

Oriental Unicorn Agricultural Group Limited

東麟農業集團有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8120)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2014

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.

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*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 Growth Enterprise Market of The Stock Exchange Hong Kong Limited (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.

HIGHLIGHTS

- The Company reported a loss attributable to the equity shareholders of the Company of approximately HK\$7,379,000 for the six months ended 30 June 2014 (the “period”), representing a decrease in loss of approximately HK\$963,000 when compared to the same period last year.
- The turnover of the Group was approximately HK\$5,130,000 for the period, representing a decrease of approximately HK\$11,058,000 when compared to the same period last year.
- Gross profit for the period was approximately HK\$1,389,000.
- The board of Directors (the “Board”) does not recommend the payment of any interim dividend for the six months ended 30 June 2014.

INTERIM RESULTS (UNAUDITED)

The board of Directors of the Company presents the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the three months and six months ended 30 June 2014 together with the comparative figures for the corresponding periods in 2013. The interim results are unaudited, but have been reviewed by the audit committee of the Company.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and six months ended 30 June 2014

		For the three months ended 30 June		For the six months ended 30 June	
		2014	2013	2014	2013
	Note	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Turnover	4	4,154	9,067	5,130	16,188
Cost of sales		<u>(2,588)</u>	<u>(9,934)</u>	<u>(3,741)</u>	<u>(18,559)</u>
Gross profit/(loss)		1,566	(867)	1,389	(2,371)
Other income	5	23,590	13	23,694	52
Selling and distribution costs		(47)	(192)	(115)	(396)
General and administrative expenses		(4,554)	(2,791)	(8,396)	(5,172)
Change in fair value of financial assets through profit or loss	6	<u>(7,200)</u>	<u>–</u>	<u>(23,850)</u>	<u>–</u>
Profit/(loss) from operating activities		13,355	(3,837)	(7,278)	(7,887)
Finance costs	7	<u>(35)</u>	<u>(89)</u>	<u>(101)</u>	<u>(402)</u>
Profit/(loss) before tax	8	13,320	(3,926)	(7,379)	(8,289)
Income tax	9	<u>–</u>	<u>(53)</u>	<u>–</u>	<u>(53)</u>
Profit/(loss) for the period		13,320	(3,979)	(7,379)	(8,342)
Other comprehensive income for the period:					
– Exchange differences arising on translation of financial statements of overseas subsidiaries		<u>(111)</u>	<u>780</u>	<u>(254)</u>	<u>1,191</u>
Total comprehensive income/(loss) for the period		<u>13,209</u>	<u>(3,199)</u>	<u>(7,633)</u>	<u>(7,151)</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONT'D)

For the three months and six months ended 30 June 2014

	Note	For the three months ended 30 June		For the six months ended 30 June	
		2014	2013	2014	2013
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit/(loss) for the period attributable to:					
– Equity shareholders of the Company		<u>13,320</u>	<u>(3,979)</u>	<u>(7,379)</u>	<u>(8,342)</u>
Total comprehensive income/(loss) for the period attributable to:					
– Equity shareholders of the Company		<u>13,209</u>	<u>(3,199)</u>	<u>(7,633)</u>	<u>(7,151)</u>
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
			(Restated)		(Restated)
Earnings /(loss) per share	10	<i>HK Cents</i>	<i>HK Cents</i>	<i>HK Cents</i>	<i>HK Cents</i>
Basic		<u>3.50</u>	<u>(3.94)</u>	<u>(1.94)</u>	<u>(8.26)</u>
Diluted		<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

		30 June 2014 <i>HK\$'000</i> (Unaudited)	31 December 2013 <i>HK\$'000</i> (Audited)
	<i>Note</i>		
NON-CURRENT ASSETS			
Property, plant and equipment		16,328	17,752
Prepaid lease payments		1,042	1,054
Available-for-sale investments	12	7,007	–
Biological assets		210	210
		<u>24,587</u>	<u>19,016</u>
CURRENT ASSETS			
Biological assets		878	878
Inventories		946	43
Trade receivables	13	4,344	6,140
Deposits, prepayments and other receivables		24,300	2,127
Loan and interest receivables	14	97,423	4,658
Financial assets at fair value through profit or loss		7,800	31,650
Cash and bank balances		104,014	37,773
		<u>239,705</u>	<u>83,269</u>
CURRENT LIABILITIES			
Bank borrowings		–	3,805
Trade payables	15	2,014	3,804
Other payables and accruals		9,269	7,428
Amount due to an investor		124	124
Income tax payable		996	13
		<u>12,403</u>	<u>15,174</u>
NET CURRENT ASSETS		<u>227,302</u>	<u>68,095</u>
NET ASSETS		<u><u>251,889</u></u>	<u><u>87,111</u></u>
CAPITAL AND RESERVES:			
Equity attributable to equity shareholders of the Company			
Share capital	16	13,009	27,752
Reserves		238,880	59,359
EQUITY		<u><u>251,889</u></u>	<u><u>87,111</u></u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 June 2014

	Attributable to equity shareholders of the Company								Total
	Share capital	Share premium	Contributed surplus	Capital reserve	Convertible notes equity reserve	PRC statutory reserve	Exchange fluctuation reserve	Accumulated loss	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
For the six months ended 30 June 2013									
At 1 January 2013	14,264	91,968	–	61,545	4,885	873	1,123	(127,760)	46,898
Conversion of convertible notes	2,368	11,501	–	–	(4,885)	–	–	–	8,984
Issuance of placing shares	3,120	34,220	–	–	–	–	–	–	37,340
Total comprehensive loss for the period	–	–	–	–	–	–	1,191	(8,342)	(7,151)
At 30 June 2013	19,752	137,689	–	61,545	–	873	2,314	(136,102)	86,071
For the six months ended 30 June 2014									
At 1 January 2014	27,752	161,862	–	61,545	–	873	2,892	(167,813)	87,111
Share premium transferred to contributed surplus account (note i)	–	(161,862)	161,862	–	–	–	–	–	–
Shares issued upon rights issue	180,391	–	–	–	–	–	–	–	180,391
Reduction of paid-up capital (note ii)	(195,134)	–	195,134	–	–	–	–	–	–
Transaction costs attributable to change of domicile, capital reorganisation and rights issue	–	–	(7,980)	–	–	–	–	–	(7,980)
Total comprehensive loss for the period	–	–	–	–	–	–	(254)	(7,379)	(7,633)
At 30 June 2014	13,009	–	349,016	61,545	–	873	2,638	(175,192)	251,889

Notes:

- (i) Pursuant to the special resolution passed in an extraordinary general meeting (“EGM”) on 24 April 2014 and took effect on the same day, an entire amount standing to the credit of the share premium account of the Company was cancelled and transferred to the contributed surplus account of the Company.
- (ii) Also, pursuant to the special resolution in relation to capital reorganization comprising the share reduction and the share subdivision passed in an EGM on 24 April 2014 and took effect on 5 June 2014, the credits arising in the books of the Company from the reduction of the paid-up capital of the Company were credited to the contributed surplus account of the Company within the meaning of the Companies Act.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2014

	For the six months ended 30 June	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Net cash (used in)/generated from operating activities	(93,749)	3,673
Net cash used in investing activities	(7,975)	(315)
Net cash generated from financing activities	168,606	37,340
Net increase in cash and cash equivalents	66,882	40,698
Effect of foreign exchange rate changes	(641)	606
Cash and cash equivalents at the beginning of the period	37,773	1,598
Cash and cash equivalents at the end of the period	104,014	42,902

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS

1. CORPORATE INFORMATION

During the period, the Group is principally engaged in (i) feedstock and related businesses, mainly involving in the manufacturing, development, distribution of feedstock products, animal husbandry and related activities; (ii) money lending business; (iii) securities investment business and (iv) provision of IT services.

The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

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

2. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the GEM Listing Rules and the Hong Kong Companies Ordinance. These unaudited condensed consolidated interim financial statements should be read in conjunction with the financial statements of the Group for the period ended 31 December 2013. The accounting policies and method of computation used in the preparation of these unaudited condensed consolidated financial statements are consistent with those followed in the preparation of the financial statements of the Group for the period ended 31 December 2013. The financial statements are unaudited but have been reviewed by Audit Committee.

HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards ("HKFRSs"). For those which are effective for accounting periods beginning on 1 January 2014, the adoption has no material effect on the reported results and the financial position of the Group for the current or prior accounting periods. For those which are not yet effective and have not been early adopted, the Group is in the process of assessing their impact on the Group's results and financial position. So far, the Group considers that the adoption of those HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

3. SEGMENT INFORMATION

Application of HKFRS 8 Operating Segments

Information reported to the Board, being the chief operating decision maker, for the purposes of allocating resources to segments and assessing their performance.

The Group's reportable operating segments under HKFRS 8 are as follows:

- Agricultural segment comprises the feedstock business and the animal husbandry business in the People's Republic of China (the "PRC");
- Money lending segment comprises provision of loan financing in Hong Kong;
- Securities investment segment comprises investment in listed and unlisted securities; and
- IT business segment comprises provision of professional IT contract and maintenance services in the PRC.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments.

	Agriculture		Money lending		Securities investments		IT business		Consolidated	
	For the six months ended 30 June		For the six months ended 30 June		For the six months ended 30 June		For the six months ended 30 June		For the six months ended 30 June	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segment revenue and income:										
Turnover	1,852	16,188	629	–	–	–	2,649	–	5,130	16,188
Other income	5,555	50	–	–	–	–	–	–	5,555	50
Total revenue	<u>7,407</u>	<u>16,238</u>	<u>629</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>2,649</u>	<u>–</u>	<u>10,685</u>	<u>16,238</u>
Segment results	<u>3,098</u>	<u>(3,876)</u>	<u>544</u>	<u>–</u>	<u>(23,850)</u>	<u>–</u>	<u>212</u>	<u>–</u>	<u>(19,996)</u>	<u>(3,876)</u>
Unallocated other income									18,125	–
Unallocated corporate expenses									(5,421)	(4,013)
Interest income									14	2
Finance costs									(101)	(402)
Loss before tax									(7,379)	(8,289)
Income tax									–	(53)
Loss for the period									<u>(7,379)</u>	<u>(8,342)</u>

Segment revenue reported above represented revenue generated from external customers.

Segment assets and liabilities

	Agriculture		Money lending		Securities investments		IT business		Consolidated	
	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at
	30.6.2014	31.12.2013	30.6.2014	31.12.2013	30.6.2014	31.12.2013	30.6.2014	31.12.2013	30.6.2014	31.12.2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
ASSETS										
Segment assets	24,437	24,185	94,112	4,658	14,807	31,650	8,836	–	142,192	60,493
Unallocated assets									122,100	41,792
Consolidated total assets									264,292	102,285
LIABILITIES										
Segment liabilities	6,131	4,057	–	–	–	–	5,127	–	11,258	4,057
Unallocated liabilities									1,145	11,117
Consolidated total liabilities									12,403	15,174

The geographical information of turnover is shown as follows:

	For the six months ended 30 June	
	2014	2013
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
PRC	4,501	16,188
Hong Kong	629	–
	5,130	16,188

4. TURNOVER

	For the three months ended 30 June		For the six months ended 30 June	
	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Sales of feedstock products and animal husbandry products	876	9,067	1,852	16,188
Professional IT contract and maintenance services	2,649	–	2,649	–
Loan interest income	629	–	629	–
	4,154	9,067	5,130	16,188

5. OTHER INCOME

	For the three months ended 30 June		For the six months ended 30 June	
	2014	2013	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Bank interest income	9	1	14	2
Sundry income	14	12	113	50
Reversal of impairment losses of investing loan (<i>Note i</i>)	17,515	–	17,515	–
Reversal of impairment losses on trade receivables	5,555	–	5,555	–
Gain on bargain purchase	497	–	497	–
	<u>23,590</u>	<u>13</u>	<u>23,694</u>	<u>52</u>

Note:

- (i) As at 30 June 2014, part of the investing loan previously impaired was recovered. After the reporting period, the full amount of the investing loan previously impaired and the interests accrued was repaid. Reversal of impairment losses of investing loan was made and the related interest income was recorded accordingly.

6. CHANGE IN FAIR VALUE OF FINANCIAL ASSETS THROUGH PROFIT AND LOSS

Change in fair value of financial assets through profit or loss represents the change in fair value of the equity securities based on closing price in an active market.

7. FINANCE COSTS

	For the three months ended 30 June		For the six months ended 30 June	
	2014	2013	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest on bank loan wholly repayable within five years	35	89	101	171
Imputed interest on convertible notes	–	–	–	231
	<u>35</u>	<u>89</u>	<u>101</u>	<u>402</u>

8. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before income tax is arrived at after charging:

	For the three months ended 30 June		For the six months ended 30 June	
	2014	2013	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	373	360	778	718
Cost of sales	2,588	9,934	3,741	18,559
Minimum operating lease payment for land and buildings	312	248	578	524

9. INCOME TAX

	For the three months ended 30 June		For the six months ended 30 June	
	2014	2013	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Income tax expenses	–	53	–	53

No provisions for Hong Kong profits tax and PRC enterprise income tax have been made as the Group does not have any estimated assessable profits arising in Hong Kong and PRC.

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 period.

10. EARNINGS/(LOSS) PER SHARE

Profit/(loss)

	For the three months ended 30 June		For the six months ended 30 June	
	2014	2013	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit/(loss) for the period attributable to the equity holders of the Company for the purpose of basic earnings/(loss) per share	13,320	(3,979)	(7,379)	(8,342)
Effect of dilutive potential ordinary shares:				
Imputed interest on convertible notes	—	—	—	231
Profit/(loss) for the period attributable to the equity holders of the Company for the purpose of diluted earnings/(loss) per share	<u>13,320</u>	<u>(3,979)</u>	<u>(7,379)</u>	<u>(8,111)</u>

Number of shares

	For the three months ended 30 June			For the six months ended 30 June		
	2014	2013	2013	2014	2013	2013
		(Restated)	(Previously stated)		(Restated)	(Previously stated)
Weighted average number of ordinary shares for the purpose of basic and diluted earnings/(loss) per share	<u>380,150,063</u>	<u>100,985,556</u>	<u>427,810,000</u>	<u>380,150,063</u>	<u>100,985,556</u>	<u>404,439,000</u>
	<i>HK Cents</i>	<i>HK Cents</i>	<i>HK Cents</i>	<i>HK Cents</i>	<i>HK Cents</i>	<i>HK Cents</i>
		(Restated)	(Previously stated)		(Restated)	(Previously stated)
Earnings/(loss) per share						
Basic	3.50	(3.94)	(0.93)	(1.94)	(8.26)	(2.06)
Diluted	N/A	N/A	(0.93)	N/A	N/A	N/A

No diluted earnings/(loss) per share is presented for the three months and six months ended 30 June 2013 and 2014 as there were no outstanding convertible notes as at 30 June 2013 and 2014.

The weighted average number of ordinary shares for the three months and six months ended 30 June 2013 and 2014 for the purpose of basic and diluted earnings/(loss) per share has been adjusted and restated respectively resulting mainly from the share consolidation completed on 14 January 2014.

11. INTERIM DIVIDEND

The directors do not recommend the payment of any interim dividend for the six months ended 30 June 2014 (30 June 2013: Nil).

12. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments comprise:

	30 June 2014 HK\$'000 (Unaudited)	31 December 2013 HK\$'000 (Audited)
Unlisted investments:		
– Equity securities	7,007	–

The above unlisted investment represents the investment in Blue Farm Limited, a company incorporated in the Cayman Islands with limited liability, which holds approximately 62.91% of the issued share capital of the Hong Kong Subsidiary, an operator of a chain of Hong Kong-style restaurants.

13. TRADE RECEIVABLES

	30 June 2014 HK\$'000 (Unaudited)	31 December 2013 HK\$'000 (Audited)
Trade receivables	6,417	12,168
Less: impairment losses of trade receivables	(2,073)	(6,028)
	4,344	6,140

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. The Group seeks to maintain strict control over its outstanding receivables and the management regularly reviews the overdue balances.

An aged analysis of the trade receivables as at the end of the interim financial reporting period, based on payment due date and net of provision, is as follows:

	30 June	31 December
	2014	2013
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
0-90 days	4,316	952
91-180 days	28	2,467
Over 180 days	—	2,721
	4,344	6,140

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

	30 June	31 December
	2014	2013
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
0-90 days	28	2,165
91-180 days	—	1,484
	28	3,649

These receivables relate to a number of independent customers that have a good track record with the Group. The Group does not hold any collateral over these balances.

14. LOANS AND INTEREST RECEIVABLES

	30 June 2014 <i>HK\$'000</i> (Unaudited)	31 December 2013 <i>HK\$'000</i> (Audited)
Loan receivables (<i>note i</i>)	84,020	4,500
Interest receivables	588	158
	84,608	4,658
Investing loan	12,815	16,795
Impairment losses of investing loan	—	(16,795)
	97,423	4,658

Note:

- (i) The loans receivables are neither impaired nor overdue as at the end of the reporting period.

All these loans receivables are entered with contractual maturity within 1 year. The Group seeks to maintain tight control over its loans receivable in order to minimise credit risk by reviewing the borrowers' or guarantors' financial positions.

Loans receivables are interest-bearing at rates mutually agreed with the contracting parties, ranging from 7% to 24% per annum.

15. TRADE PAYABLES

An aged analysis of the trade payables as at the end of interim financial reporting period, based on payment due date, is as follows:

	30 June 2014 <i>HK\$'000</i> (Unaudited)	31 December 2013 <i>HK\$'000</i> (Audited)
0-90 days	1,060	3,804
91-180 days	13	—
181-365 days	62	—
Over 365 days	879	—
	2,014	3,804

16. SHARE CAPITAL

	Par value HK\$	Number of ordinary shares	Amount HK\$
Authorised:			
At 1 January 2013 and 31 December 2013	0.04	<u>5,000,000,000</u>	<u>200,000,000</u>
At 1 January 2014	0.04	5,000,000,000	200,000,000
Share consolidation of every four issued shares of HK\$0.04 each into one consolidated share of HK\$0.16 each (<i>Note i</i>)		(3,750,000,000)	–
Increase in authorised shares (<i>Note ii</i>)	0.16	5,000,000,000	800,000,000
Share subdivision of each authorised share of HK\$0.16 into 16 share of HK\$0.01 each (<i>Note iv</i>)		<u>93,750,000,000</u>	<u>–</u>
At 30 June 2014	0.01	<u>100,000,000,000</u>	<u>1,000,000,000</u>
Issued and fully paid:			
At 1 January 2013	0.04	356,610,000	14,264,400
Conversion Shares issued	0.04	59,200,000	2,368,000
Placing shares issued	0.04	<u>278,000,000</u>	<u>11,120,000</u>
At 31 December 2013	0.04	<u>693,810,000</u>	<u>27,752,400</u>
At 1 January 2014	0.04	693,810,000	27,752,400
Share consolidation of every four issued shares of HK\$0.04 each into one consolidated share of HK\$0.16 each (<i>Note i</i>)		(520,357,500)	–
Shares issued upon rights issue (<i>Note iii</i>)	0.16	1,127,441,250	180,390,600
Capital reduction (<i>Note iv</i>)		<u>–</u>	<u>(195,134,062)</u>
At 30 June 2014	0.01	<u>1,300,893,750</u>	<u>13,008,938</u>

Notes:

(i) Share consolidation

Pursuant to an EGM on 13 January 2014, every four ordinary shares of the Company of a nominal or par value of HK\$0.04 each in the issued and unissued share capital of the Company be consolidated into one consolidated share of a nominal or par value of HK\$0.16 such that the authorised share capital of the Company is HK\$200,000,000 divided into 1,250,000,000 ordinary shares of a par value of HK\$0.16 each, such consolidated shares shall rank pari passu in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the Article of Association of the Company. The share consolidation is in effect on 14 January 2014.

(ii) Increase in authorised share

Pursuant to an EGM on 24 April 2014, the ordinary resolution in relation to the increase in authorised share was duly passed by way of poll. Following the passing of the resolution, the authorised share capital of the Company increased from HK\$200,000,000 divided into 1,250,000,000 shares of a par value of HK\$0.16 each to HK\$1,000,000,000 divided into 6,250,000,000 Shares by the creation of an additional 5,000,000,000 Shares. The increase in authorized share capital took effect on the same date.

(iii) Rights issue

Besides, pursuant to an EGM on 24 April 2014, the special resolution in relation to the underwriting agreement and rights issue on the basis of 13 rights issue for every two existing shares held on the record date was duly passed by way of poll. Following the rights issue, 1,127,441,250 new shares of HK\$0.16 each were issued for HK\$180,390,600.

(iv) Capital reorganization

Also, pursuant to an EGM on 24 April 2014, the special resolution in relation to the capital reorganization comprising the share reduction and the share subdivision was duly passed by way of poll and took effect on 5 June 2014. After the capital reorganization,

- (1) the issued share capital of the Company will be reduced through a cancellation of the paid-up capital of the Company to the extent of HK\$0.15 on each of the issued Existing Shares such that the nominal value of each issued Existing Share will be reduced from HK\$0.16 to HK\$0.01;
- (2) immediately following the Capital Reduction, each of the authorised but unissued Existing Share of HK\$0.16 will be sub-divided into 16 New Shares of HK\$0.01 each; and
- (3) the credits arising in the books of the Company from the reduction of the paid-up capital of the Company will be credited to the contributed surplus account of the Company within the meaning of the Companies Act.

17. RELATED PARTY TRANSACTIONS

During the period, the Group had no transactions with related parties.

Compensation of key management personnel

The emoluments of directors of the Company and the key management were as follows:

	For the three months ended 30 June		For the six months ended 30 June	
	2014	2013	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Fees, salaries and other benefits	<u>536</u>	<u>429</u>	<u>1,022</u>	<u>1,337</u>

18. ACQUISITION OF A SUBSIDIARY

On 15 May 2014, the Group completed the acquisition of 100% of the issued shares of 易寶電腦系統(北京)有限公司, a limited company incorporated in the PRC and a wholly foreign-owned enterprise, at the total consideration of HK\$3,000,000. It is principally engaged in the provision of professional IT contract and maintenance services. The acquisition is expected to help explore and launch online sale and online marketing of the Group's agricultural products so as to diversify its sale and marketing channels. Such established online platform may also facilitate the Group's other future business development.

The fair value of identifiable assets and liabilities as at the date of acquisition is as follows:

	<i>HK\$'000</i> (Unaudited)
Property, plant and equipment	61
Inventories	2
Trade receivables, net	3,466
Deposits, prepayments and other receivables	3,447
Cash and bank balances	2,061
Trade payables	(1,362)
Other payables and accruals	(3,182)
Income tax payable	<u>(996)</u>
Total net identifiable assets	3,497
Satisfied by:	
Cash	<u>(3,000)</u>
Gain on bargain purchase	<u>497</u>

The gain on a bargain purchase represented the excess of the fair value net assets as at the acquisition date over the fair value of the consideration.

易寶電腦系統(北京)有限公司 contributed turnover of approximately HK\$2,649,000 and profits of approximately HK\$212,000 to the Group for the period between the date of acquisition and 30 June 2014.

19. EVENTS AFTER THE REPORTING PERIOD

On 9 July 2014, the Company disposed of a total of 15,000,000 shares of New Ray Medicine International Holding Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on GEM, on the open market for an aggregate cash consideration of approximately HK\$8.4 million. For details, please refer to the announcement dated 9 July 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial and Business Review

The Group recorded loss attributable to the equity shareholders of the Company of HK\$7,379,000 for the six months ended 30 June 2014 (the “Period”), representing a decrease in loss of approximately HK\$963,000 as compared with the corresponding period in 2013, mainly due to the substantial loss on change in fair value of its listed securities investment of HK\$23,850,000, which was partly set off by reversal of impairment losses of investing loan amounting to HK\$17,515,000 and reversal of impairment losses on trade receivables totalling HK\$5,555,000.

The total turnover of the Group for the period was approximately HK\$5,130,000, representing a decrease of approximately HK\$11,058,000 as compared to the same period in the previous year; while gross profit was approximately HK\$1,389,000. The reason was that the feed plant for production of feedstock products was suspended from operation since the end of last year to fine-tune the production line in order to improve the production process and quality of products. In addition, since the swine price remained at a low level, the sales of animal husbandry products were still weak. During the period, professional IT contract and maintenance services and loan interest income contributed turnover of HK\$2,649,000 and HK\$629,000 to the Group respectively.

General and administrative expenses for the period were approximately HK\$8,396,000, an increase of 62% or approximately HK\$3,224,000 as compared with the same period in the previous year. The increase was mainly due to the increase in legal and professional fees for corporate business and the increase in expenses for business operation. The new business professional IT contract and maintenance services also contributed to the rise in general and administrative expenses.

Agriculture

The total revenue of the feeding and breeding businesses for the period was approximately HK\$1,852,000, representing a decrease of approximately HK\$14,336,000 as compared to the same period in the previous year. The reason was that the feed plant for production of feedstock products was suspended from operation since the end of last year to fine-tune the production line in order to improve the production process and quality of products. Also, since swine price remained at a low level, the sales of animal husbandry products were still weak.

Disposal of 49% interest of Tony China Limited and introduction of 博大東方農業發展有限公司 (Bo Da Dong Fong Agricultural Development Co., Ltd.) as a strategic partner

On 20 June 2014, the Group entered into a sale and purchase agreement with 博大東方農業發展有限公司 (Bo Da Dong Fong Agricultural Development Co., Ltd.) to sell 49% of the issued share capital of Tony China Limited, a wholly owned subsidiary of the Group at a consideration of HK\$6,000,000. This represents an opportunity for the Group to realize its investment while allowing the Group to maintain a majority stake in Tony China Limited, and to introduce Bo Da Dong Fong Agricultural Development Co., Ltd. as a strategic partner in the Group's feedstock products and animal husbandry businesses. It is expected that the purchaser could bring resources and expertise in agricultural biotechnology to benefit the operations and business of the Group.

Proposed formation of a sino-foreign equity joint venture and extension of long stop date of memorandum of understanding

On 21 January 2014, the Group entered into a memorandum of understanding ("MOU") with 安徽省甯國市吳家大院牧業有限公司 (in English, for identification only, Anhui Province Ningguo City Wu Jia Da Yuan Livestock Husbandry Company Limited) ("Proposed JV Company"), You Chunping ("Ms. You") and Wu Mingliang ("Mr. Wu", Ms. You and the Proposed JV Company, collectively as "Proposed JV Parties") in relation to the restructuring and the transformation of the Proposed JV Company to a sino-foreign equity joint venture. The Group shall hold 51% of the equity interests of the Proposed JV Company and Ms. You and Mr. Wu shall hold the remaining equity interests of the Proposed JV Company. The Proposed JV Company is a limited liability company incorporated in Ningguo City, Anhui Province, the PRC, which is currently engaged in the nurture and sale of organic Wannan Black Hair Pigs ("Wannan Black Pigs"). Pursuant to the MOU, Ms. You and Mr. Wu undertake that they shall carry out reorganisation in respect of the certain companies owned by the Ms. You and Mr. Wu and the Proposed JV Company to the effect that the Wannan Black Pigs business will be injected into the Proposed JV Company ("Reorganisation"). After completion of the Reorganisation, the Proposed JV Company shall be engaged in the organic nurture of the Wannan Black Pigs and the processing and sale of the Wannan Black Pigs and its related products, which forms a comprehensive business chain comprising breeding, meat processing, processing and sale of the Wannan Black Pigs and related food.

On 30 June 2014, the Company and the Proposed JV Parties entered into a supplemental agreement to the MOU, pursuant to which the parties mutually agreed to extend the long stop date to 31 December 2014, as more time is required to carry out the Reorganization by the Proposed JV Parties and for the Company to carry out due diligence and asset assessment on the Proposed JV Company.

Money Lending Business

The Group has been exploring opportunities to broaden its income source. During the period, the Group used its surplus cash to fund a money lending business through its indirect wholly-owned subsidiary, Way Union Finance Limited. The money lending business is still at the development stage with great potential.

During the period, Way Union Finance Limited provides loans to various borrowers. Loan interest income under this business segment amounted to approximately HK\$629,000, and the segment recorded a gain of approximately HK\$544,000. The outstanding principal amount of loan and interest receivables as at 30 June 2014 was HK\$84,608,000.

IT Business

Completion of the acquisition of EPRO Computer Systems (Beijing) Company Limited

On 15 May 2014, the Group completed the acquisition of the entire registered capital of 易寶電腦系統(北京)有限公司 (in English, for identification purpose only, EPRO Computer Systems (Beijing) Company Limited) at the aggregate consideration of HK\$3,000,000. And EPRO Computer Systems (Beijing) Company Limited has become an indirect wholly-owned subsidiary of the Group upon completion of acquisition. 易寶電腦系統(北京)有限公司 is principally engaged in the provision of IT contract and maintenance services in the PRC. It contributed turnover of approximately HK\$2,649,000 and profits of approximately HK\$212,000 to the Group for the period between the date of acquisition and 30 June 2014.

Securities investments

The Group has investments in securities of listed and non-listed companies in order to diversify its investment portfolios and increase returns to shareholders.

Acquisition of 19% stake of Blue Farm Limited

On 4 June 2014, the Group entered into a sale and purchase agreement, pursuant to which the Group has agreed to acquire 19% stake in Blue Farm Limited from Cassia Investments Limited Partnership I at an aggregate consideration of US\$902,500 (equivalent to approximately HK\$7,007,000).

Blue Farm Limited is the holder of approximately 62.91% of the issued share capital of the Hong Kong subsidiary, a fast growing Hong Kong-style chain restaurant operator principally engaged in the business of operating restaurants, cafes and take-away outlets in Hong Kong. Since its establishment in 2009, the Hong Kong Subsidiary has developed a strong brand image and has a captive customer base. It is believed that opportunities in the Hong Kong-style restaurant industry segment in Hong Kong are promising in light of the established but fragmented market. In addition, the Hong Kong subsidiary has established the foothold in Hong Kong, and thus has huge potential to grow and increase its market share in the Hong Kong-style restaurant industry segment in Hong Kong.

Others

Investment agreement in relation to fish farm operation

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 on 3 January 2014 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.

The full amount of the investment and the interests accrued was repaid after the reporting period.

Intended cooperation with China Green (Holdings) Limited in agricultural products manufacturing, development and sales

On 27 March 2014, the Group and China Green (Holdings) Limited entered into a MOU in relation to their intended cooperation in strengthening and expanding the manufacturing, development and sales of agricultural products in the existing districts in the PRC. The Group shall pay HK\$15,000,000 to China Green (Holdings) Limited as earnest money for the intended cooperation.

On 27 June 2014, given that additional time is required for the Group to conduct the due diligence inspection, the Group and China Green (Holdings) Limited have entered into an extension letter to the Memorandum, pursuant to which the parties have mutually agreed to extend the Relevant Period to 30 September 2014.

Rights Issue

To finance the investment in agricultural and related business, operation of subsidiary and the money lending business, the Group announced on 3 March 2014 the issue of rights shares on the basis of thirteen rights for every two shares. The rights issue was completed in May 2014 and the Group raised net proceeds of approximately HK\$172 million. The Group intends to use the net proceeds from the Rights Issue as to (i) approximately HK\$100.0 million for investment in agricultural and related business (including but not limited to the Wannan Black Pig JV); (ii) approximately HK\$10.0 million for operating the Group's PRC IT Company to be acquired; (iii) approximately HK\$40 million for operating the Group's money lender business; and (iv) approximately HK\$22.0 million as general working capital.

As disclosed in the announcement of the Company dated 30 June 2014, the Group intended to use the net proceeds from the Rights Issue as to, among other things, approximately HK\$100.0 million for investment in agricultural and related business (including but not limited to the Proposed JV Company) and that it was expected that not less than HK\$50 million of the net proceeds of the Rights Issue would be applied towards the investment in the Proposed JV Company if such investment materialises. Given that the Group and the Proposed JV Parties had entered into a supplemental agreement to the MOU to extend the Long Stop Date, the Group will place the aforementioned proceeds from the Rights Issue in short-term bank deposits or use such proceeds as short-term loans for the Group's money lending business to the extent that the aforementioned intended use has not yet been implemented and until such proceeds is to be utilised as intended.

Business prospect

Looking forward, the Group will continue to strengthen the feeding and breeding business. With the regulation and control effect of the program of cold pork storage launched by National Development and Reform Commission beginning to show and the nationwide price of live pigs and pig-grain ratio continuing to become stable, we hold a positive view on the future market conditions with a prudent attitude. The Group will continue to uplift its service standards to farmers and increase its competitiveness in the market through optimizing product qualities, strengthening business operation and improving marketing management. The introduction of a strategic partner can bring resources and expertise in agricultural biotechnology to the business. With the extended long stop date of MOU with Proposed JV Company in forming a comprehensive business chain of Wannan Black Pig, the Group is poised to develop the businesses with more resources.

Meanwhile, the Group will remain dedicated to exploring new business opportunities and bring in new dynamics for the Group's revenue growth. We will inject more resources in financial areas, including the money lending business and the investments in securities of listed and non-listed companies, which yield higher returns. The Group actively developed money lending business in Hong Kong as it firmly believes that the sector will have a bright future, yet the Group remains agile and vigilant when conducting the business. In addition, the Group diversified the revenue stream into the IT industry of professional IT contract and maintenance services and the growing catering industry by acquiring 19% of interest of Blue Farm Limited. In the future, we will continue to look for various business opportunities so as to increase the sources of income.

We are confident that the Group is well positioned to meet all the anticipated challenges and opportunities in the second half of 2014 and to continue to deliver higher returns to our shareholders.

MATERIAL ACQUISITION AND DISPOSAL

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 on 3 January 2014 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. 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. For details, please refer to the announcement dated 3 January 2014.

On 15 May 2014, the Group completed the acquisition of 100% of the issued shares of 易寶電腦系統(北京)有限公司, a limited company incorporated in the PRC and a wholly foreign-owned enterprise, at the total consideration of HK\$3,000,000. It is principally engaged in the provision of professional IT contract and maintenance services. For details, please refer to the announcement dated 17 January 2014.

On 4 June 2014, the Group completed the acquisition of (i) the Sale Shares, representing 19% of the issued share capital of Blue Farm Limited, a company incorporated in the Cayman Islands with limited liability; and (ii) the Sale Debts, representing 19% of the shareholder's loan owing by Blue Farm Limited to the vendor, at an aggregate Consideration of US\$902,500 (equivalent to approximately HK\$7,007,000). Blue Farm Limited holds approximately 62.91% of the issued share capital of the Hong Kong Subsidiary, an operator of a chain of Hong Kong-style restaurants. For details, please refer to the announcement dated 4 June 2014.

On 20 June 2014, the Company and 博大東方農業發展有限公司, entered into the SP Agreement, pursuant to which 博大東方農業發展有限公司 conditionally agreed to buy, and the Company conditionally agreed to sell, 49% of the issued share capital of Tony China Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company, at a consideration of HK\$6,000,000. Tony China Limited and its subsidiaries are principally engaged in the manufacturing and distribution of feedstock products, animal husbandry and related activities. For details, please refer to the announcement dated 20 June 2014.

Saved as disclosed above, the Company does not have any significant acquisition and disposal during the six months ended 30 June 2014.

FINANCIAL RESOURCES AND LIQUIDITY

As at 30 June 2014, the Group had cash and bank balances of approximately HK\$104,014,000 (31 December 2013: HK\$37,773,000) and net current assets of approximately HK\$227,302,000 (31 December 2013: HK\$68,095,000). Current ratio (defined as total current assets divided by total current liabilities) was 19.33 times (31 December 2013: 5.49 times).

As at 30 June 2014, the Group did not have any outstanding bank borrowing (31 December 2013: HK\$3,805,000).

The Group's gearing ratio, which is calculated on the basis of the Group's total liabilities to the total assets, as at 30 June 2014 was 5% (31 December 2013: 15%).

CAPITAL STRUCTURE

As at 30 June 2014, the Group had shareholders' equity of approximately HK\$251,889,000 (31 December 2013: HK\$87,111,000).

Share consolidation

Pursuant to an EGM on 13 January 2014, every four ordinary shares of the Company of a nominal or par value of HK\$0.04 each in the issued and unissued share capital of the Company be consolidated into one consolidated share of a nominal or par value of HK\$0.16 such that the authorised share capital of the Company is HK\$200,000,000 divided into 1,250,000,000 ordinary shares of a par value of HK\$0.16 each, such consolidated shares shall rank pari passu in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the Article of Association of the Company. The share consolidation is in effect on 14 January 2014.

Increase in authorised share

Pursuant to an EGM on 24 April 2014, the ordinary resolution in relation to the increase in authorised share was duly passed by way of poll. Following the passing of the resolution, the authorised share capital of the Company increased from HK\$200,000,000 divided into 1,250,000,000 shares of a par value of HK\$0.16 each to HK\$1,000,000,000 divided into 6,250,000,000 Shares by the creation of an additional 5,000,000,000 Shares. The increase in authorized share capital took effect on the same date.

Rights issue

Besides, pursuant to an EGM on 24 April 2014, the special resolution in relation to the underwriting agreement and rights issue on the basis of 13 rights issue for every two existing shares held on the record date was duly passed by way of poll. Following the rights issue, 1,127,441,250 new shares of HK\$0.16 each were issued for HK\$180,390,600.

Capital reorganization

Also, pursuant to an EGM on 24 April 2014, the special resolution in relation to the capital reorganization comprising the share reduction and the share subdivision was duly passed by way of poll and took effect on 5 June 2014. After the capital reorganization,

- (1) the issued share capital of the Company will be reduced through a cancellation of the paid-up capital of the Company to the extent of HK\$0.15 on each of the issued Existing Shares such that the nominal value of each issued Existing Share will be reduced from HK\$0.16 to HK\$0.01;
- (2) immediately following the Capital Reduction, each of the authorised but unissued Existing Share of HK\$0.16 will be sub-divided into 16 New Shares of HK\$0.01 each; and
- (3) the credits arising in the books of the Company from the reduction of the paid-up capital of the Company will be credited to the contributed surplus account of the Company within the meaning of the Companies Act.

FOREIGN EXCHANGE AND INTEREST RATE EXPOSURE

For the period ended 30 June 2014, 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.

CHARGES ON GROUP ASSETS

As at 30 June 2014, the Group did not have any charges on its assets (31 December 2013: charge on land use right in the PRC with the carrying value of approximately HK\$1,077,000).

ADDITION OF PROPERTY, PLANT AND EQUIPMENT

During the period, there were additions of property, plant and equipment of approximately HK\$29,000. (31 December 2013: approximately HK\$2,019,000).

CONTINGENT LIABILITIES

The Group did not have any contingent liabilities as at 30 June 2014 (as at 31 December 2013: Nil).

CAPITAL COMMITMENT

The Group did not have any capital or guarantee commitment as at 30 June 2014 (31 December 2013: Nil).

EMPLOYEE INFORMATION

As at 30 June 2014, the Group had approximately 72 employees (including Directors) (30 June 2013: 81) in Hong Kong and the PRC. Remuneration to employees and directors are based on performance, qualification, experience and the prevailing industry practice. The staff cost, including Directors' remuneration, amounted to approximately HK\$2,729,000 for the six months ended 30 June 2014. Other benefits to its employees in Hong Kong included contributions to statutory mandatory provident fund scheme and the benefits to its employees in the PRC were included in the statutory central pension schemes and additional requirement in the PRC.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2014 (30 June 2013: nil).

OTHER INFORMATION

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.

The total number of shares which may be issued upon exercise of all options which may be granted under the 2013 Share Option Scheme and options which may be granted under any other share option schemes of the Company shall not exceed 10 % of the total number of shares in issue on 30 September 2013 unless the Company obtains a refresh approval from its shareholders. Option lapsed in accordance with the terms of the 2013 Share Option Scheme or any other share option schemes of the Company under which such options are granted, as the case may be, shall not be counted for the purpose of calculating whether the limit has been exceeded.

The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2013 Share Option Scheme and options which may be granted and yet to be exercised under any other share option schemes of the Company (or the subsidiary) shall not exceed 30% of the total number of shares in issue from time to time. No options may be granted under any share option schemes of the Company (or the Subsidiary) if this will result in the limit being exceeded.

The 2013 Share Option Scheme will remain in force for a period of ten years commencing from 30 September 2013.

The subscription price in respect of any particular option shall be such price as determined by the Board in its absolute discretion at the time of the grant of the relevant option but in any case the subscription price shall not be less than the higher of (i) the closing price of the shares as stated in the daily quotations sheet of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of grant, which must be a trading day; (ii) the average closing price of the shares as stated in the daily quotations sheets of the Stock Exchange for the five trading days immediately preceding the date of grant; or (iii) the nominal value of a share.

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

As at 30 June 2014, no person had any interest in option under any share option scheme to subscribe for shares of the Company.

Pre-emptive rights

There is no provision for pre-emptive rights under the Company's by law or the laws of Bermuda which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

Purchase, redemption or sale of the company's listed securities or its subsidiaries' securities

During the period ended 30 June 2014, 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 30 June 2014.

Directors' interests in contracts of significance

No contracts of significance to which the Company or its subsidiaries was a party and in which a Director had a material interest subsisted at the end of the period or at any time during the period.

Directors' and chief executives' interests in securities of the company

As at 30 June 2014, 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 30 June 2014, 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.

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

As at 30 June 2014, so far as is known to the Directors, the following persons, other than a director or chief executive of the Company, had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company:

Name of Shareholder	Nature of Interest	Number of	Approximate percentage of interest
		Existing Shares and underlying Existing Shares	
Mr. Lin Cheuk Fung ("Mr. Lin")	Beneficial owner	260,178,750 (L)	20%

Note:

1. The letter (L) above denotes long position and the letter (S) above denotes short position.

Save as disclosed above, as at 30 June 2014, so far as is known to the Directors, there was no other person who had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or, had a direct or indirect interests amounting to 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any members of the Group.

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.

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 30 June 2014.

Corporate governance code

During the period ended 30 June 2014, 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.

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 chief 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.

Audit committee

The audit committee of the Company consists of three independent non-executive Directors, namely, Mr. Siu Kam Chau, 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 interim report for the six months ended 30 June 2014.

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

Hong Kong, 11 August 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 appear on the GEM website (www.hkgem.com) for at least seven days after the date of publication and on the website of the Company at www.irasia.com/listco/hk/orientalunicorn/index.htm.