Summi®
森美

天溢果業控股有限公司
Tianyi Fruit Holdings Limited

(incorporated in the Cayman Islands with limited liability)

Stock Code: 00756

Contents

Corporate Information

Directors

Executive Directors

Mr. Sin Ke *(Chairman)*
Mr. San Kwan

Independent Non-Executive Directors

Mr. Zhuang Xueyuan
Mr. Zhuang Weidong
Mr. Tu Zongcai (resigned on 1 September 2011)
Mr. Zeng Jianzhong (appointed on 1 September 2011)

Company Secretary

Ms. Chan Ling *HKICPA*

Authorised Representatives

Mr. San Kwan
Ms. Chan Ling *HKICPA*

Audit Committee

Mr. Zhuang Xueyuan *(Chairman)*
Mr. Zhuang Weidong
Mr. Tu Zongcai (resigned on 1 September 2011)
Mr. Zeng Jianzhong (appointed on 1 September 2011)

Remuneration Committee

Mr. Sin Ke *(Chairman)*
Mr. Zhuang Weidong
Mr. Zhuang Xueyuan

Nomination Committee

Mr. Sin Ke *(Chairman)*
Mr. Zhuang Weidong
Mr. Tu Zongcai (resigned on 1 September 2011)
Mr. Zeng Jianzhong (appointed on 1 September 2011)

Head Office and Principal Place of Business in Hong Kong

Suite 2311
Tower One
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

Registered Office

Clifton House
75 Fort Street
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

Auditors

KPMG

Legal Advisors as to Hong Kong Laws

Loong & Yeung

Principal Bankers

Industrial and Commercial Bank of China (Asia) Limited
The Hongkong and Shanghai Banking Corporation Limited
Agricultural Bank of China, Quanzhou branch
Quanzhou City Commercial Bank

Share Registrar in Hong Kong

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Share Registrar and Transfer Office in Cayman Islands

Appleby Trust (Cayman) Limited
Clifton House
75 Fort Street
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

Company Website

www.tianyi.com.hk

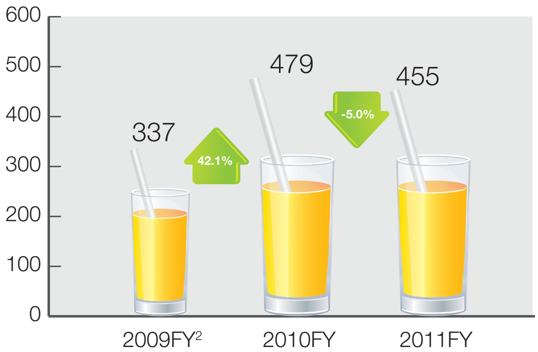
Financial Summary

For the year ended 30 June

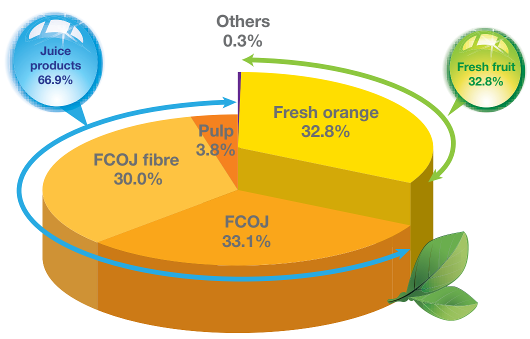
	2011FY RMB'000	2010FY RMB'000	Change %
Revenue	**455,185**	479,333	-5.0%
Gross profit[1]	**258,606**	264,476	-2.2%
Net profit	**153,768**	158,246	-2.8%
Profit attributable to shareholders	**153,768**	156,553	-1.8%
Earnings per share — basic	**RMB0.15**	RMB0.16	-6.3%
Dividend per share	**Nil**	HK1.50 Cents	N/A

Revenue

(RMB: mn)

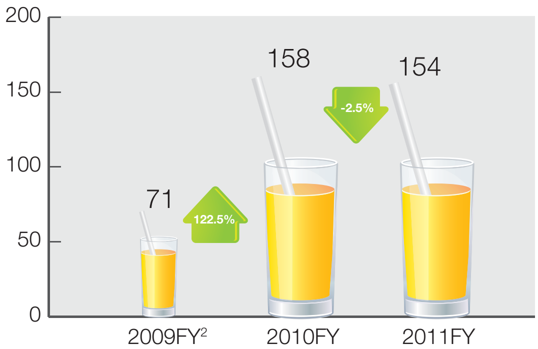


Revenue breakdown



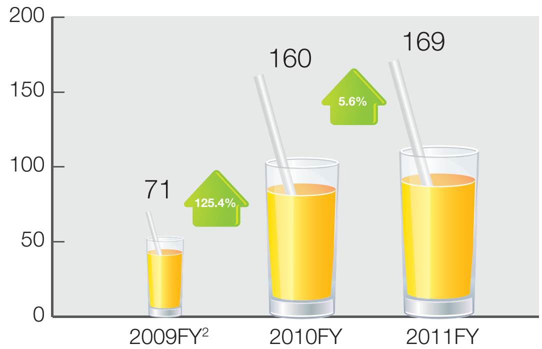
Net Profit

(RMB: mn)



Net Profit
(excluding interest expense arising from convertible bonds)

(RMB: mn)



Notes:

1. Gross profit is stated as gross profit before fair value adjustments of biological assets, i.e. including the gross profit of our own farm grown oranges (please see note 3 to the consolidated financial statements on page 59 for details).

2. For the year ended 30 June 2009.

Chairman's Statement

Dear Shareholders,

I am pleased to present to our shareholders (the "Shareholders") the annual report of Tianyi Fruit Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") for the financial year ended 30 June 2011.

With the recovery of global economy, the international prices of frozen concentrated orange juice ("FCOJ") have gradually returned to their normal level from historical lows. The demand for orange juice beverages in the China market continued to grow, while there was a short supply of premium domestic-produced FCOJ. Against such a backdrop, the Group has achieved rapid growth since its listing on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in 2008. Since the listing, the Group's FCOJ production capacity doubled and product portfolio expanded with the development of a variety of new products. Within these three years, the Group realized a double increase in its profit. The Group will focus on the production of the FCOJ and strive to build the number 1 FCOJ brand "Summi" in the PRC.

In 2010, the adverse weather conditions including droughts, floods and storms in southern China had severe impact on the output of oranges in the region. Together with significant upsurges in the prices of agricultural products as a result of the excess liquidity in China's economy, the prices of fresh oranges and oranges for processing rose substantially when compared with those of the previous year. Since oranges are the main raw materials for the Group's FCOJ production, and a substantial portion of these oranges for processing has to be sourced from external orange farms, the production volume and gross profit of the Group's FCOJ was affected by the decline in output of oranges and the rising costs of oranges. On the other hand, sales of the Group's own farm grown fresh oranges benefited from the price upsurge of fresh oranges.

The Group is one of the few companies operating with self-owned plantations in the PRC. The integrated business model ensures stable supply of raw materials for the Group's concentrated juice production business, while to certain extent reduces the adverse effects of increase in raw material prices. The Group operated approximately 71,000 mu of orange farms during the 2011 financial year, of which approximately 21,000 mu with high yield species for orange processing are expected to become productive in 2013. The Group plans to substantially expand the size of its self-operated farms by phases in Kai Country, Chongqing. Meanwhile, the Group is actively seeking sizable enterprises as targets for acquisition so as to speed up its expansion and strengthen control over supply of raw materials, and to further realize the future development objectives.

The PRC government has been providing substantial support to the development of the agricultural industry and related industries. The Group has been exempted from the PRC corporate income tax for its FCOJ production business and other related business starting from 1 January 2011.

Looking ahead, the Group is very optimistic about its prospects in the forthcoming financial year. The directors of the Company (the "Directors") estimate that there will be a substantial increase in raw material supply at the end of 2011. As such, the capacity utilization rate will be increased for the sufficient supply of raw materials. The Group believes that China's fruit juice beverage market will continue to grow and the demand for FCOJ will remain strong. In addition to its continue focus on product quality and new product development while exploring various cooperation projects, the Group will capture new opportunities to further expand its operation for better profitability and return on assets, which ultimately generates higher return for its shareholders.

On behalf of the board of Directors (the "Board"), I would like to express my warmest thanks to the management and employees for their unswerving dedications and contributions. I would also like to extend my sincere gratitude to all our Shareholders and investors for their trust and support.

Sin Ke
Chairman

Hong Kong, 23 September 2011

Business Review

Overview

The Group is principally engaged in processing and selling of FCOJ, its related products and fresh oranges. FCOJ is a primary raw material for production of orange juice beverages. According to the statistics issued by the China Beverage Industry Association (中國飲料工業協會), the Group is one of the leading producers in the FCOJ industry in China in terms of production quantity.

With China's rapid economic development, increase in disposable income and acceleration in urbanization, the fruit juice beverage market in China maintains its strong growth. As orange juice belongs to the largest fruit juice beverage category, domestic demand for FCOJ has been robust. The FCOJ manufacturing industry in China is just in the initial stage of its development. The industry started to take shape only in this decade. Compared to international FCOJ processors, a majority of FCOJ processors in China are relatively small in terms of production capacity and actual output. China still primarily relies on imports of FCOJ to meet its strong domestic demand. This enables the domestic FCOJ industry to grow and develop.

The Group is one of the few local suppliers providing FCOJ to world's leading beverage manufactures in China. Quality of the Group's products has been accredited by world's leading beverage manufactures. The Group also has price advantage over its overseas competitors. Its products are in high demand. The Directors believe that the Group's extensive experience and expertise in FCOJ production accumulated in the past 18 years is one of the main factors to maintain solid relationship with its world-class customers.

Products

The Group adopts an integrated business model. During the reporting period, the Group operated orange farms with a total area of approximately 71,000 mu in Fujian province and Chongqing*. The Group's own farm grown oranges of premium grade are sold as fresh fruit, while oranges of lower grade are used in the production of FCOJ and other related products. In addition to the Group's self-operated farms, the Group also purchases oranges from local farmers for processing FCOJ and other related products.

FCOJ is a primary raw material for the production of orange juice beverages. The Group sells FCOJ to beverage manufactures who use it in the production of different types of orange juice drinks. The most popular juice drinks in the fruit juice beverage market in China is orange juice drinks which contain less than 25% pure orange juice. The Directors believe that with the increase in purchasing power and improvement in living standard in China, demand in juice drinks is to shift from low percentage beverages to higher percentage orange juice drinks and even, to 100% pure orange juice. This trend will be beneficial to increasing the demand for FCOJ.

Since 2010, the Group has been providing FCOJ fiber to certain major beverage manufacturers. FCOJ fiber is a mix of FCOJ and orange pulp. Beverage manufacturers can use it to produce orange juice with pieces of orange pulp, which has received tremendous popularity in China. This type of beverage is now on the top list of orange juice drinks in China in terms of sales volume.

* *Note:* In the harvest season during November and December 2010, the Group's own farms grown oranges were collected from the approximately 50,000 mu orange farms. Of the approximate 71,000 mu orange farms, 21,000 mu with new species that have the potential for higher yield are expected to become productive in 2013.

Management Discussion and Analysis

Production

During the year ended 30 June 2011, the Group had two production plants in Fujian province and one new plant in Chongqing, which have a total annual production capacity of 22,000 tonnes of FCOJ and 30,000 tonnes of FCOJ fiber. The Chongqing plant is currently the most advanced in terms of equipment and technology and the largest in China's FCOJ industry.

Financial Review

Overview

For the year ended 30 June 2011, sales of the Group decreased by approximately 5.0% to RMB455,185,000 from RMB479,333,000 in the previous financial year. The decrease in the Group's sales was mainly due to decline in the sales of fresh oranges. Profit attributable to equity shareholders of the Company for the year ended 30 June 2011 slightly decreased by approximately 1.8% to RMB153,768,000 as compared to last year.

Sales

Sales of the Group's concentrated fruit juice products, comprising FCOJ, FCOJ fibre and orange pulp, increased by approximately 6.0% from RMB288,979,000 for the year ended 30 June 2010 to RMB306,343,000 for the year ended 30 June 2011 and accounted for approximately 67.0% of the Group's total revenue for the year ended 30 June 2011. Each of FCOJ, FCOJ fibre and orange pulp accounted for about 49.7%, 44.7% and 5.6% respectively of the revenue from concentrated fruit juice products. The growth in revenue was primarily attributable to the increase in the Group's average selling prices of FCOJ, FCOJ fibre and orange pulp. The average selling price of FCOJ for the year ended 30 June 2011 increased from RMB11,900 per tonne in the year ended 30 June 2010 to RMB17,234 per tonne, representing a 44.8% growth. The average selling price of FCOJ fibre during the year ended 30 June 2011 rose from RMB6,867 per tonne in the year ended 30 June 2010 to RMB7,354 per tonne, representing approximately a 7.1% increase.

Sales of the Group's fresh oranges for the year ended 30 June 2011 declined by approximately 19.1% from RMB184,791,000 for the year ended 30 June 2010 to RMB149,534,000, accounted for approximately 32.7% of the Group's total revenue. Such decrease was primarily attributable to the significant decline in the production volume of own farm grown oranges as a result of adverse weather conditions. The actual sales volume of fresh oranges reduced by approximately 21.1% as compared to that of the year ended 30 June 2010. Despite a substantial rise in the selling prices of fresh oranges, such increase could not fully offset the adverse impact of reduced production volume. During the year ended 30 June 2011, the average selling price of fresh oranges surged by approximately 34.9% from RMB1,712 per tonne for the year ended 30 June 2010 to RMB2,310 per tonne.

Cost of Sales

Cost of sales rose from RMB293,807,000 for the year ended 30 June 2010 to RMB313,908,000 for the year ended 30 June 2011, representing an increase of approximately 6.8%. The increase in cost of sales was mainly due to the rise in raw material costs.

The Group's cost of sales primarily consists of the cost of oranges that is used for either the production of concentrated orange juice products and as fresh oranges for wholesale. There are two types of oranges used by the Group: its own farm grown oranges and purchased oranges. In accordance with the relevant accounting policies, the Group's own farm grown oranges are treated as biological assets at the time of harvest. The value representing the difference between the fair value (i.e. market value at harvest) and the cultivation costs of these oranges (i.e. the gross profit of the Group's own farm grown oranges) is recognized as "gain from changes in fair value of biological assets" in the consolidated income statement at the time of harvest. The market value is then recognized as cost of sales when the oranges are removed from the inventory for either producing FCOJ or being sold as fresh fruit. This effectively overstates the reported cost of sales by an amount equivalent to the gross profit of the Group's own farm grown oranges.

Gross Profit

For the reason discussed in the previous paragraph, the reported gross profit of the Group in the consolidated income statement does not include the gross profit of its own farm grown oranges. For a better illustration of the Group's overall gross profit, we will use the Group's gross profit for reportable segments (i.e. the gross profit before adjustments of fair value of biological assets) as a substitute for discussion here (please see note 3 to the consolidated financial statements on page 59 for details).

Gross profit for reportable segments reduced from RMB264,476,000 for the year ended 30 June 2010 to RMB258,606,000 for the year ended 30 June 2011, representing a decrease of approximately 2.2%. Overall gross margin increased from 55.1% to 56.6%.

Gross margin of FCOJ declined mainly due to the considerable increase in production cost resulting from upsurge in raw material costs. Moreover, the increase in the price of oranges for processing was greater than that of the selling price of products as a result of the time lag between the increase in raw material costs and the adjustment in the selling price of finished products. However, as part of the oranges used for processing were from the Group's own farms and that portion of oranges for processing, due to price upsurge, had brought additional gross profit contribution to the Group.

Other Revenue

Among other revenue, finance income rose by approximately 416.1% year on year to RMB4,609,000 for the year ended 30 June 2011. Of the finance income, interest income was mainly from a pledged deposit of RMB117,800,000 of the Group during the year ended 30 June 2011.

Distribution Costs

Distribution costs decreased by approximately 1.3% year on year to RMB24,288,000 for the year ended 30 June 2011, primarily due to lower transportation costs as a result of decreased sales. Personnel expenses relating to sales and marketing also decreased by approximately 11.3% from RMB2,088,000 in the year ended 30 June 2010 to RMB1,852,000 for the year ended 30 June 2011, mainly due to the decrease in expenses incurred in the recognition of options expenses to employees during the year ended 30 June 2011.

Administrative Expenses

Administrative expenses increased by approximately 15.8% year on year to RMB52,540,000 for the year ended 30 June 2011. The increase was primarily attributable to the full operation of the new production plant in Kai county, Chongqing and increase in wages in China. Personnel expenses increased by approximately 9.6% to RMB27,175,000.

Finance Costs

Finance costs rose by approximately 926.1% year on year to RMB18,450,000 for the year ended 30 June 2011. Such increase was primarily due to increase in accrued interest expenses, including accrued convertible bond interest of RMB15,332,000 (should the convertible bonds be fully converted into shares of the Company in 2012, the Company does not need to account for such an interest expense) and interest of bank loans of RMB4,244,000.

Income Tax

Effective income tax rate decreased from approximately 18.6% in the year ended 30 June 2010 to approximately 7.2% for the year ended 30 June 2011. The main reason was that the Group was granted income tax exemption by the relevant PRC tax authorities during the year in accordance with the relevant favourable agricultural policies. Apart from the amount of income tax prepaid during the reporting period, the Group is exempted from corporate income tax for its orange juice processing business since 1 January 2011. Since the Group has already been exempted from corporate income tax for its fresh orange cultivation and sales business, the Group has, starting from 1 January 2011, not been subject to any corporate income tax of its business (please see note 6(a) to the consolidated financial statements on page 64).

Profit Attributable to Equity Shareholders

Profit attributable to equity shareholders decreased by approximately 1.8% year on year to RMB153,768,000 for the year ended 30 June 2011.

Liquidity and Financial Resources

Liquidity, Financial Resources and Capital Structure

The Group's working capital and other capital requirements were principally from operations and cash at hand.

As at 30 June 2011, the Group had cash and cash equivalents of RMB555,996,000, total bank loans of RMB119,290,000, and outstanding convertible bonds of RMB141,626,000, as compared to RMB429,074,000 of cash and cash equivalents, RMB5,100,000 of total bank loans and RMB133,489,000 of outstanding convertible bonds as at 30 June 2010. An amount of RMB114,190,000 of bank loans was secured by cash deposited in offshore bank accounts. The secured bank loan of RMB5,100,000 was an interest-free entrusted bank loan granted by a local finance bureau of the PRC.

As at 30 June 2011, the gearing ratio (total debt including convertible bonds/total equity) of the Group was approximately 33.1% as compared to approximately 21.9% as at 30 June 2010. The current ratio (current assets/current liabilities) was 2.5 times as compared to 23.7 times as at 30 June 2010.

Analysis of Turnover of Inventories, Trade Receivables and Trade Payables

The Group's inventories primarily consist of finished FCOJ products. Inventory turnover days (inventories/cost of sales) were 9.2 days as at 30 June 2011 as compared to 5.6 days as at 30 June 2010. Increase in inventory was due to the expectation of an improved harvest of oranges at the end of the year, and more stocks of ingredients are required to meet FCOJ production expansion in the next financial year. Turnover days for trade receivables (trade receivables/revenue) were 35.1 days as at 30 June 2011 as compared with 27.8 days as at 30 June 2010. Turnover days for trade payables (trade payables/cost of sales) were 9.5 days as at 30 June 2011 as compared with 13.0 days as at 30 June 2010.

Contingent Liabilities

As at 30 June 2011, the Group did not have any significant contingent liabilities.

Capital Expenditure

During the year ended 30 June 2011, the Group's capital expenditure amounted to RMB34,106,000 as compared to RMB48,157,000 during the same period in 2010. The capital expenditure was used in the acquisition of property, plant and equipment.

Pledge of Assets

As at 30 June 2011, the Group had offshore pledged bank deposits of RMB117,800,000 for the bank loan of RMB114,190,000 and pledged bank deposits of RMB5,100,000 to secure interest-free bank loan of RMB5,100,000 from the PRC government. As at 30 June 2010, bank deposits of RMB5,100,000 were pledged to secure an interest-free bank loan of the same amount from the PRC government.

Foreign Exchange Exposure

The Group's sales and purchases were denominated in RMB. Therefore, the Group is not exposed to any significant foreign currency exchange risks and the Board does not expect any material impact on the Group's operations as a result of any future currency fluctuations. No financial instruments have been employed by the Group for hedging purposes during the reporting period.

Material Acquisitions and Disposal of Subsidiaries and Associated Companies

During the reporting period, there was no material acquisition and disposal of subsidiaries and associated companies by the Company.

Final Dividend

The Directors did not recommend the payment of a final dividend for the year ended 30 June 2011 (a final dividend of HK$0.015 per share was recommended for the year ended 30 June 2010).

Human Resources

As at 30 June 2011, the Group employed approximately 782 employees (30 June 2010: 740 employees). The Group offered competitive remuneration package, discretionary bonuses and social insurance benefits to its employees. Employees are entitled to be granted share options under the Company's share option scheme. The share option scheme has been put in place to incentivize employees, and to encourage them to work towards enhancing the value and promoting the long-term growth of the Group.

Prospects

Looking ahead, the demand for concentrated orange juice products will continue to grow in the China market. However, the existing production capacity of the Group is still insufficient to meet such growing demand. In light of this, the Group will continue to expand: it will ensure raw material supply through substantially increasing self-owned plantation and enhancing the yield, as well as actively seeking processing facilities with orange plantations for acquisition. All this will enable the Group to increase its production volume to meet the upward cycle of the market, and the Group plans to further consolidate its market position through:

- **Acceleration of capacity expansion:** There is strong demand for FCOJ and FCOJ fiber in China. While China relies on imports to satisfy its domestic demand for FCOJ, no foreign source of supply is available to meet China's demand for FCOJ fiber. As premium FCOJ and its related products produced in China are in short supply, the Group plans to grasp business opportunities by accelerating its production capacity expansion through merger and acquisition to meet market demand.

- **Continued broadening of source of raw material:** Securing sufficient raw material supply is one of the crucial factors in the production of concentrated orange juice. The Group has plans in place to substantially increase the size of its existing farms for cultivation, introduce high yield species, and also provide technical support to local farmers to ensure abundant supply of raw material as well as increase the productivity of orange trees.

- **New product development:** There is an increasing demand for tropical fruits and tropical fruit juice in China. Hainan Island is the major production area of tropical fruit in China. In order to meet market demand, the Group is actively looking for acquisition targets in Hainan Island, while evaluating the feasibility of establishing a plant in Hainan Island, so as to pave the way for creating a new profit center for the Group. In addition, the Group is also engaged in the research and development of high-end preserved fruit (a by-product with high profit margin), with the aim to fully utilize the residue generated during the course of FCOJ production. The Group is also exploring the development of distribution channels for its own end-products while avoiding creating any competition with its existing clienteles.

The Board expects a good harvest season in November 2011. Together with the expanded cultivation areas, capacity production, and strong demand, the Board is very optimistic about the Group's prospects in the coming financial year. The Board believes that there is still ample room for growth in the China's fruit juice and FCOJ beverage markets. The Company will strive to capture this opportunity to create value for its shareholders in the medium to long term.

Event Subsequent to the Reporting Period

Acquisition of 100% interest in Global One Management Limited

On 27 September 2011, Manwell (China) Limited, an indirectly wholly-owned subsidiary of the Company and Mr. Ngai Chi Hang entered into a sale and purchase agreement, pursuant to which Manwell (China) Limited had conditionally agreed to acquire, and Mr. Ngai Chi Hang had conditionally agreed to sell, the entire issued share capital of Global One Management Limited at the consideration of HK$390,000,000 to be satisfied by the issue and allotment of 177,272,727 new shares in the Company (the "Consideration Shares") to Mr. Ngai Chi Hang (or his nominee) at the issue price of HK$2.20 per Consideration Share within 10 business days after the completion of the sale and purchase agreement.

Through the aforesaid acquisition, the Company will acquire 100% interest of Global One Management Limited which indirectly holds 100% interest of Huaihua Oujing Fruits Limited in the PRC which is principally engaged in the processing and sale of fruits and vegetables with an annual capacity of 6,000 tones. After the acquisition, the Group's total capacity of FCOJ increased by 27.3% to 28,000 tones. For details, please refer to the announcements of the Company dated 27 September 2011.

Board of Directors and Senior Management

Directors and Senior Management

Executive Directors

Sin Ke (辛克), aged 50, is the chairman of the Board, the chief executive officer of the Company and an executive Director. Mr. Sin has been involved in managerial and supervisory role in the Group from its establishment in 1993. Through which, Mr. Sin has gained more than 18 years of experience in the frozen concentrate juice industry. From 1982 to 1993 he was involved in the sales, manufacturing and administration of beverage, health products and pharmaceutical products. He was appointed as the honorary chairman of the Fujian Sports United Association of Macau (澳門福建體育聯合會), the committee member of Hui'An Province Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議惠安縣委員會), the council member of the Beverage Industry Association of China (中國飲料工業協會), and the deputy chairman of the Fruit Trading Association of China (中國果品流通協會). Mr. Sin is the elder brother of Mr. San Kwan, an executive Director.

Mr. Sin is the director of Rich Anges Limited (裕佳有限公司), Sunshine Vocal Limited, Potel Limited (邦天有限公司), Manwell (China) Limited (萬華(中國)有限公司), Chongqing Shangguo Agriculture and Technology Co., Ltd (重慶尚果農業科技有限公司), Chongqing Tianbang Food Co., Limited (重慶天邦食品有限公司), Sanming Summi Food Co., Limited (三明森美食品有限公司) and Summi (Fujian) Food Co., Limited (森美(福建)食品有限公司) ("Summi (Fujian)"), all of which are wholly-owned subsidiaries of the Company.

Mr. Sin is also the director of Cheer Sky Limited (捷佳有限公司) ("Cheer Sky") and Key Wise Group Limited (建威集團有限公司) ("Key Wise"), all are companies having an interest in the shares of the Company.

Save as disclosed above, Mr. Sin did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

San Kwan (辛軍), aged 43, is an executive Director. He joined the Group as a director of Summi (Fujian) in March 2005. He is responsible for assisting the chairman and the chief executive officer of the Company in supervising the management of the Company. Mr. San Kwan is the younger brother of Mr. Sin Ke. From 1994 to 2006 he was the vice general manager of a company in Quanzhou, Fujian and was responsible for sales and marketing activities. Through which, Mr. San Kwan has gained experience in business.

Mr. San is also the director of Chongqing Tianbang Food Co., Limited (重慶天邦食品有限公司) and Summi (Fujian), both of which are wholly-owned subsidiaries of the Company.

Save as disclosed above, Mr. San did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

Independent non-executive Directors

Zeng Jianchong (曾建中), aged 52, is an independent non-executive Director. He joined the Group in September 2011. Mr. Zeng has been a director and the general deputy manager of SVXM Pharma Inc. (博分(廈門)醫藥研發有限公司) since April 2007, responsible for general management. Mr. Zeng has around 7 years experience in the food and beverage industry as he had been a deputy general manager of Xiamen Luquan Industries General Co. Ltd. (廈門綠泉實業總公司) ("Xiamen Luquan") from October 2001 to March 2007, during which, he also acted as a director and/or a manager in various food and beverage companies including Swire Coca-Cola Beverages Xiamen Limited (廈門太古可口可樂飲料有限公司), Xiamen Huari Foods Industrial Ltd (廈門華日食品有限公司) and Xiamen Huarong Food Company Limited (廈門華榮食品有限公司), a subsidiary of Xiamen Luquan. Prior to those, he worked in Xiamen Sanjuan Rihua Company Limited (廈門三圈日化有限公司) ("Xiamen Sanjuan"), a company principally engaged in household chemical products business for around 16 years. His last position with Xiamen Sanjuan was the deputy general manager and as a director and the general manager of its subsidiary, Xiamen Xinsanyang Industrial Limited (廈門新三陽實業有限公司). Mr. Zeng graduated from University of Xiamen (廈門大學) majoring in electro chemistry in July 1982. In January 1997, he completed his postgraduate course in Business Administration in the Postgraduate College of Xiamen University. He also obtained a degree of master in Business Administration from the University of Northern Virginia in June 2003.

Save as disclosed above, Mr. Zeng did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

Zhuang Weidong (莊衛東), aged 43, is an independent non-executive Director. He joined the Group in 2008. Mr. Zhuang graduated from the Agricultural College, Fujian (福建農學院) in 1991 specializing in planting of fruit trees and has served as a senior orchard gardener in Quanzhou Agricultural Science Research Centre (泉州市農業科學研究所) since 2003. He has received the Third Prize in the Technology Advance Award of Quanzhou City (泉州市科學技術進步三等獎) and the Second Prize in the Technology Award of Fujian Province (福建省科學技術二等獎).

Save as disclosed above, Mr. Zhuang did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

Zhuang Xueyuan (莊學遠), aged 48, is an independent non-executive Director. He joined the Group in 2008. Mr. Zhuang is a senior accountant accredited by the Assessing Panel of High Level Duties of Professional Accountants of Fujian Province (福建省會計專業人員高級職務評審委員會) in 2002. Mr. Zhuang had worked with Fujian Quanzhou Resources Group Company (福建泉州物資集團公司) from 1982 to 2000 where he had served as, among other roles, the accountant of the finance department in charge of the accounting issues of the company. Through which, Mr. Zhuang has gained about 18 years of experience in accounting and auditing. He has served as a manager and then as a director of State-owned Assets Investment Company Limited of Luo Jiang District of Quanzhou City (泉州市洛江區國有資產投資經營有限公司). He has also served as a director of Tang Xi Industrial Park Construction and Development Company Limited in Wan An Development Zone of Quanzhou City (泉州市萬安開發區塘西工業園建設開發有限公司), a supervisor of Luo Jiang Foreign Trade Company Limited (洛江區對外貿易有限公司) and a legal representative of He Shi Chemist at Luo Jiang District of Quanzhou City (泉州市洛江區河市醫藥店).

Board of Directors and Senior Management

Save as disclosed above, Mr. Zhuang did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

Senior Management

Hu Xu (胡旭), aged 48, is the chief financial officer of the Group. He joined the Group in November 2004 and is responsible for the financial and accounting management of the Group. Mr. Hu graduated from Jiang Xi Institute of Finance (江西財經學院) in 1986 and received his bachelor's degree in statistics. From 1986 to 1992, Mr. Hu taught at the Department of Management and Engineering of the Faculty of Building Materials of the Shanghai Tongji University (上海同濟大學建築材料學院管理工程系). From 1995 to 1999, Mr. Hu worked in an auditing firm in Zhuhai. From 1999 to 2003 he was a vice general manager of an industry enterprise and was in charge of financial, legal and management works.

Mr. Hu is also the director of Summi (Fujian), a wholly-owned subsidiary of the Company.

Save as disclosed above, Mr. Hu did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

Zhang Tuanqi (張團旗), aged 44, is the chief engineer of the Group. He joined the Group in October 2004 and is responsible for the production and technology of the Group. Mr. Zhang graduated from Xi'an Jiaotong University (西安交通大學) and received his bachelor degree in engineering. From 1992 to 2004, he served as a project supervisor for the work of project design in the Light Industry Department of the Xi'an Research Institute for Light Industrial Machinery Design (輕工部西安輕機設計研究所). From 2004 to 2005, Mr. Zhang was a manager in the food engineering department in the Xi'an Research Institute for Light Industrial Machinery Design.

Save as disclosed above, Mr. Zhang did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

Pan Qingsong (潘青松), aged 38, is the procurement controller of the Group. He joined the Group in September 2003 and is responsible for the procurement of the Group. Mr. Pan served as a procurement officer and then manager, in a food and oil trading company from 1990 to 2000. From 2000 to 2003, he was the chairman of a trading company in Quanzhou, Fujian. In 2001, he served as a vice chairman and a secretary general of Quanzhou Chamber of Commerce (Urumqi Branch) (泉州市商會烏魯木齊分會). In 2002, he served as a vice chairman of Fujian Chamber of Commerce (Xinjiang Branch) (福建商會新疆分會).

Save as disclosed above, Mr. Pan did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

Fu Lingling (富玲玲), aged 48, is the sales and marketing controller of the Group. She is responsible for the sales and marketing of the products. She joined the Group in March 2002. Ms. Fu graduated from Guizhou University for Nationalities (貴州民族學院) and received her bachelor degree in history in 1990. From 1996 to 2002, Ms. Fu was a sales manager of a Shanghai company.

Save as disclosed above, Ms. Fu did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

Report of the Directors

The Directors presents their report together with the audited financial statements of the Group for the year ended 30 June 2011.

Principal Activities

The principal activity of the Company is investment holding and the activities of its subsidiaries are set out in note 16 to the consolidated financial statements. There were no significant change in nature of the Group's activities during the reporting period.

Results

The results of the Group for the year ended 30 June 2011 are set out in the consolidated income statements.

Major Customers and Suppliers

For the year ended 30 June 2011, the aggregate purchases attributable to the Group's largest supplier and the five largest suppliers in aggregate accounted for 13.7% and 38.9% respectively of the Group's total purchases for the reporting period. Revenue attributable to the Group's largest customer and the five largest customers in aggregate accounted for 23.2% and 50.2% respectively of the Group's total revenue for the reporting period.

None of the Directors or any of their associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any interest in the Group's five largest customers and suppliers.

Property, Plant and Equipment

Details of movements in the property, plant and equipment of the Group during the reporting period are set out in note 12 to the consolidated financial statements.

Share Capital

Details of movements during the reporting period in the share capital of the Company are set out in note 28(c) to the consolidated financial statements.

Reserves

Details of movements in the reserves of the Group during the reporting period are set out in the consolidated statement of changes in equity.

As at 30 June 2011, the Company had reserves available for distribution of RMB156,520,000 (2010: RMB138,548,000).

Directors

The Directors during the reporting period and up to the date of this report were:

Executive Directors

Mr. Sin Ke
Mr. San Kwan

Independent Non-Executive Directors

Mr. Zhuang Xueyuan
Mr. Zhuang Weidong
Mr. Tu Zongcai (resigned on 1 September 2011)
Mr. Zeng Jianzhong (appointed on 1 September 2011)

In accordance with Article 108(a) of the Articles of Association, at each annual general meeting, at least one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. Accordingly, Mr. Zhuang Xueyuan and Mr. Zhuang Weidong will retire from office as Directors, being eligible, will offer themselves for re-election at the forthcoming annual general meeting of the Company. Mr. Zeng Jianzhong, as appointed as a Director to fill the vacancy left by the resignation of Mr. Tu Zongcai, will hold office as a Director until the forthcoming annual general meeting of the Company, being eligible, will offer himself for re-election at the meeting in accordance with Article 112 of the Articles of Association.

Change of Independent Non-executive Director and Member of the Audit Committee and Nomination Committee

Mr. Tu Zongcai resigned as an independent non-executive Director due to the need to focus on his other businesses and Mr. Zeng Jianzhong has been appointed and replaced him as an independent non-executive Director and member of the audit committee and nomination committee of the Company with effect from 1 September 2011. For details of the appointment and resignation, please refer to the announcement of the Company dated 1 September 2011.

Board of Directors and Senior Management

Biographical details of the Directors and senior management of the Group are set out on pages 12 to 15 of this annual report.

Directors' Service Contracts

Each of the executive Directors has entered into a service contract with the Company for a fixed term of 3 years unless terminated by not less than 3 months' notice in writing served by either party on the other.

Each of the independent non-executive Directors namely, Mr. Zhuang Xueyuan, Mr. Zhuang Weidong and Mr. Zeng Jianzhong has respectively entered into a service contract with the Company, unless terminated by not less than 3 months' notice in writing served by either party on the other. The contracts with Mr. Zhuang Xueyuan and Mr. Zhuang Weidong are for a term of 2 years while the contract with Mr. Zeng Jianzhong is for a term of 1 year.

None of the Directors, including those to be re-elected at the forthcoming annual general meeting, has a service contract which is not determinable by the Company within one year without the payment of compensation (other than statutory compensation).

Emolument policy

A remuneration committee has been set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance and comparable market practices.

In order to attract and retain high quality talents to ensure smooth operation and cater for the Group's constant expansion, the Group offers competitive emuneration packages, with reference to market conditions and individual qualifications and experience.

The Company has adopted a share option scheme as incentive to Directors and eligible employees, details of the scheme are set out in the section headed "Share Option Scheme" below.

Remuneration of Directors and five individuals with highest emoluments

Details of the emoluments of the Directors and five individuals with highest emoluments are set out in notes 7 and 8 to the consolidated financial statements.

Interests and short positions of the Directors in Shares, underlying Shares and debentures of the Company and its associated corporations

As at 30 June 2011, interests 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 Securities and Futures Ordinance ("SFO")) held by the Directors and chief executives of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Appendix 10-Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") under the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") are as follows:

1. Interests and short position in the Shares

Name of Directors	Capacity/Nature	No. of Shares	Percentage of issued share capital of the Company (Approximately)
Mr. Sin Ke ("Mr. Sin")	Interest of controlled corporation (Note 2)	555,608,145 (L)	54.43%
Mr. San Kwan ("Mr. San")	Beneficial owner	2,600,000 (L)	0.25%

2. Interests and short position in the underlying Shares

Name of Directors	Capacity/Nature	No. of underlying Shares	Percentage of issued share capital of the Company (Approximately)
Mr. Sin	Beneficial owner (Note 3)	6,000,000 (L)	0.59%
Mr. San	Beneficial owner (Note 3)	5,400,000 (L)	0.53%

Notes:

1. The letters "L" denote a long position in the Shares.
2. Mr. Sin beneficially owned 51% interest in Cheer Sky which beneficially owned 49% interest in Key Wise. Therefore, Mr. Sin was deemed, or taken to be, interested in the 555,608,145 Shares held by Key Wise under the SFO.
3. Interests in the options granted on 18 November 2008 under the share option scheme of the Company. For further details, please refer to the below section headed "Share Option Scheme".

3. Long position in the ordinary shares of associated corporations

Name of Director	Name of the associated corporation	Capacity/Nature	No. of shares held	Percentage of interest
Mr. Sin	Key Wise	Interest of controlled corporation and interest of spouse	100,000	100%

Note: Mr. Sin beneficially owned 51% interest in Cheer Sky which beneficially owned 49% interest in Key Wise. Ms. Hong Man Na, the spouse of Mr. Sin, beneficially owned 51% interest in Key Wise. Therefore, Mr. Sin was deemed, or taken to be, interested in all the shares in Key Wise which were owned by Cheer Sky and Ms. Hong Man Na under the SFO.

Save as disclosed above, as at 30 June 2011, none of the Directors or chief executives 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 SFO) which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Interests and short positions of substantial shareholders in Shares and underlying Shares

As at 30 June 2011, as far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Interests and short position in the Shares and underlying Shares

Name of Shareholders	Capacity/Nature	No. of Shares/ underlying Shares	Percentage of issued share capital of the Company (Approximately)
Key Wise	Beneficial owner	555,608,145 (L)	54.43%
Cheer Sky	Interest of controlled corporation (Note 2)	555,608,145 (L)	54.43%
Ms. Hong Man Na	Interest of controlled corporation and interest of spouse (Note 3)	561,608,145 (L)	55.02%
Shen Nanpeng	Interest of controlled corporation (Note 4)	77,825,000 (L)	7.62%
Max Wealth Enterprises Limited ("Max Wealth")	Interest of controlled corporation (Note 4)	77,825,000 (L)	7.62%
SC China Holding Limited ("SC China")	Interest of controlled corporation (Note 4)	77,825,000 (L)	7.62%
Sequoia Capital China Growth Fund Management I, L.P. ("Sequoia Capital China Growth Fund Management")	Interest of controlled corporation (Note 4)	77,825,000 (L)	7.62%
Sequoia Capital China Growth Fund I, L.P.	Beneficial owner	67,878,965 (L)	6.65%

Name of Shareholders	Capacity/Nature	No. of Shares/ underlying Shares	Percentage of issued share capital of the Company (Approximately)
Sequoia Capital China Advisors Limited ("Sequoia Capital China Advisors")	Investment manager (Note 5)	77,825,000 (L)	7.62%
Credit Suisse Trust Limited	Trustee	52,000,000 (L)	5.09%
Power Surge Limited	Interest of controlled corporation	52,000,000 (L)	5.09%
Shi Zhengrong	Founder of a discretionary trust	52,000,000 (L)	5.09%

Notes:

1. The letters "L" denote a long position in the Shares.

2. Cheer Sky beneficially owned 49% interest in Key Wise and Key Wise held 555,608,145 Shares. Therefore, Cheer Sky was deemed, or taken to be, interested in the 555,608,145 Shares held by Key Wise under the SFO.

3. Ms. Hong Man Na beneficially owned 51% interest in Key Wise. Mr. Sin held share options to subscribe for 6,000,000 Shares and Ms. Hong Man Na is the spouse of Mr. Sin. Therefore, Ms. Hong Man Na was deemed, or taken to be, interested in the 555,608,145 Shares held by Key Wise and the share options to subscribe for 6,000,000 Shares held by Mr. Sin under the SFO.

4. Shen Nanpeng controlled all the issued shares in Max Wealth which in turn, controlled all the issued shares in SC China. SC China was the general partner of Sequoia Capital China Growth Fund Management which in turn, was the general partner of Sequoia Capital China Growth Fund I, L.P., Sequoia Capital China Growth Partners Fund I, L.P. and Sequoia Capital China GF Principals Fund I, L.P. which held 67,878,965 Shares, 1,618,760 Shares and 8,327,275 Shares respectively. Shen Nanpeng, Max Wealth, SC China and Sequoia Capital China Growth Fund Management were therefore deemed or taken to be interested in all the Shares in which Sequoia Capital China Growth Fund I, L.P., Sequoia Capital China Growth Partners Fund I, L.P. and Sequoia Capital China GF Principals Fund I, L.P. were interested under the SFO.

5. Sequoia Capital China Advisors was the investment manager of Sequoia Capital China Growth Fund I, L.P., Sequoia Capital China Growth Partners Fund I, L.P. and Sequoia Capital China GF Principals Fund I, L.P. which held 67,878,965 Shares, 1,618,760 Shares and 8,327,275 Shares respectively. Sequoia Capital China Advisors was therefore deemed or taken to be interested in all the Shares in which Sequoia Capital China Growth Fund I, L.P., Sequoia Capital China Growth Partners Fund I, L.P. and Sequoia Capital China GF Principals Fund I, L.P. were interested under the SFO.

Save as disclosed above, and as at 30 June 2011, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

Directors' Interests in Contracts

Save as disclosed in note 31 to the consolidated financial statements, no Director had a material interest in, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party subsisted during the reporting period or at the end of the reporting period.

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the reporting period.

Directors' Rights to Acquire Shares or Debentures

Apart from the details as disclosed under the heading "Interests and short positions of the Directors in Shares, underlying Shares and debentures of the Company and its associated corporations" above, at no time during the reporting period were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company and any of its subsidiaries a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate.

Connected Transactions

The related party transactions are set out in note 31 to the consolidated financial statements. All the related party transactions did not constitute connected transactions or continuing connected transactions of the Company under Chapter 14A of the Listing Rules which are required to comply with any of the reporting, announcement or independent shareholders' approval requirements under the Listing Rules.

Purchase, Sale and Redemption of the Shares

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

Directors' Interests in a Competing Business

During the reporting period, the Directors were not aware of any business or interest of the Directors or any substantial Shareholders (as defined under the Listing Rules) and their respective associates that had competed or might compete with the business of the Group and any other conflicts of interests which any such person had or might have with the Group.

Bank Loans and Other Borrowings

Particulars of bank loans and other borrowings of the Company and the Group as at 30 June 2011 are set out in note 23 to the consolidated financial statements.

Retirement Schemes

Particulars of the retirement schemes of the Group are set out in note 5(b) to the consolidated financial statements.

Confirmation of Independence

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all the independent non-executive Directors to be independent parties.

Code of Conduct Regarding Directors' Securities Transactions

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code. Specific enquiry has been made of all the Directors and the Directors have confirmed that they had complied with such code of conduct during the year ended 30 June 2011.

Share Option Scheme

As to attract and retain the eligible persons, to provide additional incentive to them and to promote the success of the business of the Group, the Company conditionally adopted a share option scheme (the ''Scheme") on 7 June 2008 whereby the Board are authorised, at their absolute discretion and subject to the terms of the Scheme, to grant options to subscribe the Shares to, inter alia, any employees (full-time or part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group or any substantial shareholder of the Group. The Scheme became unconditional on 10 July 2008 and shall be valid and effective for a period of ten years commencing on 7 June 2008, subject to the early termination provisions contained in the Scheme.

An offer for the grant of options must be accepted within 7 days inclusive of the day on which such offer was made. The amount payable by each grantee of options to the Company on acceptance of the offer for the grant of options is HK$1.00. The subscription price of a Share in respect of any particular option granted under the Scheme shall be a price at the discretion of the Board, provided that it shall be at the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the options; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of grant of the options; and (iii) the nominal value of the Shares on the date of grant of the options.

The Company shall be entitled to issue options, provided that the total number of Shares which may be issued upon exercise of all outstanding options to be granted under the Scheme and any other share option scheme of the Company does not exceed 10% of the Shares in issue at the date when the Shares were first listed on the Stock Exchange. The Company may at any time refresh such limit, subject to in compliance with the Listing Rules, provided that the total number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option scheme of the Company does not exceed 30% of the Shares in issue from time to time. The total number of Shares issued and to be issued upon exercise of options granted to any grantee (including both exercised and outstanding options) under the Scheme, in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue. The total number of securities available for issue under the Scheme as at the date of this report was 78,200,000 Shares which represented approximately 7.7% of the issued share capital of the Company as at the date of this report.

An option may be exercised at any time during a period which shall not exceed ten years from the date of grant subject to the provisions of early termination under the Scheme. There is no minimum period for which an option must be held before it can be exercised under the Scheme.

The status of the share options for the reporting period is as follows:

Category of participants	As at 1 July 2010	Granted during the reporting period	Exercised during the reporting period	Cancelled/ lapsed during the reporting period	As at 30 June 2011	Date of grant of share options	Exercise period of share options	Exercise price of share options HK$	Share price of the Company as at the date of grant of share options* HK$
Directors:									
Sin Ke	6,000,000	–	–	–	6,000,000	18 November 2008	10 years from the date of grant	0.75	0.75
San Kwan	8,000,000	–	2,600,000#	–	5,400,000	18 November 2008	10 years from the date of grant	0.75	0.75
Employees**	18,050,000	–	8,750,000##	–	9,300,000	18 November 2008	10 years from the date of grant	0.75	0.75
Employee***	10,000,000	–	6,000,000###	–	4,000,000	11 October 2009	10 years from the date of grant	0.90	0.90
	42,050,000				24,700,000				

* The share price of the Company as at the date of the grant of the share options was the closing price as quoted on the Stock Exchange of the trading day immediately prior to the date of the grant of the share options.

** There was a total of 9 employees of the Group being granted share options under the Scheme, except one of them is the director of the Company's subsidiary, all of the other 8 employees are not Directors, chief executive or substantial shareholders of the Company or their respective associates.

*** The employee is not a director, chief executive or substantial shareholder of the Company or their respective associates.

The weighted average closing price of the Shares immediately before dates of exercise was HK$2.82.

The weighted average closing price of the Shares immediately before dates of exercise was HK$2.79.

The weighted average closing price of the Shares immediately before dates of exercise was HK$2.70.

The following table lists the vesting period of the share options granted on 18 November 2008 under the Scheme:

	Name	No. of Option Shares	Vesting period/Maximum percentage of options exercisable from the date of acceptance 0-12 Months	13-24 Months	25-36 Months	After 36 Months
Directors	Sin Ke	6,000,000	0.00%	33.33%	66.67%	100.00%
	San Kwan	8,000,000	0.00%	30.00%	60.00%	100.00%
Employees		25,000,000	0.00%	31.20%	62.40%	100.00%
		39,000,000	0.00%	31.28%	62.56%	100.00%

The following table lists the vesting period of the share options granted on 11 October 2009 under the Scheme:

	No. of Option Shares	0-12 Months	13-24 Months	25-36 Months	After 36 Months
Employee	10,000,000	30%	60%	100%	100%

For further information of the share options, please refer to note 26 to the consolidated financial statements.

Public Float

From information publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital are held by the public at all times during the year ended 30 June 2011 and up to the date of this report.

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Articles of Association and the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

Compliance with the Code on Corporate Governance Practice

Under code provision A.2.1 of the Code on Corporate Governance Practices (the "Code") in Appendix 14 to the Listing Rules, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Sin Ke is currently the chairman of the Board, an executive Director and the chief executive officer of the Company. This deviates from the code provision A.2.1 of the Code.

Mr. Sin has extensive experience in the FCOJ industry. He has the appropriate standing, management skills and business acumen that are essential prerequisites for assuming the roles of chairman and the chief executive officer. The Board believes that vesting both roles in Mr. Sin provides the Group with strong and consistent leadership, and at the same time, allows for the continuous effective operations and development of the Group's business. As such, the structure is beneficial to the Group and the Shareholders as a whole.

The Company understands the importance to comply with the code provision A.2.1 of the Code and will continue to consider the feasibility of appointing different persons to assume the roles of the chairman and the chief executive officer. The Company will make timely announcement if such decision has been made.

Save as disclosed above, the Board considered that the Company had complied with the code provisions set out in the Code during the year ended 30 June 2011.

Closure of Register of Members

The register of members of the Company will be closed from Monday, 7 November 2011 to Thursday, 10 November 2011 (both days inclusive), during such period no transfer of shares will be registered. To ensure the entitlement for attending and voting at the forthcoming annual general meeting of the Company to be held on 10 November 2011, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Friday, 4 November 2011.

Auditors

KPMG has acted as auditors of the Company for the year ended 30 June 2011. The Company has not changed its externals auditor since its listing in July 2008 and up to the date of this report.

KPMG shall retire in the forthcoming annual general meeting and, being eligible, will offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditors of the Company will be proposed at the forthcoming annual general meeting.

Company Secretary and Authorized Representative

Mr. Kwong Ping Man (鄺炳文) resigned from the office of authorized representative and company secretary of the Company with effect from 2 March 2011. Ms. Chan Ling (陳靈) has been appointed and replaced Mr. Kwong as the authorized representative and the company secretary of the Company with effect from 2 March 2011. For details of the appointment and the particulars of Ms. Chan, please refer to the announcement of the Company dated 2 March 2011.

On behalf of the Board

Sin Ke
Chairman

Hong Kong, 23 September 2011

The Group's corporate governance practices are based on the code provisions ("Code Provisions") as set out in the Code contained in Appendix 14 to the Listing Rules.

Save as disclosed in the paragraph headed "Chairman and Chief Executive Officer" below, the Board considered that the Company had complied with the Code Provisions during the reporting period.

The Group commits to continuously improving its corporate governance practices by periodic review to ensure that the Group continues to meet the requirements of the Code.

The key corporate governance practices of the Group are summarised as follows:

Board of Directors

Composition

The Board comprises two executive Directors and three independent non-executive Directors. During the reporting period and up to the date of this report, the Directors were:

Executive Directors

Mr. Sin Ke *(Chairman)*
Mr. San Kwan

Independent Non-Executive Directors

Mr. Zhuang Xueyuan
Mr. Zhuang Weidong
Mr. Tu Zongcai (resigned on 1 September 2011)
Mr. Zeng Jianzhong (appointed on 1 September 2011)

The brief biographic details of the existing Directors are set out in the "Board of Directors and Senior Management" section on pages 12 to 15.

There is a strong independent element on the Board, more than one-third of the Board is independent non-executive Directors, which enabling independent judgement to be exercised. The independent non-executive Directors are expressly identified in all corporate communications whenever the names of the Directors are disclosed.

Mr. Zeng Jianzhong has replaced Mr. Tu Zongcai as an independent non-executive Director with effect from 1 September 2011. Each of the independent non-executive Directors namely, Mr. Zhuang Xueyuan, Mr. Zhuang Weidong and Mr. Zeng Jianzhong has respectively entered into a service contract with the Company, unless terminated by not less than 3 months' notice in writing served by either party on the other, the contracts with Mr. Zhuang Xueyuan and Mr. Zhuang Weidong are for a term of 2 years while the contract with Mr. Zeng Jianzhong is for a term of 1 year. The independent non-executive Directors are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association.

In accordance with Article 108(a) of the Articles of Association, at each annual general meeting, at least one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. Accordingly, Mr. Zhuang Xueyuan and Mr. Zhuang Weidong will retire from office as Directors, being eligible, will offer themselves for re-election at the forthcoming annual general meeting of the Company. Mr. Zeng Jianzhong, as appointed as a Director to fill the vacancy left by the resignation of Mr. Tu Zongcai, will hold office as a Director until the forthcoming annual general meeting of the Company, being eligible, will offer himself for re-election at the meeting in accordance with Article 112 of the Articles of Association.

The Company has received from each of its independent non-executive Directors an annual confirmation of their independence pursuant to the requirements under the Listing Rules. The Company considers all independent non-executive Directors to be independent.

Board Meetings

The Board meets regularly. In addition to regular meetings, it meets as and when warranted by particular circumstances. During the reporting period, five Board meetings were held.

A record of the Directors' attendance at the Board meetings is set out as follows:

	Attendance/ Number of Meetings
Executive Directors	
Mr. Sin Ke *(Chairman)*	5/5
Mr. San Kwan	5/5
Independent Non-executive Directors	
Mr. Zhuang Xueyuan	5/5
Mr. Zhuang Weidong	5/5
Mr. Tu Zongcai (resigned on 1 September 2011)	5/5

Board Responsibilities and Delegation

The Board is responsible to the Shareholders for leadership and control of the Group and be collectively responsible for promoting the success of the Group by directing and supervising the Group's affairs. The Board focuses on formulating the Group's overall strategies, authorising the annual development plan and budget; monitoring financial and operating performance; reviewing the effectiveness of the internal control system and supervising and managing management's performance. The Board delegates the day-to-day management, administration and operation of the Group to management. The delegated functions are reviewed by the Board periodically to ensure that they accommodate the needs of the Group. The Board gives clear directions to the management as to the matters that must be approved by the Board before decisions are made on behalf of the Group.

Chairman and Chief Executive Officer

Under A.2.1 of the Code Provisions, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Sin Ke is currently the chairman of the Board, an executive Director and the chief executive officer of the Company. As such, this deviates from A.2.1 of the Code Provisions.

Mr. Sin has extensive experience in the FCOJ industry. He has the appropriate standing, management skills and business acumen that are prerequisites for assuming the two roles. The Board believes that vesting both roles in Mr. Sin provides the Group with strong and consistent leadership and, at the same time, allows for continuous effective operations and development of the Group's business. As such, the structure is beneficial to both the Group and the Shareholders as a whole.

The Company understands the importance to comply with A.2.1 of the Code Provisions and will continue to consider the feasibility of appointing different persons to assume the roles of the chairman and the chief executive officer. The Company will make timely announcement if such decision has been made.

Appointment, Re-Election and Removal of Directors

The Company has established a nomination committee (the "Nomination Committee"). The Nomination Committee has from time to time identify individuals suitably qualified to become Board members and make recommendations to the Board. The main consideration in selecting candidates for directorships is whether their characters, qualifications and experience are appropriate for the businesses of the Group. During the reporting period, the Nomination Committee did not nominate any new Directors.

Newly appointed Directors will receive induction and reference materials to enable them to familiarise with the Group's business operations and Board policies. Each Director is briefed and updated from time to time to ensure that he or she is fully aware of his or her responsibilities under the Listing Rules and applicable legal and regulatory requirements and the governance policies of the Group.

At each annual general meeting, at least one-third of the Directors are required to retire from office. Each Director shall retire from office once every three years. The Directors to retire in every year shall be those appointed by the Board during the year and those who have been the longest in office since their last election or re-election. New Directors appointed by the Board during the year shall retire and submit themselves for re-election at the general meeting of the Company immediately following their appointments.

In accordance with Article 108(a) of the Articles of Association, at each annual general meeting, at least one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. Accordingly, Mr. Zhuang Xueyuan and Mr. Zhuang Weidong will retire from office as Directors, being eligible, will offer themselves for re-election at the forthcoming annual general meeting of the Company. Mr. Zeng Jianzhong, as appointed as a Director to fill the vacancy left by the resignation of Mr. Tu Zongcai, will hold office as a Director until the forthcoming annual general meeting of the Company, being eligible, will offer himself for re-election at the meeting in accordance with Article 112 of the Articles of Association.

Code of Conduct Regarding Directors' Securities Transactions

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in Appendix 10 — the Model Code to the Listing Rules. Specific enquiry has been made of all the Directors and the Directors have confirmed that they had complied with such code of conduct during the year ended 30 June 2011.

Remuneration Committee

The Company established a remuneration committee (the "Remuneration Committee"), which comprises two independent non-executive Directors and one executive Director.

Members of the Remuneration Committee

Mr. Sin Ke *(Chairman)*
Mr. Zhuang Weidong
Mr. Zhuang Xueyuan

The primary duties of the Remuneration Committee are to evaluate the performance and to make recommendations on the remuneration of executive Directors and senior management. The Remuneration Committee held one meeting during the year ended 30 June 2011 and all the members have attended to review the Group's remuneration policy and the terms of the executive Directors' service contracts. During the reporting period, the Board as a whole had determined the remuneration policy and packages of the Directors.

Communication with Shareholders

Information of the Group is delivered to the Shareholders through a number of channels, which include annual report, interim report, announcements and circulars. The latest information of the Group together with the published documents are also available on the Company's website.

Internal Control

The Board is committed to manage business risks and to maintain a proper and effective system of internal control to safeguard the Shareholders' investments and the Group's assets. The Board, through the audit committee (the "Audit Committee"), has conducted annual review of the effectiveness of the Group's system of internal control covering all controls, including financial, operational and compliance controls, and risk management processes. The Board, through the review of the Audit Committee, is satisfied that the Group has fully complied with the Code Provisions on internal controls during the year ended 30 June 2011.

Nomination Committee

The Company established the Nomination Committee which comprises two independent non-executive Directors and one executive Director.

Members of Nomination Committee

Mr. Sin Ke *(Chairman)*
Mr. Tu Zongcai (resigned on 1 September 2011)
Mr. Zhuang Weidong

The primary duties of the Nomination Committee are to make recommendations to the Board on candidates to fill vacancies of the Board and senior management. The Nomination Committee is established with specific terms of references which deal clearly with the committee's authority and duties. The Nomination Committee held one meeting during the year ended 30 June 2011 to review the structure and composition of the Board. All members have attended that meeting.

Mr. Zeng Jianzhong has replaced Mr. Tu Zongcai as a member of the Nomination Committee with effect from 1 September 2011.

Auditor's Remuneration

The Group's external auditor is KPMG. The remuneration paid or payable to the external auditor of the Group for the year ended 30 June 2011 comprised fees for audit services of RMB1,800,000.

During the reporting period, there was no non-audit service provided by the external auditor.

The Company has not changed the external auditor since its listing in July 2008 and up to the date of this report.

Audit Committee

The audit committee of the Company (the "Audit Committee") during the reporting period consisted of 3 independent non-executive Directors, namely Mr. Zhuang Xueyuan, Mr. Zhuang Weidong and Mr. Tu Zongcai. Mr. Zeng Jianzhong has replaced Mr. Tu Zongcai as a member of the Audit Committee with effect from 1 September 2011.

The primary duties of the Audit Committee are to review and supervise our financial reporting process and internal control system, nominate and monitor external auditors and provide advice and comments to the Board.

During the year ended 30 June 2011, the Audit Committee met two times with all members presented to discuss the interim and final results of the Group and certain other businesses. The effectiveness of the Company's internal control was also discussed in these meetings.

A record of attendance of the Audit Committee's meeting during the reporting period is set out as follows:

Members of Audit Committee	Attendance/ Number of Meetings
Mr. Zhuang Xueyuan *(Chairman)*	2/2
Mr. Zhuang Weidong	2/2
Mr. Tu Zongcai (resigned on 1 September 2011)	2/2

The Group's annual results for the year ended 30 June 2011 had been reviewed by the Audit Committee. There are no material uncertainties relating to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. There is no disagreement between the Board and the Audit Committee regarding the selection, appointment, resignation or dismissal of the external auditors.

Directors' and Auditor's Responsibilities for Financial Statements

All Directors acknowledge their responsibilities for preparing the financial statements for the year ended 30 June 2011. The auditor of the Company acknowledges its reporting responsibilities in the auditor's report on the financial statements for the year ended 30 June 2011. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore the Directors continue to adopt the going concern approach in preparing the financial statements.

Corporate Governance Enhancement

Enhancing corporate governance is not simply a matter of applying and complying with the Code but also about promoting and developing an ethical and healthy corporate culture. The Company will continue to review and, where appropriate, improve the current practices on the basis of the experience, regulatory changes and developments. Any views and suggestions from the Shareholders to promote and improve the transparency are also welcome.

On behalf of the Board

Sin Ke
Chairman

Hong Kong, 23 September 2011

Independent Auditor's Report

Independent auditor's report to the shareholders of
Tianyi Fruit Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Tianyi Fruit Holdings Limited ("the Company") and its subsidiaries (together "the Group") set out on pages 35 to 109 which comprise the consolidated and company statements of financial position as at 30 June 2011, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Report

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 30 June 2011 and of the Group's profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

23 September 2011

Consolidated Income Statement

For the year ended 30 June 2011
(Expressed in Renminbi)

	Note	**Year ended 30 June 2011 RMB'000**	Year ended 30 June 2010 RMB'000
Revenue	3	**455,185**	479,333
Cost of sales	17(b)	**(313,908)**	(293,807)
Gross profit		**141,277**	185,526
Gain from changes in fair value of biological assets less estimated point-of-sale costs	18	**113,142**	77,125
Other revenue	4	**7,290**	3,843
Distribution costs		**(24,288)**	(24,618)
Administrative expenses		**(52,540)**	(45,362)
Other operating expenses		**(688)**	(258)
Profit from operations		**184,193**	196,256
Finance costs	5(a)	**(18,450)**	(1,798)
Profit before taxation	5	**165,743**	194,458
Income tax	6(a)	**(11,975)**	(36,212)
Profit for the year		**153,768**	158,246
Attributable to:			
Equity shareholders of the Company	9	**153,768**	156,553
Non-controlling interest		**–**	1,693
Profit for the year		**153,768**	158,246
Earnings per share	11		
Basic		**RMB0.15**	RMB0.16
Diluted		**RMB0.15**	RMB0.15

The notes on pages 43 to 109 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 28(b).

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2011
(Expressed in Renminbi)

	Note	Year ended 30 June 2011 RMB'000	Year ended 30 June 2010 RMB'000
Profit for the year		**153,768**	158,246
Other comprehensive income for the year	10		
Exchange differences on translation of financial statements of the Company and overseas subsidiaries		**320**	12
Total comprehensive income for the year		**154,088**	158,258
Attributable to:			
Equity shareholders of the Company		**154,088**	156,565
Non-controlling interest		**–**	1,693
Total comprehensive income for the year		**154,088**	158,258

The notes on pages 43 to 109 form part of these financial statements.

Consolidated Statement of Financial Position

At 30 June 2011
(Expressed in Renminbi)

	Note	At 30 June 2011 RMB'000	At 30 June 2011 RMB'000	At 30 June 2010 RMB'000	At 30 June 2010 RMB'000
Non-current assets					
Property, plant and equipment	12		**158,897**		142,711
Land use rights	13		**11,030**		11,281
Rental prepayment	14		**123,657**		126,588
Pledged bank deposits	15		**120,350**		5,100
			413,934		285,680
Current assets					
Inventories	17	**7,925**		4,534	
Biological assets	18	**46,335**		42,219	
Rental prepayments	14	**13,418**		14,855	
Trade and other receivables	19	**50,279**		39,468	
Pledged bank deposits	15	**2,550**		–	
Time deposits	20	**–**		2,650	
Cash and cash equivalents	21	**555,996**		429,074	
		676,503		532,800	
Current liabilities					
Trade and other payables	22	**18,475**		17,722	
Loans and borrowings	23	**114,190**		–	
Convertible bonds	25	**141,626**		–	
Current taxation	27(a)	**–**		4,764	
		274,291		22,486	
Net current assets			**402,212**		510,314
Total assets less current liabilities			**816,146**		795,994
Non-current liabilities					
Loans and borrowings	23	**5,100**		5,100	
Deferred income	24	**20,060**		22,420	
Convertible bonds	25	**–**		133,489	
Deferred tax liabilities	27(b)	**1,250**		1,250	
			26,410		162,259
NET ASSETS			**789,736**		633,735

The notes on pages 43 to 109 form part of these financial statements.

Consolidated Statement of Financial Position (Continued)

At 30 June 2011
(Expressed in Renminbi)

	Note	At 30 June 2011 RMB'000	At 30 June 2011 RMB'000	At 30 June 2010 RMB'000	At 30 June 2010 RMB'000
CAPITAL AND RESERVES					
Share capital	28(c)		**8,971**		8,822
Reserves			**780,765**		624,913
Total equity attributable to equity shareholders of the Company			**789,736**		633,735
Non-controlling interest			**–**		–
TOTAL EQUITY			**789,736**		633,735

Approved and authorised for issue by the board of directors on 23 September 2011.

Sin Ke
Chairman

San Kwan
Director

The notes on pages 43 to 109 form part of these financial statements.

Statement of Financial Position

At 30 June 2011
(Expressed in Renminbi)

	Note	At 30 June 2011 RMB'000	At 30 June 2011 RMB'000	At 30 June 2010 RMB'000	At 30 June 2010 RMB'000
Non-current assets					
Property, plant and equipment	12		**67**		76
Investments in subsidiaries	16		**48,995**		49,254
Receivables due from subsidiaries	31(a)		**143,394**		256,563
			192,456		305,893
Current assets					
Trade and other receivables	19	**325**		341	
Receivables due from a subsidiary	31(a)	**129,432**		–	
Cash and cash equivalents	21	**11,046**		10,289	
		140,803		10,630	
Current liabilities					
Trade and other payables	22	**2,065**		1,861	
Convertible bonds	25	**141,626**		–	
		143,691		1,861	
Net current (liabilities)/assets			**(2,888)**		8,769
Total assets less current liabilities			**189,568**		314,662
Non-current liabilities					
Convertible bonds	25	**–**		133,489	
Payables due to subsidiaries	31(b)	**11,355**		11,837	
			11,355		145,326
NET ASSETS			**178,213**		169,336

The notes on pages 43 to 109 form part of these financial statements.

Statement of Financial Position (Continued)

At 30 June 2011
(Expressed in Renminbi)

	Note	At 30 June 2011		At 30 June 2010	
		RMB'000	RMB'000	RMB'000	RMB'000
CAPITAL AND RESERVES	28(a)				
Share capital			**8,971**		8,822
Reserves			**169,242**		160,514
TOTAL EQUITY			**178,213**		169,336

Approved and authorised for issue by the board of directors on 23 September 2011.

Sin Ke
Chairman

San Kwan
Director

The notes on pages 43 to 109 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2011
(Expressed in Renminbi)

	Attributable to equity shareholders of the Company								
	Share capital RMB'000 (note 28(c))	Share premium RMB'000 (note 28(d))	Capital reserve RMB'000 (note 28(e))	Statutory reserves RMB'000 (note 28(f))	Exchange reserve RMB'000 (note 28(g))	Retained profits RMB'000	Total RMB'000	Non-controlling interest RMB'000	Total equity RMB'000
Balance at 1 July 2009	8,791	146,374	43,603	21,850	(1)	233,957	454,574	100	454,674
Changes in equity for the year ended 30 June 2010:									
Profit for the year	–	–	–	–	–	156,553	156,553	1,693	158,246
Other comprehensive income	–	–	–	–	12	–	12	–	12
Total comprehensive income	–	–	–	–	12	156,553	156,565	1,693	158,258
Acquisition of non-controlling interest	–	–	1,693	–	–	–	1,693	(1,793)	(100)
Issue of convertible bonds (note 25)	–	–	12,285	–	–	–	12,285	–	12,285
Appropriation to statutory reserves	–	–	–	12,500	–	(12,500)	–	–	–
Shares issued under share option scheme (note 28(c)(ii))	31	3,070	(821)	–	–	–	2,280	–	2,280
Equity settled share-based transactions (note 26)	–	–	6,338	–	–	–	6,338	–	6,338
Balance at 30 June 2010 and 1 July 2010	8,822	149,444	63,098	34,350	11	378,010	633,735	–	633,735
Changes in equity for the year ended 30 June 2011:									
Profit for the year	–	–	–	–	–	153,768	153,768	–	153,768
Other comprehensive income	–	–	–	–	320	–	320	–	320
Total comprehensive income	–	–	–	–	320	153,768	154,088	–	154,088
Dividend approved in respect of the previous year (note 28(b))	–	–	–	–	–	(13,050)	(13,050)	–	(13,050)
Appropriation to statutory reserves	–	–	–	4,460	–	(4,460)	–	–	–
Shares issued under share option scheme (note 28(c)(ii))	149	16,517	(4,684)	–	–	–	11,982	–	11,982
Equity settled share-based transactions (note 26)	–	–	2,981	–	–	–	2,981	–	2,981
Balance at 30 June 2011	8,971	165,961	61,395	38,810	331	514,268	789,736	–	789,736

The notes on pages 43 to 109 form part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 30 June 2011
(Expressed in Renminbi)

	Note	Year ended 30 June 2011 RMB'000	Year ended 30 June 2011 RMB'000	Year ended 30 June 2010 RMB'000	Year ended 30 June 2010 RMB'000
Operating activities					
Cash generated from operations	21(b)	**177,943**		156,616	
Income tax paid		**(16,739)**		(33,414)	
Net cash generated from operating activities			**161,204**		123,202
Investing activities					
Payment for the purchase of property, plant and equipment		**(34,106)**		(43,501)	
Payment for the purchase of land use rights		**–**		(4,656)	
Increase in pledged bank deposits		**(117,800)**		–	
Decrease in time deposits		**2,650**		28	
Interest received		**1,830**		893	
Net cash used in investing activities			**(147,426)**		(47,236)
Financing activities					
Proceeds from loans and borrowings		**253,832**		–	
Repayment of loans and borrowings		**(139,642)**		–	
Proceeds from shares issued under share option scheme	28(c)	**11,982**		2,280	
Proceeds from the issue of convertible bonds	25	**–**		150,323	
Payment of transaction costs on issue of convertible bonds	25	**–**		(5,116)	
Dividend paid to equity shareholders of the Company	28(b)	**(13,050)**		–	
Government grants received		**–**		12,600	
Payment for acquisition of non-controlling interest		**–**		(100)	
Net cash generated from financing activities			**113,122**		159,987
Net increase in cash and cash equivalents			**126,900**		235,953
Cash and cash equivalents at the beginning of the year			**429,074**		193,121
Effect of foreign exchange rate changes			**22**		–
Cash and cash equivalents at the end of the year			**555,996**		429,074

The notes on pages 43 to 109 form part of these financial statements.

1. Significant accounting policies

Tianyi Fruit Holdings Limited (the "Company") was incorporated in the Cayman Islands on 5 February 2008 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 33 of 1961, as consolidated and revised) of the Cayman Islands. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 10 July 2008.

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs"), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations issued by the International Accounting Standards Board ("IASB"). These financial statements also comply with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange. A summary of the significant accounting policies adopted by the Company and its subsidiaries (together referred to as "the Group") is set out below.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 30 June 2011 comprise the Company and its subsidiaries.

The measurement basis used in the preparation of the financial statements is the historical cost basis except for biological assets (see note 1(h)).

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 33.

1. Significant accounting policies *(Continued)*

(c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated income statement and the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 1(j)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

1. Significant accounting policies *(Continued)*

(d) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

(e) Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 1(j)). Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see note 1(v)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

—	Buildings	5-40 years
—	Plant and machinery	5-20 years
—	Furniture, fittings and equipment	3-5 years
—	Motor vehicles	5-10 years

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

Construction in progress is stated at cost less impairment losses (see note 1(j)).

Cost comprises direct costs of construction as well as interest expenses capitalised during the periods of construction and installation. Capitalisation of these costs ceases and the construction in progress is transferred to property, plant and equipment when substantially all the activities necessary to prepare the asset for its intended use are completed. No depreciation is provided in respect of construction in progress until it is substantially ready for its intended use.

1. Significant accounting policies *(Continued)*

(f) Land use rights

Land use rights represent the purchase costs of land use rights. Land use rights are carried at cost less accumulated amortisation and impairment losses (see note 1(j)). Amortisation is charged to the consolidated income statement on a straight-line basis over the period of the rights which is 50 years.

(g) Rental prepayments

Rental prepayments represent prepaid rent for leased orange farms.

Rental prepayments are carried at cost less accumulated amortisation and impairment losses (see note 1(j)). Amortisation is charged to the consolidated income statement on a straight-line basis over the period of the leases which ranges from 5 to 15 years.

(h) Biological assets

Biological assets comprise immature oranges before harvest in leased orange farms.

Biological assets are stated at fair value less estimated point-of-sale costs from initial measurement up to the point of harvest, except where fair value cannot be measured reliably due to unavailability of market-determined prices and no reliable alternative estimates exist to determine fair value in which case the assets are held at cost less accumulated depreciation and impairment losses (see note 1(j)). Once the fair value becomes reliably measurable, the biological assets are measured at fair value less point-of-sale costs. Where assets are held at fair value, changes in fair value are taken to the consolidated income statement. Point-of-sale costs include all costs that would be necessary to sell the assets, excluding costs necessary to get the assets to market.

After harvesting, oranges are transferred to inventories as agricultural produce at their deemed cost which is fair value at harvest less the estimated point-of-sale costs. Fair value at harvest is based on the selling prices for similar oranges prevailing in the market as at or close to the harvest dates.

(i) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made.

1. Significant accounting policies *(Continued)*

(j) Impairment of assets

(i) Impairment of trade and other receivables

Current and non-current receivables that are stated at cost or amortised cost are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

— significant financial difficulty of the debtor;

— a breach of contract, such as a default or delinquency in interest or principal payments;

— it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and

— significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

If any such evidence exists, any impairment loss is determined and recognised as follows:

— For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where financial assets carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

1. Significant accounting policies *(Continued)*

(j) Impairment of assets *(Continued)*

(i) Impairment of trade and other receivables (Continued)

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors and bills receivable included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors and bills receivable directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

— property, plant and equipment;
— land use rights;
— rental prepayments; and
— investment in subsidiaries.

If any such indication exists, the asset's recoverable amount is estimated.

— Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

1. Significant accounting policies *(Continued)*

(j) Impairment of assets *(Continued)*

(ii) Impairment of other assets (Continued)

— Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

— Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(iii) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange, the Group is required to prepare an interim financial report in compliance with IAS 34, Interim financial reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 1(j)(i) and 1(j)(ii)).

1. Significant accounting policies *(Continued)*

(k) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(l) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less allowance for impairment of doubtful debts (see note 1(j)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

(m) Convertible bonds

Convertible bonds that can be converted to equity share capital at the option of the holder, where the number of shares that would be issued on conversion and the value of the consideration that would be received at that time do not vary, are accounted for as compound financial instruments which contain both a liability component and an equity component.

Convertible bonds are accounted for as compound instruments if they contain both equity and liability components and as hybrid instruments if they contain embedded derivatives such as certain early redemption options.

Convertible bonds classified as hybrid instruments which contain both an equity component and a derivative component are accounted for as follows:

1. Significant accounting policies *(Continued)*

(m) Convertible bonds *(Continued)*

At initial recognition, the excess of proceeds over the fair value of the derivative component and the liability component, as a whole, is recognised as the equity component. The derivative component of the convertible bonds is measured at fair value and presented as part of derivative financial instruments (see note 1(d)). Any excess of proceeds over the amount initially recognised as the derivative and equity components is recognised as the liability component. Transaction costs that relate to the issue of the convertible bonds are allocated to the liability component, the derivative component, and the equity component in proportion to the allocation of proceeds. The portion of the transaction costs relating to the liability component and the equity component is recognised initially as part of the liability and the equity, respectively. The portion relating to the derivative component is recognised immediately in profit or loss.

The liability component is subsequently carried at amortised cost. The interest expense recognised in profit or loss on the liability component is calculated using the effective interest method. The derivative component is subsequently remeasured in accordance with note 1(d). The equity component is recognised in the capital reserve until either the bond is converted or redeemed.

If the bond is converted, the carrying amounts of the liability component, the derivative components and the equity component at the time of conversion, are transferred to share capital and share premium as consideration for the shares issued. If the bond is redeemed, any difference between the amount paid and the carrying amounts of the derivative and liability components is recognised in profit or loss and the capital reserve is released directly to retained profits.

(n) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(o) Trade and other payables

Trade and other payables are initially recognised at fair value. Trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

1. Significant accounting policies *(Continued)*

(q) Employee benefits

(i) Short term employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Share-based payment transactions

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the binomial model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to the income statement for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits). Share-based payment transactions in which the Company grants share options to subsidiaries' employees are accounted for as an increase in value of investment in subsidiary in the Company's statement of financial position which is eliminated on consolidation.

(r) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

1. Significant accounting policies *(Continued)*

(r) Income tax *(Continued)*

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

1. Significant accounting policies *(Continued)*

(r) Income tax *(Continued)*

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

— in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

— in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

  — the same taxable entity; or

  — different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(s) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(t) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

1. Significant accounting policies *(Continued)*

(t) Revenue recognition *(Continued)*

(i) Sales of goods

Revenue is recognised in the consolidated income statement when the significant risks and rewards of ownership have been transferred to the customers. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

(ii) Dividends

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

(iii) Interest income

Interest income is recognised as it accrues using the effective interest method.

(iv) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as revenue in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(u) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

The results of foreign operations are translated into RMB at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into RMB at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

1. Significant accounting policies *(Continued)*

(v) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(w) Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

(i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;

(ii) the Group and the party are subject to common control;

(iii) the party is an associate of the Group or a joint venture in which the Group is a venturer;

(iv) the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;

(v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or

(vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

1. Significant accounting policies *(Continued)*

(x) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2. Changes in accounting policies

The IASB has issued a number of amendments to IFRSs and new Interpretations that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

Improvements to IFRSs (2009)

Improvements to IFRSs (2010)

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The "Improvements to IFRSs (2009)" and the "Improvements to IFRSs (2010)" comprise a number of minor and non-urgent amendments to a range of IFRSs which the IASB has issued as an omnibus batch of amendments. The amendments have not resulted in any significant changes to the Group's accounting policies.

3. Segment reporting

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (products) and geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following six reportable segments. Certain operating segments in Fujian and Chongqing have been aggregated to form the following reportable segments as management considers they are of similar economic characteristics.

3. Segment reporting *(Continued)*

- Premier fresh oranges for wholesale. This segment carries on the business of cultivation and selling of premier oranges to third party customers.

- Fresh oranges for wholesale. This segment carries on the business of cultivation and selling of fresh oranges to third party customers.

- Oranges for production of frozen concentrated orange juice ("FCOJ") and its related products. This segment carries on the business of cultivation of oranges for production of FCOJ, FCOJ fibre and orange pulp.

- FCOJ. This segment carries on the business of manufacturing and distribution of FCOJ, which is produced through a sequence of processes including crushing, pressing, pasteurisation and concentrating by using oranges as raw material. FCOJ is mainly used by the external customers for production of fruit juice and blended fruit juice.

- FCOJ fibre. This segment carries on the business of manufacturing and distribution of FCOJ fibre, which is a mixture of FCOJ with lower concentration rate and orange pulp sac. FCOJ fibre is mainly used by the external customers for production of pulpy fruit juice and blended fruit juice.

- Orange pulp. This segment carries on the business of manufacturing and distribution of orange pulp, which is a by-product from the production process of FCOJ. Orange pulp is mainly used by the external customers for production of blended fruit juice.

(a) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments.

The measure used for reporting segment profit is "gross profit less sales tax and surcharges as well as reversal of fair value gain upon sales".

The Group's senior executive management monitors assets and liabilities on a consolidated basis and not by reportable segment. Accordingly, no additional information on assets and liabilities to that shown on the Group's consolidated statement of financial position is presented.

3. Segment reporting *(Continued)*

(a) Segment results *(Continued)*

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 30 June 2011 and 30 June 2010 is set out below.

	Year ended 30 June 2011							
	Premier fresh oranges for wholesale RMB'000	Fresh oranges for wholesale RMB'000	Oranges for production of FCOJ and its related products RMB'000	FCOJ RMB'000	FCOJ fibre RMB'000	Orange pulp RMB'000	Others RMB'000	Total RMB'000
Revenue from external customers	–	149,534	–	152,244	136,949	17,150	1,427	457,304
Inter-segment revenue	–	–	47,894	–	–	–	–	47,894
Reportable segment revenue	–	149,534	47,894	152,244	136,949	17,150	1,427	505,198
Reportable segment profit	–	85,231	29,073	52,842	76,338	14,838	284	258,606

	Year ended 30 June 2010							
	Premier fresh oranges for wholesale RMB'000	Fresh oranges for wholesale RMB'000	Oranges for production of FCOJ and its related products RMB'000	FCOJ RMB'000	FCOJ fibre RMB'000	Orange pulp RMB'000	Others RMB'000	Total RMB'000
Revenue from external customers	44,308	140,483	–	133,443	136,895	18,641	6,542	480,312
Inter-segment revenue	–	–	24,473	–	–	–	–	24,473
Reportable segment revenue	44,308	140,483	24,473	133,443	136,895	18,641	6,542	504,785
Reportable segment profit	28,999	59,768	12,002	60,781	85,213	16,129	1,584	264,476

Notes to the Financial Statements

(Expressed in Renminbi unless otherwise indicated)

3. Segment reporting *(Continued)*

(b) Reconciliations of reportable segment revenues and profit

	Year ended 30 June 2011 RMB'000	Year ended 30 June 2010 RMB'000
Revenue		
Total revenues for reportable segments	**503,771**	498,243
Other revenue	**1,427**	6,542
Elimination of inter-segment revenue	**(47,894)**	(24,473)
Sales tax and surcharges	**(2,119)**	(979)
Consolidated revenue	**455,185**	479,333

	Year ended 30 June 2011 RMB'000	Year ended 30 June 2010 RMB'000
Profit		
Total profit for reportable segments	**258,322**	262,892
Other profit	**284**	1,584
	258,606	264,476
Sales tax and surcharges	**(2,119)**	(979)
Reversal of fair value gain upon sales	**(111,200)**	(72,392)
Gain from changes in fair value of biological assets less estimated point-of-sale costs	**113,142**	77,125
Write-down of inventories	**(4,010)**	(5,579)
Other revenue	**7,290**	3,843
Distribution costs	**(24,288)**	(24,618)
Administrative expenses	**(52,540)**	(45,362)
Other operating expenses	**(688)**	(258)
Finance costs	**(18,450)**	(1,798)
Consolidated profit before taxation	**165,743**	194,458

3. Segment reporting *(Continued)*

(c) Geographic information

In view of the fact that the Group mainly operates in the People's Republic of China ("PRC"), no geographical segment information is presented.

4. Other revenue

	Year ended 30 June 2011 RMB'000	Year ended 30 June 2010 RMB'000
Interest income	**4,609**	893
Government grants	**2,360**	2,150
Others	**321**	800
	7,290	3,843

The Group received discretionary grants from various PRC government authorities in recognition of the Group's contribution to the development of the local agriculture industry and investment in a concentrated fruit juice production plant in Chongqing. These government grants are not recurring in nature and are not only available to the Group. There is no assurance that the Group will receive these government grants in the future.

The comparative figure for interest income in the amount of RMB893,000 has been reclassified from finance costs to other revenue to reflect more appropriately the substance of the income and conform with the current year's presentation.

5. Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs

	Year ended 30 June 2011 RMB'000	Year ended 30 June 2010 RMB'000
Interest expenses on convertible bonds	**15,332**	1,278
Interest expenses on bank loans wholly repayable within five years	**4,244**	—
Total interest expenses	**19,576**	1,278
Bank charges	**51**	42
Net foreign exchange (gain)/loss	**(1,177)**	478
Finance costs	**18,450**	1,798

(b) Staff costs

	Year ended 30 June 2011 RMB'000	Year ended 30 June 2010 RMB'000
Salaries, wages and other benefits	**70,532**	63,803
Contributions to defined contribution plans	**2,989**	1,813
Equity-settled share-based payment expenses (note 26)	**2,981**	6,338
	76,502	71,954

The Group participates in pension funds organised by the PRC government. According to the respective pension fund regulations, the Group is required to pay annual contributions. The Group remits all the pension fund contributions to the respective social security offices, which are responsible for the payments and liabilities relating to the pension funds.

5. Profit before taxation *(Continued)*

(b) Staff costs *(Continued)*

The Group also operates a Mandatory Provident Fund Scheme ("the MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HKD 20,000. Contributions to the scheme vest immediately.

The Group has no obligation for payment of retirement and other post retirement benefits of employees other than the contributions described above.

(c) Other items

The following expenses are included in cost of sales, distribution costs, administrative expenses and other operating expenses.

	Year ended 30 June 2011 RMB'000	Year ended 30 June 2010 RMB'000
Amortisation of land use rights	**251**	191
Depreciation of property, plant and equipment*	**14,133**	8,619
Operating lease charges*	**14,855**	15,751
Auditor's remuneration — audit services	**1,800**	1,500
Cost of inventories* (note 17(b))	**313,908**	293,807

* For the year ended 30 June 2011, cost of inventories includes RMB65,523,000 (for the year ended 30 June 2010: RMB68,952,000) relating to staff costs, depreciation expenses and amortisation of rental prepayments, which amounts are also included in the respective total amounts disclosed separately above or in note 5(b) for each of these type of expenses.

6. Income tax in the consolidated income statement

(a) Income tax in the consolidated income statement represents:

	Year ended 30 June 2011 RMB'000	Year ended 30 June 2010 RMB'000
Current tax — the PRC		
Provision for the year	**11,565**	32,740
Under-provision in respect of prior years	**410**	2,134
	11,975	34,874
Deferred tax		
Origination and reversal of temporary differences (note 27(b))	**–**	1,338
	–	1,338
	11,975	36,212

(i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in the Cayman Islands and BVI.

(ii) No provision has been made for Hong Kong profits tax as the Group did not have assessable profit subject to Hong Kong profits tax.

(iii) The provision for PRC income tax is based on the respective applicable rates on the estimated assessable income of the Company's subsidiaries in the PRC as determined in accordance with the relevant income tax rules and regulations of the PRC.

Pursuant to the Corporate Income Tax Law of the PRC, the Company's subsidiaries engaged in the cultivation and selling of self-cultivated fresh oranges are entitled to exemption from corporate income tax.

The applicable income tax rate for the rest of the Group's operating subsidiaries in the PRC is 25% for the six months ended 31 December 2010 and nil for the six months ended 30 June 2011 (for the year ended 30 June 2010: 25%).

With effect from 1 January 2011, the Company's subsidiaries which are responsible for orange juice production are exempt from corporate income tax on profits from orange juice production, pursuant to Cai Shui [2008] No. 149 issued by the Ministry of Finance. Accordingly, from 1 January 2011, all businesses of the Group in the PRC (i.e. cultivation and selling of self-cultivated fresh oranges and orange juice production) are exempt from corporate income tax, subject to annual review by the local PRC tax authority of the Company's subsidiaries and any future changes in the relevant tax exemption policies or regulations.

6. Income tax in the consolidated income statement *(Continued)*

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	Year ended 30 June 2011 RMB'000	Year ended 30 June 2010 RMB'000
Profit before taxation	**165,743**	194,458
Notional tax on profit before taxation calculated at 25%	**41,436**	48,615
Tax effect of non-deductible expenses	**397**	3,345
Tax effect of different taxation rates used in concessions jurisdictions	**4,212**	1,910
Tax effect of tax exemptions	**(34,544)**	(20,226)
Recognition of deferred tax liabilities relating to undistributed profits (note 27(b))	**–**	525
Under-provision in prior years	**410**	2,134
Others	**64**	(91)
Actual tax expense	**11,975**	36,212

7. Directors' remuneration

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

	Year ended 30 June 2011					
	Directors' fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Contribution to defined contribution plans RMB'000	Share-based payments RMB'000	Total RMB'000
Executive Directors						
Mr. Sin Ke	600	372	800	–	317	2,089
Mr. San Kwan	600	370	800	–	423	2,193
Independent Non-executive Directors						
Mr. Zhuang Xueyuan	48	–	–	–	–	48
Mr. Zhuang Weidong	48	–	–	–	–	48
Mr. Tu Zongcai	48	–	–	–	–	48
Total	1,344	742	1,600	–	740	4,426

7. Directors' remuneration *(Continued)*

	Year ended 30 June 2010					
	Directors' fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Contribution to defined contribution plans RMB'000	Share-based payments RMB'000	Total RMB'000
Executive Directors						
Mr. Hong Hong U (i)	150	—	—	—	108	258
Mr. Sin Ke	600	144	1,000	—	645	2,389
Mr. San Kwan	600	96	800	—	860	2,356
Independent Non-executive Directors						
Mr. Zhuang Xueyuan	48	—	—	—	—	48
Mr. Zhuang Weidong	48	—	—	—	—	48
Mr. Tu Zongcai	48	—	—	—	—	48
Total	1,494	240	1,800	—	1,613	5,147

(i) Mr. Hong Hong U resigned as an executive director of the Company on 21 September 2009.

Save as disclosed above, no directors' remuneration has been paid or is payable by the Group during the year ended 30 June 2011 and 30 June 2010. There was no arrangement under which a director waived or agreed to waive any remuneration during the year ended 30 June 2011 and 30 June 2010.

During the year ended 30 June 2011 and 30 June 2010, there were no amounts paid or payable by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

8. Individuals with highest emoluments

Of the five individuals with the highest emoluments, two (for the year ended 30 June 2010: two) are directors whose emoluments are disclosed in note 7. The aggregate of the emoluments in respect of the other three (for the year ended 30 June 2010: three) individuals are as follows:

	Year ended 30 June 2011 RMB'000	Year ended 30 June 2010 RMB'000
Salaries, allowances and benefits in kind	**374**	726
Discretionary bonuses	**600**	300
Contribution to defined contribution plans	**31**	19
Share-based payments	**1,535**	3,179
	2,540	4,224

The emoluments of the three (for the year ended 30 June 2010: three) individuals, other than directors, with the highest emoluments are within the following bands:

HKD	**Year ended 30 June 2011 Number of individuals**	Year ended 30 June 2010 Number of individuals
Nil to 1,000,000	**2**	—
1,000,001 to 1,500,000	**1**	2
1,500,001 to 2,000,000	**—**	—
2,000,001 to 2,500,000	**—**	1
	3	3

On 11 October 2009, the Company granted an additional 10,000,000 share options to an employee of the Group, as an inducement to join the Group, of which RMB2,104,000 was recognised as staff costs in the year ended 30 June 2010.

Except for the above, no emoluments were paid by the Group to these individuals as an inducement to join or upon joining the Group or as compensation for loss of office during the year ended 30 June 2011 and 30 June 2010.

9. Profit attributable to equity shareholders of the Company

The consolidated profit attributable to equity shareholders of the Company for the year ended 30 June 2011 includes a profit of RMB1,455,000 (for the year ended 30 June 2010: loss of RMB7,793,000) which has been dealt with in the financial statements of the Company.

Reconciliation of the above amount to the Company's profit/(loss) for the year:

	Year ended 30 June 2011 RMB'000	Year ended 30 June 2010 RMB'000
Amount of consolidated profit/(loss) attributable to equity shareholders dealt with in the Company's financial statements	**1,455**	(7,793)
Final dividends from subsidiaries attributable to the profits of the previous financial year, approved and paid during the year	**13,050**	–
Company's profit/(loss) for the year (note 28(a))	**14,505**	(7,793)

Details of dividends paid and payable to equity shareholders of the Company are set out in note 28(b).

10. Other comprehensive income

Tax effects relating to other comprehensive income:

	Year ended 30 June 2011			Year ended 30 June 2010		
	Before-tax amount RMB'000	**Tax (expense)/ benefit RMB'000**	**Net-of-tax amount RMB'000**	Before-tax amount RMB'000	Tax (expense)/ benefit RMB'000	Net-of-tax amount RMB'000
Exchange differences on translation of financial statements of the Company and overseas subsidiaries	**320**	**–**	**320**	12	–	12

11. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share for the year ended 30 June 2011 is based on the profit attributable to equity shareholders of the Company of RMB153,768,000 (for the year ended 30 June 2010: RMB156,553,000) and the weighted average of 1,015,439,315 ordinary shares (for the year ended 30 June 2010: 1,002,070,000 ordinary shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	Year ended 30 June 2011	Year ended 30 June 2010
Issued ordinary shares at 1 July	**1,003,450,000**	1,000,000,000
Effect of share options exercised (note 26)	**11,989,315**	2,070,000
Weighted average number of ordinary shares for the year ended 30 June	**1,015,439,315**	1,002,070,000

(b) Diluted earnings per share

The calculation of diluted earnings per share for the year ended 30 June 2011 is based on the profit attributable to equity shareholders of the Company (diluted) of RMB153,768,000 (for the year ended 30 June 2010: RMB157,120,000) and the weighted average number of ordinary shares outstanding (diluted), after adjusting for the effect of all dilutive potential ordinary shares, of 1,036,309,769 (for the year ended 30 June 2010: 1,036,478,878), calculated as follows:

(i) Profit attributable to ordinary equity shareholders of the Company (diluted)

	Year ended 30 June 2011 RMB'000	Year ended 30 June 2010 RMB'000
Profit attributable to equity shareholders (basic)	**153,768**	156,553
Effect of effective interest on the liability component of convertible bonds (note 25)	**–**	1,278
Effect of exchange gain recognised on the liability component of convertible bonds (note 25)	**–**	(711)
Profit attributable to equity shareholders (diluted)	**153,768**	157,120

(Expressed in Renminbi unless otherwise indicated)

11. Earnings per share *(Continued)*

(b) Diluted earnings per share *(Continued)*

(ii) Weighted average number of ordinary shares (diluted)

	Year ended 30 June 2011	Year ended 30 June 2010
Weighted average number of ordinary shares for the year ended 30 June	**1,015,439,315**	1,002,070,000
Effect of conversion of convertible bonds (note 25)	**–**	10,234,521
Effect of deemed issue of shares under the Company's share option scheme for nil consideration (note 26)	**20,870,454**	24,174,357
Weighted average number of ordinary shares (diluted) for the year ended 30 June	**1,036,309,769**	1,036,478,878

The average market value of the Company's shares for purpose of calculating the dilutive effect of share options was based on quoted market prices for the period that the options were outstanding.

The calculation of diluted earnings per share amount for the year ended 30 June 2011 has not included the potential effect of the deemed conversion of the convertible bonds into ordinary shares during the year as it has an anti-dilutive effect on the basic earnings per share amount for the year.

12. Property, plant and equipment

(a) The Group

	Buildings RMB'000	Plant and machinery RMB'000	Furniture, fittings and equipment RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
Cost:						
At 1 July 2009	21,451	46,801	498	3,680	52,117	124,547
Additions	–	14,519	259	–	28,192	42,970
Transfers	20,633	59,676	–	–	(80,309)	–
At 30 June 2010	42,084	120,996	757	3,680	–	167,517
At 1 July 2010	42,084	120,996	757	3,680	–	167,517
Additions	5,436	368	153	583	23,779	30,319
Transfers	1,186	194	–	–	(1,380)	–
At 30 June 2011	48,706	121,558	910	4,263	22,399	197,836
Accumulated depreciation:						
At 1 July 2009	(2,125)	(13,480)	(159)	(423)	–	(16,187)
Charge for the year	(2,112)	(5,998)	(112)	(397)	–	(8,619)
At 30 June 2010	(4,237)	(19,478)	(271)	(820)	–	(24,806)
At 1 July 2010	(4,237)	(19,478)	(271)	(820)	–	(24,806)
Charge for the year	(3,135)	(10,376)	(157)	(465)	–	(14,133)
At 30 June 2011	(7,372)	(29,854)	(428)	(1,285)	–	(38,939)
Net book value:						
At 30 June 2011	41,334	91,704	482	2,978	22,399	158,897
At 30 June 2010	37,847	101,518	486	2,860	–	142,711

12. Property, plant and equipment *(Continued)*

(b) The Company

	Furniture, fittings and equipment RMB'000
Cost:	
At 1 July 2009	—
Additions	97
At 30 June 2010	97
At 1 July 2010	97
Additions	30
At 30 June 2011	127
Accumulated depreciation:	
At 1 July 2009	—
Charge for the year	(21)
At 30 June 2010	(21)
At 1 July 2010	(21)
Charge for the year	(39)
At 30 June 2011	(60)
Net book value:	
At 30 June 2011	67
At 30 June 2010	76

As at 30 June 2011, buildings owned by the Group are located in the PRC and Hong Kong.

13. Land use rights

	Year ended 30 June 2011 RMB'000	Year ended 30 June 2010 RMB'000
At 1 July	11,281	3,416
Add: additions	–	8,056
Less: amortisation	(251)	(191)
At 30 June	11,030	11,281

All the Group's land use rights relate to land located in the PRC.

14. Rental prepayments

	Year ended 30 June 2011 RMB'000	Year ended 30 June 2010 RMB'000
At 1 July	141,443	50,321
Add: additions	10,487	106,873
Less: amortisation	(14,855)	(15,751)
At 30 June	137,075	141,443

	At 30 June 2011 RMB'000	At 30 June 2010 RMB'000
Representing:		
Current portion	13,418	14,855
Non-current portion	123,657	126,588
	137,075	141,443

This represents prepayments of long-term rentals under operating leases for orange farms.

All of the orange farms leased by the Group are located in the PRC.

15. Pledged bank deposits

The amount represents deposits of RMB5,100,000 pledged to secure an interest-free bank loan of RMB5,100,000, and three-year term deposits of RMB117,800,000 pledged by one of the Company's subsidiaries in Hong Kong to secure an interest-bearing bank loan of RMB114,190,000 for one of the Group's PRC subsidiaries (note 23).

Information about the Group's exposure to interest rate risk is disclosed in note 29(c).

16. Investments in subsidiaries

The Company

	At 30 June 2011 RMB'000	At 30 June 2010 RMB'000
Unlisted shares, at cost	**48,995**	49,254

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

Name of company	Place and date of establishment/ incorporation	Issued and fully paid up/ registered capital	Proportion of ownership interest: Group's effective interest	Held by the Company	Held by a subsidiary	Principal activities
Sunshine Vocal Limited ("Sunshine Vocal")	BVI 17 July 2007	USD100,000/ USD100,000	100%	100%	–	Investment holding
Rich Anges Limited	BVI 10 October 2007	USD1/USD50,000	100%	100%	–	Investment holding
Potel Limited	Hong Kong 3 September 2007	HKD1/HKD10,000	100%	–	100%	Investment holding
Manwell (China) Limited ("Manwell")	Hong Kong 22 November 2007	HKD1/HKD10,000	100%	–	100%	Investment holding
Summi (Fujian) Food Co., Limited ("Summi Fujian")	PRC 15 March 1993	RMB80,000,000/ RMB80,000,000	100%	–	100%	Manufacturing and selling of concentrated fruit juice

16. Investments in subsidiaries *(Continued)*

Name of company	Place and date of establishment/ incorporation	Issued and fully paid up/ registered capital	Proportion of ownership interest: Group's effective interest	Held by the Company	Held by a subsidiary	Principal activities
Sanming Summi Food Co., Limited	PRC 27 September 2007	RMB10,000,000/ RMB10,000,000	100%	–	100%	Manufacturing and selling of concentrated fruit juice
Chongqing Tianbang Food Co., Limited	PRC 6 August 2008	HKD80,000,000/ HKD80,000,000	100%	–	100%	Manufacturing and selling of concentrated fruit juice
重慶尚果農業科技有限公司 ("Chongqing Shangguo")	PRC 16 December 2008	RMB35,000,000/ RMB35,000,000	100%	–	100%	Selling of fresh oranges
三明天溢農業綜合開發有限公司 ("Sanming Tianyi")	PRC 19 December 2008	RMB2,000,000/ RMB2,000,000	100%	–	100%	Selling of fresh oranges

17. Inventories

(a) Inventories in the consolidated statement of financial position comprise:

	At 30 June 2011 RMB'000	At 30 June 2010 RMB'000
FCOJ	**7,575**	4,083
Consumables and packing materials	**350**	451
	7,925	4,534

No provisions were made against inventories as at 30 June 2011 (2010: nil).

17. Inventories *(Continued)*

(b) The analysis of the amount of inventories recognised as an expense and included in profit and loss is as follows:

	Year ended 30 June 2011 RMB'000	Year ended 30 June 2010 RMB'000
Carrying amount of inventories sold	**309,898**	288,228
Write-down of inventories	**4,010**	5,579
	313,908	293,807

(c) Production quantities of agricultural produce:

	Year ended 30 June 2011 tonnes	Year ended 30 June 2010 tonnes
Oranges	**128,432**	146,277

18. Biological assets

Movements in biological assets, representing immature oranges before harvest, are summarised as follows:

		Year ended 30 June 2011 RMB'000	Year ended 30 June 2010 RMB'000
At 1 July		**42,219**	55,258
Increase due to cultivation		**86,324**	85,069
Gain from changes in fair value less estimated point-of-sale costs	(i)	**113,142**	77,125
Harvested oranges transferred to inventories		**(195,350)**	(175,233)
At 30 June	(ii)	**46,335**	42,219

(i) The directors measured the fair value of oranges at harvest based on market prices as at or close to the harvest dates.

18. Biological assets *(Continued)*

(ii) All oranges are harvested annually and are harvested shortly before the calendar year end. The directors consider that there is no active market for the immature oranges before harvest as at 30 June. The present value of expected cash flows is not considered a reliable measure of their fair value due to the need for, and use of, subjective assumptions including weather condition, natural disaster and effectiveness of pesticide prevention. As such, the directors consider that the fair value of biological assets at 30 June 2011 and 30 June 2010 cannot be measured reliably and no reliable alternative estimates exist to determine fair value. Therefore, biological assets as at 30 June 2011 and 30 June 2010 continue to be stated at cost.

The carrying value of biological assets as at year end represents cultivation costs incurred including fertilisers, pesticides, labour costs and orange farm rental costs.

19. Trade and other receivables

	The Group		The Company	
	At 30 June 2011 RMB'000	At 30 June 2010 RMB'000	**At 30 June 2011 RMB'000**	At 30 June 2010 RMB'000
Trade debtors	**43,765**	36,446	**—**	—
Less: allowance for doubtful debts	**—**	—	**—**	—
	43,765	36,446	**—**	—
Other debtors	**3,225**	489	**325**	341
Deposits and prepayments	**3,289**	2,533	**—**	—
	50,279	39,468	**325**	341

All of the trade and other receivables of the Group is expected to be recovered within one year.

19. Trade and other receivables *(Continued)*

(a) Ageing analysis

Included in trade and other receivables are trade debtors (net of allowance for doubtful debts) with the following ageing analysis as of the end of the reporting period:

The Group

	At 30 June 2011 RMB'000	At 30 June 2010 RMB'000
Current	**31,454**	36,426
Less than 1 month past due	**10,590**	—
1 to 3 months past due	**1,717**	1
More than 3 months but less than 12 months past due	**2**	19
1 to 2 years past due	**2**	—
Amounts past due	**12,311**	20
	43,765	36,446

Trade debtors are due within 90 days from the date of billing. Further details on the Group's credit policy are set out in note 29(a).

(b) Trade debtors that are not impaired

The ageing analysis of trade debtors that are neither individually nor collectively considered to be impaired are as follows:

The Group

	At 30 June 2011 RMB'000	At 30 June 2010 RMB'000
Neither past due nor impaired	**31,454**	36,426
Less than 1 month past due	**10,590**	—
1 to 3 months past due	**1,717**	1
More than 3 months but less than 12 months past due	**2**	19
1 to 2 years past due	**2**	—
	12,311	20
	43,765	36,446

19. Trade and other receivables *(Continued)*

(b) Trade debtors that are not impaired *(Continued)*

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on the past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

20. Time deposits

	At 30 June 2011 RMB'000	At 30 June 2010 RMB'000
Balances with banks denominated in HKD	**–**	2,650

The time deposits with banks as at 30 June 2010 are with a term of one year and bear fixed interest rate of 0.5% per annum.

Information about the Group's exposure to interest rate and foreign currency risks is disclosed in note 29.

21. Cash and cash equivalents

(a) Cash and cash equivalents comprise:

	The Group		The Company	
	At 30 June 2011 RMB'000	At 30 June 2010 RMB'000	**At 30 June 2011 RMB'000**	At 30 June 2010 RMB'000
Deposits with banks and other financial institutions	**–**	135,818	**–**	–
Cash at bank and in hand	**555,996**	293,256	**11,046**	10,289
Cash and cash equivalents in the statement of financial position	**555,996**	429,074	**11,046**	10,289
Cash and cash equivalents in the consolidated cash flow statement	**555,996**	429,074		

RMB is not a freely convertible currency and the remittance of funds out of the PRC is subject to exchange restrictions imposed by the PRC government. Information about the Group's exposure to interest rate and foreign currency risks is disclosed in note 29.

21. Cash and cash equivalents *(Continued)*

(b) Reconciliation of profit before taxation to cash generated from operations:

	Note	**Year ended 30 June 2011 RMB'000**	Year ended 30 June 2010 RMB'000
Profit before taxation		**165,743**	194,458
Adjustments for:			
Gain from changes in fair value of biological assets less estimated point-of-sale costs	18	**(113,142)**	(77,125)
Depreciation	5(c)	**14,133**	8,619
Amortisation of land use rights	5(c)	**251**	191
Amortisation of deferred income		**(2,360)**	(1,180)
Write-down of inventories	17(b)	**4,010**	5,579
Finance costs	5(a)	**15,332**	1,278
Interest income	4	**(4,609)**	(893)
Equity-settled share-based payment expenses	26	**2,981**	6,338
Changes in working capital:			
Increase in inventories, including harvested oranges transferred to inventories		**(7,401)**	(552)
Decrease in biological assets		**109,026**	90,164
Decrease/(increase) in rental prepayments		**4,368**	(91,122)
(Increase)/decrease in trade and other receivables		**(8,032)**	25,635
Decrease in trade and other payables		**(2,357)**	(4,774)
Cash generated from operations		**177,943**	156,616

22. Trade and other payables

	The Group		The Company	
	At 30 June 2011 RMB'000	At 30 June 2010 RMB'000	**At 30 June 2011 RMB'000**	At 30 June 2010 RMB'000
Trade creditors	**8,210**	10,467	**–**	–
Other payables and accrued expenses	**10,265**	7,255	**2,065**	1,861
	18,475	17,722	**2,065**	1,861

All of the trade and other payables are expected to be settled within one year. Information about the Group's exposure to liquidity risk is disclosed in note 29(b).

(a) Ageing analysis

Included in trade and other payables are trade creditors with the following ageing analysis as of the end of the reporting period:

The Group

	At 30 June 2011 RMB'000	At 30 June 2010 RMB'000
Due within 3 months or on demand	**8,210**	10,467

(b) Other payables and accrued expenses comprise the following items:

	The Group		The Company	
	At 30 June 2011 RMB'000	At 30 June 2010 RMB'000	**At 30 June 2011 RMB'000**	At 30 June 2010 RMB'000
Other tax payables	**3,333**	3,787	**–**	–
Salaries and bonuses payable	**1,228**	852	**–**	–
Accrued expenses	**4,316**	1,315	**1,400**	1,200
Other payables	**1,388**	1,301	**665**	661
	10,265	7,255	**2,065**	1,861

23. Loans and borrowings

This note provides information about the contractual terms of the Group's loans and borrowings, which are measured at amortised cost. Information about the Group's exposure to liquidity and interest rate risks is disclosed in note 29.

At 30 June 2011, the bank loans were repayable as follows:

	At 30 June 2011 RMB'000	At 30 June 2010 RMB'000
Within 1 year	**114,190**	—
After 1 year but within 2 years	**2,550**	—
After 2 years but within 3 years	**2,550**	2,550
After 3 years	**—**	2,550
	5,100	5,100
	119,290	5,100

The above loans and borrowings were all denominated in RMB.

The secured bank loans as at 30 June 2011 comprise an interest-free entrusted bank loan of RMB5,100,000 (30 June 2010: RMB5,100,000) extended by a local finance bureau of the PRC, in support of the Group's operations in agricultural industry, and an interest-bearing bank loan of RMB114,190,000 (30 June 2010: nil) borrowed during the year ended 30 June 2011.

The above secured borrowings were secured by certain assets of the Group. An analysis of the carrying value of these assets is as follows:

	At 30 June 2011 RMB'000	At 30 June 2010 RMB'000
Pledged bank deposits (note 15)	**122,900**	5,100

24. Deferred income

Deferred income represents local government grant received for supporting the Group's investment in a concentrated fruit juice production plant. The grant is recognised as other revenue over the estimated useful lives of the production plant assets.

25. Convertible bonds

In May 2010, the Company issued United States Dollar ("USD") Settled Unsecured Zero Coupon Convertible Bonds due 2012 in the aggregate principal amount of USD22,000,000 (the "Convertible Bonds" or "the Bonds"). The subscription amount payable in respect of each USD1,000,000 principal amount of the Bonds is approximately RMB6,833,000. The issue of the Bonds was completed on 28 May 2010.

The principal terms of the Convertible Bonds are as follows:

(a) Optional conversion

Each bond will, at the option of the holder ("Bondholders"), be convertible (unless previously redeemed, converted or purchased and cancelled) on or after 28 May 2010 up to and including 7 May 2012 (the "Conversion Period") into fully paid ordinary shares of the Company (the "Shares") with a par value of HKD0.01 each at a conversion price of HKD2.20 per share and a fixed exchange rate of USD1.00 to HKD7.7825 (the "Conversion Price"). A total of 77,825,000 Shares will be allotted and issued upon full conversion of the Bonds at the Conversion Price with USD principal amount of the Bonds.

(b) Mandatory conversion

Each bond will, in the event that the closing price of the Shares for 30 consecutive trading days during the Conversion Period exceeds HKD3.00 per Share, be mandatorily converted (unless previously redeemed, converted or purchased and cancelled) into the Shares with a par value of HKD0.01 each at the Conversion Price. A total of 77,825,000 Shares will be allotted and issued upon full conversion of the Bonds at the Conversion Price with USD principal amount of the Bonds.

(c) Redemption at maturity

Unless previously redeemed, converted, or purchased and cancelled, the Bonds will be redeemed on 14 May 2012 at an amount equal to their USD principal amount multiplied by 110%.

(d) Redemption at the option of the Bondholders

The Company will, at the option of any of the Bondholders, redeem all or some of the Bonds at their USD principal amount multiplied by 110% when there is a change of control of the Company, or when the Shares cease to be listed or admitted to trading on the Stock Exchange.

(Expressed in Renminbi unless otherwise indicated)

25. Convertible bonds *(Continued)*

As the functional currency of the Company is the Hong Kong Dollar ("HKD"), the conversion of the Convertible Bonds will be settled by exchange of a fixed amount of cash in HKD with a fixed number of the Company's equity instruments. In accordance with the requirements of HKAS 39 Finan*cial Instruments — Recognition and Measurement*, the Convertible Bonds contract needs to be separated into a liability component consisting of the straight debt element of the Bonds, a number of embedded financial derivatives consisting of redemption options, and an equity component representing the conversion options of the bondholders to convert the Bonds into equity. The proceeds received from the issue of the Convertible Bonds have been split as follows:

(i) Liability component represents the fair value of the contractually determined stream of cash flows discounted at the prevailing market interest rate applicable to instruments of comparable credit status and providing substantially the same cash flows, on the same terms, but without the embedded derivatives and the conversion features. The interest charged for the period is calculated by applying an effective interest rate of 11.54% to the liability component since the Convertible Bonds were issued.

(ii) Embedded derivatives comprise the fair value of the Bondholders' redemption options.

(iii) Equity component represents the conversion options, which is determined by deducting the fair value of the liability component and financial derivatives from the proceeds of issue of the compound financial instrument as a whole.

The fair value of the liability component of the Convertible Bonds was calculated using the Discounted Cash Flow model. The major inputs used in the model as at 28 May 2010 were as follows:

	Liability component of the Company
Stock price	HKD2.65
Exercise price	HKD2.20
Risk-free rate	0.73%
Expected life	2 years
Volatility	61.34%

The stock price was as at 28 May 2010. The risk-free rate was determined with reference to the Hong Kong Exchange Fund Notes Yields as extracted from Bloomberg. The expected life was the remaining life of the Convertible Bonds. The volatilities were determined based on the historical price volatility of the Company.

Any changes in the major inputs used in the model will result in changes in the fair value of the liability component. The variables and assumptions used in calculating the fair value of the liability component are based on the directors' best estimates.

25. Convertible bonds *(Continued)*

The directors consider the possibility of the occurrence of the events of change of control and delisting is nil and the fair value of the Bondholder's redemption options is nil as at 28 May 2010, 30 June 2010 and 30 June 2011.

The movement of the liability component and the equity component of the Convertible Bonds for the year is set out below:

	Liability component RMB'000	Equity component RMB'000	Total RMB'000
At 1 July 2009	—	—	—
Issue of Convertible Bonds	137,605	12,718	150,323
Transaction costs on issue of Convertible Bonds	(4,683)	(433)	(5,116)
Interest charged during the year ended 30 June 2010	1,278	—	1,278
Foreign currency translation difference	(711)	—	(711)
At 30 June 2010	133,489	12,285	145,774
Interest charged during the year ended 30 June 2011	15,332	—	15,332
Foreign exchange revaluation gain	(58)	—	(58)
Foreign currency translation difference	(7,137)	—	(7,137)
At 30 June 2011	141,626	12,285	153,911

No conversion of the Convertible Bonds has occurred up to 30 June 2011.

(Expressed in Renminbi unless otherwise indicated)

26. Equity settled share-based transactions

A share option scheme was adopted pursuant to a written resolution of the shareholders of the Company passed on 7 June 2008 (the "Share Option Scheme"). Each option gives the holder the right to subscribe for one ordinary share of HKD0.01 each of the Company.

The purpose of the Share Option Scheme is to recognise, motivate and provide incentives to those who make contribution to the Group and to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group.

The qualified participants include (i) any full-time or part-time employee of any member of the Group; (ii) any consultant or adviser of any member of the Group; (iii) any director (including executive, non-executive or independent non-executive directors) of any member of the Group; (iv) any substantial shareholder of any member of the Group; and (v) any distributor, contractor, supplier, agent, customer, business partner or service provider of any member of the Group.

On 18 November 2008, the Company granted 39,000,000 share options with a subscription price of HKD0.75 per share to certain qualified participants, all of whom were full-time employees of the Group.

On 11 October 2009, the Company granted an additional 10,000,000 share options with a subscription price of HKD0.90 per share to an employee of the Group.

(a) The terms and conditions of the grants are as follows:

	Number of options	Vesting condition and exercisable percentage condition	Up to %	Contractual life of options
Options granted to the employees of the Group:				
— on 18 November 2008	39,000,000	One year from the grant date	31.3	10 years
		Two years from the grant date	31.3	
		Three years from the grant date	37.4	
— on 11 October 2009	10,000,000	On the grant date	30.0	10 years
		One year from the grant date	30.0	
		Two years from the grant date	40.0	
Total share options granted	49,000,000			

(Expressed in Renminbi unless otherwise indicated)

26. Equity settled share-based transactions *(Continued)*

(b) The number and weighted average exercise prices of share options are as follows:

	Year ended 30 June 2011		Year ended 30 June 2010	
	Weighted average exercise price HKD	**Number of options**	Weighted average exercise price HKD	Number of options
Outstanding at 1 July	**0.79**	**42,050,000**	0.75	38,000,000
Granted during the year	**–**	**–**	0.90	10,000,000
Exercised during the year	**0.80**	**(17,350,000)**	0.75	(3,450,000)
Cancelled during the year	**–**	**–**	0.75	(2,500,000)
Outstanding at 30 June	**0.77**	**24,700,000**	0.79	42,050,000
Exercisable at 30 June	**0.75**	**7,500,000**	0.79	10,700,000

The options outstanding at 30 June 2011 had a weighted average exercise price of HKD0.77 (30 June 2010: HKD0.79) and a weighted average remaining contractual life of 7.53 years (30 June 2010: 8.60 years).

(c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on a binomial option pricing model and the assumptions below. The contractual life of the share options is used as an input into this model. Expectations of early exercise are incorporated into the binomial option pricing model.

Fair value of share options and assumptions

	At 11 October 2009	At 18 November 2008
Fair value at measurement date	HKD3,912,000	HKD11,899,000
Share price	HKD0.90	HKD0.75
Exercise price	HKD0.90	HKD0.75
Expected volatility	74.85%	57.30%
Expected dividend yield	0%	1.86%
Option life	10 years	10 years
Risk-free interest rate (based on Hong Kong Exchange Fund Notes Rate)	2.21%	1.55%

26. Equity settled share-based transactions *(Continued)*

(c) Fair value of share options and assumptions *(Continued)*

The expected volatility of share options issued on 18 November 2008 was determined with reference to the volatilities of comparable companies. Expected dividends are based on management's estimation on the grant date. Changes in the subjective input assumptions could materially affect the fair value estimate.

The expected volatility of share options issued on 11 October 2009 was determined with reference to the volatilities of comparable companies and the Company. Expected dividends are based on the historical dividend yield rate of the Company on the grant date. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. The condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share options granted.

27. Income tax in the consolidated statement of financial position

(a) Current taxation in the consolidated statement of financial position represents:

	At 30 June 2011 RMB'000	At 30 June 2010 RMB'000
At the beginning of the year	**4,764**	–
Provision for PRC Corporate Income Tax for the year	**11,565**	32,740
PRC Corporate Income Tax paid	**(16,329)**	(27,976)
At the end of the year	**–**	4,764

27. Income tax in the consolidated statement of financial position *(Continued)*

(b) Deferred tax liabilities recognised:

The components of deferred tax liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred tax arising from:	Accrued bonus RMB'000	Undistributed retained profits of PRC subsidiaries RMB'000	Total RMB'000
At 1 July 2009	(813)	725	(88)
Charged to profit or loss	813	525	1,338
At 30 June 2010 and 30 June 2011	—	1,250	1,250

(c) Deferred tax liabilities not recognised:

Pursuant to the Corporate Income Tax Law, 10% withholding tax is levied on foreign investors (5% for foreign investors registered in Hong Kong provided they meet certain criteria) in respect of dividend distributions arising from a foreign investment enterprise's profit earned after 1 January 2008. As at 30 June 2011, the management believed that should the Group determine to distribute profits of the Group's PRC subsidiaries in the foreseeable future, the Group will be able to obtain the approval for the preferential withholding tax of 5% in relation to the dividend income.

As the Company controls the dividend policy of the Group's PRC subsidiaries, as at 30 June 2011, deferred tax liabilities of RMB1,250,000 (30 June 2010: RMB1,250,000) have been recognised in respect of the tax that would be payable on the portion of the retained profits of the Group's PRC subsidiaries which the directors expect to be distributed by them in the foreseeable future, based on the assumption that the approval for the 5% preferential withholding tax rate will be obtained. Deferred tax liabilities of RMB20,710,000 (30 June 2010: RMB13,162,000) have not been recognised as at 30 June 2011, as the directors consider it probable that a portion of the undistributed profits earned by the Group's PRC subsidiaries as at 30 June 2011 will not be distributed in the foreseeable future.

28. Capital, reserves and dividends

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

The Company

	Share capital RMB'000 (note 28(c))	Share premium RMB'000 (note 28(d))	Capital reserve RMB'000	Exchange reserve RMB'000	(Accumulated losses)/ Retained profits RMB'000	Total RMB'000
Balance at 1 July 2009	8,791	146,374	3,980	170	(3,103)	156,212
Changes in equity for the year ended 30 June 2010:						
Total comprehensive income for the year	–	–	–	14	(7,793)	(7,779)
Issue of convertible bonds (note 25)	–	–	12,285	–	–	12,285
Shares issued under share option scheme (note 26)	31	3,070	(821)	–	–	2,280
Equity settled share-based transactions	–	–	6,338	–	–	6,338
Balance at 30 June 2010 and 1 July 2010	8,822	149,444	21,782	184	(10,896)	169,336
Changes in equity for the year ended 30 June 2011:						
Total comprehensive income for the year	–	–	–	(7,541)	14,505	6,964
Dividends approved in respect of the previous year (note 28(b))	–	–	–	–	(13,050)	(13,050)
Shares issued under share option scheme (note 26)	149	16,517	(4,684)	–	–	11,982
Equity settled share-based transactions	–	–	2,981	–	–	2,981
Balance at 30 June 2011	8,971	165,961	20,079	(7,357)	(9,441)	178,213

28. Capital, reserves and dividends *(Continued)*

(b) Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the year

	Year ended 30 June 2011 RMB'000	Year ended 30 June 2010 RMB'000
No final dividend proposed after the end of the reporting period (for the year ended 30 June 2010: RMB0.013 per ordinary share)	**–**	13,050

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	Year ended 30 June 2011 RMB'000	Year ended 30 June 2010 RMB'000
Final dividend in respect of the previous financial year, approved and paid during the year, of RMB0.013 per ordinary share (for the year ended 30 June 2010: RMB nil per ordinary share)	**13,050**	–

28. Capital, reserves and dividends *(Continued)*

(c) Share capital

(i) Authorised and issued share capital

	30 June 2011		30 June 2010	
	No. of shares	**'000**	No. of shares	'000
Authorised:				
Ordinary shares of HKD0.01 each	**3,000,000,000**	**HKD30,000**	3,000,000,000	HKD30,000
Equivalent to:		**RMB26,376**		RMB26,376
Ordinary shares, issued and fully paid:				
At 1 July	**1,003,450,000**	**RMB8,822**	1,000,000,000	RMB8,791
Shares issued under share option scheme (note 26)	**17,350,000**	**RMB149**	3,450,000	RMB31
At 30 June	**1,020,800,000**	**RMB8,971**	1,003,450,000	RMB8,822

(ii) Shares issued under share option scheme

During the year ended 30 June 2011, share options granted under the Share Option Scheme were exercised to subscribe for 17,350,000 ordinary shares of HKD0.01 of the Company at a consideration of HKD13,912,480 (equivalent to RMB11,982,000), of which HKD173,500 (equivalent to RMB149,000) was credited to share capital and the balance of HKD13,738,980 (equivalent to RMB11,833,000) was credited to the share premium account. RMB4,684,000 has been transferred from the capital reserve to the share premium account in accordance with the accounting policy set out in note 1(q)(ii). Details of the Share Option Scheme are discussed in note 26.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

28. Capital, reserves and dividends *(Continued)*

(d) Share premium

The application of the share premium account is governed by the Companies Law of the Cayman Islands. The share premium is distributable.

(e) Capital reserve

The capital reserve of the Group at 30 June 2011 comprises the following:

— The excess of paid-in capital of Summi Fujian of RMB3,585,000.

— The capital reserve of Sunshine Vocal in connection with the waiver of an equity shareholder's loan and related interest of RMB36,396,000.

— The difference between the consideration paid by Chongqing Shangguo to obtain the non-controlling interest in Sanming Tianyi and its carrying amount on the date of the acquisition.

— The fair value of the actual or estimated number of share options granted to employees of the Group recognised in accordance with the accounting policy adopted for share-based payments in note 1(q)(ii).

— The amount allocated to the equity component of convertible bonds issued by the Company recognised in accordance with the accounting policy adopted for convertible bonds in note 1(m).

(f) Statutory reserves

Statutory reserves were established in accordance with the relevant PRC rules and regulations and the articles of association of the Group's PRC subsidiaries. Transfers to the reserves were approved by the boards of directors of these companies.

(i) Statutory surplus reserve

The Group's PRC subsidiaries are required to transfer no less than 10% of their net profits, as determined in accordance with the PRC accounting rules and regulations, to the statutory surplus reserve until the reserve balance reaches 50% of their registered capital. The transfer to this reserve must be made before the distribution of a dividend to shareholders.

The statutory surplus reserve can be used to make good previous years' losses, if any, and may be converted into share capital by the issue of new shares to shareholders in proportion to their existing shareholdings or by increasing the par value of the shares currently held by them, provided that the balance after such issue is not less than 25% of the registered capital.

28. Capital, reserves and dividends *(Continued)*

(f) Statutory reserves *(Continued)*

(ii) Discretionary surplus reserve

The Group's PRC subsidiaries made appropriations to discretionary surplus reserve in accordance with their board of directors' resolutions.

(g) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of the Company. The reserve is dealt with in accordance with the accounting policies set out in note 1(u).

(h) Distributability of reserves

At 30 June 2011, the aggregate amount of reserves available for distribution to equity shareholders of the Company was RMB156,520,000 (30 June 2010: RMB138,548,000).

(i) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure closely, and adjusts its level of loans and borrowings, trade and other payables and dividend payments to safeguard the Group's ability to continue as a going concern.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

29. Financial risk management and fair values

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from movements in its own equity share price.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables. Management has a credit policy in place and the exposures to the credit risk are monitored on an ongoing basis.

In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. Normally, the Group does not obtain collateral from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. At the end of the reporting period, 24% (30 June 2010: 38%) and 68% (30 June 2010: 62%) of the total trade receivables was due from the Group's largest customer and the five largest customers, respectively.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 19.

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

29. Financial risk management and fair values *(Continued)*

(b) Liquidity risk *(Continued)*

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's and the Company's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group and the Company can be required to pay:

The Group

	At 30 June 2011					
	Within 1 year or on demand RMB'000	More than 1 year within 2 years RMB'000	More than 2 years within 3 years RMB'000	More than 3 years RMB'000	Undiscounted contracted cash flow RMB'000	Carrying amount RMB'000
Trade and other payables	(18,475)	–	–	–	(18,475)	18,475
Loans and borrowings	(116,305)	(2,550)	(2,550)	–	(121,405)	119,290
Convertible bonds	(156,613)	–	–	–	(156,613)	141,626
	(291,393)	(2,550)	(2,550)	–	(296.493)	279,391

	At 30 June 2010					
	Within 1 year or on demand RMB'000	More than 1 year within 2 years RMB'000	More than 2 years within 3 years RMB'000	More than 3 years RMB'000	Undiscounted contracted cash flow RMB'000	Carrying amount RMB'000
Trade and other payables	(17,722)	–	–	–	(17,722)	17,722
Loans and borrowings	–	–	(2,550)	(2,550)	(5,100)	5,100
Convertible bonds	–	(165,355)	–	–	(165,355)	133,489
	(17,722)	(165,355)	(2,550)	(2,550)	(188,177)	156,311

29. Financial risk management and fair values *(Continued)*

(b) Liquidity risk *(Continued)*

The Company

	At 30 June 2011					
	Within 1 year or on demand RMB'000	More than 1 year within 2 years RMB'000	More than 2 years within 3 years RMB'000	More than 3 years RMB'000	Undiscounted contracted cash flow RMB'000	Carrying amount RMB'000
Trade and other payables	(2,065)	–	–	–	(2,065)	2,065
Convertible bonds	(156,613)	–	–	–	(156,613)	141,626
Payables due to subsidiaries	–	–	–	(11,355)	(11,355)	11,355
	(158.678)	–	–	(11,355)	(170,033)	155,046

	At 30 June 2010					
	Within 1 year or on demand RMB'000	More than 1 year within 2 years RMB'000	More than 2 years within 3 years RMB'000	More than 3 years RMB'000	Undiscounted contracted cash flow RMB'000	Carrying amount RMB'000
Trade and other payables	(1,861)	–	–	–	(1,861)	1,861
Convertible bonds	–	(165,355)	–	–	(165,355)	133,489
Payables due to subsidiaries	–	–	–	(11,837)	(11,837)	11,837
	(1,861)	(165,355)	–	(11,837)	(179,053)	147,187

(c) Interest rate risk

The Group's interest rate risk arises primarily from loans and borrowings, convertible bonds, cash and cash equivalents, time deposits and pledged bank deposits.

Cash and cash equivalents comprise mainly cash at bank, with variable interest rates ranging from 0.001% to 0.5% per annum as at 30 June 2011 (30 June 2010: ranging from 0.01% to 1.2375% per annum). Time deposits are not held for speculative purposes. Pledged bank deposits are held for securing bank loans granted to the Group.

Loans and borrowings obtained at variable rates expose the Group to cash flow interest rate risk. The interest rates and maturity information of the interest-bearing bank loans and convertible bonds are disclosed in notes 23 and 25.

29. Financial risk management and fair values *(Continued)*

(c) Interest rate risk *(Continued)*

The Group's policy is to manage its interest rate risk to ensure there are no undue exposures to significant interest rate movements and rates are relatively fixed. The Group does not account for any fixed rate financial liabilities at fair value through profit or loss, and the Group does not use derivative financial instruments to hedge its debt obligations.

(i) Interest rate profile

At the reporting date the interest rate profile of the Group's and the Company's interest-bearing financial instruments was:

The Group

	At 30 June 2011		At 30 June 2010	
	Effective interest rate %	**RMB'000**	Effective interest rate %	RMB'000
Fixed rate instruments				
Time deposits	**–**	**–**	0.50%	2,650
Pledged bank deposits	**3.85%-5.13%**	**122,900**	4.77%-5.13%	5,100
Convertible bonds	**11.54%**	**(141,626)**	11.54%	(133,489)
		(18,726)		(125,739)
Variable rate instruments				
Cash at bank	**0.001%-0.5%**	**555,996**	0.01%-1.2375%	429,074
Loans and borrowings	**5.76%**	**(114,190)**	–	–
		441,806		429,074

The Company

	At 30 June 2011		At 30 June 2010	
	Effective interest rate %	**RMB'000**	Effective interest rate %	RMB'000
Fixed rate instruments				
Convertible bonds	**11.54%**	**(141,626)**	11.54%	(133,489)
Variable rate instruments				
Cash at bank	**0.01%**	**11,046**	0.01%	10,289

29. Financial risk management and fair values *(Continued)*

(c) Interest rate risk *(Continued)*

(ii) Sensitivity analysis

At 30 June 2011, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have increased/decreased the Group's profit after tax and retained profits by approximately RMB4,418,000 (for the year ended 30 June 2010: increased/decreased the Group's profit after tax and retained profits by approximately RMB3,584,000). Other components of consolidated equity would not be affected by changes in interest rates.

The sensitivity analysis above indicates the instantaneous change in the Group's profit after tax (and retained profits) and other components of consolidated equity that would arise assuming that the change in interest rates had occurred at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's profit after tax (and retained profits) and other components of consolidated equity is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis for the year ended 30 June 2010.

(d) Foreign currency risk

The Group is exposed to currency risk primarily through cash and cash equivalents, pledged bank deposits and convertible bonds that are denominated in a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily RMB, HKD and USD.

RMB is not freely convertible into foreign currencies. All foreign exchange transactions involving RMB must take place through the People's Bank of China or other institutions authorised to buy and sell foreign exchange. The exchange rates adopted for the foreign exchange transactions are the PBOC rates.

In respect of trade and other receivables, trade and other payables and borrowings held in a currency other than the functional currency of the operations to which they relate, the Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rate where necessary to address short-term imbalances.

29. Financial risk management and fair values *(Continued)*

(d) Foreign currency risk *(Continued)*

(i) Exposure to currency risk

The following table details the Group's and the Company's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in Renminbi, translated using the spot rate at the year end date. Differences resulting from the translation of the financial statements of the Company into the Group's presentation currency are excluded.

The Group

	At 30 June 2011 (expressed in RMB)			At 30 June 2010 (expressed in RMB)		
	RMB '000	**HKD '000**	**USD '000**	RMB '000	HKD '000	USD '000
Cash and cash equivalents	**22**	**–**	**592**	–	43	136,158
Pledged bank deposits	**117,800**	**–**	**–**	–	–	–
Time deposits	**–**	**–**	**–**	–	2,650	–
Payables due to subsidiaries	**–**	**(13,241)**	**–**	–	(14,554)	–
Convertible bonds	**–**	**–**	**(141,626)**	–	–	(133,489)
Overall net exposure	**117,822**	**(13,241)**	**(141,034)**	–	(11,861)	2,669

The Company

	At 30 June 2011 (expressed in RMB)		At 30 June 2010 (expressed in RMB)	
	RMB '000	**USD '000**	RMB '000	USD '000
Cash and cash equivalents	**5**	**324**	–	340
Convertible bonds	**–**	**(141,626)**	–	(133,489)
Overall net exposure	**5**	**(141,302)**	–	(133,149)

29. Financial risk management and fair values *(Continued)*

(d) Foreign currency risk *(Continued)*

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's net profit for the year that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant. The sensitivity analysis includes balances between group companies where the balances are denominated in a currency other than the functional currencies of the lender or the borrower.

	Year ended 30 June 2011 RMB'000	Year ended 30 June 2010 RMB'000
RMB		
— 5% strengthening of HKD	**(5,891)**	—
— 5% weakening of HKD	**5,891**	—
HKD		
— 5% strengthening of RMB	**662**	445
— 5% weakening of RMB	**(662)**	(445)
USD		
— 5% strengthening of HKD	**7,052**	(133)
— 5% weakening of HKD	**(7,052)**	133

The sensitivity analysis above has been determined assuming that the change in foreign exchange rate had occurred at the end of the reporting period and had been applied to each of the Group entities' exposure to currency risk for financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant. The stated changes represent management's assessment of reasonably possible changes in foreign exchange rate over the period until the end of next annual reporting period. The analysis is performed on the same basis for the year ended 30 June 2010.

29. Financial risk management and fair values *(Continued)*

(e) Business risk

The Group's revenue depends significantly on the ability to harvest oranges at adequate levels. The ability to harvest oranges in the Group's leased orange farms and the growth of the oranges may be affected by unfavourable local weather conditions and natural disasters. Weather conditions such as floods, droughts, cyclones and windstorms and natural disasters such as earthquakes, fire, disease, insect infestation and pests are examples of such events. The occurrence of severe weather conditions or natural disasters may diminish the supply of oranges available for harvesting in the Group's leased orange farms, which in turn may have a material adverse effect on the Group's ability to produce the products in sufficient quantities and quality. The Group has procedures in place aimed at monitoring and mitigating exposures to diseases, including regular farms inspections and pesticide prevention.

The Group has certain concentration risk of sales to its current major customers. The Group's revenue from five largest customers amounted to approximately RMB230,796,000 and RMB216,787,000 which accounted for approximately 51% and 45% of the Group's total revenue for the year ended 30 June 2011 and 30 June 2010, respectively. The Group has no long-term contractual arrangement with these customers and there is no assurance that these major customers will continue their business dealings with the Group or that the revenue generated from dealing with these customers will increase or be maintained in the future. In the event that these customers ceased to purchase products from the Group and the Group could not secure orders from other customers, the Group's turnover and profitability would be adversely affected.

The Group is exposed to financial risks arising from changes in prices of oranges, concentrated orange juice and the change in cost and supply of fertiliser and pesticides, all of which are determined by constantly changing market forces of supply and demand, and other factors. The other factors include environmental regulations, weather conditions and diseases. The Group has little or no control over these conditions and factors.

(f) Fair value

(i) Financial instruments carried at fair value

The Group's financial instruments carried at fair value represent the Bondholders' redemption options (note 25). Given the directors consider the possibility of the occurrence of the events of change of control and delisting during the period from 28 May 2010 to 30 June 2012 is nil, the fair value of the Bondholders' redemption options is considered as nil as at 28 May 2010, 30 June 2010 and 30 June 2011.

(ii) Fair values of financial instruments carried at other than fair value

The carrying amounts of the Group's and the Company's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 30 June 2011 and 30 June 2010.

29. Financial risk management and fair values *(Continued)*

(g) Estimation of fair values

The carrying amounts of significant financial assets and liabilities approximate their respective fair values as at 30 June 2011 and 30 June 2010, respectively. The following methods and assumptions were used to estimate the fair value for each class of financial instruments:

(i) *Cash and cash equivalents, trade and other receivables, time deposits, pledged bank deposits, and trade and other payables*

The carrying amounts approximate their respective fair values because of the short-term maturity of these instruments.

(ii) *Loans and borrowings*

The carrying amount of loans and borrowings approximate their fair value based on the borrowing rates currently available for bank loans with similar terms and maturities.

30. Commitments

(a) Capital commitments that relate to purchase of property, plant and equipment outstanding at 30 June 2011 not provided for in the financial statements were as follows:

	At 30 June 2011 RMB'000	At 30 June 2010 RMB'000
Authorised and contracted for	**20,928**	1,193

(b) At 30 June 2011, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	At 30 June 2011 RMB'000	At 30 June 2010 RMB'000
Within 1 year	**116**	582
After 1 year but within 5 years	**21,000**	21,000
After 5 years	**21,000**	21,000
	42,116	42,582

31. Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the Group entered into the following material related party transactions:

(a) Receivables due from subsidiaries

The Company

	At 30 June 2011 RMB'000	At 30 June 2010 RMB'000
Representing:		
Current portion	**129,432**	—
Non-current portion	**143,394**	256,563
	272,826	256,563

(b) Payables due to subsidiaries

The Company

	At 30 June 2011 RMB'000	At 30 June 2010 RMB'000
Subsidiaries	**11,355**	11,837

The amounts of the Company's payables due to the subsidiaries do not have fixed repayment dates and bear no interest. The directors consider that these payables are not expected to be settled within one year.

31. Related party transactions *(Continued)*

(c) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Group's directors as disclosed in note 7 and certain of the highest paid employees as disclosed in note 8, is as follows:

	Year ended 30 June 2011 RMB'000	Year ended 30 June 2010 RMB'000
Short term employee benefits	**5,542**	6,242
Share-based payments	**2,646**	5,719
Contribution to defined contribution plans	**83**	209
	8,271	12,170

Total remuneration is included in "staff costs" (see note 5(b)).

32. Ultimate holding company

At 30 June 2011, the directors consider the ultimate holding company of the Company to be Key Wise Group Limited, which is incorporated in the BVI. The entity does not produce financial statements available for public use.

33. Accounting judgements and estimates

Notes 25, 26 and 29 contain information about the assumptions and their risk factors relating to convertible bonds, share-based payments and financial instruments. Other judgements made by management in the application of IFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment are as follows:

(a) Depreciation

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets, after taking into account the estimated residual values. The management reviews the estimated useful lives and the residual values of the assets regularly in order to determine the amount of depreciation expense to be recorded during any reporting period. The determination of the useful lives and the residual values are based on the historical experience with similar assets and taking into account anticipated technological changes. The depreciation expense for future periods is adjusted if there are significant changes from previous estimates.

33. Accounting judgements and estimates *(Continued)*

(b) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expense. These estimates are based on the current market conditions and the historical experience of distributing and selling products of a similar nature. Management reassesses the estimations at the end of each reporting period.

(c) Impairment for bad and doubtful debts

The directors estimate impairment losses for bad and doubtful debts resulting from inability of the customers to make the required payments. The directors base the estimates on the ageing of the accounts receivable balance, customer credit-worthiness, and historical write-off experience. If the financial condition of the customers were to deteriorate, actual write-offs would be higher than estimated.

(d) Fair value of biological assets and agricultural produce

All oranges are harvested shortly before the calendar year end. At each calendar year end date, little biological transformation for the following year's harvest has taken place and therefore biological assets are stated at cost as the directors consider that their fair value cannot be measured reliably and no reliable alternative estimates exist to determine fair value.

In addition, for the reasons set out in note 18, the directors consider that there is no active market for the biological assets at the end of June each year and their fair value cannot be measured reliably and no reliable alternative estimates exist to determine fair value. Therefore the biological assets at the end of June continue to be stated at cost.

Once the fair value of the Group's biological assets becomes reliably measurable, they are then measured at their fair value less estimated point-of-sale costs.

The Group's agricultural produce are measured at fair value less estimated point-of-sale costs at the point of harvest. The directors are of the view that there is no quoted price in the market and the fair value is therefore determined based on the most recent market transaction price as at or close to the harvest dates in the local area.

(Expressed in Renminbi unless otherwise indicated)

34. Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 30 June 2011

Up to the date of issue of these financial statements, the IASB has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 30 June 2011 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

	Effective for accounting period beginning on or after
Improvements to IFRSs 2010	1 January 2011
Revised IAS 24, *Related party disclosures*	1 January 2011
Amendments to IFRIC 14, IAS 19 — *The limit on a defined benefit asset, minimum funding requirements and their interaction — Prepayments of a minimum funding requirement*	1 January 2011
Amendments to IFRS 1, *First-time adoption of International Financial Reporting Standards — Severe hyperinflation and removal of fixed dates for first-time adopters*	1 July 2011
Amendments to IFRS 7, *Financial instruments: Disclosures — Transfers of financial assets*	1 July 2011
Amendments to IAS 12, *Income taxes — Deferred tax: Recovery of underlying assets*	1 January 2012
Amendments to IAS 1, *Presentation of financial statements — Presentation of items of other comprehensive income*	1 July 2012
IFRS 9, *Financial instruments*	1 January 2013
IFRS 10, *Consolidated financial statements*	1 January 2013
IFRS 11, *Joint arrangements*	1 January 2013
IFRS 12, *Disclosure of interests in other entities*	1 January 2013

(Expressed in Renminbi unless otherwise indicated)

34. Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 30 June 2011 *(Continued)*

	Effective for accounting period beginning on or after
IFRS 13, *Fair value measurement*	1 January 2013
IAS 27, *Separate financial statements*	1 January 2013
IAS 28, *Investments in associates and joint ventures*	1 January 2013
Revised IAS 19, *Employee benefits*	1 January 2013

The Group is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

Five Years Financial Summary

The consolidated results, assets and liabilities of the Group for the last five financial years as extracted from the financial statements of the Group are summarised below:

Results

	Year ended 31 December		Twelve months ended 30 June	Eighteen months ended 30 June	Year ended 30 June	**Year ended 30 June**
	2006	2007	2009	2009	2010	**2011**
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	**RMB'000**
Revenue	175,443	265,595	337,363	463,771	479,333	**445,185**
Profit for the year/period	61,780	69,849	71,069	97,467	158,246	**153,768**

Assets and liabilities

	As at 31 December			As at 30 June		
	2005	2006	2007	2009	2010	**2011**
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	**RMB'000**
Total assets	103,052	174,285	277,463	493,731	818,480	**1,090,437**
Total liabilities	32,441	41,894	75,223	39,057	184,745	**300,701**