

森美關注全家人營養健康的頂級鮮榨果汁

2015/2016
INTERIM
REPORT

 **Summi**™

天溢(森美)控股有限公司
Tianyi (Summi) Holdings Limited

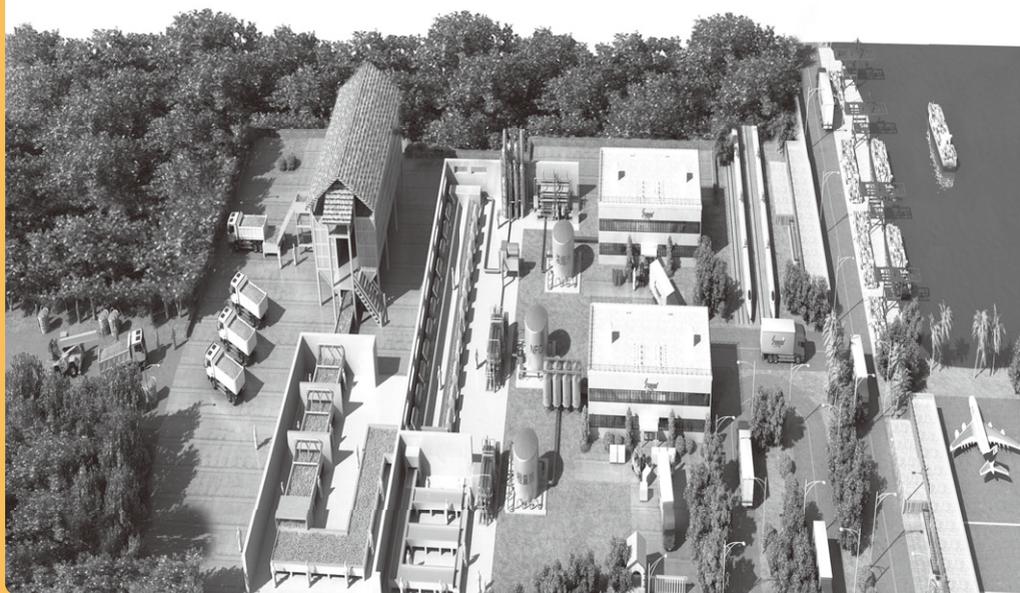
(formerly known as China Tianyi Holdings Limited 中國天溢控股有限公司)

(incorporated in the Cayman Islands with limited liability)

Stock Code: 00756



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Corporate Information

DIRECTORS

Executive Directors

Mr. Sin Ke (*Chairman and CEO*)

Mr. San Kwan

Non-Executive Director

Mr. Tsang Sze Wai, Claudius

Independent Non-Executive Directors

Mr. Zhuang Xueyuan

Mr. Zhuang Weidong

Mr. Zeng Jianzhong

COMPANY SECRETARY

Mr. Lee Kwok Lun *HKICPA, ACCA*

AUTHORISED REPRESENTATIVES

Mr. San Kwan

Mr. Lee Kwok Lun *HKICPA, ACCA*

AUDIT COMMITTEE

Mr. Zhuang Xueyuan (*Chairman*)

Mr. Zhuang Weidong

Mr. Zeng Jianzhong

REMUNERATION COMMITTEE

Mr. Zhuang Xueyuan (*Chairman*)

Mr. Sin Ke

Mr. Zhuang Weidong

NOMINATION COMMITTEE

Mr. Sin Ke (*Chairman*)

Mr. Zhuang Weidong

Mr. Zeng Jianzhong

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 2003-2004, Tower One, Times Square
1 Matheson Street, Causeway Bay, Hong Kong

REGISTERED OFFICE

Clifton House, 75 Fort Street

P.O. Box 1350, Grand Cayman KY1-1108

Cayman Islands

AUDITORS

SHINEWING (HK) CPA Limited

LEGAL ADVISORS AS TO HONG KONG LAWS

Loong & Yeung

PRINCIPAL BANKERS

Agricultural Bank of China

Bank of China (H.K.)

Cathay United Bank (Taiwan)

The Hongkong and Shanghai Banking Corporation

Luso International Banking Ltd.

Xiamen International Bank

SHARE REGISTRAR IN HONG KONG

Computershare Hong Kong Investor Services Limited

Shops 1712-1716, 17th Floor

Hopewell Centre

183 Queen's Road East

Wanchai

Hong Kong

SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Appleby Trust (Cayman) Limited

Clifton House, 75 Fort Street

P.O. Box 1350, Grand Cayman KY1-1108

Cayman Islands

COMPANY WEBSITE

www.tianyi.com.hk

Financial Summary

FOR THE SIX MONTHS ENDED 31 DECEMBER 2015 (UNAUDITED)



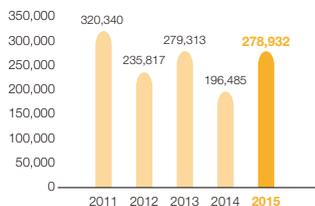
FINANCIAL HIGHLIGHTS

	Six months ended		Change % (Approximate)
	31 December 2015 RMB'000	31 December 2014 RMB'000	
Statement of profit or loss and other comprehensive income			
Revenue	278,932	196,485	42.0%
Gross profit	100,282	59,211	69.4%
Gross profit margin	36.0%	30.1%	5.9pp
EBITDA	77,542	84,375	(8.1)%
Profit for the period	40,153	50,295	(20.2)%
Basic EPS (RMB cents)	2.98	3.75	(20.5)%

	As at 31 December 2015 RMB'000	As at 30 June 2015 RMB'000	Change % (Approximate)
	Statement of financial position		
Total cash and bank deposits	544,442	612,922	(11.2)%
Inventories	47,791	69,344	(31.1)%
Trade receivables	271,503	78,590	245.5%
Bank loans	528,063	544,794	(3.1)%
Net assets value ("NAV")	1,675,287	1,645,701	1.8%

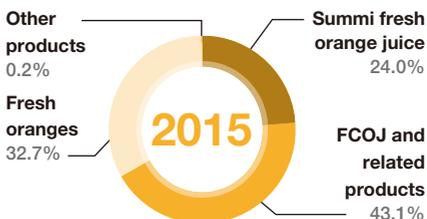
REVENUE

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



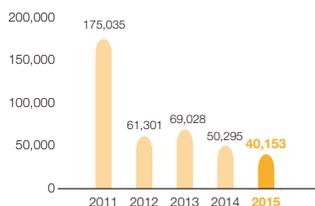
REVENUE BREAKDOWN

FOR THE SIX MONTHS ENDED 31 DECEMBER (Approximate percentage)



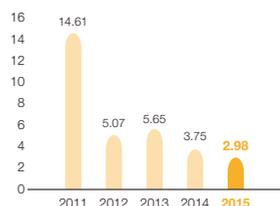
NET PROFIT

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



BASIC EPS

FOR THE SIX MONTHS ENDED 31 DECEMBER (RMB cents)



Chairman's Statement

Dear Shareholders,

I am very pleased to present to the shareholders (the "Shareholder(s)") of Tianyi (Summi) Holdings Limited (the "Company") the interim report of the Company and its subsidiaries (collectively, the "Group") for the six months ended 31 December 2015 (the "Reporting Period").

REVIEW AND PROSPECTS

During the Reporting Period, the futures price of international frozen concentrate orange juice ("FCOJ") remained at a lower level and the demands of the market were weak. However, the Group managed to secure its leading position in the industry and continued to devote to expanding its core business. The launch of Summi fresh orange juice into the market has marked a successful milestone of the Company, and starts contributing substantial part of the Group's revenue.

During the Reporting Period, the Group's performance was improved as compared with the corresponding period at last year. The Group's turnover and gross profit for the Reporting Period was approximately RMB278,932,000 and RMB100,282,000 respectively (2014: 196,485,000 and 59,211,000 respectively), representing an increase of 42.0% and 69.4% respectively, which was mainly attributable to the contribution from sales of Summi fresh orange juice during the Reporting Period. The net profit for the Reporting Period was approximately RMB40,153,000 (2014: RMB50,295,000), representing a decrease of 20.2%, which was due to the fact that there was a one-off gain on early redemption of convertible bonds of approximately RMB16,313,000 in the corresponding period of last year.

Looking forward, the Group is confident that, with the superior quality of Summi fresh orange juice, Summi fresh orange juice is able to position itself as the top-tier brand of fresh orange juice, while securing itself as the leading FCOJ producer in China.

INVESTOR RELATIONS

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

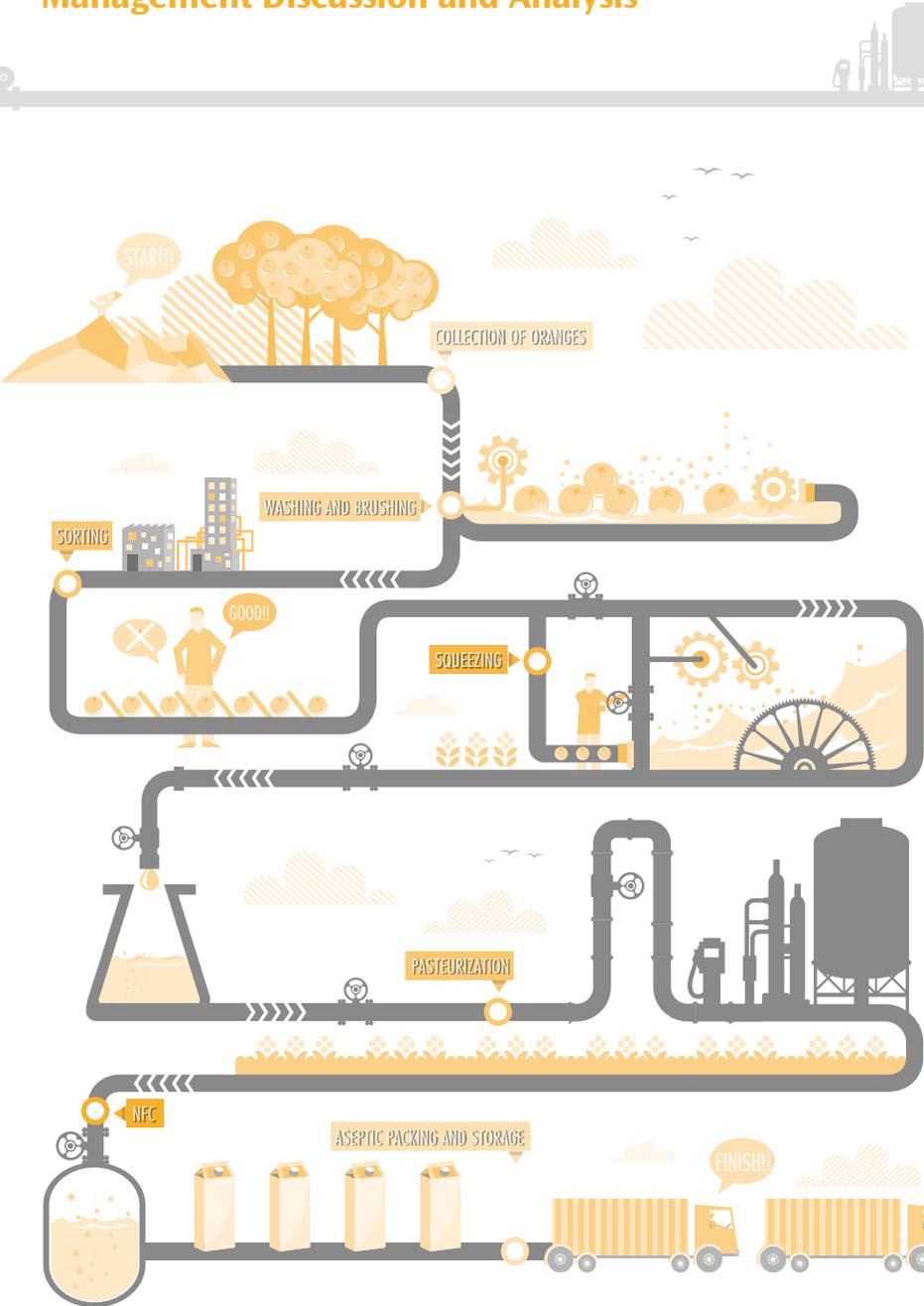
APPRECIATION

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

Sin Ke
Chairman

Hong Kong, 23 February 2016

Management Discussion and Analysis



Management Discussion and Analysis

BUSINESS REVIEW AND PROSPECT

The Group is in the critical moment of business transformation. Since the launch of Summi fresh orange juice in March 2015, it has been well received by the market and the sales network of Summi fresh orange juice has now covered over thousands of high-end super-markets and convenience shops in major cities in China such as Beijing, Shanghai, Guangzhou, Shenzhen, Chongqing, Chengdu and Nanjing. In addition, in December 2015, the Group has established its sales points in some major super-markets in Hong Kong, which is the first step of the Group's ambition to expand the sales network to overseas. The Group believes the new line of business would strengthen the Group's long-term strategy of transformation from a beverage raw material supplier to a brand retail enterprise.

OPERATING PERFORMANCE

Revenue

Breakdown of revenue by product for the six months ended 31 December 2015 and 2014 are set out as follows:

	Six months ended 31 December (Unaudited)			
	2015		2014	
	RMB'000	Approximate percentage of total revenue	RMB'000	Approximate percentage of total revenue
FCOJ and related products	120,207	43.1%	96,213	49.0%
Summi fresh orange juice	66,868	24.0%	–	N/A
Fresh Oranges	91,090	32.7%	93,825	47.8%
Other products	767	0.2%	6,447	3.2%
	278,932	100.0%	196,485	100%

During the Reporting Period, the Group's revenue increased from approximately RMB196,485,000 for the same period of last year to approximately RMB278,932,000 for the Reporting Period, representing an approximately 42% increase. The increase is attributable to the launch of Summi fresh orange juice and the improvement of sales of FCOJ and related products.

Management Discussion and Analysis

FCOJ and related products

Breakdown of revenue by products within the FCOJ and related products segment for the six months ended 31 December 2015 and 2014 are set out as follows:

	Six months ended 31 December (Unaudited)	
	2015 RMB'000	2014 RMB'000
FCOJ	82,094	83,184
Orange pulp	37,064	11,549
Orange fibre	1,049	1,480
	120,207	96,213

The sales of the FCOJ and related products, including orange pulp and orange fibre, increased from approximately RMB96,213,000 for the same period of last year to approximately RMB120,207,000 for the Reporting Period. Sales of FCOJ remained stable during the Reporting Period. Sales of orange pulp increased by approximately 220.9% from approximately RMB11,549,000 for the same period of last year to approximately RMB37,064,000 for the Reporting Period. Sales of orange fibre decreased by approximately 29.1% from approximately RMB1,480,000 for the same period of last year to approximately RMB1,049,000 for the Reporting Period.

Summi fresh orange juice

The Group has officially launched Summi fresh orange juice to the retail market in China in March 2015. Summi fresh orange juice is an orange juice product that is freshly squeezed and does not contain any reconstituted concentrate juice, therefore it has higher nutrition value than that of the orange juice reconstituted from concentrate orange juice and retains the original flavor of orange juice. During the Reporting Period, sales of Summi fresh orange juice amounted to approximately RMB66,868,000 (2014: nil).

Sales of fresh oranges

Sales quantities of fresh oranges increased from 36,794 tonnes for the same period of last year to 45,545 tonnes for the Reporting Period. Nonetheless, Sales of fresh oranges slightly decreased by approximately 2.9% from approximately RMB93,825,000 for the same period of last year to approximately RMB91,090,000 for the Reporting Period, due to the decreased selling price of premium fresh oranges during the Reporting Period (2015: approximately RMB2,000/tonne; 2014: approximately RMB2,550/tonne).

Sales of other products

The Group's other products included orange residue and orange baking fillings. During the Reporting Period, sales of orange residue decreased by approximately 3.3% from approximately RMB793,000 for the same period of last year to approximately RMB767,000 for the Reporting Period. The Group did not have sales of orange baking fillings during the Reporting Period (2014: approximately RMB5,654,000).

Management Discussion and Analysis

Volume of oranges

The Group operates orange plantations and (i) the lower grade oranges are used as raw materials for producing FCOJ and related products; (ii) higher grade oranges are used as raw materials for producing Summi fresh orange juice; and (iii) the premium grade oranges are sold directly to the local agricultural wholesalers. In addition to using the self-operated plantations grown oranges, the Group also purchases oranges from independent third parties to produce FCOJ and its related products. The volume of oranges growing from the self-operated farms and the volume of purchased oranges for the six months ended 31 December 2015 and 2014 are set out as follows:

	Six months ended 31 December	
	2015 Approximate tonnes	2014 Approximate tonnes
Output of oranges from self-operated orange plantations		
– Fresh oranges for sale	48,460	39,092
– Producing FCOJ and related products	20,860	19,935
	69,320	59,027
Purchased oranges for producing FCOJ and related products	66,068	55,790
Total consumption of oranges	135,388	114,817

Gross Profit

During the Reporting Period, the Group's gross profit increased by approximately 69.4% to approximately RMB100,282,000 as compared to approximately RMB59,211,000 for the same period of last year. The gross profit margin of the Group increased to approximately 36.0% for the Reporting Period (31 December 2014: approximately 30.1%).

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

During the Reporting Period, the Group's gain from changes in fair value of biological assets less costs to sell was approximately RMB35,926,000 (31 December 2014: approximately RMB41,070,000). The decrease is attributable to the decrease in selling prices of fresh oranges during the Reporting Period.

Management Discussion and Analysis

Distribution Costs and Administrative Expenses

Distribution costs of the Group are mainly comprised of marketing expenses and transportation costs. The distribution costs significantly increased by approximately 1,082.6% from approximately RMB3,134,000 for the same period of last year to approximately RMB37,062,000 for the Reporting Period.

The Group has launched Summi fresh orange juice in March 2015 and significant costs were incurred during the introduction of Summi fresh orange juice, including promotion expenses, advertising expenses, listing expenses and additional delivery costs, which caused the distribution expenses significantly increased in the Reporting Period.

The Group's administrative expenses mainly included general office administrative expenses, salaries and amortisation. The administrative expenses increased by approximately 5.3% from approximately RMB50,410,000 for the same period of last year to approximately RMB53,067,000 for the Reporting Period.

Finance Costs

During the Reporting Period, the Group's finance costs were approximately RMB10,981,000 (2014: approximately RMB14,957,000).

Net profit

During the Reporting Period, the Group's net profit decreased by approximately 20.2% to approximately RMB40,153,000 as compared to approximately RMB50,295,000 for the same period of last year.

Interim Dividend

The Board has resolved not to declare any interim dividend for the six months ended 31 December 2015 (2014: Nil).

LIQUIDITY, FINANCIAL RESOURCES, GEARING AND CAPITAL STRUCTURE

Held-to-Maturity Investments

As at 31 December 2015, held-to-maturity investments amounted to approximately RMB16,819,000 (30 June 2015: approximately RMB15,993,000).

Liquidity

As at 31 December 2015, current assets amounted to approximately RMB1,036,678,000 (30 June 2015: approximately RM791,382,000). Current liabilities were approximately RMB481,243,000 (30 June 2015: approximately RMB296,985,000).

Management Discussion and Analysis

Financial Resources

As at 31 December 2015, the Group had total cash and cash equivalents of approximately RMB411,564,000 (30 June 2015: approximately RMB430,922,000); total bank loans of RMB528,063,000 (30 June 2015: RMB544,794,000).

As at 31 December 2015, the Group had trade receivables of approximately RMB271,503,000 (30 June 2015: approximately RMB78,590,000) and inventories of approximately RMB47,791,000 (30 June 2015: approximately RMB69,344,000). The higher trade receivables as compared to 30 June 2015 as Group's operations, including sales of fresh oranges and FCOJ and related products, are highly concentrated from December to April in the following year and most sales were made during the peak season.

As compared to 31 December 2014, trade receivables as at 31 December 2015 increased by approximately RMB88,620,000 (31 December 2015: RMB271,503,000; 31 December 2014: RMB182,883,000), which was consistent with increased revenue during the Reporting Period.

Gearing

As at 31 December 2015, the total bank loans amounted to approximately RMB528,063,000 (30 June 2015: approximately RMB544,794,000), of which RMB103,000,000 was secured by cash deposited in offshore bank account (30 June 2015: RMB170,000,000). As at 31 December 2015, the Group's proportion of the total bank loans denominated in Renminbi ("RMB") and foreign currencies were approximately 36% and approximately 64% respectively (30 June 2015: RMB approximately 45% and foreign currencies approximately 55%).

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

	31 December 2015	30 June 2015
Quick ratio (x)	2.1	2.4
Current ratio (x)	2.2	2.7
Gearing ratio (<i>note (a)</i>)	31.5%	33.1%

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

Capital Structure

As at 31 December 2015, the total number of issued shares of the Company (the "Shares") was 1,347,860,727 Shares. Based on the closing price of HK\$1.40 per Share as at 31 December 2015, the Company's market value as at 31 December 2015 was HK\$1,887,005,018.

Management Discussion and Analysis



FOREIGN EXCHANGE EXPOSURE

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

PLEDGE OF ASSETS

As at 31 December 2015, the Group had pledged the following assets to banks to secure banking facilities granted to the Group:

	31 December 2015 RMB'000 (Unaudited)	30 June 2015 RMB'000 (Audited)
Held-to-maturity investments	16,819	15,993
Property, plant and equipment	82,522	86,395
Land use rights	12,959	15,105
Pledged bank deposits	132,878	182,000
	245,178	299,493

CONTINGENT LIABILITIES

As at 31 December 2015, the Group had no material contingent liabilities (30 June 2015: nil).

CAPITAL EXPENDITURE

During the Reporting Period, the Group's capital expenditure amounted to approximately RMB19,130,000 (30 June 2015: approximately RMB150,810,000) which was used for acquisition of properties, plants, equipment, land use rights and lease prepayments for orange plantations in Chongqing.

Management Discussion and Analysis

ORANGE PLANTATIONS AND PRODUCTION FACILITY



Orange Plantations

The Group operates approximately 76,000 mu (equivalent to 50.67 km²) of orange plantations with matured fruit trees and approximately 70,000 mu (equivalent to 46.67 km²) of plantations under construction in Chongqing. The Group expects that all of the plantations under construction will be duly operated at the end of 2016.

Management Discussion and Analysis



Productivity of orange plantations

	Six months ended 31 December	
	2015	2014
Area of self-operated plantations with fruit trees	76,000 mu	76,000 mu
Average output per mu	0.9 tonnes	0.8 tonnes
Area of self-operated plantations under construction	70,000 mu	70,000 mu
Total area of self-operated plantations	146,000 mu	146,000 mu

Production facility

The Group has four highly efficient FCOJ production plants and a new Not-from-concentrate orange juice production plant, which are strategically located in China's major citrus growing areas, Chongqing, Fujian and Hunan, with advanced equipment imported from the US, Switzerland, Italy and Germany.

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

Management Discussion and Analysis

Integrated business model

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



HUMAN RESOURCES AND REMUNERATION POLICY

As at 31 December 2015, the Group employed 982 employees (31 December 2014: 1,012 employees). The Group offered competitive remuneration package, discretionary bonuses and social insurance benefits to its employees. In addition, a share option scheme (the “Scheme”) has been adopted on 7 June 2008 for, among others, the employees of the Group. The Scheme limit in respect of the grant of options to subscribe for shares in the share capital of the Company has been refreshed on 5 November 2012.

Other Information

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

As at 31 December 2015, interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (chapter 571 of the Laws of Hong Kong) ("SFO") held by the Directors and chief executives of the Company which have been notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Appendix 10 – Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") are as follows:

1. Interests and short position in the shares of the Company ("Shares")

Name of Director	Capacity/Nature	No. of Shares held/interested in	Approximate percentage of issued share capital of the Company
Mr. Sin Ke ("Mr. Sin")	(i) Interest of controlled corporation (<i>Note 2</i>)	572,712,145 (L)	42.49%
	(ii) Beneficial owner (<i>Note 2</i>)	6,000,000 (L)	0.45%
	(iii) Beneficial owner (<i>Note 2</i>)	4,000,000 (L)	0.30%
Mr. San Kwan	(i) Beneficial owner (<i>Note 3</i>)	8,000,000 (L)	0.59%
	(ii) Beneficial owner (<i>Note 3</i>)	2,000,000 (L)	0.15%

Other Information

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

2. Interests and short position in the underlying Shares

Name of Director and chief executive	Capacity/Nature	No. of underlying Shares held/interested in	Approximate percentage of issued share capital of the Company
Mr. Sin	Beneficial owner <i>(Note 2)</i>	103,888,000 (L)	7.71%

Notes:

- The letters "L" denote a long position in the Shares/underlying Shares.
- Mr. Sin was deemed (by virtue of the SFO) to be interested in 686,600,145 Shares. These shares were held in the following capacity:
 - 572,712,145 Shares were held by Key Wise Group Limited ("Key Wise") which is a corporation controlled by Mr. Sin. Mr. Sin beneficially owned 51% interest in Cheer Sky Limited ("Cheer Sky") which beneficially owned 49% interest in Key Wise which in turn, held 572,712,145 Shares.
 - 6,000,000 Shares were held by Mr. Sin in a beneficial owner capacity.
 - The options to subscribe for 4,000,000 Shares were granted on 19 November 2015 under the share option scheme of the Company and were held by Mr. Sin in a beneficial owner capacity.
 - 103,888,000 Shares were held in a beneficial owner capacity. Mr. Sin was deemed to be interested in such 103,888,000 Shares as Mr. Sin shall not be liable to pay or shall be liable to pay a reduced amount of the relevant shortfall amount to Templeton Strategic Emerging Markets Fund IV, LDC if the Share price has increased to a prescribed price. For further details, please refer to the announcement of the Company dated 24 February 2014.
- The 8,000,000 Shares were held in beneficial owner capacity and the options to subscribe for 2,000,000 Shares were granted on 19 November 2015 under the share option scheme of the Company and were held by Mr. San Kwan in a beneficial owner capacity.

Other Information



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

3. Long position in the ordinary shares of associated corporations

Name of Director	Name of the associated corporation	Capacity/Nature	No. of shares held/ interested in	Percentage of interest
Mr. Sin	Key Wise	Interest of controlled corporation and interest of spouse (Notes)	100,000	100%

Notes: Mr. Sin beneficially owned 51% interest in Cheer Sky which beneficially owned 49% interest in Key Wise. Ms. Hong Man Na, the spouse of Mr. Sin, beneficially owned 51% interest in Key Wise. Therefore, Mr. Sin was deemed, or taken to be, interested in all the shares in Key Wise which were owned by Cheer Sky and Ms. Hong Man Na under the SFO.

Save as disclosed above, as at 31 December 2015, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Other Information

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

As at 31 December 2015, as far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Interests and short position in the Shares and underlying Shares

Name of Shareholder	Capacity/Nature	No. of Shares/ underlying Shares held/ interested in	Approximate percentage of issued share capital of the Company
Key Wise	Beneficial owner	572,712,145 (L)	42.49%
Cheer Sky	Interest of controlled corporation (Note 2)	572,712,145 (L)	42.49%
Ms. Hong Man Na	Interest of controlled corporation and interest of spouse (Note 3)	686,600,145 (L)	50.94%
Templeton Strategic Emerging Markets Fund IV, LDC ("Templeton")	(i) Beneficial owner	103,888,000 (L)	7.71%
	(ii) Beneficial owner	103,888,000 (S)	7.71%
Templeton Asset Management Limited	Investment manager (Note 4)	103,888,000 (L)	7.71%

Other Information



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

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

Notes:

1. The letters "L" denote a long position and "S" denotes short position in the Shares/underlying Shares.
2. Cheer Sky beneficially owned 49% interest in Key Wise and Key Wise held 559,712,145 Shares. Therefore, Cheer Sky was deemed, or taken to be, interested in the 572,712,145 Shares held by Key Wise by virtue of the SFO.

3. Ms. Hong Man Na beneficially owned 51% interest in Key Wise. Mr. Sin was deemed to be interested in 103,888,000 Shares which held by Templeton as Mr. Sin shall not be liable to pay or shall be liable to pay a reduced amount of the relevant shortfall amount to Templeton if the Share price has increased to a prescribed price. Ms. Hong Man Na is the spouse of Mr. Sin. Therefore, Ms. Hong Man Na was deemed, or taken to be, interested in the 572,712,145 Shares held by Key Wise and the undertake of 103,888,000 Shares by Mr. Sin by virtue of the SFO.

Mr. Sin beneficially held 6,000,000 shares. Ms. Hong Man Na is the spouse of Mr. Sin. Therefore, Ms. Hong Man Na was deemed, or taken to be, interested in the 6,000,000 Shares held by Mr. Sin by virtue of the SFO.

The options to subscribe for 4,000,000 Shares were granted to Mr. Sin on 19 November 2015 under the share option scheme of the Company and were held by Mr. Sin in a beneficial owner capacity. Therefore, Ms. Hong Man Na was deemed, or taken to be, interested in the options to subscribe for 4,000,000 Shares held by Mr. Sin by virtue of the SFO.

4. As known to the Directors after making reasonable enquiries, as at 31 December 2015, Templeton Asset Management Limited is the investment manager of Templeton which in turn, held 103,888,000 Shares. Therefore, Templeton Asset Management Limited was deemed, or taken to be, interested in the 103,888,000 Shares held by Templeton by virtue of the SFO.

Save as disclosed above, as at 31 December 2015, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from the details as disclosed under the heading "Interests and short positions of the Directors and chief executives in Shares, underlying Shares and debentures of the Company and its associated corporations" above, at no time during the Reporting Period there were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company and any of its subsidiaries a party to any arrangement to enable the directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate.

Other Information

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

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

SHARE OPTION SCHEME

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

Category of participants	As at 1 July 2015	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled/ Lapsed during the Reporting Period	As at 31 December 2015	Date of grant of share options	Exercise period of share options	Exercise price of share options HK\$	Share price of the Company as at the date of grant of share options*
									HK\$
Director									
Mr. Sin	-	4,000,000	-	-	4,000,000	19 November 2015	5 years from the date of grant	1.112	1.100
Mr. San Kwan	-	2,000,000	-	-	2,000,000	19 November 2015	5 years from the date of grant	1.112	1.100
Other qualified participants**	-	48,000,000	-	-	48,000,000	19 November 2015	5 years from the date of grant	1.112	1.100
Total	-	54,000,000	-	-	54,000,000				

* The share price of the Company as at the date of the grant of the share options was the closing price as quoted on the Stock Exchange of the trading day immediately prior to the date of the grant of the share options.

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

Other Information

SHARE OPTION SCHEME (Continued)

The following table lists the vesting period of the share options granted on 19 November 2015 under the Scheme:

	Name	No. of share options	Vesting period/Maximum percentage of options exercisable from the date of acceptance	
			0-12 months	13-24 months
Directors	Mr. Sin	4,000,000	50%	50%
	Mr. San Kwan	2,000,000	50%	50%
Others qualified participants		48,000,000	50%	50%
		54,000,000	50%	50%

For further information of the share options, please refer to note 24 to the consolidated financial statements.

CHANGE OF COMPANY NAME

On 12 November 2015, a special resolution was passed by the Shareholders to approve the change of English name of the Company from "China Tianyi Holdings Limited" to "Tianyi (Summi) Holdings Limited" and adopt the Chinese name "天溢(森美)控股有限公司" (the "Change of Company Name"). The Certificate of Incorporation on Change of Company Name was issued by the Registrar of Companies in the Cayman Islands on 23 November 2015 regarding the Change of Company Name with effect from 12 November 2015. The Certificate of Registration of Change of Corporate Name of Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 18 December 2015 certifying that the new name of the Company has been registered in Hong Kong.

Following the Change of Company Name, the stock short name of the Company for trading in the Shares on the Stock Exchange has been changed from "CHI TIANYI HOLD" to "TIANYI SUMMI" in English and from "中國天溢控股" to "天溢森美" in Chinese with effect from 8 January 2016.

Corporate Governance

The Board recognises the importance of good corporate governance practices in safeguarding the interest of the Shareholders. The Company commits to achieving and maintaining high standard of corporate governance, the principle of which serves to uphold transparency, accountability and independence in all aspects of business and endeavors to ensure that affairs are conducted in accordance with applicable laws and regulations. The corporate governance practices adopted by the Company are in compliance with the principles of the Corporate Governance Code (the "Code") contained in Appendix 14 to the Listing Rules.

THE BOARD

The Board comprises two executive Directors, one non-executive Director and three independent non-executive Directors. The Board will periodically review the Company's current corporate governance practices and procedures and will maintain and further enhance the standard of corporate governance practices of the Company, in order to ensure it is in line with international and local best practices.

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

AUDIT COMMITTEE

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

Corporate Governance



The Audit Committee had reviewed with management of the Group the accounting principles and practices adopted by the Group and discussed the auditing, risk management, internal control systems and financial reporting matters including the review of the interim results and the interim report of the Group for the six months ended 31 December 2015.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board has reviewed the Company's corporate governance practices and is satisfied that the Company's corporate governance practices have complied with the code provisions set out in the Code throughout the six months ended 31 December 2015, except for deviation mentioned below:

Code Provision A.2.1

Under the Code Provision A.2.1, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and the chief executive should be clearly established and set out in writing.

Mr. Sin Ke is currently the chairman of the Board and the chief executive officer of the Company. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company. The balance of power and authority is ensured by the operations of the Board, which comprises experienced and high caliber individuals and meets regularly to discuss issues relating to the operations of the Company. The Board will review the management structure regularly and consider separating the roles of the chairman and chief executive officer if and when appropriate.

CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code. Specific enquiry has been made of all the Directors and the Directors have confirmed that they had complied with such the required standard set out in the Model Code and code of conduct during the Reporting Period.

On behalf of the Board

Sin Ke
Chairman

Hong Kong, 23 February 2016

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

CHAIRMAN'S STATEMENT

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	Notes	Six months ended 31 December	
		2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)
Revenue	4	278,932	196,485
Cost of sales	15	(178,650)	(137,274)
Gross profit		100,282	59,211
Gain from changes in fair value of biological assets less costs to sell	16	35,926	41,070
Other revenue	4	4,287	3,876
Gain on early redemption of convertible bonds	22	–	16,313
Distribution costs		(37,062)	(3,134)
Administrative expenses		(53,067)	(50,410)
Other operating income (expenses)		12	(2,119)
Profit from operations		50,378	64,807
Finance costs	5	(10,981)	(14,957)
Profit before tax	6	39,397	49,850
Income tax credit	7	756	445
Profit for the period attributable to owners of the Company		40,153	50,295
Other comprehensive income for the period			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		(3,953)	10,482
Total comprehensive income for the period attributable to owners of the Company		36,200	60,777
Earnings per share	9		
– Basic (RMB cents)		2.98	3.75
– Diluted (RMB cents)		2.98	3.71

Condensed Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2015

		As at 31 December 2015 RMB'000 (unaudited)	As at 30 June 2015 RMB'000 (audited)
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment	10	406,714	427,117
Land use rights	11	23,377	23,655
Lease prepayments for orange plantations		763,405	747,997
Goodwill	12	56,696	56,696
Intangible assets	13	46,508	51,009
Held-to-maturity investments	14	16,819	15,993
Pledged bank deposits	18	–	170,000
		1,313,519	1,492,467
Current assets			
Inventories	15	47,791	69,344
Biological assets	16	84,104	95,831
Lease prepayments for orange plantations		86,172	84,432
Trade receivables	17	271,503	78,590
Other receivables, deposits and prepayments		2,666	20,263
Pledged bank deposits	18	132,878	12,000
Cash and cash equivalents	19	411,564	430,922
		1,036,678	791,382
Current liabilities			
Trade payables	20	34,204	12,063
Other payables and accruals		90,326	56,186
Bank loans	21	356,713	228,254
Income tax payable		–	482
		481,243	296,985
Net current assets		555,435	494,397
Total assets less current liabilities		1,868,954	1,986,864

Condensed Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2015

		As at 31 December 2015 RMB'000 (unaudited)	As at 30 June 2015 RMB'000 (audited)
	<i>Notes</i>		
Non-current liabilities			
Bank loans	21	171,350	316,540
Deferred income	23	9,440	10,620
Deferred tax liabilities	26	12,877	14,003
		193,667	341,163
Net assets		1,675,287	1,645,701
Capital and reserves			
Share capital	27	11,610	11,610
Reserves	28	1,663,677	1,634,091
Total equity		1,675,287	1,645,701

The unaudited condensed consolidated financial statements on pages 24 to 56 were approved and authorised for issue by the board of directors on 23 February 2016 and are signed on its behalf by:

Sin Ke
Director

San Kwan
Director

Condensed Consolidated Statement of Changes in Equity

FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

	Attributable to owners of the Company							Total RMB'000
	Share capital RMB'000	Share premium RMB'000 (Note 28(a))	Capital reserve RMB'000	Statutory reserves RMB'000 (Note 28(b))	Exchange reserve RMB'000 (Note 28(c))	Retained profits RMB'000		
At 1 July 2014 (audited)	11,520	478,644	65,997	38,810	461	966,206	1,561,638	
Profit for the period	-	-	-	-	-	50,295	50,295	
Other comprehensive income for the period								
– Exchange differences arising on translation of foreign operations	-	-	-	-	10,482	-	10,482	
Total comprehensive income for the period	-	-	-	-	10,482	50,295	60,777	
Shares issued under share option scheme	90	9,436	(2,446)	-	-	-	7,080	
Redemption of convertible bonds	-	-	(11,474)	-	-	-	(11,474)	
At 31 December 2014 (unaudited)	11,610	488,080	52,077	38,810	10,943	1,016,501	1,618,021	

	Attributable to owners of the Company							Total RMB'000
	Share capital RMB'000	Share premium RMB'000 (Note 28(a))	Capital reserve RMB'000	Share award reserves RMB'000	Statutory reserves RMB'000 (Note 28(b))	Exchange reserve RMB'000 (Note 28(c))	Retained profits RMB'000	
At 1 July 2015 (audited)	11,610	488,413	42,643	-	38,810	470	1,063,755	1,645,701
Profit for the period	-	-	-	-	-	-	40,153	40,153
Other comprehensive income for the year								
– Exchange differences arising on translation of foreign operations	-	-	-	-	-	(3,953)	-	(3,953)
Total comprehensive income for the period	-	-	-	-	-	(3,953)	40,153	36,200
Recognition of equity-settled share based payments	-	-	466	-	-	-	-	466
Purchase of shares under the employee share award scheme	-	-	-	(7,080)	-	-	-	(7,080)
At 31 December 2015 (unaudited)	11,610	488,413	43,109	(7,080)	38,810	(3,483)	1,103,908	1,675,287

Consolidated Statement of Cash Flows

FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

	Six months ended 31 December	
	2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)
Cash (used in) generated from operations	(28,610)	32,319
Income tax paid	(852)	(473)
NET CASH (USED IN) FROM OPERATING ACTIVITIES	(29,462)	31,846
NET CASH FROM (USED) IN INVESTING ACTIVITIES	49,434	(55,269)
NET CASH USED IN FINANCING ACTIVITIES	(38,340)	(106,211)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(18,368)	(129,634)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	430,922	481,652
Effect of foreign exchange rate changes	(990)	11,826
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD, represented by bank balances and cash	411,564	363,844

Notes to the Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

1. GENERAL

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

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

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

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

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

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

The accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 31 December 2015 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 30 June 2015.

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

Amendments to IAS 39
Amendments to IFRSs
Amendments to IFRSs

Defined Benefit Plans: Employee Contribution
Annual Improvements to IFRSs 2010–2012 Cycle
Annual Improvements to IFRSs 2011–2013 Cycle

Notes to the Consolidated Financial Statements

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CHAIRMAN'S STATEMENT

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

(Continued)

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

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

IFRS 9	Financial Instruments ²
IFRS 15	Revenue from Contracts with Customers ²
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations ¹
Amendments to IAS 1	Disclosure Initiative ¹
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ¹
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants ¹
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception ¹
Amendments to IFRSs	Annual Improvements to IFRSs 2012–2014 Cycle ¹

¹ Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

² Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

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

3. SEGMENT INFORMATION

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

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

1. Plantation and sale of agricultural produce
2. Production and sale of FCOJ and other related products
3. Production and sale of Summi fresh orange juice

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3. SEGMENT INFORMATION (Continued)

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

	Plantation and sale of agricultural produce RMB'000	Production and sale of FCOJ and other related products RMB'000	Production and sale of Summi fresh orange juice RMB'000	Consolidated RMB'000
Six months ended 31 December 2015 (unaudited)				
Segment revenue				
Sales to external customers	91,090	120,974	66,868	278,932
Intersegment sales	39,340	-	-	39,340
Segment revenue	130,430	120,974	66,868	318,272
Elimination				(39,340)
Consolidated revenue				278,932
Segment results	34,897	25,550	2,560	63,007
Unallocated gains				663
Corporate and other unallocated expenses				(13,292)
Finance costs				(10,981)
Profit before tax				39,397
As at 31 December 2015 (unaudited)				
Assets and liabilities				
Segment assets	1,056,383	501,566	327,224	1,885,173
Corporate and other unallocated assets				465,024
Total assets				2,350,197
Segment liabilities	8,237	83,285	39,301	130,823
Corporate and other unallocated liabilities				544,087
Total liabilities				674,910

Notes to the Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

3. SEGMENT INFORMATION (Continued)

	Plantation and sale of agricultural produce RMB'000	Production and sale of FCOJ and other related products RMB'000	Production and sale of Summi fresh orange juice RMB'000	Consolidated RMB'000
Six months ended 31 December 2014 (unaudited)				
Segment revenue				
Sales to external customers	93,825	102,660	–	196,485
Intersegment sales	11,961	36,300	–	48,261
Segment revenue	105,786	138,960	–	244,746
Elimination				(48,261)
Consolidated revenue				196,485
Segment results	50,822	15,871	–	66,693
Unallocated gains				19,010
Corporate and other unallocated expenses				(20,896)
Finance costs				(14,957)
Profit before tax				49,850
As at 31 December 2014 (unaudited)				
Assets and liabilities				
Segment assets	1,002,481	739,807	–	1,742,288
Corporate and other unallocated assets				564,445
Total assets				2,306,733
Segment liabilities	10,790	121,523	–	132,313
Corporate and other unallocated liabilities				556,399
Total liabilities				688,712

Notes to the Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

3. SEGMENT INFORMATION *(Continued)*

The accounting policies of the operating segments are identical to the Group's accounting policies. Segment results represent the results from each segment without allocation of central administration costs, director's remuneration, certain other revenue, gain on early redemption of convertible bonds and finance costs. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and performance assessment.

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

- (a) all assets are allocated to operating segments other than held-to-maturity investments, pledged bank deposits, cash and cash equivalents, certain property, plant and equipment and other receivables which were managed in a centralised manner.
- (b) all liabilities are allocated to operating segments other than bank loans, convertible bonds, income tax payable, deferred tax liabilities and certain other payables which were managed in a centralised manner.

Inter-segment sales are charged at prevailing market rates.

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3. SEGMENT INFORMATION (Continued)

Other segment information

	Six months ended 31 December 2015 (unaudited)				
	Plantation and sale of agricultural produce RMB'000	Production and sale of FCOJ and other related products RMB'000	Production and sale of Summi fresh orange juice RMB'000	Unallocated RMB'000	Consolidated RMB'000
Amounts included in the measure of segment profits or segment assets:					
Depreciation and amortisation (note 1)	-	16,852	10,141	171	27,164
Additions to non-current assets (note 2)	-	1,982	-	-	1,982
Gain from changes in fair value of biological assets less costs to sell	(35,926)	-	-	-	(35,926)
Government grants	-	(1,180)	-	-	(1,180)
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profits or segment assets:					
Bank interest income	-	-	-	(1,172)	(1,172)
Interest income from pledged bank deposits	-	-	-	(433)	(433)
Interest income from held-to-maturity investments	-	-	-	(399)	(399)
Finance costs	-	-	-	10,981	10,981
Income tax credit	-	-	-	(756)	(756)

Notes to the Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

3. SEGMENT INFORMATION (Continued)

Other segment information (Continued)

	Six months ended 31 December 2014 (unaudited)				
	Plantation and sale of agricultural produce RMB'000	Production and sale of FCOJ and other related products RMB'000	Production and sale of Summi fresh orange juice RMB'000	Unallocated RMB'000	Consolidated RMB'000
Amounts included in the measure of segment profits or segment assets:					
Depreciation and amortisation (note 1)	-	19,468	-	101	19,569
Additions to non-current assets (note 2)	-	87,219	-	1,158	88,377
Write-off of property, plant and equipment	-	8,418	-	-	8,418
Gain from changes in fair value of biological assets less costs to sell	(41,070)	-	-	-	(41,070)
Gain on early redemption of convertible bonds	-	-	-	(16,313)	(16,313)
Government grants	-	(1,180)	-	-	(1,180)
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profits or segment assets:					
Bank interest income	-	-	-	(1,113)	(1,113)
Interest income from pledged bank deposits	-	-	-	(409)	(409)
Interest income from held-to-maturity investments	-	-	-	(478)	(478)
Finance costs	-	-	-	14,957	14,957
Income tax credit	-	-	-	(445)	(445)

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

Note 2: Amount included property, plant and equipment, intangible assets and land use rights and excluded additions to lease prepayments for orange plantations, pledged bank deposits and held-to-maturity investments.

Notes to the Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

3. SEGMENT INFORMATION (Continued)

Other segment information (Continued)

Geographical information

In view of the fact that the Group's operations and non-current assets are mainly located in the PRC (country of domicile), no geographical information about the Group's revenue from external customers and non-current assets are presented.

Revenue from major products

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

	Six months ended 31 December	
	2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)
Sales of FCOJ	120,207	96,213
Sales of Summi fresh orange juice	66,868	–
Sales of fresh oranges	91,090	93,825
Sales of other products	767	6,447
	278,932	196,485

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	Six months ended 31 December	
	2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)
Customer A ¹	91,090	93,825
Customer B ²	33,685	28,801
Customer C ²	29,289	33,250
Customer D ²	27,927	N/A ³

¹ Revenue from plantation and sale of agricultural produce segment.

² Revenue from production and sale of FCOJ and other related products segment.

³ The corresponding revenue did not contribute over 10% of the total external sales of the Group.

Notes to the Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

4. REVENUE AND OTHER REVENUE

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

An analysis of other revenue is as follows:

	Six months ended 31 December	
	2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)
Bank interest income	2,004	2,000
Government grants	1,180	1,180
Others	1,103	696
	4,287	3,876

5. FINANCE COSTS

	Six months ended 31 December	
	2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)
Imputed interest expenses on convertible bonds (note 22)	–	6,209
Interest expenses on bank loans	10,981	8,748
	10,981	14,957

Notes to the Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

6. PROFIT BEFORE TAX

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

	Six months ended 31 December	
	2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)
Staff costs, including Directors' and chief executive's remuneration		
Wages, salaries and other benefits	41,368	36,899
Contributions to defined contribution plans	4,094	5,119
	45,462	42,018
Amortisation of land use rights	278	348
Amortisation of intangible assets	4,501	4,201
Depreciation of property, plant and equipment	22,385	15,019
Operating lease charges in respect of rented premises	31,056	30,063
Net foreign exchange loss	6,149	–

7. INCOME TAX CREDIT

	Six months ended 31 December	
	2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)
Current tax – PRC Enterprise Income Tax (“EIT”)		
Provision for the period	(370)	(605)
Deferred tax		
Reversal of temporary differences (note 26)	1,126	1,050
Income tax credit	756	445

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FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

7. INCOME TAX CREDIT (Continued)

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

No provision has been made for Hong Kong Profits Tax as the Group did not have assessable profits subject to Hong Kong Profits Tax for both periods ended 31 December 2015 and 2014.

The provision for PRC EIT is based on the respective applicable rates on the estimated assessable income of the Company's subsidiaries in the PRC as determined in accordance with the relevant income tax rules and regulations of the PRC for both periods.

With effect from 1 January 2011, the Company's subsidiaries which are responsible for orange juice production are exempt from EIT on profits from orange juice production, pursuant to Cai Shui [2008] No. 149 issued by the Ministry of Finance of the PRC. Accordingly, from 1 January 2011, certain subsidiaries of the Group in the PRC (i.e. cultivation and selling of self-cultivated fresh oranges and orange juice production) are exempt from EIT, subject to annual review by the local PRC tax authority of the Company's subsidiaries and any future changes in the relevant tax exemption policies or regulations.

The applicable income tax rate for the rest of the Group's operating subsidiaries in the PRC is 25% for the six months ended 31 December 2015 and 2014.

8. DIVIDEND

The Board does not recommend the payment of an interim dividend in respect of the six months ended 31 December 2015 (31 December 2014: nil).

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FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

9. EARNINGS PER SHARE

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

Number of shares

	Six months ended 31 December	
	2015	2014
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,347,860,727	1,339,740,179
Effect of deemed issue of shares under the Company's share option scheme for nil consideration	-	16,844,037
Weighted average number of ordinary shares for the purpose of diluted earnings per share	1,347,860,727	1,356,584,216

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2015, the Group acquired items of plant and machinery with costs of approximately RMB1,982,000. There are no significant acquisitions and disposals during the six months ended 31 December 2015.

As at 31 December 2015, the carrying amount of the Group's buildings, plant and machinery of approximately RMB82,522,000 (30 June 2015: approximately RMB86,395,000) was pledged as security for the banking facilities granted to the Group.

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FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

11. LAND USE RIGHTS

	RMB'000
COST	
At 1 July 2015 (audited) and 31 December 2015 (unaudited)	27,041
ACCUMULATED AMORTISATION	
At 1 July 2015 (audited)	3,386
Provided for the period	278
At 31 December 2015 (unaudited)	3,664
CARRYING VALUES	
At 31 December 2015 (unaudited)	23,377
At 1 July 2015 (audited)	23,655

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

At 31 December 2015, the carrying value of the Group's land use rights of approximately RMB12,959,000 (30 June 2015: RMB15,105,000) were pledged as security for the banking facilities granted to the Group.

12. GOODWILL

	RMB'000
COST AND CARRYING VALUE	
At 1 July 2015 (audited) and 31 December 2015 (unaudited)	56,696

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

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13. INTANGIBLE ASSETS

	Customer list RMB'000	Customer relationship RMB'000	Total RMB'000
COST			
At 1 July 2015 (audited) and 31 December 2015 (unaudited)	82,390	43,660	126,050
ACCUMULATED AMORTISATION AND IMPAIRMENT			
As at 1 July 2015 (audited)	31,381	43,660	75,041
Provided for the period	4,501	–	4,501
At 31 December 2015 (unaudited)	35,882	43,660	79,542
CARRYING VALUES			
At 31 December 2015 (unaudited)	46,508	–	46,508
At 1 July 2015 (audited)	51,009	–	51,009

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

14. HELD-TO-MATURITY INVESTMENTS

Held-to-maturity investments comprised:

	As at 31 December 2015 RMB'000 (unaudited)	As at 30 June 2015 RMB'000 (audited)
Debt securities, unlisted	16,819	15,993

The Group's held-to-maturity investments represented debt securities that were issued by a financial institution in Macau, and carried fixed interest at 6% per annum (As at 30 June 2015: 6%), payable semi-annually, and would mature on 30 October 2023. At 31 December 2015, the carrying value of the Group's debt securities of approximately RMB16,819,000 (As at 30 June 2015: RMB15,993,000) were pledged as security for the banking facilities granted to the Group.

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FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

15. INVENTORIES

	As at 31 December 2015 RMB'000 (unaudited)	As at 30 June 2015 RMB'000 (unaudited)
Consumables and packing materials	9,097	2,027
Summi fresh orange juice	5,609	25,269
FCOJ and related products	33,085	42,048
	47,791	69,344

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

	Six months ended 31 December 2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)
Carrying amount of inventories sold	172,820	136,305
Write-off of inventories	5,830	969
Cost of inventories recognised as cost of sales	178,650	137,274

Production quantities of agricultural produce are as follows:

	Six months ended 31 December 2015 Tonnes	2014 Tonnes
Oranges	69,320	59,027

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FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

16. BIOLOGICAL ASSETS

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

	Six months ended 31 December	
	2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)
As at 1 July (audited)	95,831	90,485
Increase due to cultivation	57,723	79,984
Gain from changes in fair value less cost to sell (note a)	35,926	41,070
Harvested oranges transferred to inventories	(105,376)	(111,645)
As at 31 December (unaudited) (note b)	84,104	99,894

Notes:

- (a) The Directors measured the fair value of oranges at harvest based on market prices as at or close to the harvest dates.
- (b) All oranges were harvested annually and harvest season was commenced shortly before the calendar year end with the duration of five months. The Directors considered that there was no active market for the oranges before harvest at the end of the reporting period. The present value of expected cash flows was not considered a reliable measure of their fair value due to the need for, and use of, subjective assumptions including weather condition, natural disaster and effectiveness of agricultural chemicals. As such, the Directors considered that the fair value of biological assets at the end of the reporting period could not be measured reliably and no reliable alternative estimates existed to determine fair value. Therefore, biological assets continued to be stated at cost as at 31 December 2015 and 30 June 2015.

The carrying value of biological assets represented cultivation costs incurred including fertilisers, pesticides, labour costs and orange farm rental costs.

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17. TRADE RECEIVABLES

The Group allowed a credit period ranging from 28 to 90 days (30 June 2015: 28 to 90 days) to its trade customers from the date of billing.

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

	As at 31 December 2015 RMB'000 (unaudited)	As at 30 June 2015 RMB'000 (audited)
Neither past due nor impaired	271,503	78,590

Trade receivables that were neither past due nor impaired related to customers that had no recent history of default payment.

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

18. PLEDGED BANK DEPOSITS

	As at 31 December 2015 RMB'000 (unaudited)	As at 30 June 2015 RMB'000 (audited)
Pledged bank deposits		
Pledged to secure an interest-bearing bank loan	132,878	182,000
Less: Current portion of pledged bank deposits	(132,878)	(12,000)
Non-current portion of pledged bank deposits	-	170,000

Notes to the Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

18. PLEDGED BANK DEPOSITS (Continued)

Notes:

- (a) As at 31 December 2015, short-term deposit of approximately RMB12,000,000 was pledged by one of the Group's PRC subsidiary to secure interest-bearing loan of approximately RMB12,000,000 for one of the Group's PRC subsidiary. As the loan would mature in the year ending 31 December 2016, the bank deposits were classified as current assets as at 31 December 2015.

As at 31 December 2015, short-term deposits of approximately RMB13,878,000 were pledged by the Group, to secure interest-bearing loans of approximately RMB62,042,000 for the Group. As both of the loans would mature in the year ending 31 December 2016, the bank deposits were classified as current assets as at 31 December 2015.

- (b) As at 31 December 2015, a three-year term deposit of approximately RMB107,000,000 was pledged by one of the Company's subsidiaries in Hong Kong to secure interest-bearing long-term bank loans with an aggregate amount of approximately RMB103,000,000. As the whole sum of deposits would mature in the year ending 31 December 2016 upon the repayment of these long-term bank loans, the pledged deposits were classified as current assets as at 31 December 2015.
- (c) The pledged bank deposits carried fixed interest rates ranging from 0.05% to 0.39% (As at 30 June 2015: 0.05% to 0.39%) per annum.

19. CASH AND CASH EQUIVALENTS

	As at 31 December 2015 RMB'000 (unaudited)	As at 30 June 2015 RMB'000 (audited)
Bank balances and cash	411,564	430,922

At 31 December 2015, bank balances and cash of the Group denominated in RMB amounted to approximately RMB391,769,000 (30 June 2015: RMB426,821,000). The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB to other currencies in respect of approved transactions through banks authorised to conduct foreign exchange business. The bank balances carried interest at market rates ranging from 0.001% to 0.39% (30 June 2015: 0.001% to 0.39%) per annum.

Notes to the Consolidated Financial Statements

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20. TRADE PAYABLES

The Group had financial risk management policies in place to ensure all payables are settled within the credit timeframe. The average credit period on purchase of goods was 90 days or on demand (30 June 2015: 90 days or on demand).

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

	As at 31 December 2015 RMB'000 (unaudited)	As at 30 June 2015 RMB'000 (audited)
Due within 3 months or on demand	34,204	12,063

21. BANK LOANS

	As at 31 December 2015 RMB'000 (unaudited)	As at 30 June 2015 RMB'000 (audited)
Carrying amount repayable (based on scheduled repayment dates set out in the loan agreement):		
Within one year	356,713	228,254
After one year but within two years	171,350	207,920
After two years but within five years	-	108,620
	528,063	544,794
Less: Amounts shown under current liabilities	(356,713)	(228,254)
Amounts shown under non-current liabilities	171,350	316,540
Secured	270,724	262,733
Unsecured	257,339	282,061
	528,063	544,794
Fixed-rate borrowings	160,949	262,733
Variable-rate borrowings	367,114	282,061
	528,063	544,794
Bank loans held by:		
PRC companies	187,940	246,740
Non-PRC companies	340,123	298,054
	528,063	544,794

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21. BANK LOANS (Continued)

As at 31 December 2015, included in the Group's unsecured bank loans was a three-year term loan facility in an aggregate sum of USD35,000,000 (equivalent to approximately RMB217,240,000) ("Credit Facility I") for the purpose of production scale expansion. The Credit Facility I was jointly guaranteed by Mr. Sin Ke and the companies incorporated or invested by the Company outside the PRC. According to the repayment terms, 25% of the principal will be repaid upon the 24th and 30th months from the borrowing date, the remaining 50% of the principal will be repaid at maturity date on 13 October 2017. Details of the Credit Facility I were set out in the announcement issued by the Company on 14 October 2014.

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

	As at 31 December 2015	As at 30 June 2015
Fixed-rate bank loans	2.89%–7.84%	2.89%–7.84%
Variable-rate bank loans	3.28%–4.54%	3.28%–4.54%

At 31 December 2015, bank loans were secured by certain assets of the Group. In addition, at 31 December 2015 and 30 June 2015, certain bank loans were guaranteed by a director, Mr. Sin Ke.

22. CONVERTIBLE BONDS

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

The principal terms of the 2012 CB are as follows:

(i) Optional conversion

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

Notes to the Consolidated Financial Statements

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22. CONVERTIBLE BONDS (Continued)

(ii) Redemption at maturity

Unless previously redeemed, converted, or purchased and cancelled, the 2012 CB will be redeemed on 18 May 2015 at an amount equal to their HK\$ principal amount multiplied by 137.5938%.

(iii) Redemption at the option of the bondholder

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

As the functional currency of the Company is HK\$, the conversion of the 2012 CB will be settled by exchange of a fixed amount of cash in HK\$ with a fixed number of the Company's equity instruments. In accordance with the requirements of IAS 39 Financial Instruments – Recognition and Measurement, the 2012 CB contract needs to be separated into a liability component consisting of the straight debt element of the 2012 CB, a number of embedded financial derivatives consisting of redemption options, and an equity component representing the conversion options of the bondholders to convert the 2012 CB into equity. The proceeds received from the issue of the 2012 CB have been split as follows:

- (i) Liability component represents the fair value of the contractually determined stream of cash flows discounted at the prevailing market interest rate applicable to instruments of comparable credit status and providing substantially the same cash flows, on the same terms, but without the embedded derivatives and the conversion features. The interest charged for the period is calculated by applying an effective interest rate of 16.79% to the liability component since the 2012 CB were issued.
- (ii) Embedded derivatives comprise the fair value of the bondholder's redemption options.
- (iii) Equity component represents the conversion options, which is determined by deducting the fair value of the liability component and financial derivatives from the proceeds of issue of the compound financial instrument as a whole.

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22. CONVERTIBLE BONDS (Continued)

The fair value of the liability component of the 2012 CB was calculated using the Discounted Cash Flow model by Avista Valuation Advisory Limited. The major inputs used in the model as at 18 May 2012 were as follows:

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

Any changes in the major inputs used in the model will result in changes in the fair value of the liability component. The variables and assumptions used in calculating the fair value of the liability component are based on the Directors' best estimates.

The Directors considered the possibility of the occurrence of the events of change of control and delisting was nil and the fair value of the bondholder's redemption options was nil as at 18 May 2012, 30 June 2013 and 30 June 2014.

On 6 November 2014, the Company, Mr. Sin Ke and the bondholder entered into an agreement in relation to the early redemption of the 2012 CB. A total redemption amount of HK\$274,448,000 (equivalent to approximately RMB216,513,000) was agreed to retire all outstanding principal and accrued but unpaid interest borne under the 2012 CB. The Company has fully redeemed the convertible bonds on 12 November 2014.

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23. DEFERRED INCOME

Deferred income represented local government grant received for supporting the Group's investment in a concentrated fruit juice production plant. The grant was recognised as other revenue over the estimated useful lives of the production plant assets.

	RMB'000
At 1 July 2015 (audited)	10,620
Amortised during the period	<u>(1,180)</u>
At 31 December 2015 (unaudited)	<u>9,440</u>

The Group received discretionary grants from various PRC government authorities in recognition of the Group's contribution to the development of the local agricultural industry and investment in a concentrated fruit juice production plant in Chongqing. These government grants were not recurring in nature and were not only available to the Group. There was no assurance that the Group would receive these government grants in the future.

24. EQUITY-SETTLED SHARE BASED PAYMENTS

A share option scheme was adopted pursuant to a written resolution of the shareholders of the Company passed on 7 June 2008 and refreshed at the annual general meeting held on 5 November 2012 (the "Share Option Scheme"). Each option gives the holder the right to subscribe for one ordinary share of HK\$0.01 each of the Company.

The purpose of the Share Option Scheme is to recognise, motivate and provide incentives to those who make contribution to the Group and to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), Directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group.

The qualified participants include (i) any full-time or part-time employee of any member of the Group; (ii) any consultant or adviser of any member of the Group; (iii) any director (including executive, non-executive or independent non-executive directors) of any member of the Group; (iv) any substantial shareholder of any member of the Group; and (v) any distributor, contractor, supplier, agent, customer, business partner or service provider of any member of the Group.

On 18 November 2008, the Company granted 39,000,000 share options with a subscription price of HK\$0.75 per share to certain qualified participants, all of whom were full-time employees of the Group.

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24. EQUITY-SETTLED SHARE BASED PAYMENTS (Continued)

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

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

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

On 19 November 2015, the Company granted 54,000,000 share options with a subscription price of HK\$1.112 per share to certain qualified participants.

The terms and conditions of the grants are as follows:

Date of options granted to the employees of the Group	Number of options	Exercise price	Vesting condition and exercisable percentage condition		Expiry date of the share options
			Up to %		
18 November 2008 ("2008 Option")	39,000,000	HK\$0.75	1 year from grant date	31.3	17 November 2018
			2 years from grant date	31.3	
			3 years from grant date	37.4	
11 October 2009 ("2009 Option")	10,000,000	HK\$0.90	On the grant date	30.0	10 October 2019
			1 year from grant date	30.0	
			2 years from grant date	40.0	
4 January 2013 ("2013 Option 1")	62,400,000	HK\$1.15	On the grant date	100	3 January 2014
21 March 2013 ("2013 Option 2")	57,200,000	HK\$1.03	On the grant date	100	20 March 2015
19 November 2015 ("2015 Option")	54,000,000	HK\$1.112	1 year from grant date	50.0	18 November 2020
			2 year from grant date	50.0	
Total options granted	222,600,000				

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24. EQUITY-SETTLED SHARE BASED PAYMENTS (Continued)

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

Option type	Outstanding at 1/7/2015	Grant during the period	Exercised during the period	Outstanding at 31/12/2015
2015 Option	–	54,000,000	–	54,000,000
Exercisable at the end of the period				54,000,000
Weighted average exercise price	N/A	HK\$1.112	N/A	HK\$1.112

The options outstanding at 31 December 2015 had a weighted average exercise price of HK\$1.112 and a weighted average remaining contractual life of 4.88 years.

25. RETIREMENT BENEFITS PLANS

The Group operated the MPF Scheme for all qualifying employees in Hong Kong. The assets of the Scheme were held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the Scheme, of which the contribution was matched by employees and subject to a cap of HK\$1,250 from June 2012 to May 2014 and HK\$1,500 thereafter per employee.

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

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26. DEFERRED TAX LIABILITIES

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

	Intangible assets RMB'000	Undistributed retained profits of PRC subsidiaries RMB'000	Total RMB'000
At 1 July 2015 (audited)	12,753	1,250	14,003
Credited to profit or loss	(1,126)	–	(1,126)
At 31 December 2015 (unaudited)	11,627	1,250	12,877

Pursuant to the EIT Law, 10% withholding tax is levied on foreign investors (5% for foreign investors registered in Hong Kong provided they meet certain criteria) in respect of dividend distributions arising from a foreign investment enterprise's profit earned after 1 January 2008. At 30 June 2015 and 2014, the Directors believed that should the Group determine to distribute profits of the Group's PRC subsidiaries in the foreseeable future, the Group will be able to obtain the approval for the preferential withholding tax of 5% in relation to the dividend income.

At 31 December 2015, deferred tax liabilities of RMB1,250,000 (30 June 2015: RMB1,250,000) have been recognised in respect of the tax that would be payable on the portion of the retained profits of the Group's PRC subsidiaries which the Directors expect to be distributed by them in the foreseeable future, based on the assumption that the approval for the 5% preferential withholding tax rate will be obtained.

However, deferred tax liabilities associated with undistributed earnings of subsidiaries amounting to approximately RMB1,119,569,000 (30 June 2015: RMB1,053,998,000) have not been recognised at 31 December 2015, as the Company controls the dividend policy of the Group's PRC subsidiaries and the Directors consider it probable that a portion of the undistributed profits earned by the Group's PRC subsidiaries as at 31 December 2015 and 30 June 2015 will not be distributed in the foreseeable future.

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27. SHARE CAPITAL

	Number of shares	Amount HK\$'000	Amount RMB'000
Ordinary shares of HK\$0.01 each			
Authorised:			
1 July 2015 and 31 December 2015	3,000,000,000	30,000	26,376
Issued and fully paid:			
1 July 2015 and 31 December 2015	1,347,860,727	13,479	11,610

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

28. RESERVES

(a) Share premium

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

(b) Statutory reserves

Statutory reserves were established in accordance with the relevant PRC rules and regulations and the articles of association of the Group's PRC subsidiaries. Transfers to the reserves were approved by the directors of these companies.

The Group's PRC subsidiaries are required to transfer no less than 10% of their net profits, as determined in accordance with the PRC accounting rules and regulations, to the statutory surplus reserve until the reserve balance reaches 50% of their registered capital. The transfer to this reserve must be made before the distribution of a dividend to shareholders.

The statutory surplus reserve can be used to make good previous years' losses, if any, and may be converted into share capital by the issue of new shares to shareholders in proportion to their existing shareholdings or by increasing the par value of the shares currently held by them, provided that the balance after such issue is not less than 25% of the registered capital.

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

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28. RESERVES (Continued)

(c) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of the Company. The reserve is dealt with in accordance with the accounting policies.

29. PLEDGE OF ASSETS

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

	As at 31 December 2015 RMB'000 (unaudited)	As at 30 June 2015 RMB'000 (audited)
Held-to-maturity investments	16,819	15,993
Property, plant and equipment	82,522	86,395
Land use rights	12,959	15,105
Pledged bank deposits	132,878	182,000
	245,178	299,493

30. OPERATING LEASE ARRANGEMENTS

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

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

	As at 31 December 2015 RMB'000 (unaudited)	As at 30 June 2015 RMB'000 (audited)
Within one year	124,396	124,396
In the second to fifth years, inclusive	160,861	161,862
After fifth years	36,750	36,750
	322,007	323,008