, at a total consideration of HK$143,000,000. The total consideration of HK$143,000,000 will be satisfied by (i) HK$35,750,000 in cash; and (ii) HK$107,250,000 by the issue of preference shares of the Company at an issue price of HK$0.15. The preference shares shall be issued in two phases: each of 50% shall be issued after the issue of the audited financial statements of Modern Excellence for the years ending 31 December 2011 and 2012 respectively. The consideration of the acquisition is subject to the following adjustments: (i) If the average net profit after tax of Modern Excellence for the years ending 31 December 2011 and 2012 is less than HK$20,000,000, the shortfall will be adjusted by reducing the number of preference shares to be issued; and (ii) If the net asset value of Modern Excellence as at the completion of the acquisition is less than RMB88,302,701, the shortfall will be paid by the vendors to the Company in cash.

Employees and remuneration policies

As at 30 June 2011, the Group has a total of 4 (2010: 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 2011, there are no outstanding options under the Scheme.

Prospects

As recently announced, the Group is making further acquisitions into various agricultural businesses to expand operation base and such acquisitions have been incorporated into the revised resumption proposal, which was conditionally approved by the Stock Exchange. Such agricultural business involves vegetable trading, vegetable retailing and growing, processing and sales of vegetables. Procedures are now in progress to achieve completion of all necessary particulars and it is anticipated that such completion will be achieved as soon as possible.

Once the acquisitions as mentioned in the proposal are completed, the Group will be able to combine these operations under the same control. On the basis of the enlarged operation, it is expected that substantial improvement to operating results will be achieved.

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

During the six months ended 30 June 2011, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

SHARE OPTION SCHEME

The Company has adopted a share option scheme in June 2002. As at 30 June 2011, 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 14 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.

Save as disclosed above, please refer to the "Corporate Governance Report" contained in the Company's 2009 annual report for more information about the corporate governance practices of the Company.

AUDIT COMMITTEE

The Company has established the audit committee with written terms of reference in accordance with the Listing Rules. The primary duties of the audit committee are to review the Company's interim and annual reports and accounts and to provide advice and comments thereon the Board. The audit committee is also responsible for reviewing internal control procedures of the Group.

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 the interim results of the Group for the six months ended 30 June 2011.

THE MODEL CODE

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "Model Code") 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 2011 that they have complied with the Model Code 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.

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 2011 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 31 August 2011.

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, 22 August 2011

As at the date of this announcement, the Board comprises seven Directors, including five executive Directors, namely Mr. Zhou Wenjun (Chairman), Mr. Ji Kewei (Deputy Chairman and Chief Executive Officer), Mr. Ding Jiangyong, Mr. Dai Jun (Vice President) and Mr. Sun Kejun (Vice President) and two independent non-executive Directors, namely Mr. So Hoi Pan and Mr. Zhao Wen.

* *For identification purpose only*