Oriental Unicorn Agricultural Group Limited
東麟農業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8120)

FINAL RESULTS ANNOUNCEMENT
FOR THE SEVENTEEN MONTHS ENDED 31 DECEMBER 2012

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

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

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

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

THE FINAL RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2012

The board of directors (the "Board") of the Company announces the consolidated results of the Company and its subsidiaries (collectively the "Group") for the period ended 31 December 2012, together with the comparative figures in 31 July 2011 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 31 December 2012

	Note	**1.8.2011 to 31.12.2012** ***HK$'000***	1.8.2010 to 31.7.2011 *HK$'000*
Turnover	*5*	**160,715**	86,304
Cost of sales		**(142,177)**	(71,276)
Gross profit		**18,538**	15,028
Other income	*5*	**6,142**	34
Gain on bargain purchase		**1,853**	–
Selling and distribution costs		**(3,079)**	(3,022)
General and administrative expenses		**(17,254)**	(6,102)
Restructuring costs		**(9,867)**	(2,874)
Change in fair value of biological assets less cost to sell		**(21)**	–
(Loss)/profit from operating activities	*6*	**(3,688)**	3,064
Finance costs	*7*	**(2,661)**	(341)
Gain on the scheme	*20*	**67,494**	–
Gain on deconsolidation of subsidiaries	*19*	**401**	36,191
Profit before tax		**61,546**	38,914
Income tax	*8(a)*	**(2,005)**	(2,557)
Profit for the period/year	*9*	**59,541**	36,357
Other comprehensive income/(loss) for the period/year			
– Release of exchange fluctuation reserve upon deconsolidation of subsidiaries		**(20)**	2,368
– Exchange differences arising on translation of financial statements of overseas subsidiaries		**89**	1,093
Total comprehensive income for the period/year		**59,610**	39,818
Profit for the period/year attributable to:			
– Equity shareholders of the Company		**59,541**	36,339
– Non-controlling interests		**–**	18
		59,541	36,357
Total comprehensive income for the period/year attributable to:			
– Equity shareholders of the Company		**59,610**	39,672
– Non-controlling interests		**–**	146
		59,610	39,818
Earnings per share	*10*	***HK Cents***	*HK Cents (Restated)*
Basic		**12.30**	107.48
Diluted		**11.59**	107.48

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2012

	Note	As at 31.12.2012 HK$'000	As at 31.7.2011 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**44,018**	12,989
Prepaid lease payments		**1,033**	1,064
Goodwill		**891**	–
Biological assets	*11*	**249**	–
		46,191	14,053
CURRENT ASSETS			
Biological assets	*11*	**312**	–
Inventories		**763**	1,458
Trade receivables	*12*	**16,395**	10,845
Deposits, prepayments and other receivables	*13*	**1,632**	2,536
Cash, bank balances and time deposit		**1,598**	10,843
		20,700	25,682
DEDUCT:			
CURRENT LIABILITIES			
Bank borrowings	*14*	**3,682**	–
Trade payables	*15*	**2,574**	464
Convertible bonds		**–**	106,600
Amounts due to deconsolidated subsidiaries		**–**	1,239
Convertible notes	*16*	**8,753**	–
Other payables and accruals		**1,598**	21,252
Amount due to a former investor	*17*	**–**	16,538
Amount due to an investor	*18*	**124**	8,399
Amount due to a director		**2,500**	–
Income tax payable		**253**	938
Deferred tax liabilities	*8(b)*	**509**	–
		19,993	155,430
NET CURRENT ASSETS/(LIABILITIES)		**707**	(129,748)
TOTAL ASSETS LESS CURRENT LIABILITIES		**46,898**	(115,695)
NON-CURRENT LIABILITIES		**–**	–
NET ASSETS/(LIABILITIES)		**46,898**	(115,695)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

As at 31 December 2012

	As at 31.12.2012 *HK$'000*	As at 31.7.2011 *HK$'000*
REPRESENTING:		
CAPITAL AND RESERVES		
Share capital	**14,264**	67,620
Reserves	**32,634**	(189,193)
Equity/(capital deficiencies) attributable to equity shareholders of the Company	**46,898**	(121,573)
Non-controlling interests	**–**	5,878
EQUITY/(CAPITAL DEFICIENCIES)	**46,898**	(115,695)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 December 2012

	Attributable to equity shareholders of the Company												
	Share Capital	**Share premium**	**Capital reserve**	**Share option reserve**	**Convertible notes equity reserve**	**Convertible bonds equity reserve**	**Warrant reserve**	**PRC statutory reserve**	**Exchange fluctuation reserve**	**Accumulated Loss**	**Total**	**Non–controlling interests**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 August 2010	67,620	101,086	27,104	14,364	–	29,634	4,807	–	(2,279)	(403,581)	(161,245)	–	(161,245)
Capital contribution by non-controlling shareholder of a subsidiary	–	–	–	–	–	–	–	–	–	–	–	5,732	5,732
Transfer upon expiry of conversion option of convertible bonds	–	–	29,634	–	–	(29,634)	–	–	–	–	–	–	–
Transfer upon expiry of warrant	–	–	4,807	–	–	–	(4,807)	–	–	–	–	–	–
Transfer upon lapse of share options	–	–	–	(14,364)	–	–	–	–	–	14,364	–	–	–
Total comprehensive income for the year	–	–	–	–	–	–	–	–	3,333	36,339	39,672	146	39,818
Transfer to PRC statutory reserve	–	–	–	–	–	–	–	873	–	(873)	–	–	–
At 31 July 2011 and 1 August 2011	67,620	101,086	61,545	–	–	–	–	873	1,054	(353,751)	(121,573)	5,878	(115,695)
Capital restructuring	(66,268)	(101,086)	–	–	–	–	–	–	–	167,354	–	–	–
Issuance of subscription shares	9,600	38,400	–	–	–	–	–	–	–	–	48,000	–	48,000
Issuance of creditors shares	1,280	45,440	–	–	–	–	–	–	–	–	46,720	–	46,720
Issuance of convertible notes	–	–	–	–	8,647	–	–	–	–	–	8,647	–	8,647
Issuance of conversion shares for convertible notes conversion	2,032	8,128	–	–	(2,335)	–	–	–	–	–	7,825	–	7,825
Deferred tax arising from conversion of convertible notes	–	–	–	–	(1,427)	–	–	–	–	–	(1,427)	–	(1,427)
Total comprehensive income for the period	–	–	–	–	–	–	–	–	69	58,637	58,706	904	59,610
Capital contribution by non-controlling shareholder of a subsidiary	–	–	–	–	–	–	–	–	–	–	–	1,522	1,522
Acquisition of non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	(8,304)	(8,304)
At 31 December 2012	14,264	91,968	61,545	–	4,885	–	–	873	1,123	(127,760)	46,898	–	46,898

NOTES

1. CORPORATE AND GENERAL INFORMATION

Oriental Unicorn Agricultural Group Limited (the "Company") and its subsidiaries (collectively the "Group") are principally engaged in the manufacturing, development and distribution of feedstock products, animal husbandry and related activities. Animal husbandry business has become a new business since 2012.

The registered office of the Company is located at Ugland House, P.O. Box 309, George Town, Grand Cayman, Cayman Islands, British West Indies.

The principal place of business of the Company is Unit 4508, 45/F., The Center, 99 Queen's Road Central, Hong Kong.

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

The Company announced on 9 August 2012 that the financial year end date of the Company was changed from 31 July to 31 December commencing from the financial year 2012. Accordingly, the financial statements for the current period cover the seventeen-month period from 1 August 2011 to 31 December 2012. The corresponding amounts shown for the consolidated statement of comprehensive income, the consolidated statement of changes in equity and related notes cover the seventeen-month period from 1 August 2011 to 31 December 2012 and therefore may not be comparable with the amounts shown for the current period.

2. BASIS OF PREPARATION

(a) Winding-up petition and appointment of the provisional liquidators. On 28 October 2011, the Hong Kong Court granted an order to dismiss the petition and discharge the provisional liquidators with immediate effect.

On 13 May 2008, a winding-up petition was presented and filed in the High Court of the Hong Kong Special Administrative Region (the "High Court") by Shantou Xinyuan Trading Company Limited, the petitioner of the Company. On 2 December 2008, an ex-parte application was filed and served onto the Company by Keywise Greater China Opportunities Master Fund, a supporting creditor of the Company, for the appointment of provisional liquidators of the Company. On 3 December 2008, the High Court appointed Messrs. Stephen Liu Yiu Keung and David Yen Ching Wai, both of Ernst & Young Transactions Limited, as the joint and several provisional liquidators (the "Provisional Liquidators") of the Company.

Pursuant to an order of the High Court, the Provisional Liquidators would, inter alia, take into their custody and protect all the assets of the Group and manage the Group until such times as further order is made. The Provisional Liquidators are independent third parties not connected with the Company or any of the directors, chief executive and substantial shareholders of the Company or its subsidiaries or their respective associates as defined in the Rules Governing the Listing of Securities on the GEM (the "GEM Listing Rules").

By an order of the High Court of Hong Kong dated 18 August 2011, the hearing for the petition which was initially fixed on 12 November 2008 was further adjourned to 9 January 2012.

(b) Restructuring of the Group

On 5 December 2008, the Provisional Liquidators have appointed Asian Capital (Corporate Finance) Limited as financial adviser to the Company (the "Financial Adviser"). Since then, the Provisional Liquidators and the Financial Adviser have been in discussion and negotiation with various potential investors with a view of restructuring the Company and submitting a viable resumption proposal to the Stock Exchange.

2. BASIS OF PREPARATION (CONT'D)

(b) Restructuring of the Group (Cont'd)

On 28 July 2009, an exclusivity agreement (the "Exclusivity Agreement") was entered into amongst NEUF Capital Limited (the "Former Investor"), the Company and the Provisional Liquidators to grant the Former Investor exclusivity for the preparation of a resumption proposal (the "Resumption Proposal") and negotiation in good faith of legally binding agreements for the implementation of the proposed restructuring and the Resumption Proposal. The restructuring proposal so submitted by the Former Investor was also accepted by the Provisional Liquidators, and in principle, supported by the major creditors of the Company as it was considered to be for the best interest of the Company and its stakeholders.

Pursuant to the Exclusivity Agreement, on 24 September 2009, the Former Investor, as lender and Tony China Limited ("Tony China"), a wholly-owned subsidiary of the Company and as borrower, entered into a working capital facility agreement in relation to the provision of the working capital facility of up to HK$9,000,000 with an interest rate of 5% per annum by the Former Investor to meet the trading and operation expenses required to maintain a viable and continuing business of the Company during the course of the proposed restructuring and after the date of the Exclusivity Agreement. On the same day, Tony China and the Former Investor executed a debenture in favour of the Former Investor on, inter alia, a charge over all assets and receivables whether present and future of Tony China in relation to the said working capital facility provided by the Former Investor.

The Financial Adviser submitted the Resumption Proposal on behalf of the Company to the Stock Exchange on 30 November 2009. An updated Resumption Proposal was further submitted to the Stock Exchange on 19 May 2010.

The restructuring, resulted in:

(i) a restructuring of the share capital of the Company through capital reduction, shares consolidation and the increase in share capital, and the issuance of new shares of the Company;

(ii) all the creditors of the Company discharging and waiving their claims against the Company by way of schemes of arrangement in Hong Kong and the Cayman Islands (the "Schemes"), as appropriate; and

(iii) resumption of trading in the shares of the Company upon completion of the proposed restructuring subject to the restoration of sufficient public float.

Having received and considered the operations and affairs of the Group and the magnitude of the claims against the Company, the Company concluded that the proposed restructuring represents the best means available for the Company to be returned to solvency and to continue with the development and enhancement of its business.

On 26 July 2010, the Stock Exchange had granted a conditional approval to the Company to resume the trading in the shares of the Company (the "Resumption") subject to the Company fulfills the stipulated conditions by 30 April 2011.

On 27 January 2011, the Exclusivity Agreement lapsed pursuant to the terms of the Exclusivity Agreement. Upon the lapse of the Exclusivity Agreement, the working capital facility under the working capital facility agreement dated 24 September 2009 became due and payable.

Subsequently, Thousand Jade International Limited (the "Investor") has indicated and confirmed its interest in taking up the role of an investor in the proposed restructuring of the Company after the lapse of the Exclusivity Agreement. After various discussions involving representatives of the Provisional Liquidators, the Investor and their respective advisors, the terms of the Formal Restructuring Agreement were formulated ("Restructuring Proposal").

2. BASIS OF PREPARATION (CONT'D)

(b) Restructuring of the Group (Cont'd)

On 29 April 2011, the Formal Restructuring Agreement was entered into among the Investor as investor, Mr. Li Wing Chiu, the sole and beneficial owner and a director of the Investor, as guarantor, the Company and the Provisional Liquidators, pursuant to which the parties agreed to the terms and conditions for the purpose of facilitating the Restructuring Proposal.

As at the date of the Formal Restructuring Agreement, the amount due and payable to the Former Investor under the working capital facility agreement entered into between Tony China and the Former Investor on 24 September 2009 was approximately HK$8,239,000. In order to settle the said working capital loan due and payable to the Former Investor, Tony China entered into a working capital facility agreement with the Investor on 5 July 2011 pursuant to which Tony China shall apply such escrow amount as is equivalent to the principal and accrued interest due under the working capital facility agreement entered into between Tony China and the Former Investor on 24 September 2009 (the "Escrow Amount") to settle the outstanding amount due thereunder and to obtain a release of the debenture executed by Tony China in favour of the Former Investor on 24 September 2009.

Upon the signing of the Formal Restructuring Agreement, the Investor deposited an amount of HK$15,000,000 in escrow with the escrow agent who shall have custody of such amount and place the same in an interest-bearing account in the name of the escrow agent (the "Initial Escrow Arrangement").

On 24 May 2011, the Stock Exchange granted extension of time for completing the resumption conditions to 31 October 2011.

On 1 June 2011, the parties to the Formal Restructuring Agreement entered into a supplemental restructuring agreement to amend certain terms of the Formal Restructuring Agreement.

On 5 July 2011, a working capital facility agreement was entered into between Tony China and the Investor and a debenture was given by Tony China in favour of the Investor on the same date creating a floating charge over the assets of Tony China and which is subordinated to the floating charge created by Tony China in favour of the Former Investor.

On 29 August 2011, a second supplemental restructuring agreement was entered into between the parties to the Formal Restructuring Agreement to amend certain terms of the Formal Restructuring Agreement and which include, inter alia, the termination of the Initial Escrow Arrangement, the setting up of the escrow account for the repayment of the outstanding principal and accrued interest due under the working capital facility agreement entered into between Tony China and the Former Investor.

On 2 September 2011, the Company dispatched the circular in relation to the proposed restructuring of the Company. On 13 October 2011, the Company published an announcement setting out the progress of the proposed restructuring and the revised expected timetable for the Resumption.

On 28 October 2011, the Hong Kong Court granted an order to dismiss the Petition and discharge the Provisional Liquidators with immediate effect.

Trading of the shares of the Company on the GEM board has been resumed with effect from 9:00 a.m. on Tuesday, 1 November 2011.

2. BASIS OF PREPARATION (CONT'D)

(c) Compliance with Hong Kong Financial Reporting Standards

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which also includes Hong Kong Accounting Standards ("HKAS") and Interpretations approved by the HKICPA, and are prepared under the historical cost convention. These consolidated financial statements also comply with the applicable disclosures required by the GEM Listing Rules and by the Hong Kong Companies Ordinance.

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

(d) Deconsolidation of subsidiaries

(i) On 21 December 2010, Messrs. Stephen Liu Yiu Keung and David Yen Ching Wai, both of Ernst & Young Transactions Limited, were appointed as the joint and several liquidators to the Company's three indirect wholly-owned subsidiaries, namely Asia Gain Investments Limited, Hong Kong Yang Yang Bio Products Company Limited and Hong Kong Bio Products Manufacturing Limited. The directors of the Company (the "Directors") considered that the Group's control over these subsidiaries has been lost since the date the respective liquidators were appointed.

(ii) On 9 February 2011, Mr. Andrew Koo Chi Ho of Ernst & Young (China) Advisory Limited and Mr. William Tacon of Zolfo Cooper were appointed as joint liquidators to the Company's indirect wholly-owned subsidiary, Glazier Limited ("Glazier"). The Directors considered the Group has lost control over Glazier and its subsidiaries, namely Seechain Investments Limited, Chengdu Concord Yuen Heng Industrial Company Limited, Chengdu Viking Yuen Heng Pharmaceutical Company Limited and Sichuan Liheng Bio-pharmaceutical Company Limited since the date the respective liquidators were appointed.

(iii) On 17 November 2009, the liquidation of Guangdong Yang Yang Bio Products Company Limited ("Guangdong Yang Yang"), an indirect wholly-owned subsidiary of the Company, was approved by the Bureau of Foreign Trade and Economic Cooperation of Guangzhou Municipality of the People's Republic of China (the "PRC"). Since then, the Group lost control on Guangdong Yang Yang and its two subsidiaries, Qingyuan Yang Yang Biotechnology Chumu Company Limited and Jilin Yang Yang Bio Products Company Limited.

(iv) On 14 September 2011, by resolutions of the Company's direct wholly-owned subsidiary, namely, China Biotechnology Limited ("CBL") passed, CBL was placed into a voluntary liquidation pursuant to section 116(d) of the Companies Law (2010 Revision) of the Cayman Islands, as amended and revised (the "Cayman Companies Law"), Messrs. Robin Lee McMahon and Roy Bailey, both of Ernst & Young Limited, were appointed as voluntary liquidators of CBL.

(v) On 11 October 2011, Mr. Liu Yiu Keung Stephen of Ernst & Young Transactions Limited and Mr. William Tacon of Messrs. Zolfo Cooper were appointed as liquidators of the Company's indirect wholly-owned subsidiary, JBC Bio Products Company Limited ("JBC Bio"). JBC Bio has two subsidiaries, namely, JBC Bio Products China Limited and Zhongshan JBC Bio-Technology Co. Ltd. (中山吉本生物科技有限公司).

2. BASIS OF PREPARATION (CONT'D)

(d) Deconsolidation of subsidiaries (Cont'd)

The Directors considered the Group's control over the aforementioned subsidiaries (the "Excluded Subsidiaries") has been lost. Accordingly. The results, assets and liabilities and cash flows of the Excluded Subsidiaries have been deconsolidated from the consolidated financial statements of the Group since the respective dates of loss of control of these subsidiaries.

In the opinion of the Directors, the consolidated financial statements for the period ended 31 December 2012 and the comparative figures for the year ended 31 July 2011 prepared on the aforementioned basis present more fairly the results and state of affairs of the Group as a whole in light of the aforesaid liquidation against the subsidiaries.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(a) Initial application of HKFRSs

In the current year, the Group has applied for the first time the following new standards, amendments and interpretations (the "new HKFRSs") issued by the HKICPA, which are relevant to and effective for the Group's consolidated financial statements for the annual period beginning on 1 August 2011:

HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
HKFRS 7 (Amendments)	Financial instruments: Disclosures – Transfers of financial assets
HKAS 24 (Revised)	Related Party Disclosures
Amendments to HK(IFRIC)-Int 14	Prepayments of a Minimum Funding Requirement
HKFRS (Amendments)	Improvements to HKFRSs 2010

The adoption of the new HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

(b) HKFRSs in issue but not yet effective

At the date of authorisation of these consolidated financial statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. Information on new or amended HKFRSs that are expected to have impact on the Group's accounting policies is provided below. Certain other new and amended HKFRSs have been issued but are not expected to have a material impact on the Group's consolidated financial statements.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONT'D)

(b) HKFRSs in issue but not yet effective (Cont'd)

	Effective for accounting periods beginning on or after
Amendments to HKAS 12, *Income taxes* – *Deferred tax: Recovery of underlying assets*	1 January 2012
Amendments to HKAS 1, *Presentation of financial statements* – *Presentation of items of other comprehensive income*	1 July 2012
HKFRS 10, *Consolidated financial statements*	1 January 2013
HKFRS 11, *Joint arrangements*	1 January 2013
HKFRS 12, *Disclosure of interests in other entities*	1 January 2013
HKFRS 13, *Fair value measurement*	1 January 2013
HKAS 27, *Separate financial statements* (2011)	1 January 2013
HKAS 28, *Investments in associates and joint ventures*	1 January 2013
Revised HKAS 19, *Employee benefits*	1 January 2013
Annual Improvements to HKFRSs 2009-2011 Cycle	1 January 2013
Amendments to HKFRS 7, *Financial instruments: Disclosures* – *Disclosures-Offsetting financial assets and financial Liabilities*	1 January 2013
HK (IFRIC) Int 20, Stripping costs in the production phase of a surface mine	1 January 2013
Amendments to HKAS 32, *Financial instruments: Presentation* – *Offsetting financial assets and financial liabilities*	1 January 2014
HKFRS 9, *Financial instruments*	1 January 2015

4. SEGMENTS AND ENTITY-WIDE INFORMATION

Reportable segments

During the year ended 31 July 2011, only one business segment was qualified as a reportable operating segment for disclosure. With the acquisition of Wu Ping Jian Jun Ecology Breeding Company Limited in 2012, animal husbandry business qualifies as a reportable operating segment for the period from 1 August 2011 to 31 December 2012; the comparatives are therefore consistent in this regard.

For management purposes, the Group is organised into three divisions which are the basis on which the Group reports its segment information.

Segment information is presented by the following segments:

– the feedstock products segment comprises the feedstock business;

– the animal husbandry segment comprises animal husbandry products; and

– the other segment comprises corporate activities.

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

(1) Segment assets consist primarily of property, plant and equipment and trade receivables. Segment liabilities comprise operating liabilities and mainly exclude items such as borrowings and income tax payable.

(2) Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. Segment revenue, expenses, assets and liabilities are determined before inter-segment transactions and balances and after transactions and balances between group entities within a single segment.

4. SEGMENTS AND ENTITY-WIDE INFORMATION (CONT'D)

Reportable segments (Cont'd)

(3) Segment capital expenditure is the total cost incurred during the year to acquire segment assets (both tangible and intangible) that are expected to be used for more than one year.

(4) Unallocated items comprise of bank and other borrowings, convertible bonds, amounts due to the Former Investor and the Investor, and income tax payable.

Segment information about the aforementioned businesses is set out as follows:

	Feedstock products		**Animal husbandry**		**Other**		**Elimination of internal sales**		**Consolidated**	
	1.8.2011 to 31.12.2012	1.8.2010 to 31.7.2011	**1.8.2011 to 31.12.2012**	1.8.2010 to 31.7.2011	**1.8.2011 to 31.12.2012**	1.8.2010 to 31.7.2011	**1.8.2011 to 31.12.2012**	1.8.2010 to 31.7.2011	**1.8.2011 to 31.12.2012**	1.8.2010 to 31.7.2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue and income:										
Sales	**175,390**	91,475	**47,013**	–	**–**	–	**(61,688)**	(5,171)	**160,715**	86,304
Other income	**–**	–	**1,087**	–	**5,042**	20	**–**	–	**6,129**	20
Total revenue	**175,390**	91,475	**48,100**	–	**5,042**	20	**(61,688)**	(5,171)	**166,844**	86,324
Segment results	**7,491**	10,120	**3,758**	–	**(4,682)**	31,995	**–**	–	**6,567**	42,115
Interest income									**13**	14
Restructuring costs									**(9,867)**	(2,874)
Finance costs									**(2,661)**	(341)
Gain on Scheme									**67,494**	–
Profit before tax									**61,546**	38,914
Tax									**(2,005)**	(2,557)
Profit for the year									**59,541**	36,357

4. SEGMENTS AND ENTITY-WIDE INFORMATION (CONT'D)

Reportable segments (Cont'd)

Segment information about the aforementioned businesses is set out as follows: (Cont'd)

	Feedstock products		**Animal husbandry**		**Other**		**Consolidated**	
	As at 31.12.2012	As at 31.7.2011	**As at 31.12.2012**	As at 31.7.2011	**As at 31.12.2012**	As at 31.7.2011	**As at 31.12.2012**	As at 31.7.2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
ASSETS								
Segment assets	**61,240**	36,710	**28,042**	–	**47,981**	4,127	**137,263**	40,837
Elimination of inter-segment receivable							**(70,372)**	(1,102)
Consolidated total assets							**66,891**	39,735
LIABILITIES								
Segment liabilities	**17,803**	5,447	**10,493**	–	**46,248**	18,610	**74,544**	24,057
Elimination of inter-segment payable							**(70,372)**	(1,102)
							4,172	22,955
Unallocated liabilities								
– Bank borrowings							**3,682**	–
– Convertible bonds							**–**	106,600
– Convertible notes							**8,753**	–
– Amount due to a former investor							**–**	16,538
– Amount due to an Investor							**124**	8,399
– Amount due to Director							**2,500**	
– Income tax payable							**253**	938
– Deferred tax liabilities							**509**	–
Consolidated total liabilities							**19,993**	155,430

	1.8.2011 to 31.12.2012	1.8.2010 to 31.7.2011	**1.8.2011 to 31.12.2012**	1.8.2010 to 31.7.2011	**1.8.2011 to 31.12.2012**	1.8.2010 to 31.7.2011	**1.8.2011 to 31.12.2012**	1.8.2010 to 31.7.2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
OTHER INFORMATION								
Capital expenditure	**860**	13,723	**27,659**	–	**4,098**	–	**32,617**	13,723
Depreciation	**1,433**	104	**281**	–	**48**	–	**1,762**	104
Amortisation	**31**	17	**–**	–	**–**	–	**31**	17

Since the Group's revenue from external customers and non-current assets are derived from and located in the PRC, no geographical segment information is presented.

4. **SEGMENTS AND ENTITY-WIDE INFORMATION (CONT'D)**

Entity-wide information

For the period ended 31 December 2012, revenues from one customer of the animal husbandry business had contributed to more than 10% of the Group's revenue amounting to approximately HK$47,013,000 (31 July 2011 one customer from feedstock business: HK$8,631,000).

5. **TURNOVER AND OTHER INCOME**

Turnover represents the net invoiced value of goods sold after allowances for returns and discounts, and net of value-added tax.

An analysis of the Group's turnover and other income is as follows:

	1.8.2011 to 31.12.2012	1.8.2010 31.7.2011
	HK$'000	*HK$'000*
Sale of feedstock products	**113,702**	86,304
Sale of husbandry products	**47,013**	–
	160,715	86,304
Other income		
Non-refundable fee contributions from former investor	**3,000**	–
Interest income	**13**	14
Gain on disposal of property, plant and equipment	**–**	20
Sundry income	**1,089**	–
Reversal of accrued expenses	**2,040**	–
	6,142	34
	166,857	86,338

6. (LOSS)/PROFIT FROM OPERATING ACTIVITIES

(Loss)/profit from operating activities is arrived at after charging:

	1.8.2011 to 31.12.2012	1.8.2010 to 31.7.2011
	HK$'000	*HK$'000*
Amortisation of prepaid lease payments	**31**	17
Auditors' remuneration	**310**	350
Cost of inventories sold	**142,177**	71,276
Depreciation	**1,762**	104
Minimum operating lease payments for land and buildings	**1,004**	288
Staff costs		
Salaries, wages and other allowances	**10,347**	3,791
Pension scheme contributions	**317**	76
	10,664	3,867

7. FINANCE COSTS

	1.8.2011 to 31.12.2012	1.8.2010 to 31.7.2011
	HK$'000	*HK$'000*
Interest on bank loans wholly repayable within five years	**182**	–
Interest on advances from the former investor	**66**	322
Interest on advances from the investor	**105**	19
Imputed interest on convertible notes	**2,308**	–
	2,661	341

8. INCOME TAX

	1.8.2011 to 31.12.2012 *HK$'000*	1.8.2010 to 31.7.2011 *HK$'000*
(a) Income tax expense represents:–		
PRC income tax		
Provision for the year	**2,005**	2,534
Under-provision in respect of prior year	**–**	23
	2,005	2,557

No provision for Hong Kong profits tax has been made as the Group did not have any estimated assessable profits arising in Hong Kong for the period/year.

The provision for PRC income tax is calculated at 25% on the estimated assessable profit of the subsidiaries operating in the PRC in accordance with the relevant income tax rules and regulations of the PRC for the period/year.

The taxation for the period/year can be reconciled to the profit before tax per consolidated statement of comprehensive income as follows:–

	1.8.2011 to 31.12.2012 *HK$'000*	1.8.2010 to 31.7.2011 *HK$'000*
Profit before tax	**61,546**	38,914
Tax at respective applicable tax rate	**11,073**	9,728
Tax effect of non-deductible expenses	**28,798**	1,899
Tax effect of tax-exempt revenue	**(24,117)**	(9,052)
Tax effect on non-assessable income	**(13,749)**	–
Under-provision in prior year	**–**	23
Others	**–**	(41)
Tax expense	**2,005**	2,557

8. INCOME TAX (CONT'D)

(b) The deferred tax liabilities recognised by the Group and movement thereon during the year are as follows:

The Group and the Company

	HK$
At 1 August 2011	–
Recognised upon issuance of convertible notes	(1,427)
Credited to reserve	918
At 31 December 2012	(509)

As at 31 December 2012, deferred income tax liabilities of HK$509,000 (31 July 2011: Nil) has been recognised for temporary difference between accounting base and tax base of convertible notes which arise from initial recognition of convertible notes and future reversal of imputed interest.

9. PROFIT/(LOSS) FOR THE PERIOD/YEAR

Profit/(loss) for the period/year includes a profit of HK$54,220,000 (31 July 2011: Loss HK$7,073,000) which has been dealt with in the financial statements of the Company.

10. EARNINGS PER SHARE

Profit

	1.8.2011 to 31.12.2012 ***HK$'000***	1.8.2010 to 31.7.2011 *HK$'000*
Profit for the period/year attributable to the equity holders of the Company for the purpose of basic earning per share	**59,541**	36,339
Effect of dilutive potential ordinary shares:		
Imputed interest on convertible notes	**2,308**	–
Profit for the period/year attributable to the equity holders of the Company for the purpose of diluted earning per share	**61,849**	36,339

Number of shares

	1.8.2011 to 31.12.2012	1.8.2010 to 31.7.2011
Weighted average number of ordinary shares for the purpose of basic earnings per share	484,234,277	33,810,000
Effect of dilutive potential ordinary shares:		
Convertible notes not yet converted	49,390,366	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	533,624,644	33,810,000

The weighted average number of ordinary shares for the period ended 31 December 2012 and year ended 31 July 2011 for the purpose of basic and diluted earning per share has been adjusted and restated respectively resulting from the capital reorganisation completed on 20 October 2011.

11. BIOLOGICAL ASSETS

Biological assets represent swines breeding in Wuping Country, Longyan Shi, Fujian Province, PRC. The movement of biological assets are summarized as follows:

	Breeder	Slaughter pigs	Total
	HK$'000	*HK$'000*	*HK$'000*
Increase due to acquisition of a subsidiary	488	1,673	2,161
Increase due to purchases	300	229	529
Increase due to raising (Feeding cost and others)	186	5,141	5,327
Decrease due to sales	(349)	(6,952)	(7,301)
Decrease due to death	–	(124)	(124)
Exchange adjustments	(2)	(8)	(10)
Gain/(loss) arising from changes in fair value less cost to sell	(374)	353	(21)
As at 31 December 2012	249	312	561

The number of biological assets are summarised as follows:

	As at 31.12.2012
	Heads
Breeder	**44**
Slaughter pigs	**330**
Total swines	**374**

Analysed for reporting purposes as:

	As at 31.12.2012
	HK$'000
Non-current assets	**249**
Current assets	**312**
	561

The slaughter pigs are primarily held for further growth for trading are classified as current asset. The breeders are prime swines of excellent quality that is selected as breeding stock, including boars and gilts, are classified as non-current asset.

The fair value of biological assets of the Group as at 31 December 2012 has been arrived at on the basis of a valuation carried out at the date by LCH (Asia – Pacific) Surveyors Limited (the "Valuer") who has appropriate qualification and experiences in providing biological asset valuation services to various companies listed on the Stock Exchange and other stock exchange in Hong Kong and Singapore, which engage in the business of husbandry and agriculture industry.

The fair value less cost to sell of breeders and slaughter pigs are determined using the direct comparison approach. The direct assumption approach assumes sales of breeders and slaughter pigs in their existing state and making reference to similar sales or offerings or listings of comparable assets on the market.

11. BIOLOGICAL ASSETS (CONT'D)

In addition, the following principal assumptions have been adopted by the Valuer:

– There will be no material change in existing political, legal, technological, fiscal or economic condition which may adversely affect the existing business of the Group;

– Quantities, ages and weights of breeders and slaughter pigs as of each of the relevant valuation dates provided to us for the purpose of this valuation are accurate;

– Production facilities and systems and the technology utilised by the Group in carrying out its operation do not infringe any relevant laws and regulations;

– Facilities and systems of the Group will be operated efficiently and implement timely replacement of male and female purebred parents to maintain sufficient supply of crossbreed gilts for production of slaughter pigs;

– Management will implement efficient selection of breeding pigs to maintain or improve their quality and productivity including the quality of slaughter pigs;

– Management will continue to implement efficient feeding, veterinary and farm management programs to maintain or improve the quality of breeding and slaughter pigs;

– Group will secure and retain competent management, key personnel, marketing and technical staff to carry out and support its breeding and growing operations;

– Prices of breeding and slaughter pigs were based directly on quoted prices as of each of the relevant valuation dates by suppliers in Fujian Province without any adjustments for age of the different pigs included in the valuation; and

– There will be no major business disruptions through international crisis, diseases, industrial disputes, industrial accidents or severe weather conditions that will affect the existing businesses.

As at 31 December 2012, no biological assets had been pledged as security (31 July 2011: N/A).

The Group is exposed to a number of risks related to its swines plantations:

1. Regulatory and environmental risks

   The Group is subject to laws and regulations in the jurisdiction in which it operates. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws. Management performs regular reviews to identify environmental risks and to ensure that the systems in place are adequate to manage those risks.

2. Supply and demand risks

   The Group is exposed to risks arising from fluctuations in the price and sales volume of swines. Where possible the Group manages this risk by aligning its harvest volume to market supply and demand. Management performs regular industry trend analysis to ensure that the Group's pricing structure is in line with the market and to ensure that projected harvest volumes are consistent with the expected demand.

12. TRADE RECEIVABLES

The Group's trading terms with its customers are mainly on credit. The credit period is generally for a period of 30 to 90 days for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and the management regularly reviews the overdue balances.

Aging analysis of trade receivables of the Group is as follows:

	As at 31.12.2012	As at 31.7.2011
	HK$'000	*HK$'000*
0-90 days	**13,706**	10,845
91-180 days	**2,689**	–
	16,395	10,845

Aging analysis of trade receivables past due but not impaired is as follows:

	As at 31.12.2012	As at 31.7.2011
	HK$'000	*HK$'000*
0-90 days	**2,689**	–

13. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	As at 31.12.2012	As at 31.7.2011
	HK$'000	*HK$'000*
Prepayments to suppliers	**837**	2,400
Deposits and other receivables	**764**	114
	1,601	2,514
Current portion of prepaid lease payments	**31**	22
	1,632	2,536

14. BANK BORROWINGS

	As at 31.12.2012	As at 31.7.2011
	HK$'000	*HK$'000*
Secured bank loans	**3,682**	–

The Group's borrowing as at 31 December 2012 was denominated in the functional currency of the group entity to which it related. It carried fixed interest rate of 8.856% per annum.

15. TRADE PAYABLES

An aged analysis of the trade payables as at 31 December 2012 and 31 July 2011, based on payment due date, is as follows:–

	As at 31.12.2012	As at 31.7.2011
	HK$'000	*HK$'000*
Within three months	**2,574**	275
Over one year	**–**	189
	2,574	464

16. CONVERTIBLE NOTES

By the ordinary resolution, the creation and issue by the Company of the convertible notes due on the date falling three years from the date of issue of the convertible notes, convertible into 110,000,000 new shares (the "Conversion Shares") at the conversion price of HK$0.20 per conversion share and the issue and allotment of the conversion shares on and subject to the terms and conditions contained in the restructuring agreement were approved.

The convertible notes shall not bear any interest and shall mature on the date falling three years from the date of issue of the convertible notes (the "Maturity Date"). All outstanding convertible notes will be redeemed on the Maturity Date at their outstanding principal amount. Subject to mutual agreement by the Company and the holders of the convertible notes, the convertible notes may be early redeemed at 100% of the outstanding principal amount of the convertible notes (in whole or in part) at any time and from time to time at the option of either party prior to the maturity date of the convertible notes with written notice.

The convertible notes were issued on 26 October 2011.

The convertible notes contain a liability component and an equity component. The equity component is credited to the Company's capital reserve. The annual effective interest rate of the liability component is 18.103% per annum. The movement for the period is as follows:

	Liability component	**Equity component**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
At the date of issue, net of issue expense	13,353	8,647	22,000
Imputed interest charged	2,308	–	2,308
Issue of new shares upon conversion of convertible notes	(6,908)	(2,335)	(9,423)
Deferred tax arising from convertible notes	–	(1,427)	(1,427)
At 31 December 2012	8,753	4,885	13,638

During the period ended 31 December 2012, a principal sum of HK$10,160,000 of the convertible notes issued by the Company was converted into 50,800,000 shares of the Company.

17. AMOUNT DUE TO A FORMER INVESTOR

The amount is due to NEUF Capital Limited, the former investor. On 24 September 2009, the former investor as lender and Tony China as borrower entered into a working capital facility agreement in relation to the provision of the working capital facility of up to HK$9,000,000 with an interest rate of 5% per annum by the former investor. On the same day, Tony China and the former investor executed a debenture in favour of the former investor on, inter alia, a charge over all assets and receivables whether present and future of Tony China in relation to the said working capital facility provided by the Former Investor.

On 27 January 2011, the exclusivity agreement lapsed pursuant to the terms of the exclusivity agreement. Upon the lapse of the exclusivity agreement, the working capital facility under the working capital facility agreement dated 24 September 2009 became due and payable. The whole amount due to the former investor was settled during the period.

18. AMOUNT DUE TO AN INVESTOR

On 5 July 2011, a working capital facility agreement was entered into between Tony China and the investor and a debenture was given by Tony China in favour of the investor on the same date creating a floating charge over the assets of Tony China and which is subordinated to the floating charge created by Tony China in favour of the former investor.

An amount of approximately HK$124,000 (31 July 2011: HK$2,700,000) is interest-free and unsecured. If the legally binding agreement for the implementation of the Group's restructuring proposal and resumption proposal (the "Formal Restructuring Agreement") proceeds with completion, the amount shall not be transferred or dealt with under any arrangement used to implement the restructuring proposal or any restructuring and will remain as a debt owed by the Group to the investor, and upon the completion of the Formal Restructuring Agreement, the Group shall apply the same towards the payment of the subscription money payable by the investor for subscription of the shares of the Group under the Formal Restructuring Agreement. As at 31 July 2011, the remaining amount of approximately HK$5,680,000 carries interest at 5% per annum, is secured by way of floating charge on all properties and assets of Tony China and is subordinated to the floating charge created by Tony China in favour of the former investor, and repayable on the maturity date as defined below or within 5 business days after a demand is made by the investor. No amount is subject to interest as at 31 December 2012.

Maturity date represents the date on which the Formal Restructuring Agreement is terminated in accordance with the terms therein or completion of the Formal Restructuring Agreement has failed to take place in accordance with the terms of the Formal Restructuring Agreement.

19. DECONSOLIDATION OF SUBSIDIARIES

As disclosed in note 2(e) to this announcement, the Directors considered that the control over the excluded subsidiaries has been lost with effect from the dates the respective liquidators were appointed or the liquidation was approved.

For the purpose of appropriate presentation and in order to allow the public to evaluate the performance of the Group, the aforementioned subsidiaries were excluded from the Group's consolidation with effect from the respective dates of the approval of liquidation or appointment of the liquidators.

The details of gain on deconsolidation of subsidiaries are as follows:

	1.8.2011 to 31.12.2012 ***HK$'000***	1.8.2010 to 31.7.2011 *HK$'000*
Deposit, prepayments and other receivables	**(47)**	(45)
Cash and bank balances	**(7)**	(71)
Bank borrowings	**–**	5,629
Trade payables	**189**	1,096
Amount due to deconsolidated subsidiaries	**–**	1,905
Other payables and accruals	**246**	28,940
Income tax payable	**–**	1,105
Net liabilities	**381**	38,559
Release of exchange fluctuation reserve	**20**	(2,368)
Gain on deconsolidation of subsidiaries	**401**	36,191

20. SCHEME OF ARRANGEMENT

By orders of the High Court of the Hong Kong Special Administrative Region (the "Hong Kong Court") and the Cayman Court made on 9 August 2011 and 26 August 2011 respectively, the Hong Kong Court and Cayman Court have respectively directed that a meeting (the "Scheme Meeting") to be convened for the creditors of the Company for the purpose of considering and approving the Scheme.

On 26 September 2011, the Scheme including the following terms was approved by a resolution of the creditors of the Company:

(i) the Company shall pay a sum of up to HK$13,160,000 out of the proceeds from the issuance of the Subscription Shares as a cash settlement (including the settlement of the petition costs, the preferential claims, the issuance costs and the cost of the Scheme); and

(ii) the Company shall issue a total of 32,000,000 New Shares as Creditors Shares to settle all claims against and liabilities of the Company in accordance with the terms of the Scheme.

The Scheme has become effective since 26 October 2011.

DIVIDEND

The directors of the Company do not recommend the payment of any dividend in respect of the period ended 31 December 2012 (31 July 2011: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The Group's turnover for the seventeen months period ended 31 December 2012 has increased by approximately 86% to approximately HK$160,715,000, as compared with the recorded turnover of approximately HK$86,304,000 recorded in the previous year. In addition, the Company's net profit after tax attributable to the equity shareholders of the Company for the seventeen months period ended 31 December 2012 is approximately HK$59,541,000, representing an increase of approximately 64% from its previous year's figure of approximately HK$36,339,000 as a result of the continuous expansion of the Group's feedstock and animal husbandry business in the People's Republic of China ("PRC"), the gain from scheme of arrangement and deconsolidation of subsidiaries.

For the period ended 31 December 2012, the earnings per share was approximately HK12.30 cents (31 July 2011 (restated): approximately HK107.48 cents).

MATERIAL ACQUISITIONS AND DISPOSALS

On 14 September 2011, by resolutions of the Company's direct wholly-owned subsidiary, namely, CBL passed, CBL was placed into a voluntary liquidation pursuant to section 116(d) of the Companies Law (2010 Revision) of the Cayman Islands, as amended and revised (the "Cayman Companies Law"), Messrs. Robin Lee McMahon and Roy Bailey, both of Ernst & Young Limited, were appointed as voluntary liquidators of CBL.

On 11 October 2011, Mr. Liu Yiu Keung Stephen of Ernst & Young Transactions Limited and Mr. William Tacon of Messrs. Zolfo Cooper were appointed as liquidators of the Company's indirect wholly-owned subsidiary, JBC Bio. JBC Bio has two subsidiaries, namely, JBC Bio Products China Limited and Zhongshan JBC Bio-Technology Co. Ltd. (中山吉本生物科技有限公司).

The management considered the Group's control over the aforementioned subsidiaries has been lost. Accordingly, the results, assets and liabilities and cash flows of the Excluded Subsidiaries have been deconsolidated from the consolidated financial statements of the Group since the date of loss of control of these subsidiaries.

The Group acquired 37% of the equity interest of Longyan Dongyu Bio–feedstock Company Limited (龍岩市東岳生物飼料有限公司) (the "JV Company"), for a total consideration of RMB7,560,000. Please refer to the announcement of the Company dated 20 December 2011 for further details. The acquisition was completed on 31 January 2012 and the JV Company has become an indirectly wholly-owned subsidiary of the Company.

The Group also acquired 100% of the equity interest of Jian Jun, for a total consideration of RMB6,580,000. Please refer to the announcement of the Company dated 18 January 2012 for further details. The acquisition was on 31 January 2012 and Jian Jun has become an indirectly wholly-owned subsidiary of the Company.

Save as disclosed from the above, the Group had no material acquisition or disposal during the period ended 31 December 2012.

SECURITIES INVESTMENT

The Group had no securities investment during the period ended 31 December 2012 (31 July 2011: none).

FINANCIAL RESOURCES, LIQUIDITY, CAPITAL STRUCTURE AND GEARING RATIO

As at 31 December 2012, the Group had net current assets of approximately HK$707,000 (31 July 2011: net current liabilities HK$129,748,000), which the improvement mainly arose from the Scheme of arrangement with the Company's creditors.

As at 31 December 2012, the Group had bank borrowings of approximately HK$3,682,000 were secured by charge on its land use right dominate in Renminbi with fixed interest rate of 8.856% per annum (31 July 2011: nil).

The Group had convertible notes of approximately HK$8,753,000 as at 31 December 2012 (31 July 2011: convertible bonds of approximately HK$106,600,000). The Group's gearing ratio, which is calculated on the basis of the Group's total liabilities less cash and cash equivalents to the total assets, as at 31 December 2012 is 27% (31 July 2011: 364%). The Group's operations are financed principally by revenues generated from its principal businesses. As at 31 December 2012, the Group had cash and bank balances of approximately HK$1,598,000 (31 July 2011 approximately: HK$10,843,000).

FOREIGN EXCHANGE AND INTEREST RATE EXPOSURE

For the period ended 31 December 2012, the Group had a minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities were principally denominated in the functional currencies used by the Group's entities. The Group currently does not have a foreign currency hedging policy in respect of its foreign currency assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider using hedging instruments in respect of significant foreign currency exposure should the need arise.

When appropriate and at times of interest rate or exchange rate uncertainties or volatility, hedging instruments including swaps and forwards will be used by the Group in the management of exposure affecting interest rates and foreign exchange rate fluctuations.

EMPLOYEE INFORMATION

As at 31 December 2012, the Group had approximately 72 employees excluding directors (31 July 2011: 50) in Hong Kong and the PRC. Remuneration to employees and directors are based on performance, qualification, experience and the prevailing industry practice. Other benefits to its employees in Hong Kong include contributions to statutory mandatory provident fund scheme and the employees in the PRC are included in the statutory central pension schemes and additional requirement in the PRC.

BUSINESS REVIEW

As to the operation of the feed plant: the Company completed marketing optimization during the period upon the commencement of the feed plant, through which we established partnership with nearly 100 farmers and our sales coverage was extended to Fujian, Guangdong and Jiangxi. The stable quality, environmental friendly formula and safe contents of our products was widely praised by the farmers. It was through this we genuinely achieved our operating mission of "helping the farmers to make money". For the 17 months ended 31 December 2012, cumulative sales income amounted to approximately HK$113.70 million.

As to acquisition, we completed the acquisition of breeding company Wu Ping Jian Jun Ecology Breeding Co. Ltd (武平建軍生態養殖有限公司) during the period. The handover was successful and operation carried on as normal after the integration. The acquisition of 37% minority interests in Longyan Dongyu Bio-feedstock Company Limited (龍岩市東岳生物飼料有限公司) was also completed, which contributing to increasing growth of the Group. Meanwhile, the Group established a fully-owned integrated agricultural development company, which is currently under the stage of preliminary planning, facility selection and test planting of selected agricultural products.

Enriching and extending the industrial chain: despite the extreme downturns in domestic and external economies during the period, the Company managed to expand beyond our existing singular business to diversify into the breeding industry and plantation industry respectively. In the breeding industry, we effectively bolstered our production and operation efforts to build up a demonstration site for environmental friendly and safe feeding; meanwhile, through enhancing technological research on feeding techniques, we achieved better and lower swine mortality rate and disease rate, while improved and satisfactory results were also obtained on feed conversion ratio and meat quality. In the meantime, by consigning the breeding work to farmers, we magnified the advantages of the Company's quality feeds and breeding techniques to enhance sales scale and increase profitability and income, as well as to provide funding and feeding products to improve farmers' yields.

OUTLOOK

The investment and construction of two new feed plants near our plant had impaired our existing exclusive advantage. Difficulties in market expansion led to additional advertising input and higher marketing expenses. The drop in swine price in the second half year adversely affected the breeding industry and profitability entered a falling trend. In the coming year, the Company will continue to enforce stricter quality control on products and explore new processes in an effort to lower costs. Meanwhile, we will strengthen performance appraisals on marketing efforts and recruit additional marketing personnel, while a refined management system for marketing will be adopted. By researching on new marketing ideas and adopting innovative business models, we will focus on gaining efficiency through marketing. In the coming year, we will excel to launch two to three new products which provide functional and environmental benefits, in order to reduce market competition and enhance the profit margins of our products.

Breeding technique management will be enhanced our breeding companies to ensure zero epidemic risks. While, at the same time, we will continue breeding by our breeding companies and through farmers in parallel, and various management measures will be perfected to improve consigned breeding in order to help to achieve the goal of breeding 6,000 swine.

The Company will seek opportunities that are suitable and appropriate to our industrial chain to pursue joint operation or acquisition. We aim to introduce quality products, innovative talents and low-cost funding to expand the scale of the Group's operations and increase our sources of income, which will ultimately transform into profitable returns for the shareholders.

SIGNIFICANT SUBSEQUENT EVENTS

On 21 February 2013 and 25 February 2013, principal sum of HK$11,840,000 of the Convertible Notes issued by the Company on 26 October 2011 were converted into 59,200,000 ordinary shares of the Company at a conversion price of HK$0.2.

CAPITAL COMMITMENTS

The Group did not have any material capital commitment as at 31 December 2012.

CONNECTED TRANSACTIONS

The Board is not aware of any material connected transactions during the period ended 31 December 2012.

CHARGES OF GROUP ASSETS

As at 31 December 2012, the Group's bank borrowings of approximately HK$3,682,000 were secured by charge on its land use right dominate in Renminbi with fixed interest rate of 8.856% per annum.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31 December 2012.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES OF THE COMPANY

As at 31 December 2012, the interests or short positions of the directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in ordinary shares and underlying shares of the Company

Name of director	**Capacity and nature of interest**	**Share/equity derivatives**	**Number of shares/ equity derivatives held**	**Percentage of the Company's issued share capital**	*Note*
Mr. Li Wing Chiu	Through controlled corporation	Ordinary shares	219,356,000 shares	61.51%	*(1)*
Ms. Wong Moon Ha	Through controlled corporations and personal interests	Ordinary shares	14,000,000 shares	3.93%	*(2)*
Mr. Wong Sai Wa	Personal interests	Ordinary shares	96,185 shares	0.03%	

Note:

(1) The shares were held by Thousand Jade International Limited, the entire issued capital of which is owned by Mr. Li Wing Chiu, an executive director and Chairman of the board of Directors of the Company.

(2) 10,000,000 shares were held by Concord Pharmaceutical Technology (Holdings) Limited, which is a wholly-owned subsidiary of Concord Management Limited, the entire issued capital of which is owned by Ms. Wong Moon Ha, an non-executive director of the Company. 4,000,000 shares were directly held Ms. Wong Moon Ha.

Save as disclosed herein, as at 31 December 2012, none of the Directors had short positions in the shares or underlying shares of equity derivatives of the Company and no other person was individually and/ or collectively entitled to exercise or control the exercise of 5% or more of the voting power at general meeting of the Company and was able, as a practical matter, to direct or influence the management of the Company.

SHARE OPTION SCHEMES

The Company had no share option scheme in effect during the period.

No new share option was granted under any option scheme of the Company to any person during the period.

At 31 December 2012, no person had any interest in option under any share option scheme to subscribe for shares of the Company.

DIRECTORS' RIGHTS TO ACQUIRE SHARE OR DEBENTURES

Save as disclosed under the section headed "Directors' and Chief Executives' Interests in Securities of the Company" above, at no time during the period was the Company or any of its holding companies or subsidiaries a party to any arrangements which enabled the Company's Directors, their respective spouse or minor children to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND OTHER PERSON'S INTERESTS AND SHORT POSITIONS IN SHARES OF THE COMPANY

As at 31 December 2012, in so far as known to the directors or chief executives of the Company based on the register maintained by the Company pursuant to Part XV of the SFO, the following persons (not being directors and chief executives of the Company) had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Substantial Shareholders

Name	**Capacity and nature of interest**	**Share/equity derivatives**	**Number of shares/ equity derivatives held (long position)**	**Percentage of the Company's issued share capital**	*Note*
Thousand Jade International Limited	Corporation	Ordinary shares	219,356,000 shares	61.51%	*(1)*
Mr. Li Wing Chiu	Through controlled corporation	Ordinary shares	219,356,000 shares	61.51%	*(1)*
Mr. Peng Guomin	Personal interests	Ordinary shares	25,000,000 ordinary shares	7.01%	
Will Summit Limited	Corporation	Convertible note	22,750,000 ordinary shares	6.38%	*(2)*
Ms. Chen Shu Huan	Through controlled corporation	Convertible note	22,750,000 ordinary shares	6.38%	*(2)*
Power Soar Limited	Corporation	Convertible note	20,000,000 ordinary shares	5.61%	*(3)*
Mr. Hung Cho Chiu	Through controlled corporation	Convertible note	20,000,000 ordinary shares	5.61%	*(3)*

Note:

(1) *The shares were held by Thousand Jade International Limited for which its entire share capital is wholly-owned by Mr. Li Wing Chiu, an executive director and Chairman of the board of Directors of the Company.*

(2) *The underlying shares were held by Will Summit Limited for which its entire share capital is wholly-owned by Ms. Chen Shu Huan, a holder of the CN issued by the Company on 26 October 2011. Of which, the holder is entitled to the right attaching to the CN to subscribe for 22,750,000 shares of the Company.*

(3) *The underlying shares were held by Power Soar Limited for which its share capital is wholly-owned by Mr. Hung Cho Chiu, a holder of the CN issued by the Company on 26 October 2011. Of which, the holder is entitled to the right attaching to the CN to subscribe for 20,000,000 shares of the Company.*

Save as disclosed above, as at 31 December 2012, the Company had not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

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

The Company has made specific enquiry to all Directors and the Directors have confirmed that they have complied with all the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules during the period ended 31 December 2012.

CORPORATE GOVERNANCE CODE

During the period ended 31 December 2012, with the exception of the matter listed below, the Company complied with the principles of good governance (the "Principles") and code provision (the "Code Provision") as set out in the "Corporate Governance Code" contained in Appendix 15 of the GEM Listing Rules.

Code Provision A.4.1 provides that non-executive directors should be appointed for specific term, subject to re-election. The non-executive directors of the Company are not appointed for specific term but they are subject to retirement by rotation and re-election at the annual general meetings of the Company. Pursuant to clause 116 of the Company's Articles of Association, each director shall be subject to retirement by rotation at least once every three years at the annual general meeting. This means that the term of appointment of the directors, including non-executive directors, cannot exceed three years. As such, the Company considers that sufficient measure have been taken to ensure that the Company's corporate governance are no less exacting than those in the Code.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

None of the Directors or their respective associates had any interest in any business, which competes with or may compete with the business of the Group.

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

During the period ended 31 December 2012, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities or the securities of the Company's subsidiaries.

MANAGEMENT CONTRACT

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or in existence during the period ended 31 December 2012.

AUDIT COMMITTEE

The audit committee of the Company consists of three independent non–executive Directors, namely, Ms. Wong Yan Ki Angel (chairlady of the Committee), Ms. Liao Aimin and Mr. Li Jingxing with written terms of reference in compliance with the Rule 5.28 to 5.33 to the GEM Listing Rules. The audit committee has reviewed the final results for the seventeen months ended 31 December 2012.

CHANGE OF FINANCIAL YEAR END DATE OF THE COMPANY

The Company has changed its financial year end date from 31 July to 31 December. Therefore, the financial period covers the period of seventeen months from 1 August 2011 to 31 December 2012.

Details please refer to the Company's announcement dated 9 August 2012.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors or their respective associates had any interest in any business which competes with or may compete with the business of the Group during the period.

On behalf of the Board
Li Wing Chiu
Chairman

Hong Kong, 22 March 2013

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Li Wing Chiu, Mr. Wang Zhiming, Mr. Zhang Xiaobin and Mr. Wong Sai Wa; one non-executive Director, namely Ms. Wong Moon Ha, and three independent non-executive Directors, namely Ms. Wong Yan Ki Angel, Ms. Liao Aimin and Mr. Li Jingxing.

This announcement will remain on the" Latest Company Announcements" page of the GEM website at www.hkgem.com for a minimum period of seven days from the date of publication and on the Company's website at www.irasia.com/listco/hk/orientalunicorn/index.htm.