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 YEAR ENDED 31 DECEMBER 2013

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

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

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

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.

RESULTS

The board of directors (the "Board") of the Company announces the audited consolidated final results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2013 together with the comparative figures for the seventeen months period ended 31 December 2012 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2013

	Note	**1.1.2013 to 31.12.2013** ***HK$'000***	1.8.2011 to 31.12.2012 *HK$'000*
Turnover	*5*	**24,607**	160,715
Cost of sales		**(26,368)**	(142,177)
Gross (loss)/profit		**(1,761)**	18,538
Other income	*5*	**245**	6,142
Gain on bargain purchase		**–**	1,853
Selling and distribution costs		**(660)**	(3,079)
General and administrative expenses		**(36,527)**	(17,254)
Change in fair value of biological assets less cost to sell		**(974)**	(21)
Change in fair value of financial assets through profit or loss		**27,862**	–
(Loss)/profit from operating activities	*6*	**(11,815)**	6,179
Finance costs	*7*	**(310)**	(2,661)
Gain on the scheme	*19*	**–**	67,494
Gain on deconsolidation of subsidiaries	*18*	**–**	401
Impairment losses of goodwill		**(891)**	–
Impairment losses of property, plant and equipment		**(26,867)**	–
Restructuring costs		**–**	(9,867)
(Loss)/profit before tax		**(39,883)**	61,546
Income tax	*8(a)*	**(170)**	(2,005)
(Loss)/profit for the year/period		**(40,053)**	59,541
Other comprehensive income for the year/period			
– Release of exchange fluctuation reserve upon deconsolidation of subsidiaries		**–**	(20)
– Exchange differences arising on translation of financial statements of overseas subsidiaries		**1,769**	89
Total comprehensive (loss)/income for the year/period		**(38,284)**	59,610
(Loss)/profit for the year/period attributable to:			
– Equity shareholders of the Company		**(40,053)**	59,541
Total comprehensive (loss)/income for the year/period attributable to:			
– Equity shareholders of the Company		**(38,284)**	59,610
(Loss)/earnings per share	*9*	***HK Cents***	*HK Cents* (Restated)
Basic		**(33.03)**	84.76
Diluted		**(33.03)**	74.88

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2013

	Note	2013 HK$'000	2012 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**17,752**	44,018
Prepaid lease payments		**1,054**	1,033
Goodwill		**–**	891
Biological assets	10	**210**	249
		19,016	46,191
CURRENT ASSETS			
Biological assets	10	**878**	312
Inventories		**43**	763
Trade receivables	11	**6,140**	16,395
Deposits, prepayments and other receivables	12	**2,127**	1,632
Loan and interest receivables	13	**4,658**	–
Financial assets at fair value through profit or loss	14	**31,650**	–
Cash and bank balances		**37,773**	1,598
		83,269	20,700
CURRENT LIABILITIES			
Bank borrowings	15	**3,805**	3,682
Trade payables	16	**3,804**	2,574
Convertible notes	17	**–**	8,753
Other payables and accruals		**7,428**	1,598
Amount due to an investor		**124**	124
Amount due to a director		**–**	2,500
Income tax payable		**13**	253
Deferred tax liabilities	8(b)	**–**	509
		15,174	19,993
NET CURRENT ASSETS		**68,095**	707
NET ASSETS		**87,111**	46,898
CAPITAL AND RESERVES			
Equity attributable to equity shareholders of the Company			
Share capital		**27,752**	14,264
Reserves		**59,359**	32,634
EQUITY		**87,111**	46,898

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2013

	Attributable to equity shareholders of the Company									
	Share Capital HK$'000	Share premium HK$'000	Capital reserve HK$'000	Convertible notes equity reserve HK$'000	PRC statutory reserve HK$'000	Exchange fluctuation reserve HK$'000	Accumulated Loss HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 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
Conversion of convertible notes	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 and 1 January 2013	14,264	91,968	61,545	4,885	873	1,123	(127,760)	46,898	–	46,898
Conversion of convertible notes	2,368	9,472	–	(3,087)	–	–	–	8,753	–	8,753
Deferred tax arising from conversion of convertible notes	–	–	–	509	–	–	–	509	–	509
Transfer upon exercise of all embedded options	–	2,307	–	(2,307)	–	–	–	–	–	–
Issue of placing shares	11,120	58,115	–	–	–	–	–	69,235	–	69,235
Total comprehensive loss for the year	–	–	–	–	–	1,769	(40,053)	(38,284)	–	(38,284)
At 31 December 2013	27,752	161,862	61,545	–	873	2,892	(167,813)	87,111	–	87,111

The capital reserve arises from (i) capitalisation of a loan and represents the difference between the amount due to a former beneficial shareholder capitalised and the nominal value of shares; and (ii) the expiry of conversion option of convertible bonds and warranty.

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.

The registered office of the Company is located at Cricket Square, Huchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

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 was previously known as "China Medical and Bio Science Limited" and changed its name to "Oriental Unicorn Agricultural Group Limited" on 13 December 2011.

2. BASIS OF PREPARATION

(a) 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 except where stated otherwise in the accounting policies set out below. These consolidated financial statements also comply with the applicable disclosures required by the GEM Listing Rules and 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.

(b) Deconsolidation of subsidiaries

Global Kingdom Development Limited and Asia Force Development Limited, both incorporated in the British Virgin Island and dormant, were struck off during the year.

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 were 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 year ended 31 December 2013 and the comparative figures for the period ended 31 December 2012 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 deconsolidation of 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 year beginning on 1 January 2013:

HKAS 1 (Amendments)	Presentation of financial statements – Presentation of items of other comprehensive income
HKFRS 10	Consolidated financial statements
HKFRS 13	Fair value measurement
HKAS 27 (Revised 2011)	Separate financial statements
HKFRS 7 (Amendments)	Financial instruments: Disclosures' on asset and liability offsetting
Annual Improvements	Improvements to HKFRSs 2009-2011 Cycle

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, except the disclosure on the fair value as in notes 10 and 14.

(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 32, *Financial instruments: Presentation – Offsetting financial assets and financial liabilities*	1 January 2014
Amendments to HKFRSs 10, 12 and HKAS 27, *Investment entities*	1 January 2014
Amendments to HKAS 36, *Recoverable amount disclosures for non-financial assets*	1 January 2014
Amendments to HKAS 39, *Financial instruments: Recognition and Measurement – Novation of derivatives*	1 January 2014
HK(IFRIC) – Int 21, *Levies*	1 January 2014
HKAS 19, (2011) *Employee Benefits*	1 July 2014
Annual Improvements to HKFRSs 2010 to 2012 Cycle	1 July 2014
Annual Improvements to HKFRSs 2011 to 2013 Cycle	1 July 2014
HKFRS 14, *Regulatory Deferral Accounts*	1 January 2016
HKFRS 9, *Financial Instruments*	Mandatory effective date will be determined

4. SEGMENTS AND ENTITY-WIDE INFORMATION

Reportable segments

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 business; and

– the other segment comprises corporate activities.

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

Reportable segments (Cont'd)

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.

(3) Segment capital expenditure is the total cost incurred during the period 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 borrowings, convertible bonds, convertible notes, amounts due to a former investor, an investor and a director, income tax payable and deferred tax liabilities.

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

	Feedstock products		Animal husbandry		Other		Elimination of internal sales		Consolidated	
	1.1.2013 to 31.12.2013 HK$'000	1.8.2011 to 31.12.2012 HK$'000	**1.1.2013 to 31.12.2013 HK$'000**	1.8.2011 to 31.12.2012 HK$'000	**1.1.2013 to 31.12.2013 HK$'000**	1.8.2011 to 31.12.2012 HK$'000	**1.1.2013 to 31.12.2013 HK$'000**	1.8.2011 to 31.12.2012 HK$'000	**1.1.2013 to 31.12.2013 HK$'000**	1.8.2011 to 31.12.2012 HK$'000
Segment revenue and income:										
Sales	**24,223**	175,390	**1,192**	47,013	**–**	–	**(808)**	(61,688)	**24,607**	160,715
Other income	**130**	–	**–**	1,087	**(50)**	5,042	**–**	–	**80**	6,129
Total revenue	**24,353**	175,390	**1,192**	48,100	**(50)**	5,042	**(808)**	(61,688)	**24,687**	166,844
Segment results	**(14,006)**	7,491	**(26,260)**	3,758	**528**	(4,682)	**–**	–	**(39,738)**	6,567
Interest income									**165**	13
Restructuring costs									**–**	(9,867)
Finance costs									**(310)**	(2,661)
Gain on the Scheme									**–**	67,494
(Loss)/profit before tax									**(39,883)**	61,546
Income tax									**(170)**	(2,005)
(Loss)/profit for the year/period									**(40,053)**	59,541

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 31.12.2013	As at 31.12.2012	**As at 31.12.2013**	As at 31.12.2012	**As at 31.12.2013**	As at 31.12.2012	**As at 31.12.2013**	As at 31.12.2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
ASSETS								
Segment assets	**24,219**	61,240	**4,808**	28,042	**78,100**	47,981	**107,127**	137,263
Elimination of inter-segment receivable							**(4,842)**	(70,372)
Consolidated total assets							**102,285**	66,891
LIABILITIES								
Segment liabilities	**4,057**	17,803	**4,842**	10,493	**7,175**	46,248	**16,074**	74,544
Elimination of inter-segment payable							**(4,842)**	(70,372)
							11,232	4,172
Unallocated liabilities								
– Bank borrowings							**3,805**	3,682
– Convertible notes							**–**	8,753
– Amount due to an investor							**124**	124
– Amount due to a director							**–**	2,500
– Income tax payable							**13**	253
– Deferred tax liabilities							**–**	509
Consolidated total liabilities							**15,174**	19,993

	1.1.2013 to 31.12.2013	1.8.2011 to 31.12.2012	**1.1.2013 to 31.12.2013**	1.8.2011 to 31.12.2012	**1.1.2013 to 31.12.2013**	1.8.2011 to 31.12.2012	**1.1.2013 to 31.12.2013**	1.8.2011 to 31.12.2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
OTHER INFORMATION								
Capital expenditure	**–**	860	**1,502**	27,659	**517**	4,099	**2,019**	32,618
Depreciation	**1,066**	1,433	**915**	281	**831**	48	**2,812**	1,762
Amortisation	**23**	31	**–**	–	**–**	–	**23**	31
Impairment losses of goodwill	**891**	–	**–**	–	**–**	–	**891**	–
Impairment losses of trade receivables	**6,028**	–	**–**	–	**–**	–	**6,028**	–
Impairment losses of property, plant and equipment	**1,622**	–	**25,245**	–	**–**	–	**26,867**	–
Impairment losses of investing loan	**–**	–	**–**	–	**16,795**	–	**16,795**	–

Since the Group's revenue from external customers and non-current assets are derived from and located in the People's Republic of China ("PRC"), no geographical segment information is presented.

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

Entity-wide information

For the year ended 31 December 2013, a customer from feedstock products business had contributed to more than 10% of the Group's revenue amounting to HK$2,755,000 (2012: one customer from animal husbandry business: HK$47,013,000) which is attributable to 11% (2012: 29%) of the Group's revenue.

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:

	1.1.2013 to 31.12.2013	1.8.2011 to 31.12.2012
	HK$'000	*HK$'000*
Turnover		
Sale of feedstock products	**23,415**	113,702
Sale of animal husbandry products	**1,192**	47,013
	24,607	160,715
Other income		
Non-refundable fee contributions from former investor	**–**	3,000
Bank interest income	**7**	13
Loan interest income	**158**	–
Loss on disposal of property, plant and equipment	**(50)**	–
Sundry income	**130**	1,089
Reversal of accrued expenses	**–**	2,040
	245	6,142
	24,852	166,857

6. (LOSS)/PROFIT FROM OPERATING ACTIVITIES

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

	1.1.2013 to 31.12.2013	1.8.2011 to 31.12.2012
	HK$'000	*HK$'000*
Amortisation of prepaid lease payments	**23**	31
Auditors' remuneration	**320**	310
Cost of inventories sold	**24,865**	120,410
Depreciation	**2,812**	1,762
Impairment losses of investing loan	**16,795**	–
Impairment losses of trade receivables	**6,028**	–
Minimum operating lease payments for land and buildings	**944**	1,004
Staff costs		
Salaries, wages and other allowances	**7,766**	10,347
Pension scheme contributions	**169**	317
	7,935	10,664

7. FINANCE COSTS

	1.1.2013 to 31.12.2013	1.8.2011 to 31.12.2012
	HK$'000	*HK$'000*
Interest on bank loans wholly repayable within five years	**310**	182
Interest on advances from a former investor	**–**	66
Interest on advances from an investor	**–**	105
Imputed interest on convertible notes	**–**	2,308
	310	2,661

8. INCOME TAX

	1.1.2013 to 31.12.2013 HK$'000	1.8.2011 to 31.12.2012 HK$'000
(a) Income tax expense represents:–		
PRC income tax		
Provision for the year/period	**121**	2,005
Under-provision in respect of prior period	**49**	–
	170	2,005

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 year/period.

The provision for PRC income tax is calculated for subsidiaries operating in the PRC at the prevailing rates of tax in accordance with the relevant income tax rules and regulations of the PRC for the year/period.

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

	1.1.2013 to 31.12.2013 HK$'000	1.8.2011 to 31.12.2012 HK$'000
(Loss)/profit before tax	**(39,883)**	61,546
Tax at respective applicable tax rate	**(10,025)**	11,073
Tax effect of non-deductible expenses	**21,036**	28,798
Tax effect of tax-exempt revenue	**(5,934)**	(24,117)
Tax effect on non-assessable income	**(4,956)**	(13,749)
Under-provision in prior year	**49**	–
Tax expense	**170**	2,005

8. INCOME TAX (CONT'D)

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

	1.1.2013 to 31.12.2013	1.8.2011 to 31.12.2012
	HK$'000	*HK$'000*
Balance brought forward	**(509)**	–
Recognised upon issuance of convertible notes	**–**	(1,427)
Credited to reserve	**509**	918
Balance carried forward	**–**	(509)

As at 31 December 2013, no deferred tax liabilities was recognised (2012: HK$509,000 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. (LOSS)/EARNINGS PER SHARE

(Loss)/profit

	1.1.2013 to 31.12.2013	1.8.2011 to 31.12.2012
	HK$'000	*HK$'000*
(Loss)/profit for the year/period attributable to the equity holders of the Company for the purpose of basic earning per share	**(40,053)**	59,541
Effect of dilutive potential ordinary shares:		
Imputed interest on convertible notes	**–**	2,308
(Loss)/profit for the year/period attributable to the equity holders of the Company for the purpose of diluted earning per share	**(40,053)**	61,849

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

Number of shares

	1.1.2013 to 31.12.2013	1.8.2011 to 31.12.2012 *(Restated)*	1.8.2011 to 31.12.2012 *(Previously stated)*
Weighted average number of ordinary shares for the purpose of basic earnings per share	**121,277,021**	70,245,853	484,234,278
Effect of dilutive potential ordinary shares:			
Convertible notes not yet converted	**–**	12,347,591	49,390,366
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**121,277,021**	82,593,444	533,624,644

	HK Cents	HK Cents *(Restated)*	HK Cents *(Previously stated)*
(Loss)/earnings per share			
Basic	**(33.03)**	84.76	12.30
Diluted	**(33.03)**	74.88	11.59

The weighted average number of ordinary shares for the year ended 31 December 2013 and period ended 31 December 2012 for the purpose of basic and diluted (loss)/earnings per share has been adjusted and restated respectively resulting mainly from the share consolidation completed on 14 January 2014.

10. BIOLOGICAL ASSETS

Biological assets represent swines breeding in Wuping County, Longyan Shi, Fujian Province, PRC. The movement of biological assets are summarised 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 and 1 January 2013	**249**	**312**	**561**
Increase due to purchases	**138**	**320**	**458**
Increase due to raising (Feeding cost and others)	**189**	**1,596**	**1,785**
Decrease due to sales	**(8)**	**(773)**	**(781)**
Decrease due to death	**–**	**(1)**	**(1)**
Exchange adjustments	**13**	**27**	**40**
Loss arising from changes in fair value less cost to sell	**(371)**	**(603)**	**(974)**
As at 31 December 2013	**210**	**878**	**1,088**

10. BIOLOGICAL ASSETS (CONT'D)

The number of biological assets are summarised as follows:

	As at 31.12.2013 *Heads*	As at 31.12.2012 *Heads*
Breeder	**88**	44
Slaughter pigs	**741**	330
Total swines	**829**	374

Analysed for reporting purposes as:

	As at 31.12.2013 *HK$'000*	As at 31.12.2012 *HK$'000*
Non-current assets	**210**	249
Current assets	**878**	312
	1,088	561

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

The fair value of biological assets of the Group as at 31 December 2013 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 stock exchange in Singapore, and engages in the business of husbandry and agriculture industry.

The fair value less cost to sell of breeders and slaughter pigs is determined using the direct assumption 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.

10. 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 2013, no biological assets were pledged as security (2012: Nil).

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.

11. 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.

a)

	As at 31.12.2013	As at 31.12.2012
	HK$'000	*HK$'000*
Trade receivables	**12,168**	16,395
Less: impairment losses of trade receivables	**(6,028)**	–
	6,140	16,395

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

	As at 31.12.2013	As at 31.12.2012
	HK$'000	*HK$'000*
0-90 days	**952**	13,706
91-180 days	**2,467**	2,689
Over 180 days	**2,721**	–
	6,140	16,395

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

	As at 31.12.2013	As at 31.12.2012
	HK$'000	*HK$'000*
Past due by:		
0-90 days	**2,165**	2,689
Over 90 days	**1,484**	–
	3,649	2,689

Trade receivables included HK$3,649,000 (2012: HK$2,689,000) which were past due at 31 December 2013. 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, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

11. TRADE RECEIVABLES (CONT'D)

c) The amount of the provision was HK$6,028,000 as of 31 December 2013 (2012: Nil). Movement on the provision for impairment of trade receivables is as follows:

	As at 31.12.2013 *HK$'000*	As at 31.12.2012 *HK$'000*
Balance brought forward	**–**	–
Impairment of trade receivables (note 6)	**6,028**	–
Balance carried forward	**6,028**	–

The creation and release of provision for impaired receivables have been included in general and administrative expenses in the consolidated statement of comprehensive income. Amounts charged to the allowance account are written off when there is no expectation of recovering additional cash.

d) Trade receivables denominated in other currency

The carrying amounts of the trade receivables are denominated in Renminbi:

As at 31.12.2013		As at 31.12.2012	
RMB'000	***HK$'000***	*RMB'000*	*HK$'000*
4,841	**6,140**	13,360	16,395

12. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	As at 31.12.2013 *HK$'000*	As at 31.12.2012 *HK$'000*
Prepayments to suppliers	**1,835**	837
Deposits and other receivables	**269**	764
	2,104	1,601
Current portion of prepaid lease payments	**23**	31
	2,127	1,632

13. LOAN AND INTEREST RECEIVABLES

	As at 31.12.2013 *HK$'000*	As at 31.12.2012 *HK$'000*
Loan receivables (note a)	**4,500**	–
Interest receivables	**158**	–
Investing loan (note b)	**16,795**	–
	21,453	–
Impairment losses of investing loan	**(16,795)**	–
	4,658	–

(a) The loan is lent to an unrelated party and is unsecured, interest-bearing at 10% per annum and repayable on 26 February 2014.

(b) Investing loan includes HK$16,740,000 consideration as detailed below and HK$55,000 professional fees capitalised.

On 18 July 2013, the Group entered into a deed of novation ("Novation Deed") with Successful Treasure Investments Limited ("Investor") and ENRICH MARINE SDN. BHD. ("EMSB"). Pursuant to the Novation Deed, in consideration of the payment of HK$16,740,000 paid by the Group to the Investor, the Investor shall be released and discharged from its liabilities and obligations under the Investment Agreement and the Group shall assume all liabilities and obligations of the Investor under the investment agreement dated 25 April 2012 ("Investment Agreement") entered into between the Investor and EMSB in relation to the operation of a fish farm owned and operated by EMSB in Sabah, Malaysia and shall be entitled to all rights, title and interest under and pursuant to the Investment Agreement in lieu of the Investor.

On 3 January 2014, the Group and EMSB entered into an extension agreement ("Extension Agreement") to the Investment Agreement, pursuant to which the parties have agreed to extend the investment period under the Investment Agreement from 20 to 26 calendar months from the date of the commencement of the investment under the Investment Agreement, and the original minimum guaranteed amount of HK$1,550,000 under the Investment Agreement has been revised upward to HK$2,015,000 to reflect the Group's shared profit pursuant to the extension of the Investment Period. Save for the above changes to the Investment Agreement under the Extension Agreement, all other terms and conditions of the Investment Agreement remain the same.

Taking into account the unavailability of reliable evidence with regard to recoverability of the investing loan, the directors consider the recoverability of the balance doubtful and full provision has been made accordingly.

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at	As at
	31.12.2013	31.12.2012
	HK$'000	*HK$'000*
Equity securities listed in Hong Kong, at cost	**3,788**	–
Fair value gain	**27,862**	–
	31,650	–

The fair value of the equity securities is based on closing price in an active market.

15. BANK BORROWINGS

	As at	As at
	31.12.2013	31.12.2012
	HK$'000	*HK$'000*
Secured bank loans	**3,805**	3,682

The Group's borrowing as at 31 December 2013 was denominated in the functional currency of the group entity to which it related. It carried fixed interest rate of 7.14% per annum.

16. TRADE PAYABLES

An aged analysis of the trade payables as at 31 December 2013 and 31 December 2012, based on payment due date, is as follows:–

	As at	As at
	31.12.2013	31.12.2012
	HK$'000	*HK$'000*
0-90 days	**3,804**	2,574

17. 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 year/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)	(9,243)
Deferred tax arising from convertible notes	–	(1,427)	(1,427)
At 31 December 2012	**8,753**	**4,885**	**13,638**
Issue of new shares upon conversion of convertible notes	**(8,753)**	**(3,087)**	**(11,840)**
Transfer to share premium	**–**	**(2,307)**	**(2,307)**
Deferred tax arising from convertible notes	**–**	**509**	**509**
At 31 December 2013	**–**	**–**	**–**

In February 2013, a principal sum of HK$11,840,000 (2012: HK$10,160,000) of the convertible notes issued by the Company was converted into 59,200,000 (2012: 50,800,000) shares of the Company. The entire convertible notes were converted into shares during the year. Upon full conversion, the remaining amount of HK$2,307,000 in equity component was transferred to share premium.

No imputed interest was computed as the conversion was completed at the beginning of the year.

18. DECONSOLIDATION OF SUBSIDIARIES

For the period ended 31 December 2012, the Directors considered that the control over the excluded subsidiaries had been lost with effect from the dates the respective liquidators were appointed or the liquidation was approved..

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.

During the year, there is no gain or loss from the deconsolidation of subsidiaries.

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

	1.8.2011 to 31.12.2012 *HK$'000*
Deposit, prepayments and other receivables	(47)
Cash and bank balances	(7)
Trade payables	189
Other payables and accruals	246
Net liabilities	381
Release of exchange fluctuation reserve	20
Gain on deconsolidation of subsidiaries	401

19. 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.

19. SCHEME OF ARRANGEMENT(CONT'D)

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.

Computation of net gain on the Scheme is set out below:

	1.8.2011 to 31.12.2012 *HK$'000*
Consideration	
Cash	13,160
Share Capital	1,280
Share Premium	45,440
	59,880
Accruals and other payable	14,182
Convertible bonds	106,600
Amount due to an investor – NEUF Capital Limited	5,199
Amount due to deconsolidation	1,022
Others	371
	127,374
Net Gain on the Scheme	67,494

DIVIDEND

The directors of the Company do not recommend the payment of any dividend in respect of the year ended 31 December 2013 (for the seventeen months period ended 31 December 2012: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS FINANCIAL REVIEW

FINANCIAL REVIEW

For the year ended 31 December 2013, Oriental Unicorn Agricultural Group Limited (the "Company") and its subsidiaries (the "Group") recorded revenue of approximately HK$24,607,000 (for the seventeen months period ended 31 December 2012: HK$160,715,000). In addition, the Group recorded a loss attributable to the equity shareholders of the Company of approximately HK$40,053,000, for the year ended 31 December 2013 (for the seventeen months ended 31 December 2012: profit of approximately HK$59,541,000). The reason was due to (i) a significant decrease in revenue derived from the Group's feedstock and animal husbandry business in the People's Republic of China; (ii) the absence of other revenue (comprising non-refundable fee contributions from former investor, sundry income and reversal of accrued expenses) recorded in for the seventeen months ended 31 December 2012; (iii) the absence of the gain on the scheme of arrangement (which became effective in October 2011) of approximately HK$67,494,000 recorded in for the seventeen months ended 31 December 2012; and (iv) impairment losses on property, plant and equipment and (v) impairment losses of investing loan and trade receivables.

BUSINESS REVIEW

The total revenue of the Group for the year ended 31 December 2013 was approximately HK$24,607,000, representing a decrease of 85% or approximately HK$136,108,000 as compared to the previous seventeen months period ended 31 December 2012, while gross loss was approximately HK$1,761,000. The reasons were that as the swine price remained at a low level, together with the declined breeding area operated by farmers around the plants, farmers generally recorded loss with tight liquidity, which posed a great challenge to the operation of feed plants, reflected by decreases in sales volume, sales price and operation loss. Jian Jun breeding farm has ceased outsourcing breeding business, resulting in a decrease in breeding stock inventory and a significant drop in risk, which in turn avoided substantial loss.

During the year, through constant improvements of feeding techniques, we achieved lower and better swine mortality rate and decease rate. The feed conversion rate and meat quality were kept at relatively higher standards.

As the rate of breeding area reduction has become stable, and the PRC has increased its pork reserve with strengthened price controls, it is expected that swine price will pick up and the feeding business will recover. Through strengthening of marketing management and enhancement of customer service for the farmers, the Group made it known to the farmers that adjustment strategies were made by the Group in times of difficulties so as everyone can survive the difficulties. By consigning the breeding work to farmers, the advantages of the Company's quality feeds and breeding techniques are further magnified to enhance sales volume and increase profitability and income. Meanwhile, the farmers also enjoyed the benefit of increased income through the provision of funds and feed products by the Group.

As for the operation of the feed business, the Group proactively optimized its feed production and operation, while we continued to strengthen the marketing network during the period. We have established feed partnership with nearly one hundred farmers, and extended our sales coverage all over the provinces of Fujian, Guangdong and Jiangxi. With consistent qualities, environmental friendly and safe formula, the products of the Group have been well praised by the farmers. Our mission with the business concept of "helping the farmers to make money" has been well accomplished.

As announced on 28 August 2013, in order to further broaden the income sources of the Group, the Group signed a feed supply memorandum with the Thailand duck meat producer Bangkok Ranch Group as a non-exclusive supplier of duck feed for Bangkok Ranch Group as well as to provide relevant consultancy services. Bangkok Ranch Group will purchase duck feed from the Group amounted to at least HK$30,000,000 per year.

For the breeding business, the Group invested HK$16,740,000 in a fish farm located in Sabah, Malaysia as announced on 18 July 2013. The fish farm covers an area of about 1 million sq. ft. and specialises in the breeding of giant groupers and tiger groupers. In January 2014, the Group announced the investment period for this project was postponed to 26 calendar months from the start date of the investment, while the original minimum guaranteed amount was revised and raised to HK$2,015,000.

After this reporting period, the Group announced on 21 January 2014 that a memorandum of understanding was signed with the proposed joint venture companies Wujia Dayuan Livestock Husbandry Company Limited, You Chunping and Wu Mingliang, with a view to restructure and transform the joint venture business. The plan is to transform from the current business model of breeding and selling of organic Wannan Black Pigs to a fully integrated chain with breeding, meat processing, and processing and sales of foods related to Wannan Black Pigs. The Group has also agreed to acquire a wholly foreign-owned enterprise, "易寶電腦系統(北京)有限公司", established in the PRC which is principally engaged in the provision of professional IT contract and maintenance services (the "PRC IT Companys"). The acquisition has not been completed, subject to the completion of relevant regulatory processes regarding to the transfer of entire registered capital of the target company to the Group.

As at 31 December 2013, the Group had held-for-trading investment of HK$31,650,000 and recorded a profit from change in fair value during the year of approximately HK$27,862,000.

OUTLOOK

Looking forward, the Group will continue to strengthen the two major businesses, namely feed business and breeding business. The regulation and control effect of the program of cold pork storage launched by National Development and Reform Commission begins to show. The nationwide price of live pigs and pig-grain ratio continued to become stable. The Group holds a positive view on the future market conditions with a prudent attitude. The Group will continue to uplift our service standards to farmers and increase our competitiveness in the market through optimizing product qualities, strengthening business operation and improving marketing management. With the extension of investment period and the increase of the original minimum guarantee amount for the investment of fish farm in Malaysia, the Group is going to strengthen the development of the business with more resources. Meanwhile, the Group will also actively consider the implementation of the cooperation in feed supply with the Thai duck meat producer Bangkok Ranch Group.

The Group will continue to expand the scope of our businesses and bring in new dynamics for the Group's revenue growth. The first attempts of the Group will be in the business of financial areas. For more effective management of financial resources, we are actively considering various projects of higher returns, including the money lending business and the investments in securities of listed and non-listed companies. Meanwhile, the Group will continue to identify potential business and investment opportunities, and is actively considering the development of business in information technology, with a view to increase the sources of income and bring higher returns to the shareholders.

MATERIAL ACQUISITIONS

On 18 July 2013, Keen Profit Development Limited ("New Investor"), an indirect wholly-owned subsidiary of the Company, entered into a deed of novation ("Novation Deed") with Successful Treasure Investments Limited ("Investor") and ENRICH MARINE SDN. BHD. ("EMSB"). Pursuant to the Novation Deed, in consideration of the payment of HK$16,740,000 paid by the New Investor to the Investor, the Investor shall be released and discharged from its liabilities and obligations under the Investment Agreement and the New Investor shall assume all liabilities and obligations of the Investor under the investment agreement dated 25 April 2012 ("Investment Agreement") entered into between the Investor and EMSB in relation to the operation of a fish farm owned and operated by EMSB in Sabah, Malaysia and shall be entitled to all rights, title and interest under and pursuant to the Investment Agreement in lieu of the Investor.

On 3 January 2014, the New Investor and EMSB entered into an extension agreement ("Extension Agreement") to the Investment Agreement, pursuant to which the parties have agreed to extend the investment period under the Investment Agreement to 26 calendar months from the date of the commencement of the investment under the Investment Agreement, and the original minimum guaranteed amount of HK$1,550,000 under the Investment Agreement has been revised upward to HK$2,015,000 to reflect the New Investor's shared profit pursuant to the extension of the Investment Period.

FINANCIAL RESOURCES AND LIQUIDITY

As at 31 December 2013, the Group had cash and bank balances of approximately HK$37,773,000 (31 December 2012: HK$1,598,000) and net current assets of approximately HK$68,095,000 (31 December 2012: HK$707,000). Current ratio (defined as total current assets divided by total current liabilities) was 5.49 times (31 December 2012: 1.04 times)

As at 31 December 2013, the Group had bank borrowings of approximately HK$3,805,000 (31 December 2012: HK$3,682,000). As the Group's bank balances and borrowings were denominated in Hong Kong dollars and Renminbi, risk in exchange rate fluctuation would not be material. The bank borrowings bore interest at prevailing market rates and repayable in accordance with the relevant loan agreements.

The Group had no convertible notes as at 31 December 2013 (31 December 2012: HK$8,753,000). The Group's gearing ratio, which is calculated on the basis of the Group's total liabilities to the total assets, as at 31 December 2013 was 15% (31 December 2012: 30%).

FOREIGN EXCHANGE AND INTEREST RATE EXPOSURE

For the year ended 31 December 2013, 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 2013, the Group had approximately 47 employees excluding directors (31 December 2012: 72) 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.

CONNECTED TRANSACTIONS

The Board is not aware of any material connected transactions during the year ended 31 December 2013.

CHARGES OF GROUP ASSETS

As at 31 December 2013, the Group's bank borrowings were secured by charge on its land use right in the PRC with the carrying amount of approximately HK$1,076,000 (31 December 2012: approximately HK$1,064,000).

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

As at 31 December 2013, none of the directors and chief executive of the Company had any 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.

As at 31 December 2013, 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's new share option scheme (the "2013 Share Option Scheme") was adopted pursuant to an ordinary resolution passed by the Company's shareholders at the extraordinary general meeting of the Company held on 30 September 2013. Under the 2013 Share Option Scheme, the Company may grant options to eligible persons, including Directors and directors of the subsidiaries of the Company, to subscribe for the shares.

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

As at 31 December 2013, 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 year 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 2013, 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 year ended 31 December 2013.

CORPORATE GOVERNANCE CODE

During the year ended 31 December 2013, the Company has adopted and complied with the code provision (the "Code Provision") as set out in the "Corporate Governance Code" contained in Appendix 15 (the "Code") of the GEM Listing Rules except for Code Provision A.2.1 in respect of the role separation of chairman and chief executive officer and A.4.1 in respect of specific term of non-executive directors.

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

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

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

The Code Provision A.4.1 requires that non-executive directors be appointed for a specific term, subject to re-election. As at 31 December 2013 and up to date of this announcement, all the appointment of non-executive directors (including independent non-executive directors) complied with Code Provision A.4.1. During the year, resigned or retired independent non-executive directors, Ms. Liao Aimin, Ms. Wong Yan Ki, Angel, Mr. Li Jingxing and resigned non-executive director, Ms. Wong Moon Ha were not appointed for specific term, they are subject to retirement by rotation at least once every three years at the annual general meeting and offer themselves for re-election in accordance with the Company's Articles of Association. 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 year ended 31 December 2013, 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 year ended 31 December 2013.

AUDIT COMMITTEE

The audit committee of the Company consists of three independent non–executive Directors, namely, Mr. Siu Kam Chau (chairman of the Committee), Mr. Lee Kin Fai and Ms. Cheng Lo Yee 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 year ended 31 December 2013.

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 year.

On behalf of the Board
Oriental Unicorn Agricultural Group Limited
Zhou Jing
Chairman and Chief Executive Officer

Hong Kong, 21 March 2014

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

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.