INTERIM REPORT
中期報告
2013/2014

中國天溢控股有限公司
China Tianyi Holdings Limited

(incorporated in the Cayman Islands with limited liability)

Stock Code: 00756

Contents

Corporate Information

DIRECTORS

Executive Directors

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

Independent Non-Executive Directors

Mr. Zhuang Xueyuan
Mr. Zhuang Weidong
Mr. Zeng Jianzhong

COMPANY SECRETARY

Ms. Leung Pui Shan *HKICPA*

AUTHORISED REPRESENTATIVES

Mr. San Kwan
Ms. Leung Pui Shan *HKICPA*

AUDIT COMMITTEE

Mr. Zhuang Xueyuan *(Chairman)*
Mr. Zhuang Weidong
Mr. Zeng Jianzhong

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

Mr. Sin Ke *(Chairman)*
Mr. Zhuang Weidong
Mr. Zeng Jianzhong

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

SHINEWING (HK) CPA Limited

LEGAL ADVISORS AS TO HONG KONG LAWS

Loong & Yeung

PRINCIPAL BANKERS

Agricultural Bank of China
Bank of China (H.K.)
Cathay United Bank (Taiwan)
Far Eastern International Bank (Taiwan)
Luso International Banking Ltd.
Xiamen International 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 SIX MONTHS ENDED 31 DECEMBER 2013 (UNAUDITED)

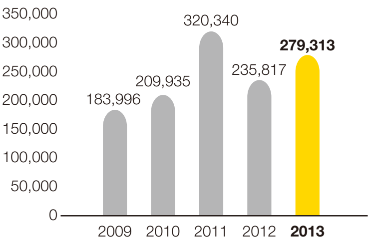
FINANCIAL HIGHLIGHTS

	31 December 2013 RMB'000	31 December 2012 RMB'000	Change % (Approximate)
Statement of profit or loss and other comprehensive income			
Revenue	**279,313**	235,817	18.4%
Gross profit	**91,280**	78,988	15.6%
Gross profit margin	**32.7%**	33.5%	-0.8pp
Profit for the period	**69,028**	61,301	12.6%
EBITDA	**108,696**	97,206	11.8%
Basic EPS (RMB cents)	**5.65**	5.07	11.4%

	31 December 2013 RMB'000	30 June 2013 RMB'000	Change % (Approximate)
Statement of financial position			
Cash and cash equivalents	**423,549**	488,913	-13.4%
Inventories	**51,835**	32,806	58.0%
Trade receivables	**255,879**	66,459	285.0%
Bank loans	**397,397**	185,690	114.0%
Convertible bonds	**210,008**	199,369	5.3%
Net assets value ("NAV")	**1,422,036**	1,380,138	3.0%

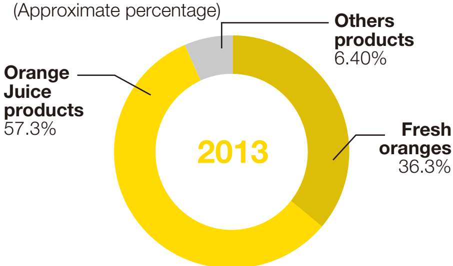
REVENUE

FOR THE SIX MONTHS ENDED 31 DECEMBER
(RMB'000)



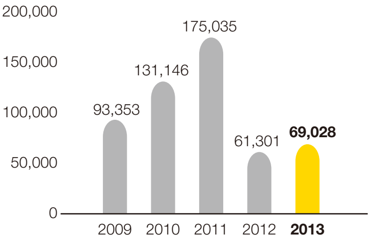
REVENUE BREAKDOWN

FOR THE SIX MONTHS ENDED 31 DECEMBER
(Approximate percentage)



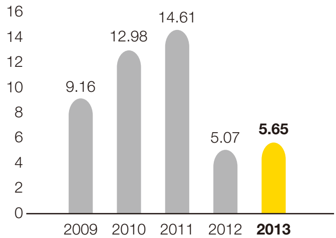
NET PROFIT

FOR THE SIX MONTHS ENDED 31 DECEMBER
(RMB'000)



BASIC EPS

FOR THE SIX MONTHS ENDED 31 DECEMBER
(RMB cents)



Chairman's Statement

I am very pleased to present to the shareholders (the "Shareholders") of China Tianyi Holdings Limited (the "Company") the unaudited interim report of the Company and its subsidiaries (collectively, the "Group") for the six months ended 31 December 2013 (the "Reporting Period").

In 2013, China's domestic consumer market has regained upward momentum. Meanwhile, along with the gradual implementation of the Twelfth Five-Year Plan, the determination of the China government to accelerate urbanisation has created huge market demands. The rise in per capita income resulted in a higher willingness of Chinese people to increase their spending in pursuit of better living standards, giving rise to profitable business opportunities in the domestic beverage consumer market.

STRATEGY OVERVIEW

China's juice beverage market, when compared with the Western countries, is still in the initial stage of development in spite of its growth into a fast-growing sector, where the room for expansion is expected to grow along with the increasing consumer demand for healthy and natural food products, as well as the surging purchasing power of Chinese people.

Robust Domestic Market Demand – China's economy is undergoing a transformation that weans the country off the reliance on external demand and shifts the emphasis toward domestic consumption. Backed by the growing appetite of Chinese people for green and healthy food, orange juice, consisting of a wide variety of nutritional elements, is opening up a highly profitable sector with immense potential in the thriving juice beverage market of China, where leading beverage manufacturers around the world are tempted to scale up their investments. Well-entrenched as the leader in China's frozen concentrated orange juice (the "FCOJ") industry, the Group maintains its prominent position by producing high quality products that satisfy our customers' requirements and establishing long-term strategic relationships with customers having a remarkable track record for product development.

Supported by the Nation's Twelfth Five-Year Plan – In early 2012, "The Twelfth Five-Year Plan for Food Industry Development" (the "Plan") was jointly issued by the National Development and Reform Commission and the Ministry of Information Industry. It is stated in the Plan that Chongqing, Hubei and Sichuan were proposed to be the key areas for development of FCOJ business with the goal to cope with consumption demand and facilitate the formation of an effective supply chain.

Chairman's Statement

PROSPECTS

China's rapid economic growth provides Chinese citizens with a higher per capita income, setting their purchasing power on an upward track. Meanwhile, as a result of the continuous improvement in the quality of education in China, Chinese people have been increasingly desirous of living a healthier life and are willing to increase their spending in this aspect, effectively pushing up the demand for natural food products, among which not-from-concentrated orange juice (the "NFCOJ") represents the largest component in advanced economies. Building up on the solid foundation of its orange juice processing business, the Company seizes the opportunity to invest in the development of high-quality NFCOJ products in Chongqing. Two new modern NFCOJ production and packaging lines and one exclusive NFCOJ freezer with sizeable capacity are expected to commence trial operation in the second half of 2014. Following the launch of the new business and the enhancement in our research and development ability, the Group will be able to heighten its competitiveness and profitability. In line with the optimistic of our business outlook in the coming years, the board (the "Board") of directors (the "Directors") of the Company and I are confident about the prospects of the development of the Group and China's juice beverage industry.

INTERIM DIVIDENDS

The Board did not recommend the payment of an interim dividend for the six months ended 31 December 2013.

INVESTOR RELATIONS

One of the main duties of the Board is to maintain good communications with the Shareholders and potential investors. Apart from attending investor conferences, the Group's management pays regular visits to domestic and overseas prestigious institutional investors and investment advisors to private clients in order to provide the Shareholders and potential investors a thorough understanding of the Group's strategy and latest business development. It is hoped that by such communication, the Company can enhance the transparency and strengthen the relationships with investors.

APPRECIATION

On behalf of the Board, I would like to extend my sincere gratitude to every Shareholder, customers and business partners for their support. I would also like to thank our excellent management team and employees for their efforts. The Group will continue to enhance our core competence and strive to become the leading producer in the China's juice beverage industry.

Sin Ke
Chairman

Hong Kong, 17 February 2014

Management Discussion and Analysis

BUSINESS REVIEW AND PROSPECT

The Group is principally engaged in processing and selling of orange juice and its related products, including fresh oranges and orange peels. The Group has a total of three highly efficient production plants strategically located in China's major citrus growing areas (Chongqing, Fujian and Hunan). The Group adopts an integrated business model and is one of the few concentrated orange juice processors operating its own upstream orange farms.

Citrus species are diversifying in China, and majority of them are used for fresh consumption. In consequence, the supply for orange juice processing is inadequate in China. In contrast, in the United States and Brazil, over 70–80% of the oranges grown were used for orange juice processing, so there is enormous room for the growth of the domestic production and sales volume of orange juice in China. During the Reporting Period, revenue increased over the same period last year. Besides, the increase in gross profit and profit for the period were more than double-digit.

With economic development in China, consumers are pursuing better standards of living, the demand for nutritious and healthy beverage products has continued to grow rapidly in China. NFCOJ without pollution, nor pesticide residue, become the common choice for consumers everywhere craving for natural and healthy juice. NFCOJ also opens a new chapter of business opportunity for the Group. During the Reporting Period, capital expenditure of approximately RMB203 million is invested, which included two new modern NFCOJ production and packaging lines and one exclusive freezer with huge capacity of NFCOJ in Chongqing. The NFCOJ production and packaging lines are expected to commence trial operation in the second half of 2014. The Group will continue in investing in research and development, orange plantations, and production capacity in order to ensure to meet up the needs for NFCOJ production, including the needs of raw material and production requirements.

Management Discussion and Analysis

OPERATING PERFORMANCE

Revenue

Breakdown of revenue by product for the six months ended 31 December 2013 and 2012 are set out as follows:

	Six months ended 31 December (unaudited)			
	2013		2012	
	RMB'000	**Approximate percentage of total revenue**	RMB'000	Approximate percentage of total revenue
Sales of orange juice products	**160,014**	**57.3%**	150,569	63.8%
Sales of fresh oranges	**101,404**	**36.3%**	83,856	35.6%
Sales of other products	**17,895**	**6.4%**	1,392	0.6%
Total revenue	**279,313**	**100%**	235,817	100%

During the Reporting Period, the Group's revenue rose from approximately RMB235,817,000 for the same period last year to approximately RMB279,313,000, representing an approximately 18.4% increase.

Sales of orange juice products

During the Reporting Period, the sales of the Group's orange juice products, including FCOJ, orange juice pulp and orange fibre, increased from approximately RMB150,569,000 for the same period last year to approximately RMB160,014,000 for the Reporting Period. Sales of FCOJ increased by approximately 35.3% from approximately RMB95,739,000 for the same period last year to approximately RMB129,495,000. Sales of orange juice pulp decreased by approximately 21.7% from approximately RMB38,953,000 for the same period last year to approximately RMB30,519,000.

Sales of fresh oranges

During the Reporting Period, there was an increase in the average selling price and the sales quantities of fresh oranges. Therefore, sales of fresh oranges increased by approximately 20.9% from approximately RMB83,856,000 for the same period last year to approximately RMB101,404,000.

Sales of other products

The Group's other products included orange residue, orange baking fillings and original equipment manufacturer (the "OEM") of grapefruit juice. During the Reporting Period, sales of orange residue decreased by approximately 22.1% from approximately RMB1,392,000 for the same period last year to approximately RMB1,085,000. Orange baking fillings and grapefruit juice are newly launched products during the Reporting Period, sales were approximately RMB7,334,000 and RMB9,476,000 respectively.

Volume of oranges

The Group operates orange plantations and uses the lower-grade oranges harvested from these plantations as raw materials for producing FCOJ and its related products, whereas the remaining higher-grade oranges are sold fresh. In addition to use its own plantations grown oranges, the Group also purchases oranges from independent third parties to produce FCOJ and its related products. The volume of oranges growing from the Group's own orange farms and the volume of purchased oranges for the six months ended 31 December 2013 and 2012 are set out as follows:

	Six months ended 31 December	
	2013	2012
	approximate tonnes	approximate tonnes
Output of oranges from own orange plantations		
– Fresh oranges for sale	**63,127**	81,170
– Oranges for processing	**38,745**	61,715
	101,872	142,885
Purchased oranges for processing	**110,047**	65,945
Total	**211,919**	208,830

Gross Profit

During the Reporting Period, the Group's gross profit in the unaudited condensed consolidated statement of profit or loss and other comprehensive income increased by approximately 15.6% to approximately RMB91,280,000 as compared to approximately RMB78,988,000 for the same period last year. The gross profit margin of the Group slightly decreased to approximately 32.7% (31 December 2012: approximately 33.5%).

Gain from changes in fair value of biological assets less costs to sell

During the Reporting Period, the Group's gain from changes in fair value of biological assets less costs to sell was approximately RMB30,316,000 (31 December 2012: approximately RMB36,670,000). The drop was due to less orange outputs at the point of harvest during the Reporting Period.

Distribution Costs and Administrative Expenses

Distribution costs of the Group are mainly comprised of sales commission and transportation costs. The distribution costs decreased by approximately 43.0% from approximately RMB6,764,000 for the same period last year to approximately RMB3,856,000 for the Reporting Period. Since most of the customers pick up the products from the plants, distribution costs thus decreased.

The Group's administrative expenses mainly included general office administrative expenses, salaries and amortisation etc. The administrative expenses slightly decreased by approximately 3.6% from approximately RMB30,780,000 for the same period last year to approximately RMB29,657,000 for the Reporting Period.

Finance Costs

During the Reporting Period, the Group's finance costs were approximately RMB23,346,000 (31 December 2012: approximately RMB21,691,000). The increase was due to the imputed interest incurred under the Convertible Bonds (as defined hereinbelow) issued in 2012. Among the finance costs, approximately RMB13,436,000 (31 December 2012: approximately RMB11,697,000) was the imputed interest expenses on Convertible Bonds, which is non-cash item.

Net profit

During the Reporting Period, the Group's net profit raised by approximately 12.6% to approximately RMB69,028,000 as compared to approximately RMB61,301,000 for the same period last year.

Interim Dividend

The Board has resolved not to declare any interim dividend for the six months ended 31 December 2013 (31 December 2012: HK$1.5 cents).

LIQUIDITY, FINANCIAL RESOURCES, GEARING AND CAPITAL STRUCTURE

Held-to-Maturity Investments

As at 31 December 2013, held-to-maturity investments amounted to approximately RMB15,727,000 (30 June 2013: nil).

Liquidity

As at 31 December 2013, current assets amounted to approximately RMB921,606,000 (30 June 2013: approximately RMB900,060,000). Current liabilities were approximately RMB223,035,000 (30 June 2013: approximately RMB245,522,000).

Financial Resources

As at 31 December 2013, the Group had cash and cash equivalents of approximately RMB423,549,000 (30 June 2013: approximately RMB488,913,000); total bank loans of RMB397,397,000 (30 June 2013: RMB185,690,000); and outstanding Convertible Bonds of approximately RMB210,008,000 (30 June 2013: approximately RMB199,369,000).

As at 31 December 2013, the Group had trade receivables of approximately RMB255,879,000 (30 June 2013: approximately RMB66,459,000) and inventories of approximately RMB51,835,000 (30 June 2013: approximately RMB32,806,000). The Group has a higher trade receivables and inventories as compared to last year. During the Reporting Period, the increase in trade receivables was mainly due to most of the sales were made in the month of December 2013.

Gearing

On 18 May 2012, the Company issued the 3.5% p.a. coupon Convertible Bonds in an aggregate principal amount of HK$232,800,000 to be due on the third anniversary of the date of issue to CITIC Capital China Access Fund Limited (the "Convertible Bonds"), details of which are set out in the announcements of the Company dated 9 May 2012 and 18 May 2012. On 31 December 2013, the Company has the Convertible Bonds with the outstanding principal amount of HK$232,800,000 (30 June 2013: HK$232,800,000).

As at 31 December 2013, the total bank loans amounted to RMB397,397,000 (30 June 2013: RMB185,690,000), of which RMB198,151,000 was secured by cash deposited in offshore bank account (30 June 2013: RMB117,800,000). As at 31 December 2013, the Group's proportion of the total bank loans denominated in Renminbi ("RMB") and foreign currencies were approximately 59.3% and approximately 40.7% respectively.

The Board's approach to manage the Group's working capital is to ensure sufficient liquid assets to meet its matured liabilities so as to avoid any unacceptable losses or damage to the Group's reputation.

	As at 31 December 2013 (unaudited)	As at 30 June 2013 (audited)
Quick ratio (x)	**3.6**	3.2
Current ratio (x)	**4.1**	3.7
Gearing ratio *(note (a))*	**42.7%**	27.9%

note (a) Gearing ratio is defined as sum of bank loans and convertible bonds over total equity.

Capital Structure

As at 31 December 2013, the total number of issued shares of the Company (the "Shares") was 1,232,572,727 Shares. Based on the closing price of HK$1.16 per Share as at 31 December 2013, the Company's market value as at 31 December 2013 was HK$1,429,784,363.

FOREIGN EXCHANGE EXPOSURE

The Group's sales and purchases were dominated in RMB. As such, the Group has limited exposure to any significant foreign currency exchange risks. The Board does not expect any material impact on the Group's operations caused by any foreign currency fluctuations. No financial instruments were employed by the Group for hedging purpose during the Reporting Period.

PLEDGE OF ASSETS

As at 31 December 2013, the Group pledged property, plant and equipment of approximately RMB98,673,000 (30 June 2013: approximately RMB117,190,000), land use rights of approximately RMB15,662,000 (30 June 2013: approximately RMB15,848,000) and bank deposits of approximately RMB198,151,000 (30 June 2013: approximately RMB120,350,000) to secure the bank loans granted to the Group.

CONTINGENT LIABILITIES

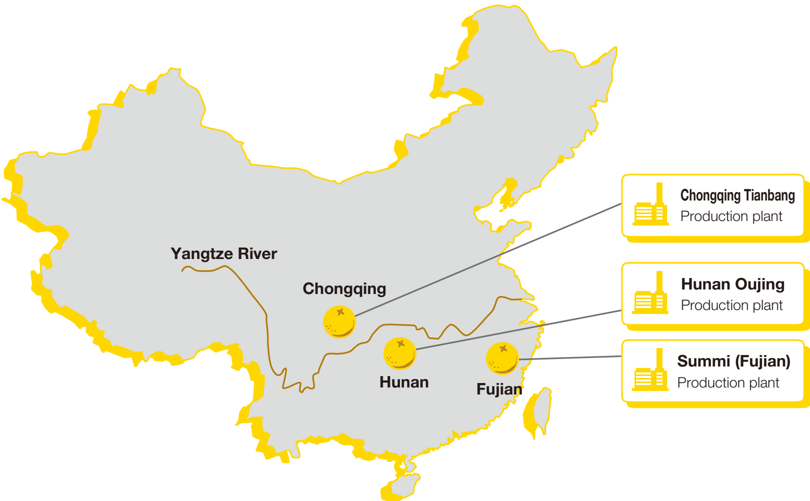
As at 31 December 2013, the Group had no material contingent liabilities (30 June 2013: nil).

CAPITAL EXPENDITURE

During the Reporting Period, the Group's capital expenditure amounted to approximately RMB202,505,000 (30 June 2013: approximately RMB335,593,000) which was used for acquisition of properties, plants, equipment, land use rights and lease prepayments for orange plantations in Chongqing.

Management Discussion and Analysis

PLANTATIONS AND PLANTS



Orange Plantations

The Group operates approximately 76,000 mu (equivalent to 50.67 km^2) of orange plantations with fruit trees and approximately 70,000 mu (equivalent to 46.67 km^2) of plantations under construction in Chongqing.

Productivity of orange plantations

	Six months ended 31 December 2013	2012
Area of own orange plantations with fruit trees	**76,000 mu***	75,000 mu
Average output per mu	**1.8 tonnes***	1.9 tonnes
Area of own orange plantations under construction	**70,000 mu**	90,000 mu
Total area of own orange plantations	**146,000 mu**	165,000 mu

* Approximately 21,000 mu (equivalent to 14 km^2) of orange plantations with fruit trees is having first harvest during the Reporting Period. The average output per mu is 0.8 tonnes.

Processing Plant

The Group has a total of three highly efficient production plants strategically located in China's major citrus growing areas, Chongqing, Fujian and Hunan, with advanced equipment imported from the US, Switzerland, Italy and Germany, as well as from China.

The Group has extensive experience in successfully handling the production demands of orange juice processing plants. The involved production process is closely based on the understanding gained by the Group in the design and manufacturing process including years of research and development efforts which have allowed the Group to come up with processing equipment that deliver processed orange juice with superior quality.

Integrated business model

The Group adopts an integrated business model and is one of the few concentrated orange juice processors operating its own upstream orange farms to enhance the value chain.

HUMAN RESOURCES AND REMUNERATION POLICY

As at 31 December 2013, the Group employed 916 employees (31 December 2012: 931 employees). The Group offered competitive remuneration package, discretionary bonuses and social insurance benefits to its employees. In addition, a share option scheme (the "Scheme") has been adopted on 7 June 2008 for, among others, the employees of the Group. The Scheme limit in respect of the grant of options to subscribe for shares in the share capital of the Company has been refreshed on 5 November 2012.

Other Information

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2013, 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 (Chapter 571 of the Laws of Hong Kong) (the "SFO")) held by the Directors and chief executives of the Company which have been notified to the Company and The Stock Exchange of Hong Kong Limited (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 Issuers (the "Model Code") to 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 Director and chief executive	Capacity/Nature	No. of Shares held/ interested in	Approximate percentage of issued share capital of the Company
Mr. Sin Ke ("Mr. Sin")	Interest of controlled corporation (Note 2)	559,712,145 (L)	45.41%
Mr. San Kwan	Beneficial owner	2,600,000 (L)	0.21%
Mr. Liao Yuang-whang	Beneficial owner	1,060,000 (L)	0.09%

2. Interests and short position in the underlying Shares

Name of Director and chief executive	Capacity/Nature	No. of underlying Shares held/ interested in	Approximate percentage of issued share capital of the Company
Mr. Sin	Beneficial owner (Note 3)	7,200,000 (L)	0.58%
Mr. San Kwan	Beneficial owner (Note 3)	8,200,000 (L)	0.67%
Mr. Liao Yuang-whang	Beneficial owner (Note 4)	12,000,000 (L)	0.97%

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS *(Continued)*

2. Interests and short position in the underlying Shares *(Continued)*

Notes:

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

2. Mr. Sin beneficially owned 51% interest in Cheer Sky Limited ("Cheer Sky") which beneficially owned 49% interest in Key Wise Group Limited ("Key Wise") which in turn, held 559,712,145 Shares. Therefore, Mr. Sin was deemed, or taken to be, interested in the 559,712,145 Shares held by Key Wise by virtue of the SFO.

3. Interests in the options were granted on 18 November 2008 and 21 March 2013 under the share option scheme of the Company. For further details, please refer to the section headed "Share Option Scheme" below.

4. Interests in the options were granted on 4 January 2013 and 21 March 2013 under the share option scheme of the Company. For further details, please refer to the section headed "Share Option Scheme" below.

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 31 December 2013, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the 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.

Other Information

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES

As at 31 December 2013, 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 Shareholder	Capacity/Nature	No. of Shares/ underlying Shares held/ interested in	Approximate percentage of issued share capital of the Company
Key Wise	Beneficial owner	559,712,145 (L)	45.41%
Cheer Sky	Interest of controlled corporation (Note 2)	559,712,145 (L)	45.41%
Ms. Hong Man Na	Interest of controlled corporation and interest of spouse (Note 3)	566,912,145 (L)	45.99%
CITIC Capital Holdings Limited	Interest of controlled corporation (Note 4)	123,174,603 (L)	9.99%
CITIC Group Corporation	Interest of controlled corporation (Note 4)	123,174,603 (L)	9.99%
CITIC Limited	Interest of controlled corporation (Note 4)	123,174,603 (L)	9.99%
CITIC Capital China Access Fund Limited	Beneficial owner (Note 4)	123,174,603 (L)	9.99%
China Orient Asset Management Corporation	Interest of controlled corporation (Note 5)	66,872,000 (L)	5.42%

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES *(Continued)*

Interests and short position in the Shares and underlying Shares *(Continued)*

Notes:

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

2. Cheer Sky beneficially owned 49% interest in Key Wise and Key Wise held 559,712,145 Shares. Therefore, Cheer Sky was deemed, or taken to be, interested in the 559,712,145 Shares held by Key Wise by virtue of the SFO.

3. Ms. Hong Man Na beneficially owned 51% interest in Key Wise. Mr. Sin held share options to subscribe for 7,200,000 Shares. Ms. Hong Man Na is the spouse of Mr. Sin. Therefore, Ms. Hong Man Na was deemed, or taken to be, interested in the 559,712,145 Shares held by Key Wise and the share options to subscribe for 7,200,000 Shares held by Mr. Sin by virtue of the SFO.

4. As known to the Directors after making reasonable enquiries, as at 31 December 2013, CITIC Group Corporation wholly owned CITIC Limited which hold 42.78% of CITIC Capital Holdings Limited. CITIC Capital Holdings Limited wholly owned CITIC Capital Asset Management Limited which wholly owned CITIC Capital Investment Management (Cayman) Limited. CITIC Capital Investment Management (Cayman) Limited was the manager of CITIC Capital China Access Fund Limited. CITIC Capital China Access Fund Limited held the convertible bonds issued by the Company on 18 May 2012 which upon fully exercise of the conversion rights thereto (subject to adjustment), entitled CITIC Capital China Access Fund Limited to be allotted and issued with 123,174,603 Shares. Therefore, CITIC Capital Holdings Limited, CITIC Group Corporation, CITIC Limited and CITIC Capital Investment Management (Cayman) Limited were deemed, or taken to be, interested in the 123,174,603 Shares in which CITIC Capital China Access Fund Limited was interested by virtue of the SFO.

5. As known to the Directors after making reasonable enquiries, as at 31 December 2013, these 66,872,000 Shares were held by China Orient Multi-Strategy Fund, which is wholly-owned by China Orient International Fund Management Limited, and in turn wholly owned by China Orient Asset Management (International) Holding Limited. China Orient Asset Management (International) Holding Limited was owned to as 50% by Wise Leaders Assets Ltd. and 50% by Dong Yin Development (Holdings) Limited. Wise Leaders Assets Ltd. was wholly owned by Dong Yin Development (Holdings) Limited and in turn wholly-owned by China Orient Asset Management Corporation. Therefore, China Orient Asset Management Corporation, Dong Yin Development (Holdings) Limited, Wise Leaders Assets Ltd., China Orient Asset Management (International) Holding Limited, China Orient International Fund Management Limited were deemed, or taken to be, interested in the 66,872,000 Shares held by China Orient Multi-Strategy Fund by virtue of the SFO.

Save as disclosed above, and as at 31 December 2013, 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.

Other Information

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from the details as disclosed under the heading "Interests and short positions of the Directors and chief executives 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.

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

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

CREDIT FACILITY AGREEMENT AND SUBSISTING SPECIFIC PERFORMANCE OBLIGATIONS ON CONTROLLING SHAREHOLDER

On 4 October 2013, the Company entered into a credit facility agreement (the "Credit Facility Agreement") with some commercial banks, relating to a term loan facility in an aggregate sum of USD16,000,000.

Pursuant to the terms of the Credit Facility Agreement, the Company undertakes to procure that Mr. Sin Ke (being one of the controlling shareholders of the Company), his family members and the companies incorporated or invested by the Company outside the PRC, shall maintain, individually or jointly, their beneficial ownership of not less than 30% of the total issued share capital of the Company. Any breach of such undertaking shall lead to an event of default under the Credit Facility Agreement.

As at the date of this report, the terms of the Credit Facility Agreement and the aforesaid specific performance obligations imposed thereunder are duly complied with. Details of the Credit Facility Agreement and the specific performance obligations imposed are set out in the announcement of the Company dated 4 October 2013.

Other Information

SHARE OPTION SCHEME

The status of the share options under the Scheme during the Reporting Period is as follows:

Category of participants	As at 1 July 2013	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled/ Lapsed during the Reporting Period	As at 31 December 2013	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$
Director/Chief executive									
Mr. Sin	6,000,000	–	–	–	6,000,000	18 November 2008	10 years from the date of grant	0.75	0.75
	1,200,000	–	–	–	1,200,000	21 March 2013	2 years from the date of grant	1.03	1.03
Mr. San Kwan	5,400,000	–	–	–	5,400,000	18 November 2008	10 years from the date of grant	0.75	0.75
	2,800,000	–	–	–	2,800,000	21 March 2013	2 years from the date of grant	1.03	1.03
Mr. Liao Yuang-whang	10,000,000	–	–	–	10,000,000	4 January 2013	1 years from the date of grant	1.15	1.14
	2,000,000	–	–	–	2,000,000	21 March 2013	2 years from the date of grant	1.03	1.03
Other qualified participants**	34,400,000	–	–	–	34,400,000	4 January 2013	1 years from the date of grant	1.15	1.14
	49,000,000	–	1,000,000#	–	48,000,000	21 March 2013	2 years from the date of grant	1.03	1.03
Total	110,800,000	–	–	–	109,800,000				

* 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.

** Other qualified participants of the Group being granted share options under the Scheme, all of them are not Directors, chief executive or substantial Shareholders or their respective associates.

The weighted average closing price of the Shares immediately before dates of exercise was HK$1.33.

SHARE OPTION SCHEME *(Continued)*

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

			Vesting period/Maximum percentage of options exercisable from the date of acceptance			
	Name	No. of share options	0–12 months	13–24 months	25–36 months	After 36 months
Directors	Mr. Sin	6,000,000	0.00%	33.33%	66.67%	100.00%
	Mr. San Kwan	8,000,000	0.00%	30.00%	60.00%	100.00%
Others qualified participants		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 share options	0–12 months	13–24 months	25–36 months	After 36 months
Employee	10,000,000	30%	60%	100%	100%

SHARE OPTION SCHEME *(Continued)*

The following table lists the vesting period of the share options granted on 4 January 2013 under the Scheme:

	Name	No. of share options	Vesting period/Maximum percentage of options exercisable from the date of acceptance 0–12 months	13–24 months	25–36 months	After 36 months
Chief executive	Mr. Liao Yuang-whang	10,000,000	100%	–	–	–
Others qualified participants		52,400,000	100%	–	–	–
		62,400,000	100%	–	–	–

The following table lists the vesting period of the share options granted on 21 March 2013 under the Scheme:

	Name	No. of share options	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	Mr. Sin	1,200,000	100%	100%	–	–
	Mr. San Kwan	2,800,000	100%	100%	–	–
Chief executive	Mr. Liao Yuang-whang	2,000,000	100%	100%	–	–
Others qualified participants		51,200,000	100%	100%	–	–
		57,200,000	100%	100%	–	–

For further information of the share options, please refer to note 25 to the consolidated financial statements.

Corporate Governance

The Company commits to achieving and maintaining high standards of corporate governance, the principles of which serve to uphold transparency, accountability and independence in all aspects of business and endeavours to ensure that affairs are conducted in accordance with applicable laws and regulations. The corporate governance practices adopted by the Company is in compliance with the principles of the Corporate Governance Code (the "Code") contained in Appendix 14 to the Listing Rules. The general framework of the Company's corporate governance practice is set out in the corporate governance report in the 2013 Annual Report of the Company, which is available on the website of the Company.

THE BOARD

The Board comprises two executive Directors and three independent non-executive Directors. The role of the Chairman is separate from the Chief Executive Officer with a view to maintain an effective segregation of duties respecting management of the Board and the day-to-day management of the business.

The Board will periodically review the Company's current corporate governance practices and procedures and will maintain and further enhance the standard of corporate governance practices of the Company, in order to ensure it is in line with international and local best practices.

REMUNERATION COMMITTEE

The Company established the Remuneration Committee which comprises one executive Director and two independent non-executive Directors. The roles and functions of the Remuneration Committee include consulting the Chairman of the Board about their remuneration proposals for other executive Directors, making recommendation to the Board on the Company's remuneration policy and structure for all Directors' and senior management and making recommendation to the Board on the remuneration packages of individual Directors' and senior management. The Remuneration Committee's authority and duties are set out in written terms of reference that are posted on the website of the Stock Exchange and the Company.

NOMINATION COMMITTEE

The Company established the Nomination Committee which comprises one executive Director and two independent non-executive Directors. The roles and functions of the Nomination Committee include reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board, identifying individuals suitably qualified to become Board member and assessing the independence of independent non-executive Directors. The Nomination Committee is established with specific terms of reference which deal clearly with the committee's authority and duties and is available on the website of the Stock Exchange and the Company.

AUDIT COMMITTEE

The Company established the Audit Committee which comprises three independent non-executive Directors. The primary duties of the Audit Committee are to review the Company's financial information, review and supervise the Company's financial reporting process and internal control procedures, nominate and monitor external auditors and provide advice and comments to the Board. The Audit Committee is established with specific terms of references which deal clearly with the committee's authority and duties and is available on the website of the Stock Exchange and the Company.

The Audit Committee had reviewed with management of the Group the accounting principles and practices adopted by the Group and discussed the auditing, internal control and financial reporting matters including the review of the interim results and this interim report of the Group for the six months ended 31 December 2013.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board has reviewed the Company's corporate governance practices and is satisfied that the Company's corporate governance practices have complied with the code provisions set out in the Code throughout the six months ended 31 December 2013.

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 the required standard set out in the Model Code and such code of conduct during the Reporting Period.

On behalf of the Board

Sin Ke
Chairman

Hong Kong, 17 February 2014

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE SIX MONTHS ENDED 31 DECEMBER 2013

	Notes	Six months ended 31 December 2013 RMB'000 (unaudited)	2012 RMB'000 (unaudited)
Revenue	4	**279,313**	235,817
Cost of sales	15	**(188,033)**	(156,829)
Gross profit		**91,280**	78,988
Gain from changes in fair value of biological assets less costs to sell	16	**30,316**	36,670
Other revenue	4	**5,599**	4,485
Distribution costs		**(3,856)**	(6,764)
Administrative expenses		**(29,657)**	(30,780)
Other operating expenses		**(1,364)**	(434)
Profit from operations		**92,318**	82,165
Finance costs	5		
– Interest expenses		**(6,722)**	(6,719)
– Imputed interest expenses on convertible bonds		**(16,624)**	(14,972)
Profit before tax	6	**68,972**	60,474
Income tax credit	7	**56**	827
Profit for the period attributable to owners of the Company		**69,028**	61,301
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(3,731)**	1,048
Total comprehensive income for the period attributable to owners of the Company		**65,297**	62,349
Earnings per share	9		
– Basic (RMB cents)		**5.65**	5.07
– Diluted (RMB cents)		**5.05**	4.59

Condensed Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2013

	Notes	As at 31 December 2013 RMB'000 (unaudited)	As at 30 June 2013 RMB'000 (audited)
Non-current assets			
Property, plant and equipment	10	**240,138**	244,949
Land use rights	11	**24,487**	17,969
Lease prepayments for orange plantations		**648,637**	537,912
Goodwill	12	**56,696**	56,696
Intangible assets	13	**107,843**	112,044
Held–to–maturity investments	14	**15,727**	–
Pledged bank deposits	19	**170,000**	–
		1,263,528	969,570
Current assets			
Inventories	15	**51,835**	32,806
Biological assets	16	**75,835**	72,657
Lease prepayments for orange plantations		**66,825**	85,418
Trade receivables	17	**255,879**	66,459
Other receivables, deposits and prepayments	18	**19,532**	33,457
Pledged bank deposits	19	**28,151**	120,350
Cash and cash equivalents	20	**423,549**	488,913
		921,606	900,060
Current liabilities			
Trade payables	21	**54,197**	5,909
Other payables and accruals		**58,143**	20,484
Bank loans	22	**109,713**	185,690
Income tax payable		**982**	33,439
		223,035	245,522
Net current assets		**698,571**	654,538
Total assets less current liabilities		**1,962,099**	1,624,108

Condensed Consolidated Statement of Financial Position *(Continued)*

AS AT 31 DECEMBER 2013

	Notes	As at 31 December 2013 RMB'000 (unaudited)	As at 30 June 2013 RMB'000 (audited)
Non-current liabilities			
Bank loans	22	**287,684**	–
Deferred income	24	**14,160**	15,340
Convertible bonds	23	**210,008**	199,369
Deferred tax liabilities	27	**28,211**	29,261
		540,063	243,970
Net assets		**1,422,036**	1,380,138
Capital and reserves			
Share capital	28	**10,690**	10,682
Reserves	29	**1,411,346**	1,369,456
Total equity		**1,422,036**	1,380,138

The unaudited condensed consolidated financial statements on pages 24 to 60 were approved and authorised for issue by the board of directors on 17 February 2014 and are signed on its behalf by:

Sin Ke
Chairman

San Kwan
Director

Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 December 2012

	Attributable to owners of the Company						
	Share capital RMB'000	**Share premium** RMB'000 (Note 29(a))	**Capital reserve** RMB'000	**Statutory reserves** RMB'000 (Note 29 (b))	**Exchange reserve** RMB'000 (Note 29 (c))	**Retained profits** RMB'000	**Total** RMB'000
At 1 July 2012 (audited)	10,501	401,480	57,961	38,810	1,649	776,815	1,287,216
Profit for the period	–	–	–	–	–	61,301	61,301
Other comprehensive income for the period – Exchange differences arising on translation of foreign operations	–	–	–	–	1,048	–	1,048
Total comprehensive income for the period	–	–	–	–	1,048	61,301	62,349
At 31 December 2012 (unaudited)	10,501	401,480	57,961	38,810	2,697	838,116	1,349,565

For the six months ended 31 December 2013

	Attributable to owners of the Company						
	Share capital RMB'000	**Share premium** RMB'000 (Note 29(a))	**Capital reserve** RMB'000	**Statutory reserves** RMB'000 (Note 29 (b))	**Exchange reserve** RMB'000 (Note 29 (c))	**Retained profits** RMB'000	**Total** RMB'000
At 1 July 2013 (audited)	10,682	409,997	71,608	38,810	5,152	843,889	1,380,138
Profit for the period	–	–	–	–	–	69,028	69,028
Other comprehensive income for the period – Exchange differences arising on translation of foreign operations	–	–	–	–	(3,731)	–	(3,731)
Total comprehensive income for the period	–	–	–	–	(3,731)	69,028	65,297
Shares issued under share option scheme (note 28)	8	972	(162)	–	–	–	818
Dividend paid	–	(24,217)	–	–	–	–	(24,217)
At 31 December 2013 (unaudited)	10,690	386,752	71,446	38,810	1,421	912,917	1,422,036

Condensed Consolidated Statement of Cash Flows

FOR THE SIX MONTHS ENDED 31 DECEMBER 2013

	Six months ended 31 December	
	2013	2012
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Cash used in operations	**(100,147)**	(211,348)
Income tax paid	**(33,452)**	(338)
NET CASH USED IN OPERATING ACTIVITIES	**(133,599)**	(211,686)
NET CASH USED IN INVESTING ACTIVITIES	**(103,616)**	(3,459)
NET CASH FROM FINANCING ACTIVITIES	**178,398**	54,606
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(58,817)**	(160,539)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**488,913**	513,199
Effect of foreign exchange rate changes	**(6,547)**	(2,144)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD, represented by bank balances and cash	**423,549**	350,516

Notes to the Condensed Financial Statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2013

1. GENERAL

China Tianyi Holdings Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section to the Annual Report. In the opinion of the directors of the Company (the "Directors"), its parent and ultimate holding company is Key Wise Group Limited, a company incorporated in the British Virgin Islands (the "BVI").

The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in cultivation and selling of fresh oranges, manufacturing and selling of frozen concentrated orange juice ("FCOJ") and its related products.

The Company's functional currency is Hong Kong dollars ("HK$") while that for the major subsidiaries in the People's Republic of China (the "PRC") is Renminbi ("RMB"). As the operation of the Group is mainly held in the PRC, the Directors consider that it is appropriate to present the unaudited condensed consolidated financial statements in RMB.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board (the "IASB"). In addition, the unaudited condensed consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for biological assets and financial instruments that are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

The accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 31 December 2013 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 30 June 2013.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES *(Continued)*

In the current interim period, the Group has adopted the following new and revised IFRSs issued by the IASB.

Amendments to International Accounting Standard ("IAS") 1	Presentation of Items of Other Comprehensive Income
Amendments to IAS 12	Deferred Tax: Recovery of Underlying Assets

The adoption of these new and revised IFRSs in the current year has had no material impact on the Group's financial performance and positions for the current interim period and/or on the disclosures set out in these unaudited condensed consolidated financial statements.

The Group has not early adopted the following new and revised IFRSs that have been issued but are not yet effective.

Amendments to IFRSs	Annual Improvements 2009–2011 Cycle[1]
Amendments to IFRS 1	First-time Adoption of IFRSs – Government Loans[1]
Amendments to IFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities[1]
Amendments to IFRS 9 and IFRS 7	Mandatory Effective Date of IFRS 9 and Transition Disclosures[3]
IFRS 9	Financial Instruments[3]
IFRS 10	Consolidated Financial Statements[1]
IFRS 11	Joint Arrangements[1]
IFRS 12	Disclosure of Interests in Other Entities[1]
IFRS 13	Fair Value Measurement[1]
Amendments to IFRS 10, IFRS 11 and IFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interest in Other Entities: Transition Guidance[1]
Amendments to IFRS 10, IFRS 12 and IAS 27 (as revised in 2011)	Investment Entities[2]
IAS 19 (as revised in 2011)	Employee Benefits[1]
IAS 27 (as revised in 2011)	Separate Financial Statements[1]
IAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[1]
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities[2]
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets[2]

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Amendments to IAS 39	Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting[2]
International Financial Reporting Interpretations Committee ("IFRIC") – Int 20	Stripping Costs in the Production Phase of a Surface Mine[1]
IFRIC – Int 21	Levies[2]

[1] Effective for annual periods beginning on or after 1 January 2013
[2] Effective for annual periods beginning on or after 1 January 2014
[3] Effective for annual periods beginning on or after 1 January 2015

The directors of the Company anticipate that the application of the new or revised standards will have no material impact on the results and the financial position of the Group.

3. SEGMENT INFORMATION

The Group determines its operating segments based on the information reported to the chief operating decision maker, being the most senior executive management of the Group, for making strategic decisions and assessing the performance of each operating segment. The segments are managed separately as each operating segment offers different products which require different production information to formulate different strategies. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group. The Group's reportable and operating segments are organised as follows:

1. Plantation of agricultural produce – planting, cultivation and sale of fresh oranges

2. Production of processed fruits – manufacture and sale of FCOJ and its related products

Notes to the Condensed Financial Statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2013

3. SEGMENT INFORMATION *(Continued)*

The following is an analysis of the Group's revenue, results, assets and liabilities by reportable and operating segment.

	Plantation of agricultural produce RMB'000	Production of processed fruits RMB'000	Consolidated RMB'000
Six months ended 31 December 2013 (unaudited)			
Segment revenue			
Sales to external customers	101,404	177,909	279,313
Intersegment sales	21,310	69,388	90,698
Segment revenue	122,714	247,297	370,011
Elimination			(90,698)
Consolidated revenue			279,313
Segment results	24,294	68,601	92,895
Unallocated gains			4,299
Corporate and other unallocated expenses			(4,876)
Finance costs			(23,346)
Profit before tax			68,972
At 31 December 2013 (unaudited)			
Assets and liabilities			
Segment assets	890,775	486,446	1,377,221
Corporate and other unallocated assets			807,913
Total assets			2,185,134
Segment liabilities	37,118	88,409	125,527
Corporate and other unallocated liabilities			637,571
Total liabilities			763,098

3. SEGMENT INFORMATION *(Continued)*

	Plantation of agricultural produce RMB'000	Production of processed fruits RMB'000	Consolidated RMB'000
Six months ended 31 December 2012 (unaudited)			
Segment revenue			
Sales to external customers	83,150	152,667	235,817
Intersegment sales	33,943	–	33,943
Segment revenue	117,093	152,667	269,760
Elimination			(33,943)
Consolidated revenue			235,817
Segment results	26,441	59,422	85,863
Unallocated gains			3,579
Corporate and other unallocated expenses			(7,277)
Finance costs			(21,691)
Profit before tax			60,474
At 30 June 2013 (audited)			
Assets and liabilities			
Segment assets	732,062	491,953	1,224,015
Corporate and other unallocated assets			645,615
Total assets			1,869,630
Segment liabilities	6,102	33,772	39,874
Corporate and other unallocated liabilities			449,618
Total liabilities			489,492

3. SEGMENT INFORMATION *(Continued)*

The accounting policies of the operating segment are identical to the Group's accounting policies. Segment results represent the profit attributable to each segment without allocation of central administration costs, director's remuneration, bank interest income, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and performance assessment.

For the purposes of monitoring segment performances and allocating resources between segments:

(a) all assets are allocated to operating segments other than pledged bank deposits, cash and cash equivalents, certain property, plant and equipment, held-to-maturity investments and other receivables which were managed in a centralised manner.

(b) all liabilities are allocated to operating segments other than bank loans, convertible bonds, income tax payable, deferred tax liabilities and certain other payables which were managed in a centralised manner.

Inter-segment sales are charged at prevailing market rates.

3. SEGMENT INFORMATION *(Continued)*

Other segment information

	Six months ended 31 December 2013 (unaudited)			
	Plantation of agricultural produce RMB'000	Production of processed fruits RMB'000	Unallocated RMB'000	Consolidated RMB'000
Amounts included in the measure of segment profit or segment assets:				
Depreciation and amortisation *(note 1)*	–	16,291	87	16,378
Additions to non-current assets *(note 2)*	–	12,022	–	12,022
Loss on disposal of property, plant and equipment	–	–	203	203
Gain from changes in fair value of biological assets less costs to sell	(30,316)	–	–	(30,316)
Government grants	–	(1,300)	–	(1,300)
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or segment assets:				
Bank interest income	(8)	(1,686)	(2,285)	(3,979)
Finance costs				
– Interest expenses	–	5,334	1,388	6,722
– Imputed interest expenses on convertible bonds *(note 3)*	–	–	16,624	16,624
Income tax credit	–	–	(56)	(56)

3. SEGMENT INFORMATION *(Continued)*

Other segment information *(Continued)*

	Six months ended 31 December 2012 (unaudited)			
	Plantation of agricultural produce RMB'000	Production of processed fruits RMB'000	Unallocated RMB'000	Consolidated RMB'000
Amounts included in the measure of segment profit or segment assets:				
Depreciation and amortisation *(note 1)*	3	10,762	75	10,840
Additions to non-current assets *(note 2)*	212	4,511	5	4,728
Written-off of inventories	1,440	–	–	1,440
Gain from changes in fair value of biological assets less costs to sell	(36,670)	–	–	(36,670)
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or segment assets:				
Bank interest income	17	1,026	2,536	3,579
Finance costs				
– Interest expenses	–	6,719	–	6,719
– Imputed interest expenses on convertible bonds *(note 3)*	–	–	14,972	14,972
Income tax credit	–	–	(827)	(827)

Note 1: Amount excluded amortisation of lease prepayments for orange plantations.

Note 2: Amount included property, plant and equipment, intangible assets and land use rights acquired from business combination and excluded additions to lease prepayments for orange plantations and pledged bank deposits.

Note 3: Amount included the 3.5% coupon per annum and non-cash amortisation expenses of convertible bond issued in year 2012.

3. SEGMENT INFORMATION *(Continued)*

Other segment information *(Continued)*

Geographic information

In view of the fact that the Group mainly operates in the PRC, no geographical segment information is presented.

Revenue from major products

The following is an analysis of the Group's revenue from its major products:

	Six months ended 31 December	
	2013	2012
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Sales of orange juice products	**160,014**	150,569
Sales of fresh oranges	**101,404**	83,856
Sales of other products	**17,895**	1,392
Total revenue	**279,313**	235,817

Information about major customers

The Group has identified 4 customers (31 December 2012: 2) which individually represented over 10% of the Group's total external sales.

The sales to the major customers during the periods are as follows:

	Six months ended 31 December	
	2013	2012
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Customer A[1]	**41,629**	59,421
Customer B[2]	**101,404**	57,346
Customer C[1]	**41,437**	N/A[3]
Customer D[1]	**41,335**	N/A[3]

1 Revenue from production of processed fruits segment.
2 Revenue from plantation of agricultural produce segment.
3 The corresponding revenue did not contribute over 10% of the total external sales of the Group.

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4. REVENUE AND OTHER REVENUE

Revenue represents the revenue arising on the sales of fresh oranges, orange juice products and its related products.

An analysis of other revenue is as follows:

	Six months ended 31 December	
	2013	2012
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Bank interest income	**3,979**	3,579
Government grants	**1,300**	–
Others	**320**	906
	5,599	4,485

5. FINANCE COSTS

	Six months ended 31 December	
	2013	2012
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Imputed interest expenses on convertible bonds (note 23)	**16,624**	14,972
Interest expenses on secured bank loans wholly repayable within five years	**6,722**	6,719
	23,346	21,691

6. PROFIT BEFORE TAX

The Group's profit before tax has been arrived at after charging:

	Six months ended 31 December	
	2013	2012
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Staff costs, including directors' and chief executive's remuneration:		
Wages, salaries and other benefits	**40,937**	53,824
Contributions to defined contribution plans	**3,570**	4,005
	44,507	57,829
Amortisation of land use rights	**254**	207
Amortisation of intangible assets	**4,202**	4,202
Depreciation of property, plant and equipment	**11,922**	10,632
Operating lease charges in respect of rented premises	**21,887**	29,248
Loss on disposal of property, plant and equipment	**203**	–

7. INCOME TAX CREDIT

	Six months ended 31 December	
	2013	2012
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current tax – PRC Enterprise Income Tax ("EIT")		
Provision for the period	**994**	223
Deferred tax		
Reversal of temporary differences (note 27)	**(1,050)**	(1,050)
Income tax credit	**(56)**	(827)

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

No provision has been made for Hong Kong Profits Tax as the Group did not have assessable profit subject to Hong Kong Profits Tax for both periods ended 31 December 2013 and 2012.

7. INCOME TAX CREDIT *(Continued)*

The provision for PRC EIT 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 for the both periods.

With effect from 1 January 2011, the Company's subsidiaries which are responsible for orange juice production are exempt from EIT on profits from orange juice production, pursuant to Cai Shui [2008] No. 149 issued by the Ministry of Finance of the PRC. Accordingly, from 1 January 2011, certain subsidiaries of the Group in the PRC (i.e. cultivation and selling of self-cultivated fresh oranges and orange juice production) are exempt from EIT, 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. Before 1 January 2011, these subsidiaries are subject to EIT at 25% in the PRC.

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 2013 and 2012.

8. DIVIDEND

The Board does not recommend the payment of an interim dividend in respect of the six months ended 31 December 2013 (31 December 2012: HK$1.5 cents).

9. EARNINGS PER SHARE

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

Earnings

	Six months ended 31 December	
	2013	2012
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Earnings for the purpose of basic earnings per share	**69,028**	61,301
Effect of effective interest on the liability component of convertible bonds	**–**	–
Earnings for the purpose of diluted earnings per share	**69,028**	61,301

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

Number of shares

	Six months ended 31 December	
	2013	2012
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,221,588,343**	1,208,672,727
Effect of deemed issue of shares under the conversion of convertible bonds (note 23)	**123,174,603**	123,174,603
Effect of deemed issue of shares under the Company's share option scheme for nil consideration (note 25)	**22,617,692**	3,979,701
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,367,380,638**	1,335,827,031

The calculation of diluted earnings per share for the six months ended 31 December 2013 and 2012 does not take into account the potential effect of the deemed conversion of certain convertible bonds into ordinary shares during the period as it has an anti-dilutive effect on the basic earnings per share amount for the period.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2013, the Group acquired items of plant and machinery with costs of RMB12,022,000. The Group disposed of a building with carrying amount of RMB4,930,000, with cash consideration of RMB4,727,000, resulting in loss on disposal of RMB203,000. Apart from that, there are no significant acquisitions and disposals during the six months ended 31 December 2013.

As at 31 December 2013, the carrying value of the Group's buildings, plant and machinery of approximately RMB98,673,000 (30 June 2013: approximately RMB117,190,000) was pledged as security for the banking facilities granted to the Group.

11. LAND USE RIGHTS

	RMB'000
COST	
At 1 July 2013	20,268
Additions	6,772
At 31 December 2013	27,040
ACCUMULATED AMORTISATION	
At 1 July 2013	2,299
Provided for the period	254
At 31 December 2013	2,553
CARRYING VALUES	
At 31 December 2013 (unaudited)	24,487
At 30 June 2013 (audited)	17,969

All the Group's land use rights relate to lands located in the PRC under medium-term lease.

As at 31 December 2013, the carrying value of the Group's land use rights of approximately RMB15,662,000 (30 June 2013: approximately RMB15,848,000) was pledged as security for the banking facilities granted to the Group.

12. GOODWILL

	RMB'000
COST AND CARRYING VALUE	
Arising on acquisition of a subsidiary 30 June 2013 and 31 December 2013	56,696

On 9 November 2011, the Group acquired entire equity interests in Global One Management Limited ("Global One") and its subsidiaries (collectively referred as the "Global One Group"), and goodwill of approximately RMB56,696,000 was recognised upon acquisition.

13. INTANGIBLE ASSETS

	Customer list RMB'000	Customer relationship RMB'000	Total RMB'000
COST			
Acquired upon acquisition of subsidiaries at 30 June 2013 and 31 December 2013	82,390	43,660	126,050
ACCUMULATED AMORTISATION			
As at 30 June 2013 and 1 July 2013	9,155	4,851	14,006
Provided for the period	2,745	1,456	4,201
At 31 December 2013	11,900	6,307	18,207
CARRYING VALUES			
At 31 December 2013 (unaudited)	70,490	37,353	107,843
At 30 June 2013 (audited)	73,235	38,809	112,044

Customer list and customer relationship have a finite useful life and are amortised on a straight-line basis over 15 years.

14. HELD-TO-MATURITY INVESTMENTS

Held-to-maturity investments comprise:

	As at 31 December 2013 RMB'000 (unaudited)	As at 30 June 2013 RMB'000 (audited)
Debt securities	**15,727**	–

The Group's held-to-maturity investments represented debt securities that are issued by unlisted overseas financial institution, and carry fixed interest at 6% per annum (30 June 2013: nil). None of these assets has been past due or impaired at the end of the reporting period.

15. INVENTORIES

	As at 31 December 2013 RMB'000 (unaudited)	As at 30 June 2013 RMB'000 (audited)
Orange juice products	**27,331**	32,166
Other products	**9,820**	–
Fresh oranges	**3,028**	–
Consumables and packing materials	**11,656**	640
	51,835	32,806

The amount of inventories recognised as an expense and included in profit or loss is as follows:

	Six months ended 31 December	
	2013 RMB'000 (unaudited)	2012 RMB'000 (unaudited)
Carrying amount of inventories sold	**186,665**	155,389
Written-off of inventories	**1,368**	1,440
Cost of inventories recognised as cost of sales	**188,033**	156,829

15. INVENTORIES *(Continued)*

Production quantities of agricultural produce are as follows:

	Six months ended 31 December	
	2013	2012
	Tonnes	Tonnes
	(unaudited)	(unaudited)
Oranges	**101,872**	142,885

16. BIOLOGICAL ASSETS

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

	As at 31 December 2013 RMB'000 (unaudited)	As at 30 June 2013 RMB'000 (audited)
Beginning of the period/year	**72,657**	83,325
Increase due to cultivation	**125,476**	138,926
Gain from changes in fair value less cost to sell (note a)	**30,316**	30,455
Harvested oranges transferred to inventories	**(152,614)**	(180,049)
End of the period/year (note b)	**75,835**	72,657

Notes:

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

(b) All oranges are harvested annually and are harvested shortly before the calendar year end. The Directors consider that there was no active market for the oranges before harvest at the end of the reporting period. 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 agricultural chemicals. As such, the Directors consider that the fair value of biological assets at the end of the reporting period cannot be measured reliably and no reliable alternative estimates exist to determine fair value. Therefore, biological assets continue to be stated at cost as at 31 December and 30 June 2013.

The carrying value of biological assets as at 31 December and 30 June 2013 represents cultivation costs incurred including fertilisers, pesticides, labour costs and orange farm rental costs.

17. TRADE RECEIVABLES

The Group allows a credit period of 90 days (30 June 2013: 90 days) to its trade customers from the date of billing.

The following is an aged analysis of trade receivables based on the due dates at the end of the reporting period:

	As at 31 December 2013 RMB'000 (unaudited)	As at 30 June 2013 RMB'000 (audited)
Neither past due nor impaired	**255,879**	66,459
Less than 3 months past due	**–**	–
	255,879	66,459

Trade receivables that were neither past due nor impaired related to a wide range of customers that have no recent history of default payment.

Trade 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 past experience, the Directors believe that no impairment allowance is necessary in respect of these balances as there has not been a significant change in the credit quality and the balances are still considered fully recoverable.

The Group did not hold any collateral over the trade receivables.

18. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 31 December 2013 RMB'000 (unaudited)	As at 30 June 2013 RMB'000 (audited)
Other receivables	**5,789**	31,048
Deposits and prepayments	**13,743**	2,409
	19,532	33,457

The Group did not hold any collateral over the other receivables.

19. PLEDGED BANK DEPOSITS

	As at 31 December 2013 RMB'000 (unaudited)	As at 30 June 2013 RMB'000 (audited)
Pledged bank deposits		
Pledged to secure an interest-free entrusted bank loan	–	2,550
Pledged by one of the Company's subsidiaries in Hong Kong to secure an interest-bearing bank loan	179,989	117,800
Pledged to secure an interest-bearing banking facility	18,162	–
	198,151	120,350
Less: Current portion of pledged bank deposits	(28,151)	(120,350)
Non-current portion of pledged bank deposits	170,000	–

As at 31 December 2013, the bank deposits of RMB198,151,000 (30 June 2013: RMB120,350,000) comprise a three-year term deposits of RMB170,000,000 (30 June 2013: RMB117,800,000) pledged by one of the Company's subsidiaries in Hong Kong to secure an interest-bearing bank loan of RMB104,300,000 (30 June 2013: RMB114,190,000) for one of the Group's PRC subsidiaries, a short-term deposits of RMB9,989,000 (30 June 2013: nil) pledged by one of the Company's subsidiaries in Hong Kong to secure an interest-bearing bank loan of RMB70,000,000 (30 June 2013: nil) for one of the Group's PRC subsidiaries, and a short-term deposits of RMB18,162,000 (30 June 2013: nil) pledged to secure an interest-bearing banking facility of RMB15,737,000 (30 June 2013: nil) of the Company.

The pledged bank deposits carry fixed interest rate ranging from 0.385% to 3.366% (30 June 2013: 3.85% to 4.77%) per annum.

Notes to the Condensed Financial Statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2013

20. CASH AND CASH EQUIVALENTS

	As at 31 December 2013 RMB'000 (unaudited)	As at 30 June 2013 RMB'000 (audited)
Bank balances and cash	**423,549**	488,913

At 31 December 2013, bank balances and cash of the Group denominated in RMB amounted to approximately RMB355,277,000 (30 June 2013: RMB470,928,000). The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB to other currencies in respect of approved transactions through banks authorised to conduct foreign exchange business. The bank balances carry interest at market rates which ranges from 0.001% to 2% (30 June 2013: 0.001% to 0.75%) per annum.

21. TRADE PAYABLES

The Group has financial risk management policies in place to ensure all payables are settled within the credit timeframe. The average credit period on purchase is 90 days or on demand (30 June 2013: 90 days or on demand).

The following is an aged analysis of trade payables presented based on the due date at the end of the reporting period.

	As at 31 December 2013 RMB'000 (unaudited)	As at 30 June 2013 RMB'000 (audited)
Due within 3 months or on demand	**54,197**	5,909

22. BANK LOANS

	As at 31 December 2013 RMB'000 (unaudited)	As at 30 June 2013 RMB'000 (audited)
Carrying amount repayable:		
On demand or within one year	**109,713**	185,690
More than one year, but not exceeding two years	**229,096**	–
More than two years, but not exceeding five years	**58,588**	–
	397,397	185,690
Less: Amounts shown under current liabilities	**(109,713)**	(185,690)
Amounts shown under non-current liabilities	**287,684**	–
Secured	**349,134**	185,690
Unsecured	**48,263**	–

Except for the RMB235,750,000 bank loan which is denominated in RMB, RMB122,306,000 bank loan which is denominated in U.S. dollars and RMB39,341,000 bank loan which is denominated in Hong Kong dollars.

The bank loans at 31 December 2013 comprise a variable-rate bank loan of RMB207,360,000 (30 June 2013: RMB123,690,000) and a fixed-rate bank loan of RMB190,037,000 (30 June 2013: RMB59,450,000).

At the end of the reporting period, the effective interest rates (which are also equal to contracted interest rates) on the Group's interest-bearing bank loans are as follows:

	As at 31 December 2013	As at 30 June 2013
Fixed-rate bank loan	**2.89% – 7.50%**	7.20%
Variable-rate bank loan	**3.87% – 7.80%**	5.54% –7.80%

At 31 December and 30 June 2013, bank loans were secured by certain assets of the Group as set out in note 30. In addition, at 31 December 2013, certain bank loans were guaranteed by the Director, Mr. Sin Ke.

Notes to the Condensed Financial Statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2013

23. CONVERTIBLE BONDS

In May 2012, the Company issued HK$ settled convertible bonds with 3.5% coupon per annum due 2015 in the aggregate principal amount of HK$232,800,000 (the "2012 CB") to an independent third party. The issue of the 2012 CB was completed on 18 May 2012.

The principal terms of the 2012 CB are as follows:

(i) Optional conversion

Each bond will, at the option of the bondholders, be convertible (unless previously redeemed, converted or purchased and cancelled) on or after 18 May 2012 up to and including 12 May 2015 into fully paid ordinary shares of the Company (the "Shares") with a par value of HK$0.01 each at a conversion price of HK$1.89 per share. A total of 123,174,603 Shares will be allotted and issued upon full conversion of the 2012 CB at the conversion price with HK$ principal amount of the 2012 CB.

(ii) Redemption at maturity

Unless previously redeemed, converted, or purchased and cancelled, the 2012 CB will be redeemed on 17 May 2015 at an amount equal to their HK$ principal amount multiplied by 137.5938%.

(iii) Redemption at the option of the bondholders

The Company will, at the option of any of the bondholders, redeem all or some of the 2012 CB at their HK$ principal amount multiplied by 137.5938% when there is a change of control of the Company, or when the Shares cease to be listed or admitted to trade on the Stock Exchange.

23. CONVERTIBLE BONDS *(Continued)*

As the functional currency of the Company is HK$, the conversion of the 2012 CB will be settled by exchange of a fixed amount of cash in HK$ with a fixed number of the Company's equity instruments. In accordance with the requirements of IAS 39 Financial Instruments – Recognition and Measurement, the 2012 CB contract needs to be separated into a liability component consisting of the straight debt element of the 2012 CB, a number of embedded financial derivatives consisting of redemption options, and an equity component representing the conversion options of the bondholders to convert the 2012 CB into equity. The proceeds received from the issue of the 2012 CB 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 16.79% to the liability component since the 2012 CB 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 2012 CB was calculated using the Discounted Cash Flow model by Avista Valuation Advisory Limited. The major inputs used in the model as at 18 May 2012 were as follows:

	Liability component of the Company
Stock price	HK$1.33
Exercise price	HK$1.89
Risk-free rate	0.43%
Expected life	3 years
Volatility	61.34%

23. CONVERTIBLE BONDS *(Continued)*

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.

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 was nil as at 18 May 2012, 30 June 2012, 30 June 2013 and 31 December 2013.

The movement of the liability and equity components of the convertible bonds for the period is set out below:

	Equity component RMB'000	**Liability component** RMB'000	**Total** RMB'000
At 30 June and 1 July 2013 (audited)	11,474	199,369	210,843
Interest charged during the period	–	16,624	16,624
Interest paid	–	(3,188)	(3,188)
Exchange realignment	–	(2,797)	(2,797)
At 31 December 2013 (unaudited)	11,474	210,008	221,482

No conversion of the convertible bond has occurred during the six months ended 31 December 2013.

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.

	RMB'000
At 30 June and 1 July 2013 (audited)	15,340
Amortised during the period	(1,180)
At 31 December 2013 (unaudited)	14,160

The Group received discretionary grants from various PRC government authorities in recognition of the Group's contribution to the development of the local agricultural 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.

25. EQUITY-SETTLED SHARE BASED PAYMENTS

A share option scheme was adopted pursuant to a written resolution of the shareholders of the Company passed on 7 June 2008 and refreshed at the annual general meeting held on 5 November 2012 (the "Share Option Scheme"). Each option gives the holder the right to subscribe for one ordinary share of HK$0.01 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 HK$0.75 per share to certain qualified participants, all of whom were full-time employees of the Group.

25. EQUITY-SETTLED SHARE BASED PAYMENTS *(Continued)*

On 11 October 2009, the Company granted an additional 10,000,000 share options with a subscription price of HK$0.90 per share to an employee of the Group.

On 4 January 2013, the Company granted 62,400,000 share options with a subscription price of HK$1.15 per share to certain qualified participants.

On 21 March 2013, the Company granted 57,200,000 share options with a subscription price of HK$1.03 per share to certain qualified participants.

The terms and conditions of the grants are as follows:

Date of options granted to the qualified participants of the Group	Number of options	Exercise price	Vesting condition and exercisable percentage condition	Up to %	Expiry date of the share options
18 November 2008 ("2008 Option")	39,000,000	HK$0.75	1 year from grant date	31.3	17 November 2018
			2 years from grant date	31.3	
			3 years from grant date	37.4	
11 October 2009 ("2009 Option")	10,000,000	HK$0.90	On the grant date	30.0	10 October 2019
			1 year from grant date	30.0	
			2 years from grant date	40.0	
4 January 2013 ("2013 Option 1")	62,400,000	HK$1.15	On the grant date	100	3 January 2014
21 March 2013 ("2013 Option 2")	57,200,000	HK$1.03	On the grant date	100	20 March 2015
Total options granted	168,600,000				

25. EQUITY-SETTLED SHARE BASED PAYMENTS *(Continued)*

The following table discloses movements of the Company's share options held by Directors and employees during the period:

Option type	Outstanding at 30/6/2013 and 1/7/2013	Exercised during the period	Outstanding at 31/12/2013
2008 Option	11,400,000	–	11,400,000
2013 Option 1	44,400,000	–	44,400,000
2013 Option 2	55,000,000	(1,000,000)	54,000,000
	110,800,000	(1,000,000)	109,800,000
Exercisable at the end of period	110,800,000		109,800,000
Weighted average exercise price	HK$1.05	HK$1.03	HK$1.05

The options outstanding at 31 December 2013 had a weighted average exercise price of HK$1.05 (30 June 2013: HK$1.05) and a weighted average remaining contractual life of 1.11 years (30 June 2013: 1.61 years).

In respect of the share option exercised during the period, the weighted average share price at dates of exercise is HK$1.03 (30 June 2013: HK$1.35).

26. RETIREMENT BENEFITS PLANS

The Group operates a Mandatory Provident Fund Scheme (the "Scheme") for all qualifying employees in Hong Kong. The assets of the Scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the Scheme, of which the contribution is matched by employees.

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the government of the PRC. The subsidiaries are required to contribute 5% to 13% of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

27. DEFERRED TAX LIABILITIES

The movements in deferred tax liabilities of the Group during the period were as follows:

	Intangible assets RMB'000	Undistributed retained profits of PRC subsidiaries RMB'000	Total RMB'000
At 30 June and 1 July 2013 (audited)	28,011	1,250	29,261
Credited to profit or loss	(1,050)	–	(1,050)
At 31 December 2013 (unaudited)	26,961	1,250	28,211

Pursuant to the EIT 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. At 31 December 2013, the Directors 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.

At 31 December 2013, deferred tax liabilities of RMB1,250,000 (30 June 2013: 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.

However, deferred tax liabilities associated with undistributed earnings of subsidiaries amounting to RMB1,057,695,000 (30 June 2013: RMB965,600,000) have not been recognised at 31 December 2013, as the Company controls the dividend policy of the Group's PRC subsidiaries and the Directors consider it probable that a portion of the undistributed profits earned by the Group's PRC subsidiaries as at 31 December 2013 will not be distributed in the foreseeable future.

28. SHARE CAPITAL

	Number of shares	Amount HK$'000	Amount RMB'000
Ordinary shares of HK$0.01 each			
Authorised:			
At 30 June 2013 and 31 December 2013	3,000,000,000	30,000	26,376
Issued and fully paid:			
At 1 July 2013	1,231,572,727	12,316	10,682
Share issued under share option scheme (note a)	1,000,000	10	8
At 31 December 2013	1,232,572,727	12,326	10,690

All of the shares issued by the Company rank pari passu in all respects with other shares in issue.

Note:

(a) During the period ended 31 December 2013, share options granted under the share option scheme were exercised to subscribe for the Company's 1,000,000 (30 June 2013: 22,900,000) ordinary shares of HK$0.01 each at a consideration of HK$1,030,000 (equivalent to RMB818,000) (30 June 2013: HK$24,991,000 (equivalent to RMB19,746,000)), of which HK$10,000 (equivalent to RMB8,000) (30 June 2013: HK$229,000 (equivalent to RMB181,000)) was credited to share capital and the balance of HK$1,020,000 (equivalent to RMB810,000) (30 June 2013: HK$24,762,000 (equivalent to RMB19,565,000)) was credited to the share premium account.

RMB162,000 (30 June 2013: RMB3,330,000) has been transferred from the capital reserve to the share premium. Details of the share option scheme are discussed in note 25.

29. RESERVES

(a) Share premium

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

(b) 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 directors of these companies.

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.

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

(c) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of the Company.

30. PLEDGE OF ASSETS

At the end of the reporting period, the Group had pledged the following assets to banks to secure the bank loans granted to the Group:

	As at 31 December 2013 RMB'000 (unaudited)	As at 30 June 2013 RMB'000 (audited)
Property, plant and equipment	**98,673**	117,190
Land use rights	**15,662**	15,848
Pledged bank deposits	**198,151**	120,350
	312,486	253,388

31. OPERATING LEASE ARRANGEMENTS

The Group leases certain of its offices and orange plantations under operating lease arrangements. Leases are held for one to fifteen years.

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	As at 31 December 2013 RMB'000 (unaudited)	As at 30 June 2013 RMB'000 (audited)
Within one year	**368**	497
In the second to fifth years, inclusive	**143,955**	144,078
After fifth years	**143,955**	143,956
	288,278	288,531

Notes to the Condensed Financial Statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2013

32. CAPITAL COMMITMENTS

At the end of the reporting period, the Group had the following capital commitments:

	As at 31 December 2013 RMB'000 (unaudited)	As at 30 June 2013 RMB'000 (audited)
Contracted, but not provided for:		
Purchase of property, plant and equipment	**68,750**	186,742

33. RELATED PARTY TRANSACTIONS

Except as disclosed elsewhere in the consolidated financial statements, the Group has the following significant related party transactions:

(a) At 31 December 2013, the amount of the Company's payables to the subsidiaries of approximately RMB73,994,000(30 June 2013: RMB12,470,000) did not have fixed repayment dates and was unsecured and non-interest bearing. The Directors considered that these payables were not expected to be settled within one year. The effective interest rates on the payables are approximately 7% by reference to the variable-rate bank loan.

(b) At 31 December 2013, the amount of the Company's receivables from the subsidiaries of approximately RMB430,357,000 (30 June 2013: RMB283,468,000) did not have fixed repayment date and was unsecured and non-interest bearing. The Directors considered that these receivables were not expected to be settled within one year. The effective interest rates on the receivables are approximately 3.1% by reference to the bank deposit rate.

(c) During the six months ended 31 December 2013, key management personnel of the Group received compensation in the form of short-term employee benefits, post-employment benefits and share-based payment awards of RMB3,727,000 (30 June 2013: RMB8,778,000).