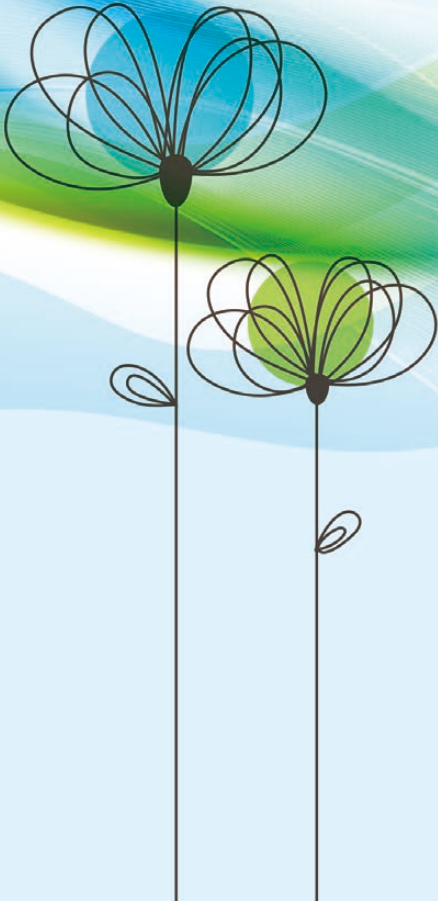




中國農業生態有限公司
China Eco-Farming Limited

(Continued into Bermuda with limited liability)
(Stock Code: 8166)



Third Quarterly Report
2013

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors of China Eco-Farming Limited (the “Company”) (the “Director(s)”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

This report will remain on the Company’s website at <http://www.aplushk.com/clients/8166chinaeco-farming/index.html> and “Latest Company Announcements” page of the GEM website for at least 7 days from the date of its posting.



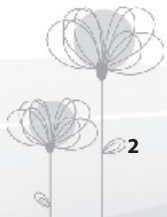
HIGHLIGHTS

Financial Highlights

The Company and its subsidiaries (collectively, the “Group”) recorded an unaudited revenue of approximately HK\$14,146,000 for the nine months ended 30 September 2013 representing a decrease of approximately 12.89% as compared with approximately HK\$16,240,000 for the last corresponding period.

The unaudited loss for the period attributable to owners of the Company for the nine months ended 30 September 2013 was approximately HK\$17,576,000, representing an increase of approximately 13.98% as compared with approximately HK\$15,420,000 for the last corresponding period.

The board of directors of the Company (the “Board”) does not recommend any payment of interim dividend for the nine months ended 30 September 2013.



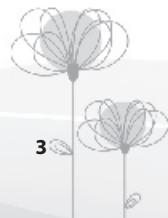
UNAUDITED CONDENSED CONSOLIDATED QUARTERLY RESULTS

The Board hereby announces the unaudited condensed consolidated results of the Group for the three months and nine months ended 30 September 2013 together with the comparative figures for the last corresponding periods.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in Hong Kong dollars)

	Notes	For the three months ended 30 September		For the nine months ended 30 September	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Revenue	3	4,502	4,134	14,146	16,240
Cost of sales		(2,782)	(2,619)	(8,923)	(10,813)
Gross profit		1,720	1,515	5,223	5,427
Other revenue	3	16	2	85	8
Administrative expenses		(7,022)	(6,645)	(21,739)	(18,679)
Finance costs	4	(463)	(1,034)	(1,548)	(2,176)
Gain on disposal of subsidiary		–	–	86	–
Fair value gain on financial assets at fair value through profit or loss		361	–	317	–
Loss before taxation		(5,388)	(6,162)	(17,576)	(15,420)
Taxation	5	–	–	–	–
Loss for the period and total comprehensive expenses for the period attributable to owners of the Company		(5,388)	(6,162)	(17,576)	(15,420)
Loss per share					
– Basic and diluted (HK cents)	7	(0.18)	(0.23)	(0.59)	(0.59)



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2013 (Expressed in Hong Kong dollars)

	Attributable to owners of the Company						Total \$'000
	Share capital \$'000	Share premium \$'000	Equity component of convertible preference shares \$'000	Equity component of convertible bonds \$'000	Special reserve \$'000	Accumulated losses \$'000	
At 1 January 2012	24,246	11,066	538	-	6,026	(59,303)	(17,427)
Placing of new shares	2,800	16,240	-	-	-	-	19,040
Transaction costs attributable to placing of new shares	-	(592)	-	-	-	-	(592)
Issue of convertible bonds	-	-	-	1,707	-	-	1,707
Loss for the period, representing total comprehensive expenses for the period	-	-	-	-	-	(15,420)	(15,420)
At 30 September 2012	27,046	26,714	538	1,707	6,026	(74,723)	(12,692)
At 1 January 2013	29,317	27,593	-	-	6,026	(80,334)	(17,398)
Placing of new shares	5,860	18,752	-	-	-	-	24,612
Transaction costs attributable to placing of new shares	-	(615)	-	-	-	-	(615)
Issue of convertible bonds	-	-	-	30,233	-	-	30,233
Loss for the period, representing total comprehensive expenses for the period	-	-	-	-	-	(17,576)	(17,576)
At 30 September 2013	35,177	45,730	-	30,233	6,026	(97,910)	19,256



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Organisation and operation

China Eco-Farming Limited (the "Company") was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands on 30 November 2000.

The shares of the Company have been listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited since 5 February 2002. The registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The head office and principal place of business of the Company is Room 1301, 13/F, 299 QRC, 287-299 Queen's Road Central, Hong Kong. The directors of the Company do not consider any company to be the ultimate holding company or parent company of the Company.

During the year ended 31 December 2007, the Company re-domiciled from the Cayman Islands into Bermuda by way of de-registration in the Cayman Islands and continuation as an exempted company under the laws of Bermuda. The change of domicile was approved by the shareholders of the Company on 15 October 2007 and the Company was effectively re-domiciled into Bermuda with limited liability with effect from 29 October 2007.

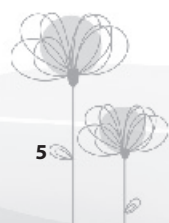
During the nine months ended 30 September 2013, the Company and its subsidiaries (collectively referred to as the "Group") were principally engaged in the health care services, trading of ceramic products, property investment and one-stop value chain services.


The unaudited condensed consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the same as the functional currency of the Group.

2. Principal accounting policies and basis of preparation

The unaudited condensed financial information has been prepared in accordance with the applicable disclosure provisions of Chapter 18 of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") and with the accounting standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The unaudited condensed financial results have been prepared on the historical cost basis except for the investment properties and the financial instruments that are measured at fair values.

Except as described below, the principal accounting policies and basis of preparation used in the preparation of the unaudited condensed consolidated financial results for the nine months ended 30 September 2013 are consistent with those adopted in preparing the audited consolidated financial statements of the Group for the year ended 31 December 2012.





In the current period, the Group has applied, for the first time, the following new or revised standards and amendments (“new and revised HKFRSs”) issued by the HKICPA that are relevant for the preparation of the Group’s unaudited condensed consolidated financial statements:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009-2011 Cycle
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income

Except as described below, the adoption of the above new and revised HKFRSs in the current period has had no material effect on the amounts reported in these unaudited condensed consolidated financial statements and/or disclosures set out in these unaudited condensed consolidated financial statements.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 Presentation of Items of Other Comprehensive Income introduce new terminology for statement of comprehensive income and income statement. Under the amendments to HKAS 1, a “statement of comprehensive income” is renamed as a “statement of profit or loss and other comprehensive income” and an “income statement” is renamed as a “statement of profit or loss”. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

HKFRS 13 Fair Value Measurement

The Group has applied HKFRS 13 for the first time in the current period. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements, and replaces those requirements previously included in various HKFRSs.

The scope of HKFRS 13 is broad, and applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, subject to a few exceptions. HKFRS 13 contains a new definition for ‘fair value’ and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

The Group has not applied any new or revised HKFRSs that have been issued but are not yet effective for the current accounting period.

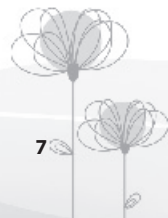
3. Revenue and other revenue

An analysis of the Group's revenue and other revenue for the period is as follows:

	For the three months ended 30 September		For the nine months ended 30 September	
	2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
Revenue:				
Trading of ceramic products	-	-	-	2,745
Health care services	4,502	4,134	13,626	13,276
Rental income from property investment (Note)	-	-	-	219
One-stop value chain services	-	-	520	-
	4,502	4,134	14,146	16,240
Other revenue	16	2	85	8
	4,518	4,136	14,231	16,248

Note:

	For the three months ended 30 September		For the nine months ended 30 September	
	2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
Gross rental income	-	-	-	219
Less: outgoings (included in cost of sales)	-	(16)	-	(25)
Net rental income	-	(16)	-	194





4. Finance costs

	For the three months ended 30 September		For the nine months ended 30 September	
	2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
Interest on bank loans, wholly repayable within five years	–	118	131	327
Interest on other loans	166	87	604	357
Effective interest expense on convertible preference shares	–	64	–	188
Effective interest expense on convertible bonds	202	520	331	520
Interest on loan from a former fellow subsidiary and a shareholder	95	245	482	784
	463	1,034	1,548	2,176

5. Taxation

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the nine months ended 30 September 2013 and 2012. No provision for Hong Kong Profits Tax has been made for both periods as the Group does not have any assessable profit subject to Hong Kong Profits Tax for both periods.

No deferred tax asset has been recognised due to the unpredictability of future profits streams. The losses may be carried forward indefinitely.

6. Dividend

No dividend was paid or proposed for the nine months ended 30 September 2013, nor any dividend has been proposed since the end of the reporting period (2012: Nil).

7. Loss per share

The calculation of basic loss per share for the three months and nine months ended 30 September 2013 and 2012 is based on the respective unaudited consolidated loss for the period attributable to owners of the Company of approximately HK\$5,388,000 (30 September 2012: HK\$6,162,000) and HK\$17,576,000 (30 September 2012: HK\$15,420,000), and the weighted average of 2,987,539,644 (30 September 2012: 2,624,891,661) ordinary shares of HK\$0.01 each in issue during both the three months and nine months ended 30 September 2013.

The basic loss per share will be the same as the computation of diluted loss per share was prepared on the assumption of no conversion of the Company's outstanding convertible preference shares and convertible bonds of which the exercise may result in a decrease in loss per share.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

During the nine months ended 30 September 2013 (the "Reporting Period"), the Group has been principally engaged in the health care services, trading of ceramic products, property investment and the one-stop value chain services.

Health Care Services

In respect of the management of health care services business, during the Reporting Period, this business segment reported a revenue of approximately HK\$13,626,000 (nine months ended 30 September 2012: HK\$13,276,000), representing a slight increase of approximately 2.64% as compared with the last corresponding period.

The Board continues its efforts on marketing and promotion of the beauty, facial and skincare services in order to broaden the customer base so as to further boost the revenue and increase profit margin.

Trading of Ceramic Products

The trading of ceramic products has not generated any revenue for the Reporting Period (nine months ended 30 September 2012: approximately HK\$2,745,000).

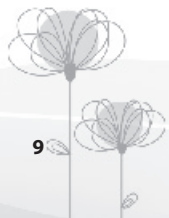
During the Reporting Period, due to the slowdown of the domestic economic growth, the industry has been hit by the decrease in the product demand. In the year of 2013, it is expected that the market condition of this industry will not significantly improve. Facing with the adverse factors, the Group is re-considering the market situation.

Property Investment

At 30 September 2013, the Group held properties in Hong Kong for investment purpose amounted to approximately HK\$7,420,000 (31 December 2012: HK\$7,420,000).

During the Reporting Period, no revenue has been generated in this business segment (nine months ended 30 September 2012: approximately HK\$219,000).

The Group has been proactively identifying reliable tenants for enhancing its source of rental income. Given increase in demand of the property market in Hong Kong, the Board is confident that the rental income will benefit from the growth trend.





One-stop Value Chain Services

The IT and telecommunications business of the Group reported a revenue of approximately HK\$520,000 (nine months ended 30 September 2012: Nil).

The keen competition in the manufacturing market in Hong Kong and the PRC always results in low profit margin. This together with the escalating operating costs and the need for capital expenditure pose high threats to the profitability and viability of the existing business. Therefore, the operation of this business segment has not generated any revenue for the three months ended 30 September 2013. The Group will continue to take further steps to explore more business opportunities in this business segment.

FINANCIAL REVIEW

During the Reporting Period, the Group recorded an unaudited revenue of approximately HK\$14,146,000 (nine months ended 30 September 2012: HK\$16,240,000), representing a decrease of approximately 12.89% as compared with the last corresponding period. This decrease was mainly due to no revenue generated from trading of ceramic products and property investment.

Cost of sales for the Reporting Period amounted to approximately HK\$8,923,000 (nine months ended 30 September 2012: HK\$10,813,000), representing a decrease of approximately 17.48% as compared with the last corresponding period. This decrease was in line with the decrease in revenue for the Reporting Period.

Administrative expenses for the Reporting Period amounted to approximately HK\$21,739,000 (nine months ended 30 September 2012: HK\$18,679,000), representing an increase of approximately 16.38% as compared with the last corresponding period. This increase was mainly due to increase in professional fee expenses.

Finance costs for the Reporting Period was approximately HK\$1,548,000 (nine months ended 30 September 2012: HK\$2,176,000), representing a decrease of approximately 28.86% as compared with the last corresponding period. The decrease was mainly due to the repayment of loan amount during the Reporting Period.

The Group recorded a loss attributable to owners of the Company for the Reporting Period of approximately HK\$17,576,000 (nine months ended 30 September 2012: HK\$15,420,000). The basic loss per share of the Company for the Reporting Period is HK0.59 cent (nine months ended 30 September 2012: HK0.59 cent).





Liquidity and Financial Resources

During the Reporting Period, the Group financed its business operations mainly with its internally generated resources and borrowings. At 30 September 2013, the bank balances and cash of the Group was approximately HK\$21,532,000 (31 December 2012: HK\$79,000).

At 30 September 2013, the net assets of the Group was approximately HK\$19,256,000 (31 December 2012: net liabilities of HK\$17,398,000) and the net current assets was approximately HK\$16,120,000 (31 December 2012: net current liabilities of HK\$25,292,000).

Capital Structure

The issued ordinary share capital with an aggregate nominal value of HK\$35,177,301.20 is divided into 3,517,730,120 shares of HK\$0.01 each (the "Share(s)") as at 30 September 2013 (31 December 2012: HK\$29,317,301.20 divided into 2,931,730,120 Shares).

On 30 August 2013, the Board put forward to the Shareholders a proposal of share consolidation on the basis that every two issued and unissued Shares of HK\$0.01 each in the share capital of the Company be consolidated into one consolidated share of HK\$0.02 each, subject to the fulfillment of the conditions set out in the paragraph headed "Conditions of the Share Consolidation" of the announcement of the Company dated 30 August 2013 (the "Share Consolidation"). On 11 October 2013, the Share Consolidation became effective. For details, please refer to the announcements of the Company dated 30 August 2013 and 10 October 2013 and the circular dated 24 September 2013.

Fund Raising Activities

Issue of Convertible Bonds

On 22 February 2013, the Company and Top Status International Limited ("Top Status") entered into a subscription agreement (the "Subscription Agreement") in connection with the issue by the Company of convertible bonds to Top Status in the aggregate principal amount of HK\$34.5 million (the "Convertible Bonds"). Top Status was a wholly-owned subsidiary of China Railway Logistics Limited, the ultimate substantial shareholder of the Company and thus, a connected person of the Company and the Subscription Agreement constituted a connected transaction under the GEM Listing Rules. Upon full conversion of the Convertible Bonds, up to a maximum of 3,450,000,000 new conversion shares shall be issued.





The estimated net proceeds from the Subscription will be approximately HK\$33.72 million (after deducting all relevant expenses), representing a net conversion price of approximately HK\$0.0098 per conversion share. The Board intends to apply the net proceeds from the Subscription (i) of which HK\$11 million to set off against part of the Outstanding Indebtedness; (ii) of which approximately HK\$0.8 million will be paid for other loan interests of the Group; and (iii) the balance of which in the amount of approximately HK\$21.92 million will be utilised as general working capital of the Company, including but not limited to, the overheads of the Group, such as salaries and allowances, rental and building management fee.

In order to facilitate the possible issue of the conversion shares and provide for future expansion in the share capital of the Company, the Directors proposed that the authorised share capital of the Company be increased from HK\$50,000,000 to HK\$100,000,000 (divided into 8,260,869,570 ordinary shares and 173,913,043 convertible preference shares of the Company at par values of HK\$0.01 and HK\$0.10 respectively) by the creation of an additional 5,000,000,000 new ordinary shares.

On 29 April 2013, the Company held a special general meeting (the "SGM") and in the SGM the ordinary resolution to ratify, confirm and approve the Subscription Agreement and the transactions contemplated thereunder and to authorize directors of the Company to allot and issue such number of Conversion Shares and authorize any directors of the Company to do all such acts and thing and execute all such documents necessary to give effect to the Subscription Agreement and the transactions contemplated thereunder and proposed increase in authorized share capital were duly passed by the shareholders of the Company by way of poll. With all the conditions of the Subscription Agreement having been fulfilled, the Subscription was completed on 30 April 2013. At completion, the convertible bonds in the principal amount of HK\$34.5 million were issued to the Subscriber in accordance with the terms of the Subscription Agreement.

For details, please refer to the Company's announcements dated 22 February 2013, 29 April 2013 and 30 April 2013 and circular dated 12 April 2013 respectively.

Placing of New Shares

On 16 August 2013, Kingston Securities Limited (the "Placing Agent") and the Company entered into the placing agreement pursuant to which the Company has conditionally agreed to place a maximum of 586,000,000 placing shares to not fewer than six placees at the placing price of HK\$0.042 per placing share (the "Placing").





On 5 September 2013, the Placing was completed. A total of 586,000,000 placing shares were successfully placed by the Placing Agent to not fewer than six placees at the placing price of HK\$0.042 per placing share. The gross proceeds from the Placing is about HK\$24.6 million while the net proceeds is approximately HK\$23.8 million which is intended to be used for general working capital of the Group. For details, please refer to the announcements of the Company dated 16 August 2013 and 5 September 2013.

Material Acquisition

The Group did not have any material acquisition or disposal of any of its subsidiaries or affiliated companies during the Reporting Period.

OUTLOOK

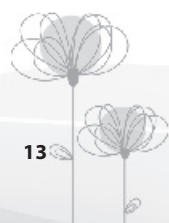
For the health care services business, the Board continues its marketing and promotion efforts to broaden the customer base. Together with the increasing number of individual travelers from PRC, the Board believes that the income from this business segment will continue to benefit from this growth trend.

The Group believes the IT and telecommunications market still has ample growth potential despite the difficult market environment and competitive landscape. The Group will continue to take appropriate steps to align its investment with objectives and review its business portfolio where it is appropriate to increase its shareholder value.

In order to diversify the trading business by different products of the Company during ordinary course of business, (i) a wholly-owned subsidiary of the Company has entered into a sole distribution agreement in October 2013 with one of the largest tea producers in Yunnan, PRC to distribute "Pu-Er" tea in the region of Hong Kong, Taiwan and Macau (the "Trading of Tea Products"); and (ii) the Company has entered into a sale and purchase agreement in October 2013 with an independent third party of the Company to acquire a controlling stake (representing totaling approximately 60% of the TW JV Company (as defined below)) in a HK-Taiwan joint venture trading company (the "TW JV Company") in Taiwan which will conduct trading of agricultural products, including but not limited to, organic rice, deep ocean water and fertilizer, between Taiwan and the PRC.

As at 30 September 2013 and up to the date of this report, both of the Trading of Tea Products and TW JV Company have not yet generated any revenue for the Company. The Board expects that the revenue to be contributed by these two sectors will stabilize in the near future.

The Group will continue reviewing and participating in negotiations of business developments and/or investment, especially in agricultural sector, according to the Group's business strategies and development needs.





DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

As at 30 September 2013, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have under such provisions of the SFO), or which were required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors.

DIRECTORS' AND CHIEF EXECUTIVE'S RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

Save as disclosed under the section "DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS" above, at no time during the Reporting Period, there subsisted arrangements to which the Company or any of its subsidiaries is a party, being arrangements whose subjects are, or one of whose objects is, to enable any of the directors or the chief executive of the Company to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of the Company or any other body corporate, and none of the directors of the Company, their spouse or their children under the age of 18, had any right to subscribe for the securities of the Company during the Reporting Period.



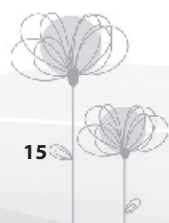
SUBSTANTIAL SHAREHOLDERS

So far as the Directors are aware of and having made due enquiries, as at 30 September 2013, the following parties, other than the Directors or the chief executive of the Company, had interests or short positions directly or indirectly in the shares and underlying shares of the Company disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO or recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in the shares and underlying shares of the Company:

Name	Capacity	Shares		Underlying Shares	
		Number of Shares	Approximate percentage of the issued share capital <i>(Note 1)</i>	Number of underlying Shares	Approximate percentage of the issued share capital <i>(Note 1)</i>
China Railway Logistics Limited <i>(Note 2)</i>	Interest of controlled corporation	737,906,430 (L)	20.98%	3,450,000,000 <i>(Note 4)</i>	98.07%
Top Status International Limited <i>(Note 2)</i>	Beneficial owner	737,906,430 (L)	20.98%	3,450,000,000 <i>(Note 4)</i>	98.07%
Sino Coronet Limited <i>(Note 3)</i>	Beneficial owner	-	-	3,450,000,000 (L) <i>(Note 5)</i>	98.07%
So Chi Yuk <i>(Note 3)</i>	Interest of controlled corporation	-	-	3,450,000,000 (L) <i>(Note 5)</i>	98.07%

* The Letter "L" denotes a long position in the Shares or the underlying Shares.





Notes:

1. As at 30 September 2013, the Company's issued ordinary share capital was HK\$35,177,301.20 divided into 3,517,730,120 Shares of HK\$0.01 each.
2. Top Status International Limited ("Top Status"), a company incorporated in the British Virgin Islands with limited liability. Top Status is wholly-owned by Rich Best Asia Limited ("Rich Best"), a company incorporated in the British Virgin Islands. Rich Best is in turn wholly-owned by Chinese Strategic Holdings Limited (Stock code: 8089) ("Chinese Strategic"), a company incorporated in Bermuda with limited liability, the issued shares of which are listed on GEM of the Stock Exchange. As such, each of Rich Best and Chinese Strategic is deemed to be interested in these shares.
3. Sino Coronet Limited, a company incorporated in the British Virgin Islands with limited liability and is wholly owned by So Chi Yuk. As such, So Chi Yuk is deemed to be interested in these Convertible Bonds.
4. Pursuant to a subscription agreement entered into on 22 February 2013 with respect of the subscription of the convertible bonds in principal amount of HK\$34,500,000 (the "Convertible Bonds"), the Company had issued Convertible Bonds to Top Status in principal amount of HK\$34,500,000 convertible into 3,450,000,000 new shares at conversion price of HK\$0.01 per Share on 30 April 2013. As a result of the Share Consolidation took effect on 11 October 2013, the conversion price of the outstanding Convertible Bonds has been adjusted from HK\$0.01 per Share to HK\$0.02 per Consolidated Share; and the aggregate number of Consolidated Shares falling to be issued upon exercise of the conversion rights attached to the outstanding Convertible Bonds in full will be adjusted from 3,450,000,000 Shares to 1,725,000,000 Consolidated Shares.
5. Reference is made to the announcement of Chinese Strategic dated 2 August 2013, Top Status proposed to dispose the Convertible Bonds to Sino Coronet Limited (the "Disposal"), the Disposal is not yet completed.

Save as disclosed above, the Company is not aware of any other person, other than a director or the chief executive of the Company, who held interests or short positions in the shares and underlying shares of the Company as at 30 September 2013 as recorded in the register required to be kept by the Company under Section 336 of the SFO.





COMPETING INTERESTS

During the Reporting Period, the Company did not have any controlling shareholders. None of the directors of the Company or any of their respective associates (as defined in the GEM Listing Rules) had any business or interest that compete or may compete with the business of the Group or had or may have any other conflict of interest with the Group during the Reporting Period.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

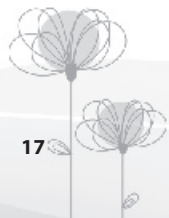
The Company has adopted the code of conduct for securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "Code"). Having made specific enquiry of all Directors, the Company was not aware of any non-compliance with the required standard as set out in the Code during the Reporting Period.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities.

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") on 31 July 2001 with written terms of reference in compliance with GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and the internal control system of the Group. The Audit Committee currently comprises three independent non-executive Directors; namely, Mr. Tsang Hin Fun, Anthony (Chairman of the Audit Committee), Mr. Cheung Tak Shum and Mr. Lau Tin Cheung.





The unaudited condensed consolidated financial results of the Group for the Reporting Period have been reviewed by the Audit Committee.

By Order of the Board

China Eco-Farming Limited

Tsang Chi Hin

Chief Executive and Executive Director

Hong Kong, 8 November 2013

As at the date of this report, the chief executive and executive Director is Mr. Tsang Chi Hin; the executive Director is Mr. Chu Yu Man, Philip; and the independent non-executive Directors are Mr. Cheung Tak Shum, Mr. Lau Tin Cheung and Mr. Tsang Hin Fun, Anthony.

