CHINA HUIYUAN JUICE GROUP LIMITED
中 國 滙 源 果 汁 集 團 有 限 公 司 *

(Incorporated in the Cayman Islands with Limited Liability)

(Stock Code: 1886)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2013

HIGHLIGHTS

- **Key financial figures**

	For the 6 months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Revenue	**2,063,611**	1,690,148
Cost of sales	**1,427,431**	1,270,095
Gross profit	**636,180**	420,053
Profit/(loss) attributable to equity holders	**114,008**	(32,167)
Adjusted profit attributable to equity holders *(Note 1)*	**147,961**	7,649
EBITDA	**400,730**	258,427
Earnings/(losses) per share (RMB cents) *(Note 2)*		
— basic	**7.7**	(2.2)
— diluted	**7.7**	(2.2)

Note 1: *The adjusted profit attributable to equity holders excludes interest expense on the convertible bonds, change in fair value of conversion rights of the convertible bonds, exchange gain/(loss) relating to the convertible bonds and amortization of employee share option scheme.*

Note 2: *Please refer to Note 11 to the Unaudited Condensed Consolidated Interim Financial Information for the calculation of earnings/(losses) per share.*

- For the six months ended 30 June 2013, revenue of the Group increased by 22.1% to RMB2,063.6 million from RMB1,690.1 million for the same period of 2012. Gross profit was RMB636.2 million. The Group recorded a net profit attributable to equity holders of RMB114.0 million for the six months ended 30 June 2013. Basic earnings per share amounted to RMB7.7 cents for the period.

- According to Nielsen, the Group had a 60.8% and 44.6% share of the PRC market by sales volume in 100% juice and nectars for the first half year of 2013, respectively, maintaining its leading position in the respective markets.

In this announcement "we", "us" and "our" refer to the Company (as defined below) and where the context otherwise requires, the Group (as defined below).

The board ("**Board**") of directors (the "**Directors**") of China Huiyuan Juice Group Limited (the "**Company**") is pleased to present the unaudited consolidated results of the Company and its subsidiaries (collectively, the "**Group**" or "**Huiyuan**") for the six months ended 30 June 2013, along with the comparative figures for the corresponding period of last year as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For six months ended 30 June 2013
(All amounts in RMB thousands unless otherwise stated)

		Unaudited	
		Six months ended 30 June	
		2013	*2012*
	Note	***RMB'000***	*RMB'000*
Revenue	*4*	**2,063,611**	1,690,148
Cost of sales	*7*	**(1,427,431)**	(1,270,095)
Gross profit		**636,180**	420,053
Other income — net	*5*	**151,962**	124,550
Other gains/(losses) — net	*6*	**109,813**	47,312
Selling and marketing expenses	*7*	**(555,560)**	(407,645)
Administrative expenses	*7*	**(161,591)**	(129,609)
Finance costs	*8*	**(102,807)**	(115,404)
Finance income	*9*	**29,924**	8,735
Unrealised gain from change of fair value of convertible bonds	*15*	**10,600**	8,861
Share of loss of associates		**(1,824)**	—
Profit/(loss) before income tax		**116,697**	(43,147)
Income tax (expense)/credit	*10*	**(2,689)**	10,980
Profit/(loss) for the period		**114,008**	(32,167)
Other comprehensive income for the period		**—**	—
Total comprehensive income for the period		**114,008**	(32,167)
Attributable to:			
Equity holders of the Company		**114,008**	(32,167)
Earnings/(losses) per share for profit/(loss) attributable to equity holders of the Company during the period(expressed in RMB cents per share)	*11*		
— basic		**7.7**	(2.2)
— diluted		**7.7**	(2.2)
Dividends	*12*	**—**	—

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2013

(All amounts in RMB thousands unless otherwise stated)

	Note	**Unaudited 30 June 2013** ***RMB'000***	Audited 31 December 2012 *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**5,971,264**	6,025,704
Intangible assets		**428,893**	438,433
Land use rights		**743,360**	746,261
Deferred income tax		**101,414**	90,927
Investments in associates		**11,921**	13,745
Long-term receivable		**1,847**	91,483
Long-term prepayment		**24,304**	84,634
Total non-current assets		**7,283,003**	7,491,187
Current assets			
Inventories		**1,227,737**	1,605,213
Trade and other receivables	*13*	**1,751,647**	1,426,155
Restricted cash		**139,842**	115,769
Cash and cash equivalents		**861,011**	521,127
Total current assets		**3,980,237**	3,668,264
Total assets		**11,263,240**	11,159,451
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**115**	115
Share premium		**3,776,401**	3,776,401
Other reserves		**280,996**	248,410
Retained earnings			
— Proposed final dividends	*12*	**—**	—
— Others		**1,375,316**	1,261,308
Total equity		**5,432,828**	5,286,234

	Note	Unaudited 30 June 2013 RMB'000	Audited 31 December 2012 RMB'000
LIABILITIES			
Non-current liabilities			
Borrowings	*14*	**994,822**	1,175,398
Deferred government grants		**89,379**	103,927
Convertible bonds	*15*	**—**	779,148
Total non-current liabilities		**1,084,201**	2,058,473
Current liabilities			
Trade and other payables	*16*	**2,343,988**	1,949,800
Convertible bonds	*15*	**794,439**	—
Taxation payable		**10,480**	6,818
Deferred revenue		**6,881**	50,569
Borrowings	*14*	**1,590,423**	1,807,557
Total current liabilities		**4,746,211**	3,814,744
Total liabilities		**5,830,412**	5,873,217
Total equity and liabilities		**11,263,240**	11,159,451
Net current liabilities		**(765,974)**	(146,480)
Total assets less current liabilities		**6,517,029**	7,344,707

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For six months ended 30 June 2013
(All amounts in RMB thousands unless otherwise stated)

1 General information

China Huiyuan Juice Group Limited (the "Company") and its subsidiaries (together the "Group") are principally engaged in the manufacturing and sales of juice beverages in the People's Republic of China (the "PRC").

The Company was incorporated in the Cayman Islands on 14 September 2006 as an exempted company with limited liability under the Company Law (Cap. 22, Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of registered office is Scotia Centre, 4th Floor, P.O. Box 2804, George Town, Grand Cayman, Cayman Islands.

Pursuant to a group reorganisation (the "Reorganisation") which included exchange of shares to rationalise the structure of the Group in preparation for the listing of the Company's shares on the Main Board of the Stock Exchange of Hong Kong Limited, the Company acquired the entire issued share capital of Huiyuan Beijing Holdings Limited, Huiyuan Shanghai Holdings Limited and Huiyuan Chengdu Holdings Limited (the "BVI Companies"), the then holding companies of all other companies comprising the Group and consequently became the holding company of the Group. The Reorganisation was completed on 23 February 2007.

The Company's shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited on 23 February 2007.

This unaudited condensed consolidated interim financial information was authorised for issue by the Board of Directors of the Company on 27 August 2013.

Key events

On 23 May 2013, the Company, China Hui Yuan Juice Holdings Co., Ltd. ("China Hui Yuan Holdings") and Mr. Zhu Xinli entered into an acquisition agreement, pursuant to which the Company purchased from China Hui Yuan Holdings the entire issued share capital of China Huiyuan Industry Holding Limited, which is one of the leading producers of fruit juice concentrates and purees in China, at a total consideration of approximately HK$4,939 million.

On 12 July 2013, the transaction was approved by the Extraordinary General Meeting of the shareholders of the Company. The Company aims to close the transaction in the second half of 2013, which is subject to the Ministry of Commerce of the PRC Anti-monopoly Bureau's approval of the transaction.

2 Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2013 has been prepared in accordance with International Accounting Standards ("IAS") 34, 'Interim financial reporting'. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2012, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

As of 30 June 2013, the Group's current liabilities exceeded its current assets by RMB765,974,000. The Group has considered the current economic environment, its ability to generate net cash inflows from its future operating activities, its expected ability to renew short-term borrowings on their maturity dates, its unused bank facilities and other refinance capabilities. After consideration of these factors, the directors believe the Group has the ability to repay its borrowings on their maturity dates or refinance them when they mature during the 12 months period from 30 June 2013. Therefore, this financial information has been prepared on the going concern basis.

3 Summary of significant accounting policies

The accounting policies applied in the preparation of the condensed consolidated interim financial information are consistent with those of the annual financial statements for the year ended 31 December 2012, unless otherwise stated.

(a) New and amended standards adopted by the Group

- IFRS 10, 'Consolidated financial statements'. Under IFRS 10, subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group has power over an entity, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The adoption of IFRS 10 dose not have a material impact on the Group's financial results for the period.

- IFRS 12 'Disclosure of interests in other entities', IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The new disclosure requirements have been adopted by the Group.

- IFRS 13, 'Fair value measurement'. IFRS 13 measurement and disclosure requirements are applicable for the December 2013 year end. The new disclosure requirements have been adopted by the Group.

There are no other amended standards or interpretations that are effective for the first time for this interim period that could be expected to have a material impact on this Group.

(b) Standards, amendments and interpretations to existing standards that are not yet effective for the financial year beginning 1 January 2013 and have not been early adopted by the group:

- IAS 32 (Amendment) 'Financial instruments: Presentation — Offsetting financial assets and financial liabilities' (effective from 1 January 2014).

- Amendments to IFRS 10, IFRS 12 and IAS27(revised 2011) — 'Investment entities' (effective from 1 January 2014).

- Amendments to IAS 36 — 'Recoverable amount disclosures for non-financial assets' (effective from 1 January 2014).

- IFRS 9 'Financial Instruments' (effective from 1 January 2015).

The Group has commenced an assessment of the impact to the Group for the above but is not yet in a position to state whether they will result in any significant changes to the Group's accounting policies and presentation of the financial information.

In addition to those disclosed in note 3(b) above, there are a number of amendments and interpretations to the existing standards which have been published and are not mandatory for the Group's accounting periods beginning on or after 1 January 2013 or later periods and are not adopted early. For this reason and as otherwise the disclosures would be of excessive length, they are not disclosed.

4 Revenue and segment information

Management determines the operating segments based on the reports reviewed by the executive directors that are used to make strategic decisions. The executive directors assess revenue from a product perspective. The Group's expenses, assets, liabilities and capital expenditure are primarily attributable to the manufacture and sales of juice and other beverage products to external customers, which are considered as one segment. The Group's principal market is the PRC and its sales to overseas customers contributed to less than 10% of revenue. Also, less than 10% of the Group's total non-current assets are located outside the PRC. Accordingly, no geographical information is presented. Breakdown of the revenue by product category is as follows:

	Unaudited Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
100% juice products	**423,806**	378,417
Nectars	**509,499**	346,068
Juice drinks	**584,334**	381,600
Water and other beverage products	**545,972**	584,063
	2,063,611	1,690,148

The Group made barter sales of approximately RMB9,110,000 during the six months ended 30 June 2013 in exchange for advertising services and transportation vehicles (corresponding period in 2012: RMB6,977,000).

5 Other income — net

	Unaudited Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Government subsidy income	**137,014**	112,426
Net income from sales of materials and scrap	**6,688**	3,305
Amortisation of deferred government grants	**1,978**	1,003
Net income from sales of trucks	**—**	—
Sales of trucks	**46,221**	16,515
Cost of trucks	**(46,221)**	(16,515)
Others	**6,282**	7,816
	151,962	124,550

6. Other gains/(losses) — net

	Unaudited Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Gain on disposal of subsidiaries *(Note 17)*	**200,090**	47,312
Impairment loss for long-term receivable arising from a disposal *(a)*	**(90,277)**	—
	109,813	47,312

(a) The Group completed a 50% equity transfer of one of its subsidiaries, Chengdu Huifu Real Estate Co., Ltd. ("Huifu") to a third party (the "Old Purchaser") in June 2012. In December 2012, the Group entered into an agreement (the "December 2012 Agreement") with the Old Purchaser for transferring its control, management and voting rights of the remaining 50% equity interests in Huifu to the Old Purchaser. As of 30 June 2013, the carrying value of the receivable balance arising from the December 2012 Agreement amounted to RMB90,277,000. Based on an assessment made by management on this receivable balance, the Group made an impairment provision with full amount of the outstanding receivable because of the doubtful collection from the Old Purchaser.

On 12 July 2013, the Group terminated the December 2012 Agreement with the Old Purchaser. At the same time, the Group repurchased the 50% equity interests in Huifu previously sold to the Old Purchaser at a consideration of RMB92,000,000.

On 19 August 2013, the Group entered into a new equity transfer agreement with another third party acquirer (the "New Purchaser"), Sichuan Yongjing Investment & Industrial Co., Ltd. ("Sichuan Yongjing Group"), to transfer its entire equity interests in Huifu at a total consideration of RMB350,000,000. Pursuant to the equity transfer agreement, this transaction is anticipated to be completed in the third quarter of 2013 and an estimated gain to be recognised from this transaction is approximately RMB250,000,000.

7 Expenses by nature

	Unaudited Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Raw materials used and changes in inventories	**1,072,721**	930,634
Advertising and other marketing expenses	**397,107**	246,521
Depreciation of property, plant and equipment	**203,983**	177,060
Employee benefit expense	**150,888**	153,842
Water and electricity	**95,043**	106,747
Transportation and related charges	**86,146**	79,443
Repairs and maintenance	**22,237**	15,378
Land use tax	**14,707**	11,978
Travelling expense	**10,693**	12,860
Amortisation of trademark and license right	**9,540**	9,809
Disposal and impairment loss of inventories	**9,385**	13,332
Office and communication expenses	**8,323**	9,863
Amortisation of land use rights	**8,226**	8,162
Rental expenses	**4,122**	3,513
Impairment loss for trade and other receivables	**3,780**	4,751
Other expenses	**47,681**	23,456
Total cost of sales, selling and marketing expenses and administrative expenses	**2,144,582**	1,807,349

8 Finance costs

	Unaudited Six months ended 30 June 2013 RMB'000	2012 RMB'000
Interest expenses:		
— Bank borrowings	**84,754**	100,292
— Interest expense relating to 2016 Convertible Bonds *(Note 15)*	**56,383**	52,244
Exchange loss (excluding 2016 Convertible Bonds)	**—**	13,604
Exchange loss on liability component of 2016 Convertible Bonds	**—**	2,296
Less: Interest capitalised	**(38,330)**	(53,032)
	102,807	115,404
Weighed average effective interest rate used to calculate capitalisation amount	**5.00%**	4.89%

9 Finance income

	Unaudited Six months ended 30 June 2013 RMB'000	2012 RMB'000
Interest income from bank deposits	**3,166**	8,735
Exchange gain (excluding 2016 Convertible Bonds)	**14,928**	—
Exchange gain on liability component of 2016 Convertible Bonds *(Note 15)*	**11,830**	—
	29,924	8,735

10 Income tax expense/(credit)

	Unaudited Six months ended 30 June 2013 RMB'000	2012 RMB'000
Current income tax — PRC enterprise income tax	**13,270**	2,539
Deferred income tax credit	**(10,581)**	(13,519)
	2,689	(10,980)

Hong Kong profits tax has not been provided as the Group has no assessable profit derived from Hong Kong.

According to the Corporate Income Tax Law of the PRC as approved by the National People's Congress on 16 March 2007, the profits of the PRC subsidiaries of the Group derived since 1 January 2008 will be subject to withholding tax at rates of 5% or 10% upon the distribution of such profits to foreign investors based in or companies incorporated in Hong Kong, or for other foreign investors respectively. The Group determined that no deferred withholding tax liabilities shall be recognised in respect of the profits of the PRC subsidiaries for the period ended 30 June 2013 and for the year ended 31 December 2012 since the Group plans to reinvest such profits to set up new companies in the PRC and has no plan to distribute such profits in the foreseeable future.

11 Earnings/(losses) per share

(a) Basic

Basic earnings/(losses) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Unaudited Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Profit/(loss) attributable to equity holders of the Company	**114,008**	(32,167)
Weighted average number of ordinary shares in issue *(thousands)*	**1,477,953**	1,477,953
Basic earnings/(losses) per share *(RMB cents)*	**7.7**	(2.2)

(b) Diluted

Diluted earnings/(losses) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potentially dilutive ordinary shares. The Company's potentially dilutive ordinary shares comprised shares which may be issued under its 2016 Convertible Bonds and share option schemes. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market price of the Company's shares during the period) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the conversion of the 2016 Convertible Bonds and the exercise of the share options, with the difference being adjusted in arriving at the weighted average number of shares for diluted earnings/(losses) per shares, of which details are as follows:

	Unaudited Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Profit/(loss) attributable to equity holders of the Company	**114,008**	(32,167)
Add: Interest expense relating to 2016 Convertible Bonds	**—***	—*
Less: Unrealised exchange gain/(loss) relating to 2016 Convertible Bonds	**—***	—*
Less: Fair value changes of conversion rights of 2016 Convertible Bonds	**—***	—*
Profit/(loss) attributable to equity holders of the Company, used to determine diluted earnings/(losses) per share	**114,008**	(32,167)
Weighted average number of ordinary shares in issue *(thousands)*	**1,477,953**	1,477,953
Adjustment for 2016 Convertible Bonds *(thousands)*	**—***	—*
Adjustment for share options *(thousands)*	**—****	—**
Weighted average number of ordinary shares for diluted earnings/(losses) per share *(thousands)*	**1,477,953**	1,477,953
Diluted earnings/(losses) per share *(RMB cents)*	**7.7**	(2.2)

* During the six months ended 30 June 2013 and 2012, the impact of interest expense of, unrealised exchange gain/(loss) of and fair value changes of conversion rights of the 2016 Convertible Bonds are antidilutive and have therefore been excluded from the calculation of diluted earnings/(losses) per share.

** In the first half year of both 2013 and 2012, share options are antidilutive and have therefore been excluded from the calculation of diluted earnings/(losses) per share.

12 Dividends

The board has resolved not to recommend the payment of any interim dividend for the six months ended 30 June 2013 (corresponding period in 2012: nil).

13 Trade and other receivables

	Unaudited 30 June 2013 *RMB'000*	Audited 31 December 2012 *RMB'000*
Trade receivables — net	**946,242**	761,226
Trade receivables	**984,462**	796,242
Less: Provision for impairment of receivables	**(38,220)**	(35,016)
Bills receivable — third parties	**20,268**	32,574
Prepayments of raw materials and others — third parties	**174,607**	94,953
Prepayment for advertising and other marketing expenses — third parties	**158,481**	157,706
Consideration receivable for disposal of a subsidiary *(Note 17)*	**150,000**	—
Deductible VAT-input balance	**268,743**	347,259
Other receivables	**33,306**	32,437
	1,751,647	1,426,155

The carrying amounts of receivables approximate their fair value.

The majority of the Group's sales are settled in cash or by cheque on delivery of goods, except for a customer on OEM business and sales to selected distributors and supermarkets which are settled within the credit terms as agreed in sales contracts. The majority of customers are with credit terms of 90 to 180 days. Certain customers with long-term relationship are extended preferential credit terms exceeding 180 days. As at 30 June 2013 and 31 December 2012, the aging analysis of the trade receivables was as follows:

	Unaudited 30 June 2013 *RMB'000*	Audited 31 December 2012 *RMB'000*
Within 3 months	**705,899**	640,537
Between 4 and 6 months	**134,516**	78,143
Between 7 and 12 months	**103,783**	40,773
Between 1 and 2 years	**20,388**	23,160
Over 2 years	**19,876**	13,629
	984,462	796,242

14 Borrowings

	Unaudited 30 June 2013 *RMB'000*	Audited 31 December 2012 *RMB'000*
Non-current		
Bank borrowings	**994,822**	1,175,398
Current		
Bank borrowings	**1,590,423**	1,807,557
Total Bank borrowings	**2,585,245**	2,982,955

	Unaudited 30 June 2013 *RMB'000*	Audited 31 December 2012 *RMB'000*
Unsecured	**2,158,004**	2,322,220
Secured	**427,241**	660,735
Total Bank borrowings	**2,585,245**	2,982,955

The Group has bank borrowings of RMB155,000,000 secured by related parties as at 30 June 2013. The Group has no borrowings secured by property, plant and equipment, and land use rights.

15 Convertible bonds

	Unaudited 30 June 2013 *RMB'000*	Audited 31 December 2012 *RMB'000*
Convertible Bonds due 2016, liability components	**729,575**	703,684
Fair value of embedded derivatives	**64,864**	75,464
	794,439	779,148

On 29 April 2011, the Company issues an aggregate of US$150,000,000 convertible bonds due 29 April 2016 (the "2016 Convertible Bonds").

The major terms and conditions of the 2016 Convertible Bonds are the same as those described in the annual financial statements for the year ended 31 December 2012.

As of 30 June 2013, the 2016 Convertible Bonds have been reclassified as current liabilities due to the redemption option of the holders on 29 April 2014.

The fair value of the 2016 Convertible Bonds was determined by an independent qualified valuer based on the Binomial valuation model. The fair value of the liability component on initial recognition was valued as the proceeds of the 2016 Convertible Bonds (net of transaction cost) minus the fair value of the embedded derivatives of the 2016 Convertible Bonds (defined as "conversion right" in the valuer's report). The fair value of the conversion rights and redemption rights (considered as a single derivative) (the "conversion right") was valued by estimating the value of the whole bond with and without the conversion feature. The difference in value reflects the value of the conversion right.

	RMB'000
Fair value of conversion rights as at 31 December 2012	75,464
Less: Fair value of conversion rights as at 30 June 2013	(64,864)
Fair value changes of conversion rights	10,600

The fair value change in the conversion right for the period ended 30 June 2013 is RMB10,600,000, which is recognised in the consolidated statement of comprehensive income and disclosed separately. The related interest expense of the liability component of the 2016 Convertible Bonds for the period ended 30 June 2013 amounted to RMB56,383,000, which is calculated using the effective interest method with an effective interest rate of 16.45%.

	RMB'000
Liability component as at 31 December 2012	703,684
Add: Interest expense for the period *(Note 8)*	56,383
Unrealised exchange gain *(Note 9)*	(11,830)
Less: Interest payment during the period	(18,662)
Liability component as at 30 June 2013	729,575

The fair value of the liability component of the 2016 Convertible Bonds at 30 June 2013 amounted to RMB869,813,000. The fair value is calculated using cashflows discounted at a rate of 8.73%.

16 Trade and other payables

	Unaudited 30 June 2013	Audited 31 December 2012
	RMB'000	*RMB'000*
Trade payables *(a)*	**1,889,860**	1,449,715
Other payables	**454,128**	500,085
	2,343,988	1,949,800

(a) Details of aging analysis of trade payables are as follows:

	Unaudited 30 June 2013 *RMB'000*	Audited 31 December 2012 *RMB'000*
Within 3 months	**849,067**	1,371,838
Between 4 and 6 months	**21,660**	28,601
Between 7 and 12 months	**1,006,474**	33,761
Between 1 and 2 years	**5,628**	7,367
Between 2 and 3 years	**6,006**	6,922
Over 3 years	**1,025**	1,226
	1,889,860	1,449,715

17. Disposal of a subsidiary

On 21 June 2013, the Group entered into an agreement with Chengdu President Enterprises Food Co. Ltd. ("Chengdu President") and Uni-President Enterprises (China) Investments Ltd. ("Uni-President China") (collectively, the "Acquirers"), to transfer its entire equity interests in Shanghai Huiyuan Food & Beverage Co., Ltd. ("Shanghai Huiyuan"), an indirect wholly-owned subsidiary of the Company, of which 75% and 25% interests shall be transferred to Chengdu President and Uni-Present China respectively, for a total cash consideration of RMB300,000,000.

As of 30 June 2013, the Group has derecognised its investment in Shanghai Huiyuan.

	Unaudited 30 June 2013 *RMB'000*
Consideration satisfied by	
Cash	**150,000**
Consideration receivable	**150,000**
	300,000
Gain on disposal of the subsidiary	
Total consideration	**300,000**
Carrying value of the investment in the subsidiary — shown as below	**(99,910)**
	200,090

The assets and liabilities arising from the disposal are as follows:

	Carrying value *RMB'000*
Property, plant and equipment	47,381
Land use rights	19,943
Trade and other receivables	7,955
Cash and cash equivalents	3,056
Trade and other payables	(11,011)
Net assets of the subsidiary	67,324
Add: Other reserves arising from prior year's acquisition of the subsidiary *(a)*	32,586
Carrying value of the investment in the subsidiary	99,910
Inflow of cash to dispose the subsidiary, net of cash disposed	
Proceeds received in cash	150,000
Cash and cash equivalents in the subsidiary disposed	(3,056)
Cash inflow on the disposal during the period	146,944

As of the report date, the Group has received RMB285,000,000 from the Acquirers, which represents 95% of the total consideration.

(a) In April 2005, Huiyuan Shanghai Holdings Limited ("Shanghai Holdings") acquired 75% and 25% equity interests in Shanghai Huiyuan from Beijing Huiyuan Beverage & Food Group Co., Ltd. (which is ultimately owned by Mr. Zhu Xinli) and the non-controlling shareholder at cash considerations of approximately RMB105,115,000 and RMB35,038,000 respectively. The above acquisition was under common control, therefore, the difference between the total consideration paid by Shanghai Holdings and the carrying value of the net assets of Shanghai Huiyuan was recorded in other reserves, which amounted to approximately RMB32,586,000.

18. Contingencies

There were no material contingent liabilities as at 30 June 2013.

19. Events after the balance sheet date

In July 2013, the Group terminated an agreement with a third party purchaser in terms of transferring its control, management and voting rights in Huifu, and repurchased an aggregate of 50% equity interests in Huifu. Thereafter, the Group entered into an equity transfer agreement with another third party purchaser, Sichuan Yongjing Group, in August 2013 (Refer to Note 6 for details) to dispose its 100% equity interests in Huifu.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

Review of the China Juice Beverage Market

In the first half of the year 2013, China recorded GDP growth of 7.6%, a slight decrease compared to last year's full year GDP growth of 7.8%. China's leadership has signaled a clear tolerance for lower overall growth, focusing on improving the quality and efficiency of economic growth while ensuring stability. Inflation, particularly in food prices, has eased relative to 2012 reaching 4.0% in the first half of 2013. China recorded a decrease in the Producer Price Index (PPI) of 2.2% and an increase in the Consumer Price Index (CPI) of 2.4% over the same period.

The external macro-environment remains challenging as governments in Europe remain mired in problems stemming from the financial crisis and the United States Central Bank has signaled an intention to scale back its bond purchase program. At home, the Chinese government continues its efforts to balance driving domestic demand, particularly consumption, with managing inflation levels, housing market excesses and overall stability.

In this context, the domestic juice beverage market continued to grow as the increase in urban population and growth in disposable income continue to drive the growth in consumer demand for natural and healthy beverage products including fruit and vegetable juices. Sales of fruit and vegetable juices in China reached 4.4 billion liters in the first half of 2013, representing an increase of 7.3% according to Nielsen. According to Nielsen, Huiyuan remains the market leader in terms of market share in 100% juice and nectars in China. The following table (as extracted from Nielsen's report) shows Huiyuan's market share in each of 100% juice, nectars and juice drink in China for the first half of 2013. Competition in the overall beverage industry, including juice and juice drink markets, remains intense.

For the first half year of 2013	Market Share By Volume	By Value (%)
100% Juice		
Huiyuan Juice	60.8	55.3
Second ranked competitor	21.0	25.3
Third ranked competitor	6.4	6.2
Fourth ranked competitor	2.9	3.0
Fifth ranked competitor	1.6	1.7
26%–99% Concentration *(Note 1)*		
Huiyuan Juice *(Note 2)*	44.6	39.1
Second ranked competitor	30.8	24.9
Third ranked competitor	4.5	6.4
Fourth ranked competitor	3.8	5.6
Fifth ranked competitor	3.2	3.4
25% & Below Concentration		
First ranked competitor	32.3	34.1
Second ranked competitor	23.9	22.1
Third ranked competitor	20.8	18.5
Fourth ranked competitor	6.6	6.5
Fifth ranked competitor	4.3	5.0
Huiyuan Juice *(Note 3)*	2.5	2.2

Notes:

(1) According to Nielsen, nectars are defined as juice beverages with juice content of 26–99% and juice drinks are juice beverages with juice content of 25% or below.

(2) Huiyuan Juice includes "Huiyuan", "Huiyuan Zhen Juice", "Kiwi Super Fruits", "Xi Qing", "Quan You" and "Guo Xianmei", the sub-brands of Huiyuan Juice.

(3) Huiyuan Juice includes "Huiyuan", "Huiyuan Zhen Juice", "Lemon Me", "Xi Qing" and "Kiwi Super Fruits", the sub-brands of Huiyuan Juice.

"Nielsen Information reflects estimates of market conditions based on samples, and is prepared primarily as a marketing research tool for consumer packages goods manufacturers and others in the consumer foods industry. This information should not be viewed as a basis for investments and references to Nielsen should not be considered as Nielsen's opinion as to the value of any security or the advisability of investing in the company."

BUSINESS REVIEW

Overview

As a leading fruit and vegetable juice producer in China, the Group continues to see benefits from the long term trends of continuing growth in per capita disposable income, consumers' increasing purchasing power, and growing demand for natural, healthy beverages. We benefit from a high level of brand recognition among Chinese consumers and remain committed to providing the highest quality products to all the Group's customers.

In the six months ended 30 June 2013, the Group recorded sales of RMB2,063.6 million, an increase of 22.1% from RMB1,690.1 million for the six months ended 30 June 2012. The net profit attributable to the equity holders of the Company reached RMB114.0 million as compared to a net loss of RMB32.2 million for the same period in 2012.

In the first half of 2013, the Group maintained its market leading position in the juice and juice drink industry. Growth in our own branded products increased across all product segments driven by, amongst other things, growth in sales of small-sized juice boxes and promising sales of our new hawthorn-based juice drink product.

Very Substantial Acquisition and Connected Transaction

On 23 May 2013, we announced that the Company, China Hui Yuan Juice Holdings Co., Ltd. ("**China Hui Yuan Holdings**") and our Chairman, Mr. Zhu Xinli entered into an acquisition agreement pursuant to which the Company has conditionally agreed to purchase from China Hui Yuan Holdings the entire issued share capital of China Huiyuan Industry Holding Limited (together with its subsidiaries, the "**Target Group**") (the "**Acquisition**"). The Target Group is one of the leading producers of fruit juice concentrates and purees in China and is 100% owned by Mr. Zhu Xinli. The Target Group is one of the major suppliers of raw materials for the Group. Besides the Group, the major customers of the Target Group include a number of leading food producers in China. The Target Group has received wide recognition in the market due to the quality of the products and services it provides to the food industry.

The Acquisition will be of strategic significance to the Group in the following aspects:

(i) ***Transforms the Group into a vertically-integrated business model and secures long-term access to raw materials:*** The Acquisition of the Target Group will transform the Group into a vertically-integrated business with operations along the value chain from fruit processing to sales and marketing. It will also ensure that the Group will continue to have long-term access to key raw materials including fruit juice concentrates and purees, as well as packaging materials. As a vertically-integrated juice and vegetable producer, the Group will be unique among market participants and will be better positioned to compete against larger competitors.

(ii) ***Improves quality control and food safety controls:*** Ensuring the continued high quality and safety of our products is one of the highest priorities for the Group and is critical to the continued confidence of consumers in our brand. The Acquisition provides the Group with full visibility and control over the production process from sourcing and production to sales and distribution. Following the Acquisition, the Group will ensure that the highest standards of food safety and quality are implemented along the entire production chain.

(iii) ***Further diversifies our revenue in the future:*** The integration of the Target Group's operations and expertise with the Group's distribution and branding capabilities will allow the continued development of new product offerings resulting in incremental revenues. Following the Acquisition, with access to a full supply chain and fruit processing capabilities, the Group will continue to be able to grow this part of the business and generate new sources of revenues for the Group in the future.

(iv) ***Increases the transparency of the Group and significantly reduces connected transactions:*** The Target Group is one of the major suppliers to the Group and accounted for 43.1% of total raw materials purchased by the Group in 2012. The Acquisition of the Target Group would significantly reduce connected transactions and would increase the operating and financial transparency of the Group.

(v) ***Improves the financial strength of the Group and allow it to continue to reinvest for future growth:*** The Target Group is highly profitable and provides the Group with significant additional EBITDA and the net profit attributable to shareholders arising from the Acquisition improves the enlarged group's financial strength such that it can continue investing in its business to drive future growth.

(vi) ***Improves the Group's operational efficiency as well as generates potential synergies:*** The Acquisition and subsequent integration of the Target Group's business will allow for a more streamlined supply chain for the Group, and will enable the Group to be more competitive with its ability to roll out new products and to better adapt to changing trends in the industry. In addition to the elimination of the margin between the Group and the Target Group, the Group expects to be able to further enhance operational efficiency and expect synergies to arise from a reduction in certain general and administrative expenses, and an increase in sales to third parties and overseas clients of the Target Group leveraging on the marketing efforts of the Group.

On 12 July 2013, we held an extraordinary general meeting of the shareholders of the Company and successfully passed the resolutions for approving the transaction. We aim to close the transaction in the second half of this year, subject to approval of the transaction by the Anti-monopoly Bureau of the Ministry of Commerce of the PRC.

Disposal of Shanghai Huiyuan

On 21 June 2013, we entered into an equity transfer agreement pursuant to which we agreed to sell and transfer the entire equity interest in Shanghai Huiyuan Food & Beverage Co., Ltd. ("**Shanghai Huiyuan**") for a total cash consideration of RMB300 million (the "**Transaction**").

The Company is undergoing a strategic review of its manufacturing network to better align its production facilities to capture the market opportunity, enhance competitiveness, achieve higher production efficiency, reduce operating costs, reduce excess capacity, and achieve a more optimal asset structure. In line with the Company's strategy, this Transaction allows the Company to restructure the Group's operations in the Yangtze Delta region and monetize on a high-operating cost, low-efficiency and historically loss-making facility.

The Shanghai market is of key strategic importance to the Group. However, Shanghai Huiyuan has historically been a loss-making operation due to the relatively higher operating costs (including both labour and production) in Shanghai compared to the surrounding regions. The Group currently operates production facilities in nearby regions in Jiangsu, Zhejiang and Anhui provinces through which the Group can supply Shanghai and the surrounding Yangtze Delta region. Following this Transaction, the Group will reduce its fixed asset base and decrease its operating costs in the region improving the overall financial performance and strengthening the competitiveness of the Group.

The Company will continue to further review ways to align its manufacturing network to strengthen its supply chain, improve operating efficiency, and enhance overall competitiveness.

Change of Chief Executive

With effect from 15 July 2013, Mr. Daniel Saw has been appointed as the Chief Executive Officer of the Company. Mr. Zhu Xinli, the then Chairman, executive Director and President simultaneously stepped down from his position as President of the Company on the same date and currently remains as executive Director and Chairman.

Mr. Saw, aged 54, has over 30 years of experience in sales and marketing in the food and beverage industry with a strong track record of leading and developing successful food businesses in Greater China and across Asia Pacific. Before joining the Company, Mr. Saw was the President of Asia at Campbell Soup Company, New York Stock Exchange listed company. In this role, he was primarily responsible for overseeing its business in Asia, including Greater China. Previously, he served as the Chief Executive Officer and a member of the board of Lee Kum Kee Sauce Group from 2009 to 2012. Prior to that, he was President of the company's China Region. During a career spanning more than 30 years, Mr. Saw has held a range of senior leadership and sales and marketing positions with Philip Morris International, Kraft Foods International and Cadbury Schweppes in Greater China, South East Asia, Australia and the Pacific Region.

We believe that these changes, particularly the Acquisition and the appointment of Mr. Saw will further transform our business to enhance our core competitiveness and accelerate our future growth.

FINANCIAL REVIEW

Overview

In the six months ended 30 June 2013, the Group recorded sales of RMB2,063.6 million, an increase of 22.1% from RMB1,690.1 million for the six months ended 30 June 2012. The net profit attributable to the equity holders of the Company reached RMB114.0 million as compared to a net loss of RMB32.2 million for the same period in 2012.

Sales

Sales of the Group's products, comprising 100% fruit juices, nectars, juice drinks, and other beverage products increased 22.1% from RMB1,690.1 million in the first half of 2012 to RMB2,063.6 million in the first half of 2013.

Sales of 100% fruit juices, which accounted for 20.5% of the Group's total sales, increased by 12.0% from RMB378.4 million in the first half of 2012 to RMB423.8 million in the first half of 2013 due to a 17.3% increase in sales volume offset by a slight decrease in average selling price. The growth of 100% fruit juices was somewhat offset by slower export sales in the first half.

Sales of nectars increased by 47.2% from RMB346.1 million in the first six months of 2012 to RMB509.5 million in the first six months of 2013. Sales of nectars accounted for 24.7% of total sales for the first six months of 2013. Sales volume for the period increased 39.7% as compared to corresponding period in last year while average selling price increased 5.4%. Sales of nectars was driven by the overall improved sales efforts for the Company.

Sales of juice drinks, which accounted for 28.3% of the Group's total sales, increased by 53.1% from RMB381.6 million in the first half of 2012 to RMB584.3 million in the first half of 2013. The increase in revenues was due to a 25.5% increase in volume and a 22.0% increase in average selling price. The increase in average selling price was primarily attributable to the higher selling price of our new hawthorn-based juice drink introduced in the first half of this year.

The sales of other beverage products decreased 6.5% from RMB584.1 million in the first six months of 2012 to RMB546.0 million in the first six months of 2013 primarily attributed to decrease in sales of lower-margin non-juice products such as water, bottled tea and milk juice. OEM sales for the period held steady relative to corresponding period in last year.

Cost of Sales

Cost of sales increased by 12.4% from RMB1,270.1 million for the six months ended 30 June 2012 to RMB1,427.4 million for the six months ended 30 June 2013. The increase in cost of sales is primarily a result of the increase in sales volume during the period.

Gross Profit

Gross profit increased by 51.4% from RMB420.1 million for the six months ended 30 June 2012 to RMB636.2 million for the six months ended 30 June 2013. Gross profit margin increased 5.9 percentage points from 24.9% for the six months ended 30 June 2012 to 30.8% for the comparable period in 2013. Gross profit margin increased 2.8 percentage points compared to the full year 2012. The increase in gross profit was primarily attributable to the change in sales mix, as the proportion of higher-margin products including 100% juices and nectars has increased relative to other products.

Other Income

Other income increased by 22.0% from RMB124.6 million for the six months ended 30 June 2012 to RMB152.0 million for the same period in 2013. Other income consists primarily of government subsidy income as well as income from the sale of manufacturing related waste and byproducts.

Other Gains/(losses)

Other gains/(losses) consists of gains and losses arising from disposals. The Company recorded a net gain of RMB109.8 million for the six months ended 30 June 2013 due to the gain on the disposal of Shanghai Huiyuan which was offset by an impairment provision for the outstanding receivable arising from a disposal.

Selling and Marketing Expenses

Selling and marketing expenses increased by 36.3% from RMB407.6 million for the six months ended 30 June 2012 to RMB555.6 million for the same period in 2013, due to an increase in both marketing and advertising expenses and direct sales costs.

Administrative Expenses

Administrative expenses increased by 24.7% from RMB129.6 million for the six months ended 30 June 2012 to RMB161.6 million for the comparable period in 2013. Administrative expenses as a percentage of revenue have slightly increased from 7.7% for the six months ended 30 June 2012 to 7.8% for the six months ended 30 June 2013.

Finance Income/Cost

The Group recorded net finance cost of RMB62.3 million for the six months ended 30 June 2013 as compared to RMB97.8 million for the comparable period in 2012. The difference is primarily as a result of the impact of foreign exchange related gains (losses) for the comparable periods which resulted in a gain of RMB26.8 million for the six months ended 30 June 2013 as compared to a loss of RMB15.9 million for the six months ended 30 June 2012. Gain in changes in the fair value of the 2016 Convertible Bonds in the first six months of 2013 was RMB10.6 million.

Income Tax Expenses

In the first half of 2013 the Company recorded an income tax expense of RMB2.7 million compared to an income tax credit of RMB11.0 million for the comparable period in 2012.

Profit Attributable to Equity Holders of the Company

As a result of the foregoing, the Company recorded RMB114.0 million in profit attributable to equity holders for the six months ended 30 June 2013 as compared with a loss of RMB32.2 million for the comparable period in 2012. The adjusted profit attributable to the equity holders of the Company for the six months ended 30 June 2013 was RMB148.0 million compared to RMB7.6 million for the comparable period in 2012.

Liquidity and Capital Resources

The Group's working capital and other capital requirements were principally funded by operations, cash at hand and bank borrowings.

As at 30 June 2013, the Group had an aggregate of RMB2,585.2 million in outstanding bank loans and RMB794.4 million in outstanding convertible bonds as compared to RMB2,983.0 million in outstanding bank loans and RMB779.1 million of outstanding convertible bonds as at 31 December 2012. The gearing ratio (total debt (including the convertible bonds)/total equity) of the Group was 62.2% as at 30 June 2013, representing a decrease of 9.0 percentage points as compared to 71.2% as at 31 December 2012.

The Group's borrowings include bank loans and the convertible bonds. As at 30 June 2013, the Group had the following indebtedness:

	Repayable within one year	**Repayable after one year** *(RMB in million)*	**Total**
Bank loans	1,590.4	994.8	2,585.2
convertible bonds	794.4	—	794.4
Total	2,384.8	994.8	3,379.6
Analysed as:			
Secured	362.0	65.2	427.2
Unsecured	2,022.8	929.6	2,952.4

Note: As of 30 June 2013, the 2016 Convertible Bonds have been reclassified as current liabilities due to the redemption option of the holders on 29 April 2014.

Operating activities

Net cash generated from operating activities was RMB724.2 million in first six months of 2013. The Group's net profit before tax for the same period was RMB116.7 million. The difference of RMB607.5 million was primarily due to depreciation of fixed assets for the period of RMB204.0 million, a RMB370.4 million decrease in inventory, and a RMB373.5 million increase in trade payables that was partially offset by a RMB167.4 increase in trade receivables.

Investing activities

Net cash used in investing activities for the first six months of 2013 was RMB2.6 million as compared to RMB160.5 million for the same period in 2012. Purchase of property, plant and equipment for the period was 121.3 million. Proceeds from the disposal of a subsidiary was RMB146.9 million.

Financing activities

Net cash generated from financing activities for the six month period ending 2013 was negative RMB380.8 million, as compared to net cash generated from financing activities of negative RMB31.5 million for the comparable period in 2012.

Capital Expenditure

Capital expenditures primarily comprised purchases of property, plant and equipment, and additions to land use rights. The Group decreased its total capital expenditures for the six month ended 30 June 2013 compared to the comparable period in 2012. During the first six months in 2013, the Group spent RMB121.3 million on the purchase of property, plant and equipment.

As at 30 June 2013, the Group had capital commitments of RMB123.3 million for the purchase of property, plant and equipment.

The Group expects that its capital expenditures in 2013 will be significantly reduced compared with 2012. The Group plans to finance its capital expenditure requirements in the second half of 2013 primarily with cash generated from its operations and bank loans.

Analysis on Turnover of Inventories, Trade Receivables and Trade Payables

The Group's inventories primarily consist of raw materials (including packaging materials, juice concentrates and purees, sugars) and finished goods (including juices and other beverage products). Raw materials make up the majority of the Group's inventory. Raw materials turnover days decreased from 184 days as at 31 December 2012 to 129 days as at 30 June 2013, and turnover days for finished goods decreased from 22 days as at 31 December 2012 to 17 days as at 30 June 2013.

Turnover days for trade receivables increased to 85 days as at 30 June 2013 compared to 73 days for the previous year.

Contingent Liabilities

As at 30 June 2013, the Group did not have any material outstanding contingent liabilities.

Off-Balance Sheet Transactions

As at 30 June 2013, the Group had not entered into any off balance sheet transactions.

Pledge of Assets

As at 30 June 2013, none of the property, plant, equipment and land use right of the Group were pledged to secure bank borrowings.

Capital Leases

As at 30 June 2013, the Group did not have any capital leases.

MARKET RISKS

The activities of the Group expose it to a variety of financial risks: foreign exchange risk, credit risk, liquidity risk, cash flow and fair value interest rate risk, and capital risk. Financial risk management is carried out by the group treasury which identifies, evaluates and hedges financial risk.

Cash flow and fair value interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. As at each balance sheet dates, substantially all of the Group's borrowings were carried at market lending rates.

Foreign Exchange Rate Risk

The Group's production depends on importation of certain raw materials and the Group is exposed to foreign currency exchange risk arising from various currency exposures primarily with respect to the United States Dollar ("**USD**"). The Group is also exposed to foreign currency exchange risk arising from the bank deposits, the convertible bonds and bank borrowings denominated in the USD. The Group did not use forward contract/derivative instruments in the first half of 2013 but may use them from time to time to hedge against certain material foreign exchange exposures.

As at 30 June 2013, assuming the exchange rate of RMB increased/decreased by 1% against the USD with all other variables remaining unchanged, the Group's post-tax profit for the six months ended 30 June 2013 would have been decreased/increased by RMB13,842,000 (30 June 2012: RMB18,497,000), mainly due to the foreign exchange losses/gains on retranslation of USD-denominated Convertible Bonds and bank borrowings.

EMPLOYEES AND WELFARE CONTRIBUTION

As at 30 June 2013, the Group had 8,078 employees (31 December 2012: 9,048 employees). The emolument policy of the employees of the Group is determined by the Board on the basis of merit, qualifications and competence.

The emoluments payable to the Directors are subject to their respective terms of engagement approved by the Remuneration and Nomination Committee of the Board, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has also adopted the share option schemes as incentive for the Directors and eligible employees.

FUTURE PROSPECTS

Looking ahead, the outlook for the global economy remains uncertain. The emerging economies, whose continued growth has offset some of weakness in the Western economies, have shown signs of softness in their own domestic markets. China is no different. While the beverage market in China continues to grow, competition remains high. Consolidation among market participants has already taken shape. The secular trends of focus on food safety and health and wellness continue drive consumer behavior.

We are working diligently to carry the momentum that we showed in our core businesses in the first half of this year through to the second half. Since joining the Company in July 2013, our new Chief Executive Officer has been laying the groundwork for our future growth. Our work in the second half of the year will focus on four main areas: enhancing the management team in key functions; implementing changes in our road-to-market strategy; developing our new product road-map; and improving our overall supply chain efficiency. As a result of these efforts, the integration of our upstream acquisition and other work that Company is currently undergoing, we see a number of catalysts driving our future growth including, 1) sustained leadership in 100% juices and nectars complemented by young and innovative new products in the juice drinks segment; 2) heightened consumer focus on health and wellness driving increased demand and consumption; 3) strengthened sales channel management putting more products within reach of our target consumers; 4) new revenue streams from our upstream acquisition; 5) margin improvement and integrated value chain from our upstream acquisition; and 6) deleveraging to improve overall operating efficiency.

CORPORATE GOVERNANCE CODE

The Company places high value on its corporate governance practice and the Board firmly believes that a good corporate governance practice can improve accountability and transparency for the benefit of its shareholders.

The Company has adopted the Code on Corporate Governance Practice (the "**Old Code**") contained in Appendix 14 of the Rules (the "**Listing Rules**") Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") since its listing on the Hong Kong Stock Exchange in 2007, and has, since 1 April 2012, adopted the code provisions set out in the Corporate Governance Code contained in Appendix 14 of the Listing Rules (the "**New Code**", together with the Old Code, the "**Governance Code**") as currently in force at the date of this announcement as its own code to govern its corporate governance practices. The Board also reviews and monitors the practices of the Company from time to time to maintain and improve a high standard of corporate governance practices.

Save for the deviations explained below, the Company has complied with the Governance Code for the six months ended 30 June 2013.

A summary of the deviations from the Governance Code is set out below:

Code Provision A.2.1

The Code Provision A.2.1 provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

During the six months ended 30 June 2013, the positions of the chairman of the Board and the President (i.e., the chief executive) of the Company were held by Mr. Zhu Xinli, which deviated from the rules set out in the Code Provision A.2.1 where the two positions should be held by two different individuals. With effect from 15 July 2013, Mr. Daniel Saw has been appointed as the Chief Executive Officer of the Company whilst Mr. Zhu, the then-executive Director, Chairman of the Board and President of the Company, has simultaneously stepped down from his position as President and remained as executive Director and Chairman of the Board of the Company.

Mr. Zhu has considerable and extensive experience in the juice and beverage industry. The Board believes that both the Company and the Board have benefited from the business expertise and knowledge of Mr. Zhu as well as his capability in leading the Board in formulating strategies for the long-term development of the Group when he concurrently acted as the President and the Chairman of the Board.

As at the date of this announcement, the Company has fully complied with the Governance Code.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

During the six months ended 30 June 2013, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities.

INTERIM DIVIDEND

The Directors proposed not to declare any interim dividend for the six-month period ended 30 June 2013 (corresponding period in 2012: nil).

REVIEW OF FINANCIAL INFORMATION

The audit committee of the Board has discussed with management and reviewed the unaudited interim financial information of the Group for the six months ended 30 June 2013 and recommended its adoption by the Board. In addition, the Company's external auditor, PricewaterhouseCoopers, has performed an independent review of the Group's interim financial information for the six months ended 30 June 2013 in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". Based on their review, PricewaterhouseCoopers confirmed that nothing has come to their attention that causes them to believe that the interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

By Order of the Board
CHINA HUIYUAN JUICE GROUP LIMITED
ZHU Xinli
Chairman

Beijing, 27 August 2013

Our directors are Mr. ZHU Xinli, Mr. JIANG Xu and Mr. LI Wen-chieh as executive directors, Mr. Andraw Y. YAN as a non-executive director and Mr. LEUNG Man Kit, Ms. ZHAO Yali, Mr. ZHAO Chen and Mr. SONG Quanhou as independent non-executive directors.

* *For identification purposes only*