



China Demeter Investments Limited

中國神農投資有限公司

(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 2015

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*This announcement, for which the directors (the “**Directors**”) of China Demeter Investments 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 profits attributable to the owners of the Company of approximately HK\$58,577,000 for the six months ended 30 June 2015 (the “period”), as opposed to a loss attributable to owners of the Company of approximately HK\$7,379,000 in the same period last year.
- The turnover of the Group was approximately HK\$85,889,000 for the period, representing a increase of approximately HK\$80,759,000 when compared to the same period of HK\$5,130,000 last year.
- Gross profit for the period was approximately HK\$31,667,000.
- The board of Directors (the “Board”) does not recommend the payment of any interim dividend for the six months ended 30 June 2015.

INTERIM RESULTS (UNAUDITED)

The board of Directors of the Company presents the unaudited condensed consolidated results of China Demeter Investments Limited (formerly known as Oriental Unicorn Agricultural Group Limited) (the “Company”) and its subsidiaries (collectively the “Group”) for the three months and six months ended 30 June 2015 together with the comparative figures for the corresponding period in 2014. The interim results are unaudited, but have been reviewed by the audit committee of the Company.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and six months ended 30 June 2015

		For the three months ended 30 June		For the six months ended 30 June	
		2015	2014	2015	2014
	Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Turnover	4	51,017	4,154	85,889	5,130
Cost of sales and services		<u>(33,758)</u>	<u>(2,588)</u>	<u>(54,222)</u>	<u>(3,741)</u>
Gross profit		17,259	1,566	31,667	1,389
Other income and gains	5	456	23,590	543	23,694
Selling and distribution costs		(2,064)	(47)	(3,805)	(115)
General and administrative expenses		(12,751)	(4,554)	(23,066)	(8,396)
Change in fair value of financial assets through profit or loss	6	44,391	(7,200)	56,318	(23,850)
Finance costs	7	<u>(185)</u>	<u>(35)</u>	<u>(285)</u>	<u>(101)</u>
Profit/(loss) before tax		47,106	13,320	61,372	(7,379)
Income tax expense	9	<u>(14)</u>	<u>–</u>	<u>(14)</u>	<u>–</u>
Profit/(loss) for the period	8	47,092	13,320	61,358	(7,379)
Other comprehensive income for the period:					
Item that may be reclassified subsequently to profit or loss:					
– Exchange differences on translating foreign operations		<u>(1,476)</u>	<u>(111)</u>	<u>(2,994)</u>	<u>(254)</u>
Total comprehensive income/ (expense) for the period		<u>45,616</u>	<u>13,209</u>	<u>58,364</u>	<u>(7,633)</u>

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

For the three months and six months ended 30 June 2015

		For the three months ended 30 June		For the six months ended 30 June	
		2015	2014	2015	2014
Notes		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit/(loss) for the period attributable to:					
	– Owners of the Company	45,483	13,320	58,577	(7,379)
	– Non-controlling interests	<u>1,609</u>	<u>–</u>	<u>2,781</u>	<u>–</u>
		<u>47,092</u>	<u>13,320</u>	<u>61,358</u>	<u>(7,379)</u>
Total comprehensive income/(expense) for the period attributable to:					
	– Owners of the Company	44,952	13,209	57,866	(7,633)
	– Non-controlling interests	<u>664</u>	<u>–</u>	<u>498</u>	<u>–</u>
		<u>45,616</u>	<u>13,209</u>	<u>58,364</u>	<u>(7,633)</u>
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Earnings/(loss) per share	10	HK Cents	HK Cents	HK Cents	HK Cents
			(Restated)		(Restated)
	Basic	<u>2.77</u>	<u>1.62</u>	<u>3.60</u>	<u>(1.39)</u>
	Diluted	<u>2.65</u>	<u>1.62</u>	<u>3.40</u>	<u>(1.39)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

		30 June 2015 <i>HK\$'000</i> (Unaudited)	31 December 2014 <i>HK\$'000</i> (Audited)
	Notes		
Non-current assets			
Property, plant and equipment	12	63,266	46,181
Prepaid lease payments		1,012	1,024
Loan and interest receivables	15	11,706	26,250
Goodwill		6,014	5,615
Biological assets		176	176
Available-for-sale investments	13	41,073	6,723
		<u>123,247</u>	<u>85,969</u>
Current assets			
Biological assets		1,950	863
Inventories		13,004	7,621
Trade receivables	14	16,494	5,556
Loan and interest receivables	15	171,897	156,608
Deposits, prepayments and other receivables		25,063	22,192
Amount due from a non-controlling interest	17	3	3
Financial assets at fair value through profit or loss		109,689	524
Cash and bank balances		47,546	119,860
		<u>385,646</u>	<u>313,227</u>
Current liabilities			
Trade and other payables	16	58,831	32,464
Amounts due to non-controlling interests	17	15,282	15,367
Bank and other borrowings		16,557	5,905
Current tax liabilities		13	13
		<u>90,683</u>	<u>53,749</u>
Net current assets		<u>294,963</u>	<u>259,478</u>
Total assets less current liabilities		<u><u>418,210</u></u>	<u><u>345,447</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

As at 30 June 2015

		30 June 2015 <i>HK\$'000</i> (Unaudited)	31 December 2014 <i>HK\$'000</i> (Audited)
	<i>Notes</i>		
Non-current liabilities			
Deferred tax liabilities		<u>349</u>	<u>349</u>
		<u>349</u>	<u>349</u>
Net assets		<u>417,861</u>	<u>345,098</u>
Capital and reserves			
Share capital	18	16,439	15,609
Reserves		<u>346,510</u>	<u>274,949</u>
Equity attributable to owners of the Company		362,949	290,558
Non-controlling interests		<u>54,912</u>	<u>54,540</u>
Total equity		<u>417,861</u>	<u>345,098</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 June 2015

	Attributable to owners of the Company											Total
	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Capital reserve HK\$'000	PRC statutory reserve HK\$'000	Share options reserve HK\$'000	Foreign currency translation reserve HK\$'000	Available-for-sale investments valuation reserve HK\$'000	Accumulated losses HK\$'000	Sub-total HK\$'000	Attributable to non-controlling interests HK\$'000	
For the six months ended 30 June 2014												
At 1 January 2014 (Audited)	27,752	161,862	–	61,545	873	–	2,892	–	(167,813)	87,111	–	87,111
Loss for the period	–	–	–	–	–	–	–	–	(7,379)	(7,379)	–	(7,379)
Other comprehensive expense for the period	–	–	–	–	–	–	(254)	–	–	(254)	–	(254)
Total comprehensive expense the period	–	–	–	–	–	–	(254)	–	(7,379)	(7,633)	–	(7,633)
Cancellation of share premium (note i)	–	(161,862)	161,862	–	–	–	–	–	–	–	–	–
Right issues of shares (note 18(iii))	180,391	–	–	–	–	–	–	–	–	180,391	–	180,391
Capital Reorganisation (note 18(iv))	(195,134)	–	195,134	–	–	–	–	–	–	–	–	–
Transaction costs attributable to change of domicile, capital reorganisation and rights issue	–	–	(7,980)	–	–	–	–	–	–	(7,980)	–	(7,980)
At 30 June 2014 (Unaudited)	13,009	–	349,016	61,545	873	–	2,638	–	(175,192)	251,889	–	251,889
For the six months ended 30 June 2015												
At 1 January 2015 (Audited)	15,609	42,900	348,685	61,545	873	4,672	2,934	(284)	(186,376)	290,558	54,540	345,098
Profit for the period	–	–	–	–	–	–	–	–	58,577	58,577	2,781	61,358
Other comprehensive expense for the period	–	–	–	–	–	–	(711)	–	–	(711)	(2,283)	(2,994)
Total comprehensive income for the period	–	–	–	–	–	–	(711)	–	58,577	57,866	498	58,364
Non-controlling interests arising on acquisition of a subsidiary (note 22)	–	–	–	–	–	–	–	–	–	–	(126)	(126)
Issue of subscription shares under special mandate (note 18(vi))	830	13,695	–	–	–	–	–	–	–	14,525	–	14,525
At 30 June 2015 (Unaudited)	16,439	56,595	348,685	61,545	873	4,672	2,223	(284)	(127,799)	362,949	54,912	417,861

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.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2015

	For the six months ended 30 June	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Net cash generated from/(used in) operating activities	13,248	(93,749)
Net cash used in investing activities	(107,045)	(7,975)
Net cash generated from financing activities	<u>25,525</u>	<u>168,606</u>
Net (decrease)/increase in cash and cash equivalents	(68,272)	66,882
Effect of foreign exchange rate changes, net	(4,042)	(641)
Cash and cash equivalents at the beginning of the period	<u>119,860</u>	<u>37,773</u>
Cash and cash equivalents at the end of the period	<u>47,546</u>	<u>104,014</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS

1. CORPORATE INFORMATION

During the period, the Group is principally engaged in (i) feedstock products and animal husbandry businesses; (ii) processing and sales of food products; (iii) money lending business; (iv) securities investment business; (v) provision of IT services; and (vi) food and beverage business.

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

The principal place of business is located at Unit A, 15/F, Nathan Tower, 518-520 Nathan Road, Yau Ma Tei, Kowloon, 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").

2. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements for the six months ended 30 June 2015 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") as well as with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on the GEM Listing Rules. These unaudited condensed consolidated interim financial statements should be read in conjunction with the financial statements of the Group for the year ended 31 December 2014. 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 year ended 31 December 2014. 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 2015, 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 resources allocation and assessment of segment performance focus on type of goods or services delivered or provided.

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

- Agricultural segment comprises the feedstock business and the animal husbandry business in the PRC;
- Money lending segment comprises provision of loan financing in Hong Kong;
- Securities investment segment comprises investment in listed and unlisted securities;
- IT business segment comprises provision of professional IT contract and maintenance services in the PRC;
- Processing and sales of food products in Australia; and
- Food and beverage business in Hong Kong.

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		Processing and sales of food products		Food and beverage business		Total	
	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		For the six months ended 30 June		For the six months ended 30 June	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segment revenue and income:														
Turnover	14,727	1,852	8,142	629	–	–	9,638	2,649	52,095	–	1,287	–	85,889	5,130
Other income	–	5,555	–	–	56,318	–	–	–	–	–	–	–	56,318	5,555
Total revenue and other income	<u>14,727</u>	<u>7,407</u>	<u>8,142</u>	<u>629</u>	<u>56,318</u>	<u>–</u>	<u>9,638</u>	<u>2,649</u>	<u>52,095</u>	<u>–</u>	<u>1,287</u>	<u>–</u>	<u>142,207</u>	<u>10,685</u>
Segment results	<u>457</u>	<u>3,098</u>	<u>7,385</u>	<u>544</u>	<u>55,805</u>	<u>(23,850)</u>	<u>391</u>	<u>212</u>	<u>2,956</u>	<u>–</u>	<u>(300)</u>	<u>–</u>	<u>66,694</u>	<u>(19,996)</u>
Central administration costs													(5,580)	(5,421)
Finance costs													(285)	(101)
Other income and gains													543	624
Reversal of impairment loss of investing loan													–	17,515
Profit (loss) before tax													61,372	(7,379)
Income tax expense													(14)	–
Profit (loss) for the period													<u>61,358</u>	<u>(7,379)</u>

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current period (30 June 2014: Nil).

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit/(loss) represents the profit earned/(loss incurred) by each segment without allocation of bank interest and other income, reversal of impairment loss of investing loan, finance costs and central administration costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments:

	Agriculture		Money lending		Securities investments		IT business		Processing and sales of food products		Food and beverage business		Total	
	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at
	30.6.2015	31.12.2014	30.6.2015	31.12.2014	30.6.2015	31.12.2014	30.6.2015	31.12.2014	30.6.2015	31.12.2014	30.6.2015	31.12.2014	30.6.2015	31.12.2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
ASSETS														
Segment assets	20,999	18,552	193,311	202,921	154,669	7,355	10,967	9,991	115,888	103,247	2,065	–	497,899	342,066
Corporate and unallocated assets													10,994	57,130
Consolidated assets													508,893	399,196
LIABILITIES														
Segment liabilities	7,350	5,650	11,110	–	–	–	7,319	6,756	63,390	39,646	1,210	–	90,379	52,052
Corporate and unallocated liabilities													653	2,046
Consolidated liabilities													91,032	54,098

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

- all assets are allocated to operating segments other than unallocated head office and corporate assets. Goodwill is allocated to operating segments; and
- all liabilities are allocated to operating segments other than other unallocated head office and corporate liabilities.

Geographical information

The geographical information of turnover is shown as follows:

	For the six months ended 30 June	
	2015 <i>HK\$'000</i> (Unaudited)	2014 <i>HK\$'000</i> (Unaudited)
PRC	24,365	4,501
Hong Kong	9,429	629
Australia	52,095	—
	<u>85,889</u>	<u>5,130</u>

The geographical information of non-current assets is shown as follows:

	30 June 2015 <i>HK\$'000</i> (Unaudited)	31 December 2014 <i>HK\$'000</i> (Audited)
PRC	10,529	10,928
Hong Kong	54,385	33,578
Australia	58,333	41,463
	<u>123,247</u>	<u>85,969</u>

4. TURNOVER

	For the three months ended 30 June		For the six months ended 30 June	
	2015 <i>HK\$'000</i> (Unaudited)	2014 <i>HK\$'000</i> (Unaudited)	2015 <i>HK\$'000</i> (Unaudited)	2014 <i>HK\$'000</i> (Unaudited)
Sales of feedstock products and animal husbandry products	9,645	876	14,727	1,852
Sales of formula milk powder	30,660	—	52,095	—
Loan interest income	3,914	629	8,142	629
Provision of IT contract and maintenance services	5,511	2,649	9,638	2,649
Provision of food and beverage services	1,287	—	1,287	—
	<u>51,017</u>	<u>4,154</u>	<u>85,889</u>	<u>5,130</u>

5. OTHER INCOME AND GAINS

	For the three months ended 30 June		For the six months ended 30 June	
	2015 <i>HK\$'000</i> (Unaudited)	2014 <i>HK\$'000</i> (Unaudited)	2015 <i>HK\$'000</i> (Unaudited)	2014 <i>HK\$'000</i> (Unaudited)
Bank interest income	2	9	18	14
Gain on bargain purchase	–	497	–	497
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
Sundry income	454	14	525	113
	<u>456</u>	<u>23,590</u>	<u>543</u>	<u>23,694</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	
	2015 <i>HK\$'000</i> (Unaudited)	2014 <i>HK\$'000</i> (Unaudited)	2015 <i>HK\$'000</i> (Unaudited)	2014 <i>HK\$'000</i> (Unaudited)
Interests on bank and other borrowings wholly payable				
– within five years	141	35	168	101
– over five years	44	–	117	–
	<u>185</u>	<u>35</u>	<u>285</u>	<u>101</u>

8. PROFIT/(LOSS) FOR THE PERIOD

The Group's profit/(loss) for the period has been arrived at after charging:

	For the three months ended 30 June		For the six months ended 30 June	
	2015	2014	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Amortisation of prepaid lease payments	6	6	12	12
Depreciation of property, plant and equipment	1,105	373	2,325	778
Cost of inventories and services recognised as an expense (included in cost of sales and services)	33,758	2,588	54,222	3,741
Minimum lease payment paid under operating leases in respect of land and buildings	<u>668</u>	<u>312</u>	<u>1,267</u>	<u>578</u>

9. INCOME TAX EXPENSE

	For the three months ended 30 June		For the six months ended 30 June	
	2015	2014	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current tax:				
Hong Kong Profits tax	–	–	–	–
PRC	14	–	14	–
Other jurisdictions	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
	<u>14</u>	<u>–</u>	<u>14</u>	<u>–</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods. No provision for Hong Kong Profits Tax had been made as the Group had no assessable profits arising in or derived from Hong Kong for both periods.

PRC subsidiaries are subject to PRC Enterprise Income Tax at the prevailing tax rates in accordance with the relevant income tax rules and regulations of the PRC. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

10. EARNINGS/(LOSS) PER SHARE

Earnings/(loss)

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

	For the three months ended 30 June		For the six months ended 30 June	
	2015	2014	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Earnings/(loss) for the period attributable to owners of the Company for the purpose of basic and diluted earnings/(loss) per share	<u>45,483</u>	<u>13,320</u>	<u>58,577</u>	<u>(7,379)</u>

Number of shares

	For the three months ended 30 June			For the six months ended 30 June		
	2015	2014	2014	2015	2014	2014
	'000	'000	'000	'000	'000	'000
		(Previously stated)	(Previously stated)		(Previously stated)	(Previously stated)
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	1,643,894	822,077	380,150	1,625,093	532,534	380,150
Effect of dilutive potential ordinary shares:						
– Share options	<u>74,125</u>	<u>–</u>	<u>–</u>	<u>99,209</u>	<u>–</u>	<u>–</u>
Weighted average number of ordinary shares for the purpose of diluted earnings/(loss) per share	<u>1,718,019</u>	<u>822,077</u>	<u>380,150</u>	<u>1,724,302</u>	<u>532,534</u>	<u>380,150</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	2.77	1.62	3.50	3.60	(1.39)	(1.94)
Diluted	2.65	1.62	3.50	3.40	(1.39)	(1.94)

The weighted average number of ordinary shares for the purposes of calculating basic and diluted earnings/(loss) per share for the period ended 30 June 2014 has been adjusted to reflect the bonus element of the right issue completed during the year ended 31 December 2014.

11. INTERIM DIVIDEND

The directors do not recommend the payment of any interim dividend for the six months ended 30 June 2015 (30 June 2014: Nil).

12. PROPERTY, PLANT AND EQUIPMENT

During the period, there were additions of property, plant and equipment of approximately HK\$18,556,000, of which approximately HK\$9,516,000 was for the construction of a new warehouse in Australia and the remaining was mainly for the acquisition of manufacturing equipment in Australia in order to upgrade its production capabilities. (31 December 2014: approximately HK\$1,277,000).

13. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments comprise:

	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
Unlisted equity securities in Hong Kong (<i>note i</i>)	6,723	6,723
Unlisted Investment fund outside Hong Kong (<i>note ii</i>)	34,350	—
	41,073	6,723

Note:

- (i) The above unlisted equity securities represent the investments in Blue Farm Limited (“Blue Farm”). Blue Farm is a non-wholly owned company incorporated in the Cayman Islands with limited liability, which holds a non-wholly owned Hong Kong subsidiary, an operator of a chain of Hong Kong-style restaurants.
- (ii) The above unlisted investment fund represents the investment in Cassia Investments Limited Partnership I (“Cassia”). Cassia is a closed-ended fund established as an exempted limited partnership under the laws of Cayman Islands and registered as an exempted limited partnership in accordance with the Exempted Limited Partnership Law of Cayman Islands and is principally engaged in providing the limited partners with capital appreciation and participation through investments in geographic areas where the fund anticipates making investments or areas where the companies, entities, or projects in which the fund invests has a material business presence with the purpose of medium to long term capital appreciation in the range of 3-5 years. The fund is held for an identified long term strategic purpose so the Group does not intend to dispose of it in the foreseeable future and it is measured at cost less impairment at the end of the reporting period.

14. TRADE RECEIVABLES

	30 June	31 December
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Trade receivables	17,184	6,242
Less: allowance for doubtful debts	(690)	(686)
	16,494	5,556

The following is an analysis of trade receivables by age, presented based on the invoice date, net of allowance for doubtful debts:

	30 June	31 December
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
0-90 days	13,054	1,239
91-180 days	457	386
Over 180 days	2,983	3,931
	16,494	5,556

The Group's trading terms with its customers are mainly on credit. The credit period is generally for a period of 0 to 180 days for major customers. The Group seeks to maintain strict control over its outstanding receivables and the management regularly reviews the overdue balances.

Trade receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Trade receivables disclosed above included amounts (see below for aged analysis) which are past due at the end of the reporting period for which the Group had not recognised an allowance for doubtful debts because they 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 did not hold any collateral or other credit enhancements over these balances nor did it have a legal right of offset against any amounts owed by the Group to the counterparty.

Age receivables that are past due but not impaired:

	30 June	31 December
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Overdue by:		
0-90 days	2,080	162
91-180 days	<u>—</u>	<u>948</u>
	<u>2,080</u>	<u>1,110</u>

15. LOANS AND INTEREST RECEIVABLES

	30 June	31 December
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Loan and interest receivables		
Amounts due within one year	171,897	156,608
Amounts due over one year	<u>11,706</u>	<u>26,250</u>
	183,603	182,858
<i>Less:</i> amounts shown under current assets	<u>(171,897)</u>	<u>(156,608)</u>
Amounts shown under non-current assets	<u>11,706</u>	<u>26,250</u>

The Group seeks to maintain strict control over its outstanding loan and interest receivables so as to minimise credit risk. The granting of loans is subject to approval by the management, whilst overdue balances are reviewed regularly for recoverability. Loan and interest receivables are charging on effective interest rate mutually agreed with the contracting parties, ranging from 7% to 12% (31 December 2014: 7% to 15%) per annum.

16. TRADE AND OTHER PAYABLES

	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
Trade payables	8,140	4,624
Other payables and accruals	<u>50,691</u>	<u>27,840</u>
	<u>58,831</u>	<u>32,464</u>

The following is an analysis of trade payables by age based on invoice date at the end of the financial reporting period:

	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
0-90 days	6,666	2,674
91-180 days	–	316
181-365 days	235	548
Over 365 days	<u>1,239</u>	<u>1,086</u>
	<u>8,140</u>	<u>4,624</u>

Included in the balance of other payables and accruals of the Group at 30 June 2015 and 31 December 2014 of approximately HK\$5,490,000 represents an amount due to a former director of the Company who resigned on 5 February 2014. The amount due to a former director of the Company is unsecured, interest-free and repayable on demand.

17. AMOUNTS DUE FROM/(TO) NON-CONTROLLING INTERESTS

The amounts due from/(to) non-controlling interests are unsecured, interest-free and repayable on demand.

18. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
<u>Authorised:</u>		
At 1 January 2014, ordinary shares of HK\$0.04 each	5,000,000	200,000
Share consolidation (<i>Note (i)</i>)	(3,750,000)	–
Increase in authorised share capital (<i>Note (ii)</i>)	5,000,000	800,000
Capital reorganisation (<i>Note (iv)</i>)	93,750,000	–
	<u>100,000,000</u>	<u>1,000,000</u>
At 31 December 2014, ordinary shares of HK\$0.01 each	<u>100,000,000</u>	<u>1,000,000</u>
At 1 January 2015 and 30 June 2015, ordinary shares of HK\$0.01 each	<u>100,000,000</u>	<u>1,000,000</u>
<u>Issued and fully paid:</u>		
At 1 January 2014, ordinary shares of HK\$0.04 each	693,810	27,752
Share consolidation (<i>Note (i)</i>)	(520,357)	–
Right issue of shares (<i>Note (iii)</i>)	1,127,441	180,391
Capital reorganisation (<i>Note (iv)</i>)	–	(195,134)
Issue of subscription shares under general mandate (<i>Note (v)</i>)	260,000	2,600
	<u>1,560,894</u>	<u>15,609</u>
At 31 December 2014, ordinary shares of HK\$0.01 each	<u>1,560,894</u>	<u>15,609</u>
At 1 January 2015, ordinary shares of HK\$0.01 each	1,560,894	15,609
Issue of subscription shares under special mandate (<i>Note (vi)</i>)	83,000	830
	<u>1,643,894</u>	<u>16,439</u>
At 30 June 2015, ordinary shares of HK\$0.01 each	<u>1,643,894</u>	<u>16,439</u>

Notes:

(i) Share consolidation

Pursuant to an extraordinary general meeting on 13 January 2014, every 4 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 consolidated shares of a par value of HK\$0.16 each, of which 173,452,500 consolidated shares at par value of HK\$0.16 each was in issue. 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 capital

Pursuant to an extraordinary general meeting on 24 April 2014, the ordinary resolution in relation to the increase in authorised share capital 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 ordinary shares of a par value of HK\$0.16 each to HK\$1,000,000,000 divided into 6,250,000,000 ordinary shares of HK\$0.16 each by the creation of an additional 5,000,000,000 ordinary shares of HK\$0.16 each, ranking pari passu with the existing ordinary shares of the Company in all respects. The increase in authorised share capital took effect on the same date.

(iii) Right issue of shares

Pursuant to an extraordinary general meeting on 24 April 2014, the special resolution in relation to the underwriting agreement and rights issue on the basis of 13 rights shares for every 2 existing shares held on the record date at a price of HK\$0.16 each was duly passed by way of poll. The right issue of shares was completed on 28 May 2014. Following the rights issue, 1,127,441,250 new ordinary shares of the Company of HK\$0.16 each were issued. The net proceeds arising from the right issue amounted to approximately HK\$172 million.

(iv) Capital reorganisation

Pursuant to an extraordinary general meeting on 24 April 2014, the special resolution in relation to the capital reorganisation comprising the capital reduction and the share subdivision was duly passed by way of poll and took effect on 5 June 2014.

After the capital reorganisation,

- (1) the issued share capital of the Company was reduced through a cancellation of the paid-up capital of the Company to the extent of HK\$0.15 on each of the issued ordinary shares of the Company such that the nominal value of each issued ordinary share of the Company was reduced from HK\$0.16 to HK\$0.01;
- (2) immediately following the capital reduction, each of the authorised but unissued ordinary shares of the Company of HK\$0.16 each was sub-divided into 16 new ordinary shares of the Company 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 of approximately HK\$195,134,000 was credited to the contributed surplus account of the Company.

(v) Issue of subscription shares under general mandate

On 28 October 2014, the Company and a subscriber, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (the “Subscriber”) and is principally engaged in growing, processing and sales of agricultural products, and consumer food and beverage products, entered into a general mandate subscription agreement (“GM Subscription Agreement”) and a special mandate subscription agreement (“SM Subscription Agreement”).

Pursuant to the GM Subscription Agreement, the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue 260,000,000 subscription shares (“GM Subscription Shares”) at the subscription price of HK\$0.175 per GM Subscription Share. The GM Subscription Shares will be allotted and issued under the general mandate. The completion took place on 10 November 2014 whereby 260,000,000 ordinary shares of the Company of HK\$0.01 each were allotted and issued at HK\$0.175 per GM Subscription Share under the GM Subscription Agreement. The net proceed from the subscription amounted to approximately HK\$45.3 million.

(vi) Issue of subscription shares under special mandate

Pursuant to the SM Subscription Agreement, the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue 83,000,000 subscription shares (“SM Subscription Shares”) at the subscription price of HK\$0.175 per SM Subscription Share. The SM Subscription Shares will be allotted and issued under the special mandate. The completion took place on 11 February 2015 whereby 83,000,000 ordinary shares of the Company of HK\$0.01 each were allotted and issued at HK\$0.175 per SM Subscription Share under the SM Subscription Agreement. The net proceed from the subscription amounted to approximately HK\$14 million.

19. FINANCIAL INSTRUMENTS

Fair value measurements

Fair value hierarchy

The following table presents the fair value of the Group’s financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

Financial assets and financial liabilities measured at fair value

Group

	30 June	31 December
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Financial assets included in Level 1:		
Financial assets at fair value through profit or loss	109,689	524
Financial assets included in Level 3:		
Available-for-sale investments	6,723	6,723

The fair value of financial instruments classified as level 1 traded in active markets is based on closing prices at the end of the reporting period.

During the year ended 30 June 2015, there were no transfers between Level 1 and Level 2 and no transfers into or out of Level 3.

The fair value of the unlisted available-for-sale investment is based on discounted cash flows using a rate based on the market interest rate and the risk premium specific to the unlisted investment.

During the reporting period, there was no change in the valuation techniques and there was no movement in the change of the Level 3 fair value. The assumptions of the unobservable inputs used in Level 3 fair value measurements at the end of the reporting period were not significantly different from those used in the 2014 consolidated financial statements. The Directors consider that the impact of changes in key unobservable inputs in Level 3 fair value measurements in the current period will have no significant difference as compared to those in the 2014 consolidated annual financial statements.

Fair value of financial assets and liabilities carried at other than fair value

The directors consider that the carrying amounts of the Group's and the Company's financial assets and liabilities carried at cost or amortised cost are not materially different from their fair values as at 30 June 2015 and 31 December 2014.

20. COMMITMENTS

As at 30 June 2015, the Group had capital commitments of property, plant and equipment amounting to approximately HK\$4,163,000 (31 December 2014: HK\$10,830,000).

21. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

The remuneration of directors of the Company and other members of key management during the reporting period were as follows:

	For the three months ended 30 June		For the six months ended 30 June	
	2015	2014	2015	2014
	<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>552</u>	<u>536</u>	<u>1,104</u>	<u>1,022</u>

22. ACQUISITION OF A SUBSIDIARY

In April 2015, the Group completed the acquisition of 51% of the issued shares of a company incorporated in Hong Kong at the total consideration of HK\$268,000 (including cash paid of HK\$1,275,000 and assignment of shareholder loan of HK\$1,007,000). The subsidiary is mainly engaged in the provision of the food and beverage service in Hong Kong.

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	250
Deposits, prepayments and other receivables	1,596
Other payables and accruals	<u>(2,103)</u>
Total net liabilities	<u>(257)</u>
Consideration satisfied by:	
Cash paid	1,275
Less assignment of shareholder loan	<u>(1,007)</u>
	268
Less: Non-controlling interests	(126)
Add: Net liabilities acquired	<u>257</u>
Goodwill arising on acquisition	<u><u>399</u></u>

23. EVENTS AFTER THE REPORTING PERIOD

On 6 July 2015, due to the current market conditions, the Company and the placing agent have mutually agreed to terminate the placing agreement, pursuant to which the Company has conditionally agreed to place through the placing agent, on a best endeavour basis, up to 328,760,000 placing shares to be allotted and issued pursuant to the general mandate, to not less than six placees at a price of HK\$0.20 per placing share. For details, please refer to the announcement dated 6 July 2015.

On 8 July 2015, the English name of the Company has been changed from “Oriental Unicorn Agricultural Group Limited” to “China Demeter Investments Limited” and the secondary name in Chinese of the Company has been changed from “東麟農業集團有限公司” to “中國神農投資有限公司”. The Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 30 June 2015 certifying that the new English and Chinese names of the Company have been registered in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). For details, please refer to the announcement dated 8 July 2015.

On 17 July 2015, the Company and Mr. He Huaguang (the “Purchaser”) entered into the Sales and Purchase Agreement, pursuant to which the Purchaser conditionally agreed to purchase, and the Company conditionally agreed to sell, the entire issued share capital of Sky Red International Limited, a company incorporated in the British Virgin Islands with limited liability, and its subsidiaries of Oasis Island Ventures Limited and 易寶電腦系統(北京)有限公司 (collectively the “Target Group”) at a consideration of HK\$2,000,000. The principal operating company of the Target Group is 易寶電腦系統(北京)有限公司, a limited liability company established in the PRC, which is principally engaged in provision of professional IT contract and maintenance services. For details, please refer to the announcement dated 17 July 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial and Business Review

Thanks to rapid growth achieved by new business, China Demeter Investments Limited (formerly known as Oriental Unicorn Agricultural Group Limited) (the “Company”) and its subsidiaries (the “Group”) recorded a net profit attributable to owners of the Company of approximately HK\$58,577,000 for the six months ended 30 June 2015, as compared to a loss attributable to owners of the Company of approximately HK\$7,379,000 last year, which was mainly attributable to the fair value gain of approximately HK\$56,318,000 (30 June 2014: fair value loss of approximately HK\$23,850,000) from financial assets at fair value through profit or loss during the period, and loan interest income of approximately HK\$8,142,000 (30 June 2014: HK\$629,000) arising from the Group’s money lending business commenced in mid-2014.

The turnover of the Group for the period was approximately HK\$85,889,000, representing an increase of approximately HK\$80,759,000 as compared to the same period of HK\$5,130,000 last year; while gross profit was approximately HK\$31,667,000. As the income source of the Group became more diversified, for the period ended 30 June 2015, turnover was composed of sales of feedstock products and animal husbandry of HK\$14,727,000 (30 June 2014: HK\$1,852,000), sales of formula milk powder of HK\$52,095,000 (30 June 2014: Nil), loan interest income of HK\$8,142,000 (30 June 2014: HK\$629,000), the provision of professional IT contract and maintenance services of HK\$9,638,000 (30 June 2014: HK\$2,649,000) and the new business of provision of food and beverage business of HK\$1,287,000 (30 June 2014: Nil).

General and administrative expenses for the period were approximately HK\$23,066,000, an increase of approximately HK\$14,670,000 as compared with the same period of HK\$8,396,000 last year. The increase was mainly due to the increase in expenses for business operation. The new businesses of professional IT contract and maintenance services and sales of formula milk powder contributed to the rise in general and administrative expenses.

Milk Powder Business

The milk powder business made a contribution to the Group's earnings with a turnover of approximately HK\$52,095,000 during the period (30 June 2014: Nil). The Group completed the acquisition of equity interests in Zhao Hui Holdings Limited (兆輝控股有限公司) ("Zhao Hui") as at the year end of 2014 and had thereafter expanded into the milk powder business via its holding of an indirect interest in Viplus Dairy Pty Limited ("Viplus"). Viplus is principally engaged in formula milk powder processing, production and related business and is an operator of a dairy product manufacturing plant in Victoria, Australia. It is also one of a few Australian enterprises that have registered with the Certification and Accreditation Administration of the People's Republic of China (the "PRC") (中國國家認證認可監督管理局) as an approved enterprise for infant formula milk powder products processing.

The dairy product manufacturing plant of the Group is situated in Toora of South Gippsland, Victoria, Australia, whose main industry is dairy farming. The site of the manufacturing plant has been engaging in dairy farming and production for over 120 years. The dairy product manufacturing plant of Viplus is certified by AQIS (Australian Quarantine and Inspection Services), Dairy Food Safety Victoria, ISO 9001:2008, ISO 14001:2004, ISO 22000:2005 and is in compliance with Halal Australia's Halal Quality Assurance requirements. The Group has extended further effort to optimize its manufacturing system in an attempt to expand into the formula milk powder market in the PRC with extensive developmental potential. In the future, the Group plans to increase the production capacity of Viplus to meet the strong demand for its formula milk powder products.

Money Lending Business

During the period, the Group used its surplus liquidity to fund its money lending business through its indirectly wholly-owned subsidiary, Way Union Finance Limited. Loan interest income under this business segment amounted to approximately HK\$8,142,000 during the period (30 June 2014: HK\$629,000). Outstanding loan principal and interest receivables amounted to HK\$183,603,000 as at 30 June 2015. Interests of the loan receivables were charged at rates ranging from 7% to 12% per annum.

Agriculture

Turnover of the feeding and breeding business for the period was approximately HK\$14,727,000 (30 June 2014: HK\$1,852,000), representing an increase of approximately HK\$12,875,000 as compared to the same period last year.

IT Business

The Group provided IT contract and maintenance services through its indirectly wholly-owned subsidiary, 易寶電腦系統(北京)有限公司 (EPRO Computer Systems (Beijing) Company Limited, for identification purpose only) and registered a turnover of approximately HK\$9,638,000 during the period (30 June 2014: HK\$2,649,000).

In light of the unsatisfactory performance of the target group of Sky Red International Limited (the “Target”), Oasis Island Ventures Limited (興業創投有限公司) and 易寶電腦系統(北京)有限公司 (the “Target PRC”) for the recent financial years and the fact that the original business plan of Target PRC did not materialise as the Group expected, on 17 July 2015, the Company and Mr. He Huaguang (the “Purchaser”) entered into the Sale and Purchase Agreement (the “SP Agreement”), pursuant to which the Purchaser conditionally agreed to purchase, and the Company conditionally agreed to sell the entire issued shares of the Target and its subsidiaries at a consideration of HK\$2,000,000. The Board believed that, by focusing more resources on promising businesses and disposing of the continuous loss-making business(es), the Group could rationalize its business direction and increase its profitability and market competitiveness.

Investments in securities of listed and non-listed companies

The Group has investments in securities of listed and non-listed companies in order to diversify its investment portfolios and increase returns to shareholders. During the period, the Group recorded the fair value gain of approximately HK\$56,318,000 from financial assets at fair value through profit or loss.

Food and beverage business

During the period, the Group completed the acquisition of 51% of the issued shares of a company in Hong Kong, which is engaged in the provision of the food and beverage service in Hong Kong. The Group would like to enhance the value of the Group and bring higher returns to shareholders.

Completion of issue of new shares to China Culiangwang Beverages Holdings Limited

On 11 February 2015, the Company completed the subscription agreement with China Culiangwang Beverages Holdings Limited (Stock Code: 904) (the “Subscriber”), pursuant to which the Subscriber had taken up 83,000,000 shares at an subscription price of HK\$0.175 per share allotted and issued by the Company under the special mandate. The net proceeds raised amounted to approximately HK\$14,000,000.

Given that the Company and the Subscriber were both involved in the agricultural industry, there would be potential cooperation opportunity between them in the future. Having considered that the Subscriber had successful experience in growing, processing and distributing agricultural products (excluding feedstock related products), the cooperation between the Company and the Subscriber would be beneficial to improvement of the Company’s current production technology and distribution strategy and its future expansion to other fields of the agricultural industry.

Change of Company Name

During the period, the Company has changed the English name of the Company from “Oriental Unicorn Agricultural Group Limited” to “China Demeter Investments Limited” and the secondary name in Chinese of the Company from “東麟農業集團有限公司” to “中國神農投資有限公司” (“Change of Company Name”). The stock short names for trading in the Shares on the Stock Exchange has been changed from “ORI UNICORN” to “CH DEMETER INV” in English and from “東麟農業” to “中國神農投資” in Chinese, both with effective from 13 July 2015. The stock code of the Company on the Stock Exchange will remain unchanged as “8120”. In addition, the website of the Company changed from www.irasia.com/listco/hk/orientalunicorn/index.htm to www.chinademeter.com to reflect the Change of Company Name.

It is considered that the Change of Company Name can better reflect and emphasize the extension of the business focus from feedstock products and animal husbandry businesses to other investment areas. The new company name will provide the Company a better identification and strengthen the Company’s corporate image.

Prospect

Going forward, the Group will further expand its formula milk powder business in the PRC through its indirectly-held subsidiary Viplus. With new regulations on production of infant formula milk powder promulgated by the Central Government to strictly monitor the quality and production of milk powder, high entry barriers caused indirect elimination of operators of lesser quality in the industry. A period of strong growth will come after the rectification of the milk powder market by the Central Government, creating development opportunities for the Group with healthy competition in the industry.

According to “Statistical Report on the National Economy and Social Development of China 2014” published by National Bureau of Statistics of the PRC, the birth rate in the PRC increased steadily to 12.37%, reflecting the progressive implementation of the “Two-child Policy” in different provinces. Such move not only made China become the largest market for infant formula milk powder in the world, but also further pushed up the demand for infant formula milk powder. The milk powder business of the Group has made profit contribution within only six months, which served as a solid proof of the Group’s foresight of the market and testified both the success of our corresponding strategies and the potential of sustainable development in milk powder market.

With increasing disposable income of the PRC’s consumers and their ever more stringent requirement concerning safety and quality of dairy products, Viplus, being one of a handful of Australian enterprises who have registered with the Certification and Accreditation Administration of the PRC as an approved enterprise for infant formula milk powder products processing and who is in possession of various quality certificates, can easily establish domestic consumers’ confidence towards its products. The management believes that, Viplus’ extensive experience in milk powder manufacturing, stringent control over feeding and breeding and production lines, the unique market position of its quality products will help to further increase its market share, and benefit the Group in achieving promising return from its business. In addition, the Group will continue to invest in the prosperous money lending business in Hong Kong, to expand its sources of income through its money lending business. The Group is committed to reinforcing its intrinsic strength by identifying potential business and investment opportunities to further consolidate each of the business segments and exploring market opportunities to expand its business scopes, in order to add new impetus to the Group. The board of directors is of the view that with the Group’s solid foundation and extensive experience of a professional management team, it is well positioned to achieve better results and success, thus creating more fruitful returns for shareholders.

FINANCIAL RESOURCES AND LIQUIDITY

As at 30 June 2015, the Group had cash and bank balances of approximately HK\$47,546,000 (31 December 2014: HK\$119,860,000) and net current assets of approximately HK\$294,963,000 (31 December 2014: HK\$259,478,000). Current ratio (defined as total current assets divided by total current liabilities) was 4.25 times (31 December 2014: 5.83 times).

As at 30 June 2015, the Group had bank and other borrowings of approximately HK\$16,557,000 (31 December 2014: HK\$5,905,000). The Group's bank balances and borrowings were denominated in Hong Kong dollars, United States dollars, Renminbi and Australian dollars. The bank and other borrowings bore interest at prevailing market rates and repayable in accordance with the relevant loan agreements.

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 2015 was 18% (31 December 2014: 14%).

MATERIAL ACQUISITION AND DISPOSAL

On 13 April 2015, the Group completed the acquisition of 24.76% of the partnership interests in Cassia Investments Limited Partnership I ("Cassia") at the consideration of US\$3,812,622 (equivalent to approximately HK\$29,662,200). Cassia is a closed-ended fund established as an exempted limited partnership under the laws of Cayman Islands and registered as an exempted limited partnership in accordance with the Exempted Limited Partnership Law of Cayman Islands and is principally engaged in providing the limited partners with capital appreciation and participation through investments in geographic areas where the fund anticipates making investments or areas where the companies, entities, or projects in which the fund invests has a material business presence with the purpose of medium to long term capital appreciation in the range of 3-5 years. The fund intends to make investments in small to medium companies with estimated enterprise value of below US\$150 million with a bias towards consumer goods, retail and agriculture sectors. For details, please refer to the announcement dated 13 April 2015.

Saved as disclosed above, the Company does not have any significant acquisition and disposal during the six months ended 30 June 2015.

CAPITAL STRUCTURE

As at 30 June 2015, the Group had equity attributable to owners of the Company of approximately HK\$362,949,000 (31 December 2014: HK\$290,558,000).

Issue of subscription shares under special mandate

Pursuant to the SM Subscription Agreement, the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue 83,000,000 subscription shares (“SM Subscription Shares”) at the subscription price of HK\$0.175 per SM Subscription Share. The SM Subscription Shares will be allotted and issued under the special mandate. The completion took place on 11 February 2015 whereby 83,000,000 ordinary shares of the Company of HK\$0.01 each were allotted and issued at HK\$0.175 per SM Subscription Share under the SM Subscription Agreement. The net proceed from the subscription amounted to approximately HK\$14 million.

FOREIGN EXCHANGE AND INTEREST RATE EXPOSURE

For the period ended 30 June 2015, 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 2015, bank loans amounting to HK\$5,557,000 were secured by the Group’s property, plant and equipment with carrying amount of approximately HK\$53,067,000 and a personal guarantee provided by a non-controlling shareholder of a subsidiary, who is also a director of a subsidiary (31 December 2014: bank loans of HK\$5,905,000 secured by the Group’s property, plant and equipment with carrying amount of approximately HK\$35,848,000 and a personal guarantee provided by a non-controlling shareholder of a subsidiary, who is also a director of a subsidiary).

ADDITION OF PROPERTY, PLANT AND EQUIPMENT

During the period, there were additions of property, plant and equipment of approximately HK\$18,556,000. (31 December 2014: approximately HK\$1,277,000).

CONTINGENT LIABILITIES

The Group did not have any contingent liabilities as at 30 June 2015 (as at 31 December 2014: Nil).

CAPITAL COMMITMENT

The Group had capital commitment of property, plant and equipment amounting to approximately HK\$4,163,000 as at 30 June 2015 (31 December 2014: HK\$10,830,000).

EMPLOYEE INFORMATION

As at 30 June 2015, the Group had approximately 129 employees (including Directors) (30 June 2014: 72) in Hong Kong, the PRC and Australia. 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\$11,932,000 for the six months ended 30 June 2015 (30 June 2014: HK\$2,729,000).

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2015 (30 June 2014: Nil).

OTHER INFORMATION

SHARE OPTION SCHEMES

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.

The purpose of the 2013 Share Option Scheme is to encourage the participants, including employees, business associates and trustees, to perform their best in achieving the goals of the Group and at the same time allow the participants to enjoy the results of the Company attained through their efforts and contributions and to provide the participants with incentives and help the Company in retaining its existing employees and recruiting additional employees.

Share options to subscribe for up to 122,200,000 shares were granted to directors, employees and other eligible persons on 12 August 2014. As at 30 June 2015, share options to subscribe for up to 120,900,000 remained outstanding. No share option had been exercised under the scheme for the period ended 30 June 2015.

Details of the share options granted by the company under the 2013 Share Option Scheme and the movement of the share options during the period were shown as follows:

Name of Grantee	Date of Grant	Exercisable Period	Subscription Price per Share	Outstanding as at 1 January 2015	Granted during the Period	Exercised or Lapsed during the Period	Outstanding as at 30 June 2015
<i><u>Directors:</u></i>							
Mr. Zhou Jing	12 August 2014	12 August 2014 to 11 August 2016	HK\$0.1104	13,000,000	–	–	13,000,000
Mr. Lam Chun Kei	12 August 2014	12 August 2014 to 11 August 2016	HK\$0.1104	13,000,000	–	–	13,000,000
Mr. Lin Chuen Chow Andy	12 August 2014	12 August 2014 to 11 August 2016	HK\$0.1104	1,300,000	–	–	1,300,000
Mr. Lee Kin Fai	12 August 2014	12 August 2014 to 11 August 2016	HK\$0.1104	1,300,000	–	–	1,300,000
Ms. Cheng Lo Yee	12 August 2014	12 August 2014 to 11 August 2016	HK\$0.1104	1,300,000	–	–	1,300,000
Sub-total				29,900,000	–	–	29,900,000
Employees	12 August 2014	12 August 2014 to 11 August 2016	HK\$0.1104	26,000,000	–	–	26,000,000
Sub-total				26,000,000	–	–	26,000,000
<i><u>Other eligible persons:</u></i>							
Consultants	12 August 2014	12 August 2014 to 11 August 2016	HK\$0.1104	52,000,000	–	–	52,000,000
Director of a subsidiary	12 August 2014	12 August 2014 to 11 August 2016	HK\$0.1104	13,000,000	–	–	13,000,000
Sub-total				65,000,000	–	–	65,000,000
Grand Total				120,900,000	–	–	120,900,000

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 2015, 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 2015.

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.

As at 30 June 2015, the Directors and chief executive of the Company had the following 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.

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

Long positions in underlying shares of the Company

Name of Directors	Nature of interest	Number of underlying ordinary shares of the Company held (Note 1)	Approximate % of shareholding of the Company
Mr. Zhou Jing	Beneficial owner	13,000,000	0.79%
Mr. Lam Chun Kei	Beneficial owner	13,000,000	0.79%
Mr. Lin Chuen Chow Andy	Beneficial owner	1,300,000	0.08%
Mr. Lee Kin Fai	Beneficial owner	1,300,000	0.08%
Ms. Cheng Lo Yee	Beneficial owner	1,300,000	0.08%

Note:

- These represented the interests in underlying shares in respect of the share options granted by the Company on 12 August 2014.

As at 30 June 2015, 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 2015, 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 Existing Shares	Approximate percentage of interest
Mr. Lin Cheuk Fung ("Mr. Lin")	Beneficial owner	149,678,750 (L)	9.11%
China Culiangwang Beverages Holdings Limited	Beneficial owner	343,000,000 (L)	20.87%

Note:

1. The letter (L) above denotes long position and the letter (S) above denotes short position.
2. Mr. Lin Cheuk Fung is a cousin of Mr. Lin Chuen Chai, Andy, a non-executive Director.

Save as disclosed above, as at 30 June 2015, 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

As at 30 June 2015, save that Mr. Lee Kin Fai, an independent non-executive Director, is an independent non-executive director of First Credit Finance Group Limited (Stock Code: 8215), a company listed on GEM and principally engaged in money lending business in Hong Kong, which may compete with the Group's money lending business, none of the Directors nor their respective associates had any business which competes 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 2015.

CORPORATE GOVERNANCE CODE

During the period ended 30 June 2015, 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. Lee Kin Fai, Ms. Cheng Lo Yee and Mr. Hung Kenneth 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 2015.

On behalf of the Board
China Demeter Investments Limited
Zhou Jing
Chairman and Chief Executive Officer

Hong Kong, 14 August 2015

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. Lee Kin Fai, Ms. Cheng Lo Yee and Mr. Hung Kenneth.

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.chinademeter.com.