



# China Demeter Investments Limited 中國神農投資有限公司

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*



Stock Code : 8120

## Third Quarterly Report 2015

## 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.

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*This report, for which the directors (the “Directors”) of China Demeter Investments Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange Hong Kong Limited (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.*

## HIGHLIGHTS

- The Company reported profits attributable to owners of the Company of approximately HK\$12,281,000 for the nine months ended 30 September 2015 (the “period”), as opposed to a loss attributable to owners of the Company of approximately HK\$12,050,000 in the same period last year.
- The turnover of the Group from continuing operations was approximately HK\$41,090,000 for the period, representing an increase of approximately HK\$31,239,000 when compared to the same period of HK\$9,851,000 last year.
- Gross profit from continuing operations for the period was approximately HK\$14,523,000.
- The board of Directors (the “Board”) does not recommend the payment of any interim dividend for the nine months ended 30 September 2015.

## UNAUDITED NINE-MONTHS RESULTS

The Board (the “Board”) of directors (the “Directors”) of China Demeter Investments Limited (formerly know as Oriental Unicorn Agricultural Group Limited) (the “Company”) presents the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the three months and nine months ended 30 September 2015 together with the comparative unaudited figures for the corresponding periods in 2014. The nine-months results are unaudited, but have been reviewed by the audit committee of the Company.

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

For the three months and nine months ended 30 September 2015

	Note	For the three months ended 30 September		For the nine months ended 30 September	
		2015	2014	2015	2014
		HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
<b>Continuing operations</b>					
Turnover	3	16,934	7,370	41,090	9,851
Cost of sales and services		(11,945)	(2,889)	(26,567)	(4,999)
Gross profit		4,989	4,481	14,523	4,852
Other income and gains	4	5,427	882	5,436	24,077
Selling and distribution costs		(47)	(32)	(129)	(147)
General and administrative expenses		(3,416)	(9,350)	(14,115)	(16,892)
Change in fair value of financial assets through profit or loss	5	(49,430)	592	6,888	(23,258)
Finance costs	6	(135)	–	(252)	(101)
Profit (loss) before tax		(42,612)	(3,427)	12,351	(11,469)
Income tax expense	7	(10)	(122)	(24)	(122)
Profit (loss) for the period from continuing operations		(42,622)	(3,549)	12,327	(11,591)
<b>Discontinued operations</b>	8				
Profit (loss) for the period from discontinued operations		(2,686)	(1,213)	3,723	(550)
Profit (loss) for the period		(45,308)	(4,762)	16,050	(12,141)

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

For the three months and nine months ended 30 September 2015

Note	For the three months ended 30 September		For the nine months ended 30 September	
	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Other comprehensive income (expense) for the period:				
Items that may be subsequently reclassified to profit or loss:				
– Exchange differences on translation of financial statements of foreign operations	(927)	38	(3,921)	(216)
– Reclassification adjustments relating to foreign operations disposed of during the period	3,201	–	3,201	–
	2,274	38	(720)	(216)
Total comprehensive income (expense) for the period	<u>(43,034)</u>	<u>(4,724)</u>	<u>15,330</u>	<u>(12,357)</u>
Profit (loss) for the period attributable to owners of the Company:				
– from continuing operations	(43,610)	(3,458)	11,258	(11,500)
– from discontinued operations	(2,686)	(1,213)	1,023	(550)
	<u>(46,296)</u>	<u>(4,671)</u>	<u>12,281</u>	<u>(12,050)</u>
Profit (loss) for the period attributable to non-controlling interests:				
– from continuing operations	988	(91)	1,069	(91)
– from discontinued operations	–	–	2,700	–
	<u>988</u>	<u>(91)</u>	<u>3,769</u>	<u>(91)</u>
	<u>(45,308)</u>	<u>(4,762)</u>	<u>16,050</u>	<u>(12,141)</u>

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

For the three months and nine months ended 30 September 2015

	Note	For the three months ended 30 September		For the nine months ended 30 September	
		2015	2014	2015	2014
		HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Total comprehensive income (expense) for the period attributable to:					
– Owners of the Company		(44,022)	(4,614)	13,844	(12,247)
– Non-controlling interests		988	(110)	1,486	(110)
		<u>(43,034)</u>	<u>(4,724)</u>	<u>15,330</u>	<u>(12,357)</u>
		(Unaudited) HK Cents	(Unaudited) HK Cents (Restated)	(Unaudited) HK Cents	(Unaudited) HK Cents (Restated)
Earnings (loss) per share	9				
– for continuing and discontinued operations					
Basic		<u>(2.82)</u>	<u>(0.36)</u>	<u>0.75</u>	<u>(1.65)</u>
Diluted		<u>(2.80)</u>	<u>(0.36)</u>	<u>0.74</u>	<u>(1.65)</u>
– for continuing operations					
Basic		<u>(2.65)</u>	<u>(0.27)</u>	<u>0.69</u>	<u>(1.57)</u>
Diluted		<u>(2.64)</u>	<u>(0.27)</u>	<u>0.68</u>	<u>(1.57)</u>

## NOTES

### 1. CORPORATE INFORMATION

During the period, the Group is principally engaged in (i) feedstock products and animal husbandry businesses; (ii) processing and sales of food products; (iii) money lending business; (iv) securities investment business; (v) provision of IT services; and (vi) food and beverage business.

The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The principal place of business is located at Unit A, 15/E, Nathan Tower, 518-520 Nathan Road, Yau Ma Tei, Kowloon, Hong Kong.

The Company's shares are listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

### 2. BASIS OF PREPARATION

These unaudited condensed consolidated financial statements for the nine months ended 30 September 2015 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on the GEM Listing Rules. These unaudited condensed consolidated financial statements should be read in conjunction with the financial statements of the Group for the year ended 31 December 2014. The accounting policies and method of computation used in the preparation of these unaudited condensed consolidated financial statements are consistent with those followed in the preparation of the financial statements of the Group for the year ended 31 December 2014. The financial statements are unaudited but have been reviewed by Audit Committee.

HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards ("HKFRSs"). For those which are effective for accounting periods beginning on 1 January 2015, the adoption has no material effect on the reported results and the financial position of the Group for the current or prior accounting periods. For those which are not yet effective and have not been early adopted, the Group is in the process of assessing their impact on the Group's results and financial position. So far, the Group considers that the adoption of those HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

## NOTES (CONT'D)

### 3. TURNOVER

Turnover represents the aggregate of the net amounts received and receivable from third parties for the period.

	For the three months ended 30 September		For the nine months ended 30 September	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
<b>Continuing operations</b>				
Sales of feedstock products and animal husbandry products	13,186	3,051	27,913	4,903
Loan interest income	2,361	4,319	10,503	4,948
Provision of food and beverage service	1,387	–	2,674	–
	<u>16,934</u>	<u>7,370</u>	<u>41,090</u>	<u>9,851</u>
<b>Discontinued operations</b>				
Sales of formula milk powder	–	–	52,095	–
Provisional of IT Contract and maintenance services	3,690	3,579	13,328	6,228
	<u>3,690</u>	<u>3,579</u>	<u>65,423</u>	<u>6,228</u>
	<u>20,624</u>	<u>10,949</u>	<u>106,513</u>	<u>16,079</u>

### 4. OTHER INCOME AND GAINS

	For the three months ended 30 September		For the nine months ended 30 September	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
<b>Continuing operations</b>				
Bank interest income	–	2	9	14
Dividend income from available-for-sale investments	5,387	–	5,387	–
Reversal of impairment losses of investing loan ( <i>Note i</i> )	–	–	–	17,515
Reversal of impairment losses on trade receivables	–	455	–	6,010
Sundry income	40	425	40	538
	<u>5,427</u>	<u>882</u>	<u>5,436</u>	<u>24,077</u>
<b>Discontinued operations</b>				
Bank interest income	3	1	12	3
Gain on bargain purchase	–	–	–	497
Sundry income	–	–	525	–
	<u>3</u>	<u>1</u>	<u>537</u>	<u>500</u>
	<u>5,430</u>	<u>883</u>	<u>5,973</u>	<u>24,577</u>



## NOTES (CONT'D)

### 4. OTHER INCOME AND GAINS (CONT'D)

Note:

- (i) During the period ended 30 September 2014, the full amount of the investing loan previously impaired and the interests accrued was repaid and recovered. Reversal of impairment losses of investing loan was made and the related interest income was recorded accordingly.

### 5. CHANGE IN FAIR VALUE OF FINANCIAL ASSETS THROUGH PROFIT OR LOSS

Change in fair value of financial assets through profit or loss represents the change in fair value of the equity securities based on closing price in an active market.

### 6. FINANCE COSTS

	For the three months ended 30 September		For the nine months ended 30 September	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
<b>Continuing operations</b>				
Interest on bank and other borrowings wholly repayable within five years	135	–	252	101
<b>Discontinued operations</b>				
Interest on bank and other borrowings wholly repayable within five years	–	–	168	–
	<u>135</u>	<u>–</u>	<u>420</u>	<u>101</u>

## NOTES (CONT'D)

### 7. INCOME TAX EXPENSE

	For the three months ended 30 September		For the nine months ended 30 September	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
<b>Continuing operations</b>				
Current tax:				
Hong Kong Profit Tax	–	34	–	34
PRC Enterprise Income Tax	10	88	24	88
Other jurisdictions	–	–	–	–
	<u>10</u>	<u>122</u>	<u>24</u>	<u>122</u>
<b>Discontinued operations</b>				
Current tax:				
Hong Kong Profit Tax	–	–	–	–
PRC Enterprise Income Tax	–	–	–	–
Other jurisdictions	–	–	–	–
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
	<u>10</u>	<u>122</u>	<u>24</u>	<u>122</u>

Hong Kong Profit Tax is calculated at 16.5% of the estimated assessable profit for both periods. No provision for Hong Kong Profits Tax had been made as the Group had no assessable profit arising in or derived from Hong Kong for both periods.

The provision for PRC Enterprise Income Tax is calculated for subsidiaries operating in the PRC at the prevailing rates of tax in accordance with the relevant income tax rules and regulations of the PRC for both periods.

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

## NOTES (CONT'D)

### 8. DISCONTINUED OPERATIONS

#### Disposal of Sky Red Group

In September 2015, the Group completed the disposal of the entire issued share capital of Sky Red International Limited, a company incorporated in the British Virgin Islands with limited liability, and its subsidiaries of Oasis Island Ventures Limited and 易寶電腦系統(北京)有限公司 (collectively the “Sky Red Group”) at a consideration of HK\$2,000,000 to Mr. He Huaguang (the “Purchaser”). Its principal operating company of the Sky Red Group is 易寶電腦系統(北京)有限公司, a limited liability company established in the PRC, which is principally engaged in provision of professional IT contract and maintenance services. Upon disposal of Sky Red Group, the Group’s operations in IT business has been ceased.

#### Deemed disposal of Zhao Hui Group

The Group completed the acquisition of 55% equity interest in Zhao Hui Holdings Limited (“Zhao Hui”) in December 2014. Zhao Hui and its subsidiaries (“Zhao Hui Group”) are principally engaged in milk formula processing, production and related business and an operator of a dairy manufacturing plant in Victoria, Australia. Concurrent with such acquisition, Zhao Hui, 45% minority shareholder of Zhao Hui and 40% minority shareholder of Globe Year Limited (“Globe Year”) have entered into certain investment arrangements whereby upon completion of the corporate reorganization in relation to such investment arrangements which took place on 31 December 2014, Zhao Hui has become the holding company of subsidiaries of Zhao Hui including Viplus Dairy Pty Limited (“Viplus”), Australia Dairy Group Limited (“Australia Dairy”) and Globe Year. For the detail of the acquisition, please refer to the Company’s announcements dated 3 December 2014 and 1 January 2015.

Since May 2015, there was a dispute (the “Dispute”) regarding the resignation and removal of the general manager of Australia Dairy and Viplus as nominated by the 40% shareholder of Australia Dairy, Fortunate Times Enterprises Limited (“FTEL”). In this regard, FTEL has commenced an arbitration against Globe Year and Australia Dairy (the “HK Arbitration”) in the Hong Kong International Arbitration Centre (“HKIAC”). As at the date hereof, the HK Arbitration was still in progress and the arbitral tribunal was yet to be constituted by the HKIAC.

On 30 September 2015, the Group entered into a sale and purchase agreement (“SP Agreement”) with FTEL to dispose of the Group’s 55% interest in Zhao Hui at a consideration of AU\$3,227,400 (equivalent to approximately HK\$18,073,440). Upon completion of such Disposal, the Group will cease to have any interest in the Zhao Hui Group. The completion of the disposal of Zhao Hui Holdings Limited is subject to condition precedent, including the approval of the independent shareholders.

## NOTES (CONT'D)

### 8. DISCONTINUED OPERATIONS (CONT'D)

#### Deemed disposal of Zhao Hui Group (Cont'd)

At the same time of entering the SP Agreement by the Group, the 45% minority shareholder of Zhao Hui and 40% minority shareholder of Globe Year have entered agreements to dispose of their respective equity interests in Zhao Hui and Globe Year to FTEL ("Minority Disposals"). As a result, the Company no longer has the power to exercise its control over Zhao Hui Group, which control was previously supported by a voting consensus agreement amongst the Group and the two minority shareholders. As the company lost control of the Zhao Hui Group, each member of the Zhao Hui Group ceased to be subsidiaries of the Company and the Company became a minority shareholder of Zhao Hui Group. For the details of the disposal of 55% equity interest in Zhao Hui Holdings Limited, please refer to the Company's announcements dated 12 October 2015.

Further, as a result of the Dispute, the Group could not obtain the financial information of Viplus, the subsidiary contributing most of the profits of the Zhao Hui Group, for the three months ended 30 September 2015. The Board considered using the financial information of the Zhao Hui Group as at 30 June 2015 for the purpose of derecognition of Zhao Hui Group. Moreover, upon the Minority Disposals, the Company lost its controlling power on Zhao Hui Group, the Board considered that the Company became a minority shareholder of Zhao Hui Group. Therefore, Zhao Hui Group has been derecognized as subsidiaries of the Group and has been recognized as available-for-sale investments as at 30 September 2015.

The financial impact of derecognition of the Zhao Hui Group is reference to the unaudited consolidated management accounts and information available to the Board up to the date of this report. The Board estimated that a net loss of approximately HK\$711,000 resulted from derecognition of the Zhao Hui Group and recognized in the condensed consolidated statement of profit or loss and other comprehensive income for the period ended 30 September 2015. The actual financial impact of derecognition of the Zhao Hui Group may be subject to adjustment.

## NOTES (CONT'D)

### 8. DISCONTINUED OPERATIONS (CONT'D)

The results for the period from the discontinued operations (i.e. IT business and processing and sales of food products business) included in the unaudited condensed consolidated statement of profit or loss and other comprehensive income are set out below:

	For the three months ended 30 September		For the nine months ended 30 September	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Turnover	3,690	3,579	65,423	6,228
Cost of sales and services	(433)	(483)	(40,033)	(2,114)
Other income and gains	3	1	537	500
Selling and distributions costs	(1,219)	(2,496)	(4,942)	(2,496)
General and administrative expenses	(3,222)	(1,814)	(15,589)	(2,668)
Finance costs	–	–	(168)	–
Loss on disposal of Sky Red Group	(794)	–	(794)	–
Loss on deemed disposal of Zhao Hui Group	(711)	–	(711)	–
Profit (loss) of discontinued operations for the period	(2,686)	(1,213)	3,723	(550)
Attributable to:				
Owners of the Company	(2,686)	(1,213)	1,023	(550)
Non-controlling interests	–	–	2,700	–
	<u>(2,686)</u>	<u>(1,213)</u>	<u>3,723</u>	<u>(550)</u>

## NOTES (CONT'D)

### 8. DISCONTINUED OPERATIONS (CONT'D)

Loss on disposal of Sky Red Group as at the date of disposal is as follows:

	<i>HK\$'000</i>
	<b>(Unaudited)</b>
The net assets disposed of were as follows:	
Property, plant and equipment	124
Inventories	461
Trade receivables	4,990
Deposits, prepayments and other receivables	1,260
Cash and bank balances	2,358
Trade and other payables	<u>(6,483)</u>
Net assets disposed of	<u>2,710</u>
Loss on disposal:	
Consideration	2,000
Net assets disposed of	(2,710)
Cumulative exchange loss in respect of the net assets of the Sky Red Group reclassified from foreign currency translation reserve to profit or loss	<u>(84)</u>
Loss on disposal	<u><u>(794)</u></u>

## NOTES (CONT'D)

### 8. DISCONTINUED OPERATIONS (CONT'D)

Loss on deemed disposal of Zhao Hui Group as at the date of deemed disposal is as follows:

	<i>HK\$'000</i>
	<b>(Unaudited)</b>
The net assets disposed of and goodwill derecognized were as follows:	
Property, plant and equipment	49,749
Prepaid lease payments	3,318
Inventories	10,195
Trade receivables	8,722
Loan and interest receivables	12,180
Amount due from a non-controlling interest	3
Deposits, prepayments and other receivables	18,162
Cash and bank balances	20,475
Trade and other payables	(43,362)
Amounts due to non-controlling interests	(15,286)
Bank Borrowing	(5,557)
Deferred tax liabilities	(349)
Non-controlling interests	(48,198)
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Net assets disposal of	10,052
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Goodwill	5,615
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Net assets disposal of and goodwill derecognized	15,667
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Loss on deemed disposal:	
Transfer to available-for-sale investments	18,073
Net assets disposed of and goodwill derecognized	(15,667)
Cumulative exchange loss in respect of the net assets of Zhao Hui Group reclassified from foreign currency translation reserve to profit or loss	(3,117)
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Loss on deemed disposal	(711)
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## NOTES (CONT'D)

### 9. EARNINGS (LOSS) PER SHARE

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

#### For continuing and discontinued operations

	For the three months ended 30 September		For the nine months ended 30 September	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Earnings (loss) for the period attributable to owners of the Company for the purpose of calculating basic and diluted earnings (loss) per share	(46,296)	(4,671)	12,281	(12,050)

#### Number of shares

	For the three months ended 30 September			For the nine months ended 30 September		
	2015 '000	2014 '000 (Restated)	2014 '000 (Previously stated)	2015 '000	2014 '000 (Restated)	2014 '000 (Previously stated)
Weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share	1,643,894	1,300,894	1,300,894	1,631,429	729,521	689,045
Effect of dilutive potential ordinary shares:						
Share options	8,737	949	933	17,512	320	314
Weighted average number of ordinary shares for the purpose of calculating diluted earnings/(loss) per share	1,652,631	1,301,843	1,301,827	1,648,941	729,841	689,359



## NOTES (CONT'D)

### 9. EARNINGS (LOSS) PER SHARE (CONT'D)

#### For continuing operations

	For the three months ended 30 September		For the nine months ended 30 September	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Earnings (loss) for the period attributable to owners of the Company for the purpose of calculating basic and diluted earnings (loss) per share	(46,296)	(4,671)	12,281	(12,050)
Less: (Earnings) loss for the period attributable to owners of the Company from discontinued operations	2,686	1,213	(1,023)	550
Earnings (loss) for the period attributable to owners of the Company for the purpose of calculating basic and diluted earnings (loss) per share from continuing operations	<u>(43,610)</u>	<u>(3,458)</u>	<u>11,258</u>	<u>(11,500)</u>

## NOTES (CONT'D)

### 9. EARNINGS (LOSS) PER SHARE (CONT'D)

#### For discontinued operations

	For the three months ended 30 September		For the nine months ended 30 September	
	2015	2014	2015	2014
Earnings (loss) per share:				
– Basic (HK cents)	(0.17)	(0.09)	0.06	(0.08)
– Diluted (HK cents)	(0.16)	(0.09)	0.06	(0.08)
Earnings (loss):	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Earnings (loss) for the period attributable to owners of the Company for the purpose of calculating basic and diluted earnings (loss) per share from discontinued operations	(2,686)	(1,213)	1,023	(550)

The denominators used are the same as those detailed above for both basic and diluted earnings (loss) per share.

The weighted average number of ordinary shares for the purposes of calculating basic and diluted loss per share for the period ended 30 September 2014 has been adjusted to reflect the bonus element of the right issue completed during the year ended 31 December 2014.

### 10. INTERIM DIVIDEND

The directors do not recommend the payment of any interim dividend for the nine months ended 30 September 2015 (30 September 2014: Nil).

## NOTES (CONT'D)

### 11. RESERVES

For the nine months ended 30 September 2015

	Attributable to owners of the Company											
	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Capital reserve HK\$'000	PRC statutory reserve HK\$'000	Share options reserve HK\$'000	Foreign currency translation reserve HK\$'000	Available-for-sale investments valuation reserve HK\$'000	Accumulated losses HK\$'000	Sub-total HK\$'000	Attributable to non-controlling interests HK\$'000	Total HK\$'000
For the nine months ended												
30 September 2014												
At 1 January 2014 (Audited)	27,752	161,862	-	61,545	873	-	2,892	-	(167,813)	87,111	-	87,111
Loss for the period	-	-	-	-	-	-	-	-	(12,050)	(12,050)	(91)	(12,141)
Other comprehensive expense for the period	-	-	-	-	-	-	(197)	-	-	(197)	(19)	(216)
Total comprehensive expense for the period	-	-	-	-	-	-	(197)	-	(12,050)	(12,247)	(110)	(12,357)
Additional non-controlling interests arising on partial disposal of subsidiaries	-	-	-	-	-	-	-	-	(3,254)	(3,254)	9,254	6,000
Cancellation of share premium (note 1)	-	(161,862)	-	-	-	-	-	-	-	-	-	-
Right issue of shares (note 12 (iii))	180,391	-	161,862	-	-	-	-	-	-	-	-	-
Capital reorganisation (note 12 (iv))	(195,134)	-	195,134	-	-	-	-	-	-	180,391	-	180,391
Transaction costs attributable to change of domicile, capital reorganisation and rights issue	-	-	(8,311)	-	-	-	-	-	-	(8,311)	-	(8,311)
Recognition of equity-settled share-based payments	-	-	-	-	-	4,730	-	-	-	4,730	-	4,730
At 30 September 2014 (Unaudited)	13,009	-	348,685	61,545	873	4,730	2,695	-	(183,117)	248,420	9,144	257,564

## NOTES (CONT'D)

### 11. RESERVES (CONT'D)

For the nine months ended 30 September 2015

	Attributable to owners of the Company											
	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Capital reserve HK\$'000	PRC statutory reserve HK\$'000	Share options reserve HK\$'000	Foreign currency translation reserve HK\$'000	Available-for-sale investments valuation reserve HK\$'000	Accumulated losses HK\$'000	Sub-total HK\$'000	Attributable to non-controlling interests HK\$'000	Total HK\$'000
For the nine months ended												
30 September 2015												
At 1 January 2015 (Audited)	15,609	42,900	348,685	61,545	873	4,672	2,994	(284)	(186,376)	290,538	54,540	345,098
Profit for the period	-	-	-	-	-	-	-	-	12,281	12,281	3,769	16,050
Other comprehensive income (expense) for the period	-	-	-	-	-	-	1,563	-	-	1,563	(2,283)	(720)
Total comprehensive income for the period	-	-	-	-	-	-	1,563	-	12,281	13,844	1,486	15,330
Demed disposal of subsidiaries (note 8)	-	-	-	-	-	-	-	-	-	-	(48,198)	(48,198)
Non-controlling interests arising on acquisition of a subsidiary (note 13)	-	-	-	-	-	-	-	-	-	-	(126)	(126)
Issue of subscription shares under special mandate (note 12(i))	830	13,695	-	-	-	-	-	-	-	14,525	-	14,525
At 30 September 2015 (Unaudited)	16,439	56,595	348,685	61,545	873	4,672	4,497	(284)	(174,095)	318,927	7,702	326,629

#### Notes:

- (i) Pursuant to the special resolution passed in an extraordinary general meeting ("EGM") on 24 April 2014 and took effect on the same day, an entire amount standing to the credit of the share premium account of the Company was cancelled and transferred to the contributed surplus account of the Company.

## NOTES (CONT'D)

### 12. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
<b>Authorised:</b>		
At 1 January 2014, ordinary shares of HK\$0.04 each	5,000,000	200,000
Share consolidation ( <i>Note (i)</i> )	(3,750,000)	–
Increase in authorised share capital ( <i>Note (ii)</i> )	5,000,000	800,000
Capital reorganisation ( <i>Note (iv)</i> )	93,750,000	–
	<u>100,000,000</u>	<u>1,000,000</u>
At 31 December 2014, ordinary shares of HK\$0.01 each	<u>100,000,000</u>	<u>1,000,000</u>
At 1 January 2015 and 30 September 2015, ordinary shares of HK\$0.01 each	<u>100,000,000</u>	<u>1,000,000</u>
<b>Issued and fully paid:</b>		
At 1 January 2014, ordinary shares of HK\$0.04 each	693,810	27,752
Share consolidation ( <i>Note (i)</i> )	(520,357)	–
Right issue of shares ( <i>Note (iii)</i> )	1,127,441	180,391
Capital reorganisation ( <i>Note (iv)</i> )	–	(195,134)
Issue of subscription shares under general mandate ( <i>Note (v)</i> )	260,000	2,600
	<u>1,560,894</u>	<u>15,609</u>
At 31 December 2014, ordinary shares of HK\$0.01 each	<u>1,560,894</u>	<u>15,609</u>
At 1 January 2015, ordinary shares of HK\$0.01 each	1,560,894	15,609
Issue of subscription shares under special mandate ( <i>Note (vi)</i> )	83,000	830
	<u>1,643,894</u>	<u>16,439</u>
At 30 September 2015, ordinary shares of HK\$0.01 each	<u>1,643,894</u>	<u>16,439</u>

## NOTES (CONT'D)

### 12. SHARE CAPITAL (CONT'D)

*Notes:*

(i) **Share consolidation**

Pursuant to an extraordinary general meeting on 13 January 2014, every 4 ordinary shares of the Company of a nominal or par value of HK\$0.04 each in the issued and unissued share capital of the Company be consolidated into one consolidated share of a nominal or par value of HK\$0.16 such that the authorised share capital of the Company is HK\$200,000,000 divided into 1,250,000,000 consolidated shares of a par value of HK\$0.16 each, of which 173,452,500 consolidated shares at par value of HK\$0.16 each was in issue. Such consolidated shares shall rank pari passu in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the Article of Association of the Company. The share consolidation is in effect on 14 January 2014.

(ii) **Increase in authorised share capital**

Pursuant to an extraordinary general meeting on 24 April 2014, the ordinary resolution in relation to the increase in authorised share capital was duly passed by way of poll. Following the passing of the resolution, the authorised share capital of the Company increased from HK\$200,000,000 divided into 1,250,000,000 ordinary shares of a par value of HK\$0.16 each to HK\$1,000,000,000 divided into 6,250,000,000 ordinary shares of HK\$0.16 each by the creation of an additional 5,000,000,000 ordinary shares of HK\$0.16 each, ranking pari passu with the existing ordinary shares of the Company in all respects. The increase in authorised share capital took effect on the same date.

(iii) **Right issue of shares**

Pursuant to an extraordinary general meeting on 24 April 2014, the special resolution in relation to the underwriting agreement and rights issue on the basis of 13 rights shares for every 2 existing shares held on the record date at a price of HK\$0.16 each was duly passed by way of poll. The right issue of shares was completed on 28 May 2014. Following the rights issue, 1,127,441,250 new ordinary shares of the Company of HK\$0.16 each were issued. The net proceeds arising from the right issue amounted to approximately HK\$172 million.

(iv) **Capital reorganisation**

Pursuant to an extraordinary general meeting on 24 April 2014, the special resolution in relation to the capital reorganisation comprising the capital reduction and the share subdivision was duly passed by way of poll and took effect on 5 June 2014.

## NOTES (CONT'D)

### 12. SHARE CAPITAL (CONT'D)

Notes: (Cont'd)

#### (iv) Capital reorganisation (Cont'd)

After the capital reorganisation,

- (1) the issued share capital of the Company was reduced through a cancellation of the paid-up capital of the Company to the extent of HK\$0.15 on each of the issued ordinary shares of the Company such that the nominal value of each issued ordinary share of the Company was reduced from HK\$0.16 to HK\$0.01;
- (2) immediately following the capital reduction, each of the authorised but unissued ordinary shares of the Company of HK\$0.16 each was subdivided into 16 new ordinary shares of the Company of HK\$0.01 each; and
- (3) the credits arising in the books of the Company from the reduction of the paid-up capital of the Company of approximately HK\$195,134,000 was credited to the contributed surplus account of the Company.

#### (v) Issue of subscription shares under general mandate

On 28 October 2014, the Company and a subscriber, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (the "Subscriber") and is principally engaged in growing, processing and sales of agricultural products, and consumer food and beverage products, entered into a general mandate subscription agreement ("GM Subscription Agreement") and a special mandate subscription agreement ("SM Subscription Agreement").

Pursuant to the GM Subscription Agreement, the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue 260,000,000 subscription shares ("GM Subscription Shares") at the subscription price of HK\$0.175 per GM Subscription Share. The GM Subscription Shares will be allotted and issued under the general mandate. The completion took place on 10 November 2014 whereby 260,000,000 ordinary shares of the Company of HK\$0.01 each were allotted and issued at HK\$0.175 per GM Subscription Share under the GM Subscription Agreement. The net proceed from the subscription amounted to approximately HK\$45.3 million.

#### (vi) Issue of subscription shares under special mandate

Pursuant to the SM Subscription Agreement, the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue 83,000,000 subscription shares ("SM Subscription Shares") at the subscription price of HK\$0.175 per SM Subscription Share. The SM Subscription Shares will be allotted and issued under the special mandate. The completion took place on 11 February 2015 whereby 83,000,000 ordinary shares of the Company of HK\$0.01 each were allotted and issued at HK\$0.175 per SM Subscription Share under the SM Subscription Agreement. The net proceed from the subscription amounted to approximately HK\$14 million.

### 13. ACQUISITION OF A SUBSIDIARY

In April 2015, the Group completed the acquisition of 51% of the issued shares of a company incorporated in Hong Kong at the total consideration of HK\$268,000 (including cash paid of HK\$1,275,000 minus assignment of shareholder loan of HK\$1,007,000). The subsidiary is mainly engaged in the provision of the food and beverage service in Hong Kong.

The fair value of identifiable assets and liabilities as at the date of acquisition is as follows:

	<i>HK\$'000</i> (Unaudited)
Property, plant and equipment	250
Deposits, prepayments and other receivables	1,596
Other payables and accruals	<u>(2,103)</u>
Total net liabilities	<u>(257)</u>
Consideration satisfied by:	
Cash paid	1,275
Less assignment of shareholder loan	<u>(1,007)</u>
	268
Less: Non-controlling interests	(126)
Add: Net liabilities acquired	<u>257</u>
Goodwill arising on acquisition	<u><u>399</u></u>

### 14. EVENT AFTER THE REPORTING PERIOD

On 20 October 2015, Eternal Speed International Limited, an indirect wholly-owned subsidiary of the Company entered into a Shareholders' Agreement with JV Partners and BLVD Cayman Limited ("JV Company") in relation to a joint venture arrangement. It is the intention of the JV Parties to operate a JV Company to engage or invest in the business of operating restaurants, cafes and take-away outlets, and food and drinking catering in the Southeast Asia region. For details, please refer to the announcement dated 20 October 2015.

### 15. COMPARATIVE FIGURES

Certain comparative figures have been restated to conform to current period's presentation.



## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL AND BUSINESS REVIEW

Thanks to rapid growth achieved by new business, China Demeter Investments Limited (formerly known as Oriental Unicorn Agricultural Group Limited) (the “Company”) and its subsidiaries (the “Group”) recorded a net profit attributable to owners of the Company of approximately HK\$12,281,000 for the nine months ended 30 September 2015 (the “Period”), as compared to a loss attributable to owners of the Company of approximately HK\$12,050,000 last year, which was mainly attributable to the fair value gain of approximately HK\$6,888,000 (30 September 2014: fair value loss of approximately HK\$23,258,000) from financial assets through profit or loss during the period, and loan interest income of approximately HK\$10,503,000 (30 September 2014: HK\$4,948,000) arising from the Group’s money lending business commenced in mid-2014.

The turnover of the Group from continuing operations for the period was approximately HK\$41,090,000, representing an increase of approximately HK\$31,239,000 as compared to the same period of HK\$9,851,000 last year; while gross profit was approximately HK\$14,523,000. As the income source of the Group became more diversified, for the period ended 30 September 2015, turnover from continuing operations was composed of sales of feedstock products and animal husbandry of HK\$27,913,000 (30 September 2014: HK\$4,903,000), loan interest income of HK\$10,503,000 (30 September 2014: HK\$4,948,000), and the new business of provision of food and beverage business of HK\$2,674,000 (30 September 2014: Nil).

General and administrative expenses from continuing operations for the period were approximately HK\$14,115,000, a decrease of approximately HK\$2,777,000 as compared with the same period of HK\$16,892,000 last year. The decreases was mainly due to HK\$4,730,000 equity-settled share based expenses of share option recognized in the same period of last year, while no such expense incurred in current period.

The turnover of the Group from discontinued operations for the period was approximately HK\$65,423,000, representing an increase of approximately HK\$59,195,000 as compared to the same period of HK\$6,228,000 last year. The turnover of the Group from discontinued operations composed of the provision of professional IT contract and maintenance services of HK\$13,328,000 (30 September 2014: HK\$6,228,000) and processing and sales of food products of HK\$52,095,000 (30 September 2014: Nil).

The general and administrative expenses from discontinued operation for the period were approximately HK\$15,589,000, an increase of approximately HK\$12,921,000 as compared with the same period of HK\$2,668,000 last year. The increase was mainly due to the increase in expense for the new business of sales of formula milk powder.

## Agriculture

Turnover of the feeding and breeding business for the period was approximately HK\$27,913,000 (30 September 2014: HK\$4,903,000), representing an increase of approximately HK\$23,010,000 as compared to the same period last year. The increase was mainly due to the fact that the feed plant for production of feedstock products was suspended from operation in the first half of 2014 to fine-tune the production line in order to improve the production process and quality of products. The improvement was completed in the second half of 2014 and the production line resumed normal operation in 2015. Also, since the swine price became stable and started to increase gradually in 2015, sales for feedstock products and husbandry products increased.

## Money Lending Business

During the period, the Group used its surplus liquidity to fund its money lending business through its indirectly wholly-owned subsidiary, Way Union Finance Limited. Loan interest income under this business segment amounted to approximately HK\$10,503,000 during the period (30 September 2014: HK\$4,948,000). Interests of the loan receivables were charged at rates ranging from 5% to 12% per annum.

## Securities Investments

The Group has investments in securities of listed and non-listed companies in order to diversify its investment portfolios and increase returns to shareholders. During the period, the Group recorded a gain in fair value of financial assets through profit or loss of approximately HK\$6,888,000 for the nine months ended 30 September 2015, however, a loss in fair value of financial assets through profit or loss of approximately HK\$49,430,000 for the three months ended 30 September 2015 was recorded as a result of the recent downturn in the Hong Kong Securities market.

All financial assets at fair value through profit or loss as held by the Group were shares of listed companies in Hong Kong, of which as at 30 September 2015, the Company had investments in the shares of three listed companies, which accounted for approximately 79.1% of the total market value of all financial assets at fair value through profit or loss held by the Group as at 30 September 2015. Such investments comprised of (i) approximately 11.8 million shares (approximately 0.16%) of Town Health International Medical Group Limited (“THIMG”), (ii) 66 million shares (approximately 2.24%) of Convoy Financial Holdings Limited (“CFH”) and (iii) 62.2 million shares (approximately 4.14%) of RCG Holdings Limited (“RCGH”). The shares of each of THIMG, CFH and RCGH were listed on the Main Board of the Stock Exchange. The Group’s investment in THIMG, CFH and RCGH were collectively referred to as the “Major Investments”.

Details of the Major Investments are as follows:

Investee Companies	Three months ended 30 September 2015		Nine months ended 30 September 2015		At 30 September 2015			At 30 June 2015
	Approximate percentage of (loss)/gain in fair value of financial assets		Approximate percentage of gain in fair value of financial assets		Approximate percentage of financial assets at fair value through profit or loss			Approximate percentage to the net assets
	Fair value (loss)/gain through profit or loss		Fair value gain through profit or loss		Market Value			Market Value
	<i>HKS'000</i> (Unaudited)	(Note 1)	<i>HKS'000</i> (Unaudited)	(Note 1)	<i>HKS'000</i> (Unaudited)	(Note 2)	(Note 3)	<i>HKS'000</i> (Unaudited)
THIMG	(5,447)	(11.0%)	1,815	26.4%	19,062	22.9%	5.8%	24,509
CFH	(37,290)	(75.4%)	10,890	158.1%	27,390	32.9%	8.4%	64,680
RCGH	3,174	6.4%	3,174	46.1%	19,282	23.2%	5.9%	(Note 4)

**Note 1:** The approximate percentage of gain/(loss) in fair value of financial assets through profit or loss is calculated by the fair value gain/(loss) of the investment divided by the total gain/(loss) of the financial assets at fair value through profit or loss during the corresponding periods.

**Note 2:** The approximate percentage of financial assets at fair value through profit or loss is calculated by the market value of the investment divided by the total carrying amount of the financial assets at fair value through profit or loss held by the Group as at 30 September 2015.

**Note 3:** The approximate percentage to the net assets is calculated by the market value of the investment divided by the net assets of the Group as at 30 September 2015.

**Note 4:** Not applicable as the Group first acquired the relevant shares after 30 June 2015.

THIMG is principally engaged in healthcare business investments; provision and management of medical, dental and other healthcare related services; investments and trading in properties and securities. CFH is principally engaged in independent financial advisory business, money lending business, proprietary investment business, asset management business and corporate finance advisory services. RCGH is principally engaged in the provision of biometric and radio frequency identification products and solution services.

The recent weakness in the stock market in the third quarter of 2015 led to significant loss in change in fair value of financial assets through profit or loss. However, the Group still recorded overall gain in fair value of financial assets through profit or loss for the nine months ended 30 September 2015. As the recent market sentiment has improved, the Board expects the performance of Major Investments will still contribute positive return to the Group in the near future. The Board will continue to closely monitor the performance of securities to mitigate possible financial risks.

## Food and beverage business

In April 2015, the Group completed the acquisition of 51% of the issued shares of a company incorporated in Hong Kong at a total consideration of HK\$268,000 (including cash paid of HK\$1,275,000 minus assignment of shareholder loan of HK\$1,007,000). The acquired company is mainly engaged in the provision of the food and beverage service in Hong Kong. The turnover for the period amounted to approximately HK\$2,674,000 (30 September 2014: Nil). Since the food and beverage business is still at the stage of development, the Group is optimistic about its development potential and expects to bring higher returns to shareholders by formulating business strategies to expand its business proactively.

## IT Business

The Group provided IT contract and maintenance services through its wholly-owned subsidiary, 易寶電腦系統(北京)有限公司 (EPRO Computer Systems (Beijing) Company Limited, for identification purpose only) and registered a turnover of approximately HK\$13,328,000 during the period (30 September 2014: HK\$6,228,000).

In light of the unsatisfactory performance of the Sky Red Group for the recent financial years and the fact that the original business plan of Sky Red Group did not materialise as the Group expected, on 17 July 2015, the Company and Mr. He Huaguang (the “Purchaser”) entered into the Sale and Purchase Agreement (the “SP Agreement”), pursuant to which the Purchaser conditionally agreed to purchase, and the Company conditionally agreed to sell the entire issued shares of the Sky Red Group at a consideration of HK\$2,000,000. The Board believed that, by focusing more resources on promising businesses and disposing of the continuous loss-making business(es), the Group could rationalize its business direction and increase its profitability and market competitiveness. The disposal was completed in September 2015.

## Milk powder business

### Disposal of 55% equity interest in Zhao Hui and derecognition of the Zhao Hui Group

The Group completed the acquisition of 55% equity interest in Zhao Hui in December 2014 and had thereafter expanded into the milk powder business via its holding of an indirect interest in Viplus, a company incorporated in Victoria, Australia with limited liability, which is principally engaged in milk formula processing, production and related business and an operator of a dairy manufacturing plant in Victoria, Australia. Viplus is owned as to 90% by Australia Dairy and as to 10% by Globe Year. Australia Dairy is owned as to 60% by Globe Year and Globe Year is owned as to 60% by Zhao Hui. Concurrent with such acquisition, Zhao Hui, 45% minority shareholder of Zhao Hui and 40% minority shareholder of Globe Year have entered into certain investment arrangements whereby upon completion of the corporate reorganization in relation to such investment arrangements which took place on 31 December 2014, each member of the Zhao Hui Group became a non-wholly owned subsidiary of the Company upon such acquisition.

Since May 2015, there was a dispute (the “Dispute”) regarding the resignation and removal of the general manager of Australia Dairy and Viplus as nominated by the 40% shareholder of Australia Dairy, FTEL. In this regard, FTEL has commenced an arbitration against Globe Year and Australia Dairy in the HKIAC. In the HK Arbitration, due to the Dispute, Globe Year and FTEL respectively claim and seek to buy out each other’s shares in Australia Dairy. As at the date hereof, the HK Arbitration was still in progress and the arbitral tribunal was yet to be constituted by the HKIAC.

As a result of the Dispute, the Group was unable to reach consensus with FTEL on the future strategic direction of Viplus, the principal asset of the Zhao Hui Group. The Directors were of the view that as a result of the Dispute, it would be impossible or extremely difficult to integrate the Zhao Hui Group into the Group successfully in a timely manner and therefore the previously expected benefits of the acquisition of the Zhao Hui Group would be materially undermined.

On 30 September 2015, the Group entered into a SP Agreement with FTEL, pursuant to which the Group agreed to dispose of its 55% equity interest in Zhao Hui to FTEL at a consideration of AU\$3,227,400 (equivalent to approximately HK\$18,073,440). Upon completion of such Disposal, the Group will cease to have any interest in the Zhao Hui Group. The Disposal represented an opportunity to end the Dispute and to realise the Group’s investment in the Zhao Hui Group and strengthen the cash position of the Group.

At the same time of the entering into of the SP Agreement, the 45% minority shareholder of Zhao Hui and the 40% minority shareholder of Globe Year have also entered into agreements to dispose of their respective equity interests in Zhao Hui and Globe Year to FTEL. As a result of the disposals, the Company no longer has the power to exercise its control over the Zhao Hui Group, which control was previously supported by a voting consensus agreement amongst the Group and the two minority shareholders. As the Company lost control of the Zhao Hui Group, each member of the Zhao Hui Group ceased to be subsidiaries of the Company and the Company became as a minority shareholder of the Zhao Hui Group. As a result of which, the result of the Zhao Hui Group will cease to be consolidated into the Group's financial statements.

Further, as a result of the Dispute, the Company had been unable to properly access to the books and records of Viplus, the operating subsidiary of the Zhao Hui Group, since July 2015. Since the Group could not obtain the financial information of Viplus, the operating subsidiary contributing most of the profits of the Zhao Hui Group, for the three months ended 30 September 2015, the Board considered using the financial information of the Zhao Hui Group as at 30 June 2015 for the purpose of derecognition of the Zhao Hui Group. The financial impact of derecognition of the Zhao Hui Group, with reference to the unaudited consolidated management accounts and information available to the Board up to the date of this report and taking into account the interim dividends of Australia Dairy declared and paid prior to the Disposal of approximately HK\$5,489,000 attributed to the Group, a net gain of approximately HK\$4,778,000 will be resulted from derecognition of the Zhao Hui Group and recognised in the condensed consolidated statement of profit or loss and other comprehensive income for the period ended 30 September 2015. The actual financial impact of derecognition of the Zhao Hui Group may be subject to adjustment.

After the Disposal, the Group will focus on the income stream from remaining business dimensions and intends to use the proceeds from the Disposal for the general working capital of the Group. Meanwhile, the Group will endeavor to explore other diversified businesses in order to enhance our profitability.

## **Completion of issue of new shares to China Culiangwang Beverages Holdings Limited**

On 11 February 2015, the Company completed the subscription agreement with China Culiangwang Beverages Holdings Limited (Stock Code: 904) (the “Subscriber”), pursuant to which the Subscriber had taken up 83,000,000 shares at a subscription price of HK\$0.175 per share allotted and issued by the Company under the special mandate. The net proceeds raised amounted to approximately HK\$14,000,000.

Given that the Company and the Subscriber were both involved in the agricultural industry, there would be potential cooperation opportunity between them in the future. Having considered that the Subscriber had successful experience in growing, processing and distributing agricultural products (excluding feedstock related products), the cooperation between the Company and the Subscriber would be beneficial to improvement of the Company’s current production technology and distribution strategy and its future expansion to other fields of the agricultural industry.

## **Change of Company Name**

During the period, the Company has changed the English name of the Company from “Oriental Unicorn Agricultural Group Limited” to “China Demeter Investments Limited” and the secondary name in Chinese of the Company from “東麟農業集團有限公司” to “中國神農投資有限公司”. The stock short names for trading in the Shares on the Stock Exchange has been changed from “ORI UNICORN” to “CH DEMETER INV” in English and from “東麟農業” to “中國神農投資” in Chinese, both with effective from 13 July 2015. The stock code of the Company on the Stock Exchange will remain unchanged as “8120”. In addition, the website of the Company changed from [www.irasia.com/listco/hk/orientalunicorn/index.htm](http://www.irasia.com/listco/hk/orientalunicorn/index.htm) to [www.chinademeter.com](http://www.chinademeter.com) to reflect the Change of Company Name.

It is considered that the Change of Company Name can better reflect and emphasize the extension of the business focus from feedstock products and animal husbandry businesses to other investment areas. The new company name will provide the Company a better identification and strengthen the Company’s corporate image.

## Prospect

Going forward, the Group will focus efforts on expanding its money lending business and food and beverage business acquired during the period. The Group will continue to invest in the prosperous money lending business in Hong Kong, to expand its sources of income through its money lending business. The Group is also optimistic about the food and beverage market and will take a flexible and cautious approach to the operation of food and beverage business by formulating our business strategies based on the market development and actively exploring new business so as to continue to make huge profits for the Group. For the processing and sales of food products business, the Group will continue to seek business and investment opportunities with a view to providing growth potential of the Group and bringing higher returns to the Shareholders.

Riding on its intrinsic strength, the Group will continue to build on and reinforce its strength by identifying potential investment opportunities in the market to grasp any potential business opportunities and expand its business scopes, in order to add new impetus to the Group. In addition, based on its foresight of various business markets, the Group will allocate more resources to the business with sustainable growth potential, and implement development strategy in a timely manner, such as disposal of loss-making business due to the uncertainties of the market. The board of directors is of the view that with the Group's solid foundation and extensive experience of a professional management team, it is well positioned to achieve better results and further enhance its market position, thus creating more fruitful returns for shareholders.

## Interim Dividend

The Directors of the Company do not recommend the payment of any interim dividend in respect of the nine months ended 30 September 2015 (30 September 2014: Nil).



## OTHER INFORMATION

### SHARE OPTION SCHEMES

The Company's New Share Option Scheme (the "2013 Share Option Scheme") was adopted pursuant to an ordinary resolution passed by the Company's shareholders at the extraordinary general meeting of the Company held on 30 September 2013. Under the 2013 Share Option Scheme, the Company may grant options to eligible persons, including Directors and directors of the subsidiaries of the Company, to subscribe for the shares.

The total number of shares which may be issued upon exercise of all options which may be granted under the 2013 Share Option Scheme and options which may be granted under any other share option schemes of the Company shall not exceed 10% of the total number of shares in issue on 30 September 2013 unless the Company obtains a refresh approval from its shareholders. Options lapsed in accordance with the terms of the 2013 Share Option Scheme or any other share option schemes of the Company under which such options are granted, as the case may be, shall not be counted for the purpose of calculating whether the limit has been exceeded. The 10% general limit was refreshed after the passing of the ordinary resolution by the shareholders at the annual general meeting dated 15 May 2015 on the basis of 1,643,893,750 shares in issue on that date. After the refreshment, the maximum number of new shares which may be issued upon exercise of all share options that may be granted under the 10% general limit so refreshed is 164,389,375.

The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2013 Share Option Scheme and options which may be granted and yet to be exercised under any other share option schemes of the Company (or the subsidiary) shall not exceed 30% of the total number of shares in issue from time to time. No options may be granted under any share option schemes of the Company (or the Subsidiary) if this will result in the limit being exceeded.

The 2013 Share Option Scheme will remain in force for a period of ten years commencing from 30 September 2013.

The subscription price in respect of any particular option shall be such price as determined by the Board in its absolute discretion at the time of the grant of the relevant option but in any case the subscription price shall not be less than the higher of (i) the closing price of the shares as stated in the daily quotations sheet of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of grant, which must be a trading day; (ii) the average closing price of the shares as stated in the daily quotations sheets of the Stock Exchange for the five trading days immediately preceding the date of grant; or (iii) the nominal value of a share.

## SHARE OPTION SCHEMES (CONT'D)

The purpose of the 2013 Share Option Scheme is to encourage the participants, including employees, business associates and trustees, to perform their best in achieving the goals of the Group and at the same time allow the participants to enjoy the results of the Company attained through their efforts and contributions and to provide the participants with incentives and help the Company in retaining its existing employees and recruiting additional employees.

Share options to subscribe for up to 122,200,000 shares were granted to directors, employees and other eligible persons on 12 August 2014. As at 30 September 2015, share options to subscribe for up to 120,900,000 remained outstanding. No share option had been exercised under the scheme for the period ended 30 September 2015.

Details of the share options granted by the company under the 2013 Share Option Scheme and the movement of the share options during the period were shown as follows:

Name of Grantee	Date of Grant	Exercisable Period	Subscription Price per Share	Outstanding as at 1 January 2015	Granted during the Period	Exercised or Lapsed during the Period	Outstanding as at 30 September 2015
<i>Directors:</i>							
Mr. Zhou Jing	12 August 2014	12 August 2014 to 11 August 2016	HK\$0.1104	13,000,000	-	-	13,000,000
Mr. Lam Chun Kei	12 August 2014	12 August 2014 to 11 August 2016	HK\$0.1104	13,000,000	-	-	13,000,000
Mr. Lin Chuen Chow Andy	12 August 2014	12 August 2014 to 11 August 2016	HK\$0.1104	1,300,000	-	-	1,300,000
Mr. Lee Kin Fai	12 August 2014	12 August 2014 to 11 August 2016	HK\$0.1104	1,300,000	-	-	1,300,000
Ms. Cheng Lo Yee	12 August 2014	12 August 2014 to 11 August 2016	HK\$0.1104	1,300,000	-	-	1,300,000
Sub-total				29,900,000	-	-	29,900,000
Employees	12 August 2014	12 August 2014 to 11 August 2016	HK\$0.1104	26,000,000	-	-	26,000,000
Sub-total				26,000,000	-	-	26,000,000

## SHARE OPTION SCHEMES (CONT'D)

Name of Grantee	Date of Grant	Exercisable Period	Subscription Price per Share	Outstanding as at 1 January 2015	Granted during the Period	Exercised or Lapsed during the Period	Outstanding as at 30 September 2015
<i>Other eligible persons:</i>							
Consultants	12 August 2014	12 August 2014 to 11 August 2016	HK\$0.1104	52,000,000	-	-	52,000,000
Director of a subsidiary	12 August 2014	12 August 2014 to 11 August 2016	HK\$0.1104	13,000,000	-	-	13,000,000
Sub-total				65,000,000	-	-	65,000,000
Grand Total				120,900,000	-	-	120,900,000

## PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's bye-law or the laws of Bermuda which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

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

During the period ended 30 September 2015, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities or the securities of the Company's subsidiaries.

## MANAGEMENT CONTRACT

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or in existence during the period ended 30 September 2015.

## DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance to which the Company or its subsidiaries was a party and in which a Director had a material interest subsisted at the end of the period or at any time during the period.

## DIRECTORS' AND CHIEF EXECUTIVES' INTEREST IN SECURITIES OF THE COMPANY

As at 30 September 2015, the interests and short positions of each of the Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("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 taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Name of Director	Nature of interest	Number of underlying Shares (Note 2)	Approximate percentage of interest (Note 1)
Mr. Zhou Jing	Beneficial owner	13,000,000	0.79%
Mr. Lam Chun Kei	Beneficial owner	13,000,000	0.79%
Mr. Lin Chuen Chow Andy	Beneficial owner	1,300,000	0.08%
Mr. Lee Kin Fai	Beneficial owner	1,300,000	0.08%
Ms. Cheng Lo Yee	Beneficial owner	1,300,000	0.08%

### Notes:

1. The percentage shareholding in the Company is calculated by reference to the number of Shares in issue as at 30 September 2015, that is, 1,643,893,750 Shares.
2. Based on the notice of disclosure of interests of each respective Director filed with the Stock Exchange on 11 February 2015, these Shares represent underlying Shares with an exercise period from 12 August 2014 to 11 August 2016 and can be exercised at the exercise price of HK\$0.11 per Share.

Save as disclosed above, as at the 30 September 2015, none of the Directors and chief executive of the Company had any interest and 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 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 taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

## DIRECTORS' RIGHTS TO ACQUIRE SHARE OR DEBENTURES

Save as disclosed under the section headed "Directors' and Chief Executives' Interests in Securities of the Company" and "Share Option Schemes", at no time during the period was the Company or any of its holding companies or subsidiaries a party to any arrangements which enabled the Company's Directors, 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.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 September 2015, so far as is known to the Directors, the following person, other than a director or chief executive of the Company, had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company:

### Long position

Name of Shareholder	Nature of Interest	Number of Existing Shares	Approximate percentage of interest (Note)
China Culiangwang Beverages Holdings Limited	Beneficial owner	343,000,000	20.87%

*Note:* The percentage shareholding in the Company is calculated by reference to the number of Shares in issue as at 30 September 2015, that is, 1,643,893,750 Shares.

Save as disclosed above, as at 30 September 2015, so far as is known to the Directors, there was no other person who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or had a direct or indirect interests amounting to 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any members of the Group.

## DIRECTORS' INTERESTS IN A COMPETING BUSINESS

As at 30 September 2015, save that Mr. Lee Kin Fai, an independent non-executive Director, is an independent non-executive director of First Credit Finance Group Limited (Stock Code: 8215), a company listed on GEM and principally engaged in money lending business in Hong Kong, which may compete with the Group's money lending business, none of the Directors nor their respective associates had any business which competes or may compete with the business of the Group.

## CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding securities transactions by the Directors.

The Company has made specific enquiry to all Directors and the Directors have confirmed that they have complied with all the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules during the period ended 30 September 2015.

## CORPORATE GOVERNANCE CODE

During the period ended 30 September 2015, the Company has adopted and complied with the code provision (the "Code Provision") as set out in the "Corporate Governance Code" contained in Appendix 15 (the "Code") of the GEM Listing Rules except for Code Provision A.2.1 in respect of the role separation of chairman and chief executive officer.

The deviation from the Code Provisions will be explained below. The Company aims to comply with all the Code Provision and will review and update the current practices of the corporate governance regularly in order to achieve the aims.

The Code Provision A.2.1 requires the position of the chairman and the chief executive officer be held separately by two individuals to ensure their independence, separate accountability and responsibilities. The chairman of the Company is responsible for the overall leadership of the Company and for strategies and planning of the Group. The chief executive officer is responsible for the day-to-day management of the Group's business and operations.

Mr. Zhou Jing assumes the role of both the chairman of the Board and the chief executive officer of the Company. The Board believes that vesting both the roles of chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions.

## **AUDIT COMMITTEE**

The audit committee of the Company consists of three independent non-executive Directors, namely, Mr. Lee Kin Fai, Ms. Cheng Lo Yee and Mr. Hung Kenneth with written terms of reference in compliance with the Rule 5.28 to 5.33 to the GEM Listing Rules. The audit committee has reviewed the third quarterly results for the nine months ended 30 September 2015.

On behalf of the Board  
**China Demeter Investments Limited**  
**Zhou Jing**  
*Chairman and Chief Executive Officer*

Hong Kong, 13 November 2015

*As at the date of this report, the Board comprises two executive Directors, namely, Mr. Zhou Jing and Mr. Lam Chun Kei; one non-executive Director, namely Mr. Lin Chuen Chow Andy; and three independent non-executive Directors, namely Mr. Lee Kin Fai, Ms. Cheng Lo Yee and Mr. Hung Kenneth.*

*This report will appear on the GEM website ([www.hkgem.com](http://www.hkgem.com)) for at least seven days after the date of publication and on the website of the Company at [www.chinademeter.com](http://www.chinademeter.com).*