中國天溢控股有限公司

China Tianyi Holdings Limited

formerly known as Tianyi Fruit Holdings Limited

(incorporated in the Cayman Islands with limited liability)

Stock Code: 00756

Summi®
森美

Growing Healthier Growing Stronger

Interim Report 2011/2012

CORPORATE INFORMATION

Directors

Executive Directors
Mr. Sin Ke *(Chairman)*
Mr. San Kwan

Non-Executive Director
Mr. Liao Yuang-whang

Independent Non-Executive Directors
Mr. Zhuang Xueyuan
Mr. Zhuang Weidong
Mr. Zeng Jianzhong

Audit Committee
Mr. Zhuang Xueyuan *(Chairman)*
Mr. Zhuang Weidong
Mr. Zeng Jianzhong

Remuneration Committee
Mr. Zhuang Xueyuan *(appointed as Chairman on 21 February 2012)*
Mr. Sin Ke *(Chairman up to 21 February 2012)*
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
Suite 2311, 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
Industrial and Commercial Bank of China (Asia) Limited
The Hongkong and Shanghai Banking Corporation Limited
Agricultural Bank of China,
Quanzhou branch
Kai County Chongqing branch

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

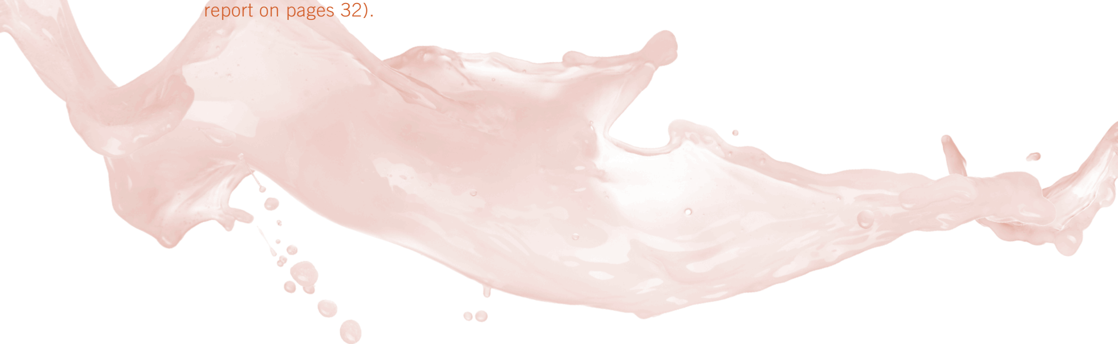
Company Website
www.tianyi.com.hk

FINANCIAL HIGHLIGHTS

RESULTS OF OPERATIONS (RMB'000)

	For the six months ended 31 December		
	Year 2011	Year 2010	% Change
Reported financial information			
Revenue	**320,340**	209,935	+52.6%
Gross profit	**99,770**	70,235	+42.1%
Gross Profit before fair value adjustment*	**180,612**	139,319	+29.6%
Profit Before Tax	**175,356**	142,025	+23.5%
Profit attributable to shareholders	**175,035**	131,146	+33.5%
Basic earnings per share (RMB cents)	**14.61**	12.98	+12.6%
Diluted earnings per share (RMB cents)	**14.06**	12.48	+12.7%
Financial Ratios			
Gross profit margin before fair value adjustment* (%)	**56.4%**	66.4%	-10.0%
Return on assets (%)	**13.3%**	16.1%	-2.8%
Return on equity (%)	**16.9%**	18.4%	-1.5%
Asset turnover (x)	**0.2**	0.2	—
Financial Status			
Total assets	**1,669,355**	1,090,437	+53.1%
Net current assets	**596,466**	402,212	+48.3%
Cash and cash equivalents	**585,278**	555,996	+5.3%

*Note: Gross profit is stated as gross profit before fair value adjustments of biological assets, i.e. including the gross profit of our own farm grown oranges (Please see note 5(b) to the unaudited interim financial report on pages 32).



CHAIRMAN'S STATEMENT

I am very pleased to present the unaudited consolidated interim results of China Tianyi Holdings Limited (the "Company") and its subsidiaries (together with the Company, the "Group") for the six months ended 31 December 2011. For the six months ended 31 December 2011, the Group's revenue increased by 52.6% from RMB209,935,000 for the same period last year to RMB320,340,000; and net profit increased by 33.5% from RMB131,146,000 for the same period last year to RMB175,035,000.

Strategy Overview

Benefiting from the "Agriculture, rural areas and farmers" policy (三農政策) — In recent years, "Agriculture, rural areas and farmers" in China had entered into a second golden age. The Chinese government has introduced a series of policies to strengthen the agricultural sector, facilitate rural development and increase farmers' income, including abolishing agricultural tax and subsidising farmers. The increase in farmers' production and income reflected the success in the development of agriculture and rural areas. Since 2008, China has been implementing collective forest tenure reforms (集體林權制度). Through these reforms, the government has not only generated enthusiasm from farmers to build ecological barriers, but has also accelerated the pace of development of the agricultural products processing industry. The Group acts in line with the reforms and benefits directly from various aspects of the "Agriculture, rural areas and farmers" policy. Firstly, the plantation area of self-operated orange farms substantially increases; secondly, there is a considerable increase in the supply of oranges used for juice production. In addition, as the Group is engaged in the growing and primary processing of agricultural products, it is subject to exemption from corporate income tax.

Robust domestic market demand — All of the Group's products are for domestic sales. At present, demand from the Chinese market for quality domestically-produced concentrated orange juice products (including frozen concentrated orange juice and frozen concentrated orange juice fibre, etc.) is high, and the Group's premium products can meet the requirements of its customers. The Group continues to maintain strong relationship with its prestigious customers. The Group's "Summi" brand maintains the leading position in China's frozen concentrated orange juice ("FCOJ") industry, through achieving higher production volume and sales volume. During the period under review, the Group received a surge of sales orders from its customers. For the six months ended 31 December 2011, sales of the Group's concentrated orange juice products rose by 74.4% from RMB129,932,000 for the same period last year to RMB226,629,000.

Completion of the formation of the three bases — The Group has successfully set up concentrated orange juice processing facilities in China's three major citrus plantation areas, thereby completing the set-up of a strategic production network while increasing the Group's control over raw materials. On 9 November 2011, the Group completed the acquisition of the entire equity interest in Huaihua Oujing Fruits Limited ("Oujing Fruits"), whose production facilities were later modified, leading to an increase in the Group's total production capacity of FCOJ from 22,000 tonnes to 30,000 tonnes. In response to significant increase in sales orders, the Group increased the production capacity of frozen concentrated orange juice fibre ("FCOJ fibre") from 30,000 tonnes to 50,000 tonnes during the period under review through technical modification.

Quality recognised by international brands — The Group pays high regard to product safety and quality. From the types of orange saplings to fertilizers, and from the choice of raw materials to packing materials, the Group has been in strict compliance with international safety standards, thereby ensuring food safety and quality while meeting the requirements of international well-known beverage brands like Coca-Cola and Suntory.

Operations Review

During the period under review, China had a bumper orange harvest. The ample raw materials supply allowed the Group to well utilize its increased production capacity. The processing period for the Group's concentrated orange juice products lasts for six months from each November to the coming April. For the six months ended 31 December 2011, the production volume of FCOJ increased substantially, surging from 3,530 tonnes for the same period last year to 7,570 tonnes, representing an increase of 114.4%. In addition, the production volume of FCOJ fibre rose by 13.5% from 10,500 tonnes during the corresponding period of the previous year to 11,918 tonnes.

The Group is one of few concentrated orange juice processors operating its own upstream orange farms. During the period, owing to the expiry of the lease contracts of certain orange farms, the Group's self-operated orange farms decreased from 71,000 mu for the same period last year to 61,000 mu* during the period under review.

*Note: The above-mentioned orange farms include those where new species of orange tree with the potential for higher yield are grown, which are expected to become productive in 2013 and cover a total area of 21,000 mu, same as that of the same period last year.

Share Allotment

In November 2011, the Company issued and allotted 177,272,727 new ordinary shares to Mr. Ngai Chi Hang at HK$2.2 per share, to satisfy the consideration of HK$390,000,000 for the acquisition of the entire issued share capital of Global One Management Limited, through which the Group holds 100% equity interests of Oujing Fruits.

Dividends

The directors of the Company (the "Directors") did not recommend the payment of an interim dividend for the six months ended 31 December 2011.

Corporate Governance Improvement

In order to introduce professionals in different trades to the board of Directors (the "Board") so as to strengthen the Group's corporate governance, the Group appointed Mr. Liao Yuang-whang ("Mr Liao") as a non-executive Director with effect from 13 December 2011. The Group believes that the participation of a well-experienced professional in the Company's management is a manifestation of the Group's high regard for high corporate governance standards. For detail of the experience of Mr. Liao, please refer to the announcement of the Company dated 13 December 2011.

Investor Relations

One of the main duties of the Board is to maintain good communications with shareholders of the Company and potential investors. The Group's management paid regular visits to institutional investors and private client investment advisors, as well as attended investor conferences, in order to update existing shareholders and potential investors about the Group's latest business development.

Prospects

The Group has achieved rapid expansion and completed the set-up of a strategic production network by establishing production facilities in China's three major citrus plantation areas. The percentage of revenue contribution from the Group's concentrated orange juice processing business continues to increase. We are one of the leading producers in the FCOJ industry in China. Although our production capacity has increased as compared with that of the same period last year, it is still far from sufficient to meet the ever rising domestic market demand for concentrated orange juice products. Looking ahead, the Group will further expand its production capacity by actively seeking opportunities to acquire domestic and overseas concentrated orange juice processing facilities. At the same time, we will expedite expansion of our areas of orange cultivation areas to secure sufficient raw material supply at a lower cost. The Group expects to increase its areas of orange farms with fruit-bearing trees by approximately 30,000 mu at the beginning of 2012. Furthermore, in response to the government ("Central Government") of the People's Republic of China ("PRC")'s call for the "establishment of a new corporate-oriented mechanism for commercial cultivation" contained in the Central Government's No. 1 document of 2012, the Group will actively follow the citrus industry development plan* promulgated by the Chongqing municipal government, pursuant to which the Group will, in an orderly manner, significantly increase farms by growing new species of orange in the planning zone of Kai County, Chongqing. The Group will also select desirable species to grow in these farms so as to enlarge its output of fresh oranges.

*Note: The citrus industry development plan was introduced by the Chongqing municipal government at the end of 2011, pursuant to which Kai County of Chongqing will see an increase in orange farms growing new species of oranges of approximately 100,000 mu over the period from 2012 to 2015.

The Group is optimistic about its future business development and expansion. On behalf of the Board, I would like to take this opportunity to thank our management and employees for their hard work and contribution, and also our shareholders and investors for their support.

Sin Ke
Chairman

Hong Kong, 20 February 2012

MANAGEMENT DISCUSSION AND ANALYSIS

Operating Performance

Revenue

Breakdown of revenue by product is set out as follows:

	For the six months ended 31 December			
	2011 RMB'000 (Unaudited)	**As a % of total revenue**	2010 RMB'000 (Unaudited)	As a % of total revenue
Sales of orange juice products	**226,629**	**70.7%**	129,932	61.9%
— Sales of FCOJ	**125,240**	**39.1%**	52,317	24.9%
— Sales of FCOJ fibre	**90,661**	**28.3%**	71,768	34.2%
— Sales of orange pulp	**10,728**	**3.3%**	5,847	2.8%
Sales of fresh oranges	**93,745**	**29.3%**	80,058	38.1%
Other income	**2,426**	**0.8%**	448	0.2%
Sales tax and surcharges	**(2,460)**	**(0.8%)**	(503)	(0.2%)
Total revenue	**320,340**	**100%**	209,935	100%

*Note: Please see note 5(a) to the consolidated financial statements on page 30 for details.

During the period under review, the Group's revenue rose from approximately RMB209,935,000 for the same period last year to RMB320,340,000, representing a 52.6% increase. The growth was mainly due to a significant increase in the sales volume of the Group's orange juice products.

Capitalizing on the significant growth in the output of China's major orange producing areas as compared to the same period last year, the Group could well utilized its expanded production capacity in recent years. Owing to sizeable increase in the sale orders of concentrated orange juice products, the sales of the Group's concentrated orange juice products, including FCOJ, FCOJ fibre and orange pulp, increased from RMB129,932,000 for the same period last year to RMB226,629,000 for the period under review. Sales of FCOJ rose by 139.4% from RMB52,317,000 for the same period last year to RMB125,240,000. Sales of FCOJ fibre increased by 26.3% from RMB71,768,000 for the same period last year to RMB90,661,000. Sales of orange pulp increased by 83.5% from RMB5,847,000 for the same period last year to RMB10,728,000.

During the period under review, since the output per mu of the Group's orange farms significantly increased year on year, the sales of fresh oranges increased by approximately 17.1% from approximately RMB80,058,000 for the same period last year to RMB93,745,000.

Gross Profit

During the period under review, the Group's gross profit in the consolidated income statement increased by 42.1% to approximately RMB99,770,000 as compared with RMB70,235,000 for the same period last year, mainly due to significant increase in sales volume of concentrated orange juice products.

Concentrated orange juice products processing is the principal business of the Group, while the Group is also involved in the cultivation and sales of fresh oranges. The gross profit of the Group in the consolidated income statement only includes the gross profit of the principal business (i.e. the gross profit of the concentrated orange juice processing business) and excludes the gross profit of its orange cultivation and selling business. The gross profit of its orange cultivation and selling business is recognized as "gain from changes in fair value of biological assets less estimated point-of-sale costs" in the consolidated income statement.

According to the requirements of the relevant accounting policies, the Group's self-cultivated fresh oranges are recognized as biological assets and are estimated at a fair market value which is the total output volume of the Group's self-cultivated fresh oranges at the time of harvest in processing period each year multiplied by the market price of similar oranges on 31 December in the market. The fair value of these biological assets actually represents the sales value of the Group's self-cultivated fresh oranges. The value representing the difference between the fair value of the biological assets and cultivation costs of these oranges (i.e. the gross profit of the Group's self-cultivated oranges) is recognized as a one-off "gain from changes in fair value of biological assets less estimated point-of-sale costs" in the consolidated income statement. When the oranges are removed from the inventory for either processing concentrated orange juice products or being sold as fresh oranges, the fair value (not cultivation costs) of these oranges is then recognized as cost of sales of either concentrated orange juice products or fresh oranges sold and deducted from revenue in the consolidated income statement. As a result, the gross profit of the Group's self-cultivated fresh oranges is not reflected in the gross profit in the consolidated income statement, but in the "gain from changes in fair value of biological assets less estimated point-of-sale costs", which is entire cash income at the end of the financial year of the company (i.e. 30 June).

For a better illustration of the Group's overall gross profit, we will use the Group's gross profit for reportable segments (i.e. the gross profit before adjustments of fair value of biological assets) as a substitute for discussion in this report (please see note 5(a) to the consolidated financial statements on page 30 for details).

Gross profit for reportable segments for the period under review increased from RMB139,319,000 for the same period last year to RMB180,612,000, representing a growth of 29.6%.

Net profit

During the period under review, the Group's net profit rose by 33.5% to RMB175,035,000 as compared to RMB131,146,000 for the same period last year.

Distribution Costs and Administrative Expenses

Distribution costs of the Group mainly comprised sales commission and transportation costs. The distribution costs decreased by 39.3% from RMB14,046,000 for the same period last year to RMB8,527,000 for the six months ended 31 December 2011. The decrease was primarily due to the fact that the transportation costs during the period under review were mostly borne by the Group's customers.

The Group's administrative expenses mainly include general office administrative expenses, salaries and amortization. As the Group expanded its operational scale, the administrative expenses increased by 13.7% from RMB18,527,000 for the same period last year to RMB21,074,000 for the six months ended 31 December 2011.

Income Tax

The Group has been granted corporate income tax exemption for its orange juice processing business since 1 January 2011. As the Group has already been exempted from corporate income tax for its fresh orange cultivation and fresh orange selling business, the Group has not been subject to any corporate income tax of its business since 1 January 2011 (please see note 9 to the consolidated financial statements on page 35). For the six months ended 31 December 2011, the income tax of RMB321,000 was the provision for PRC income tax from the Group's orange juice trading.

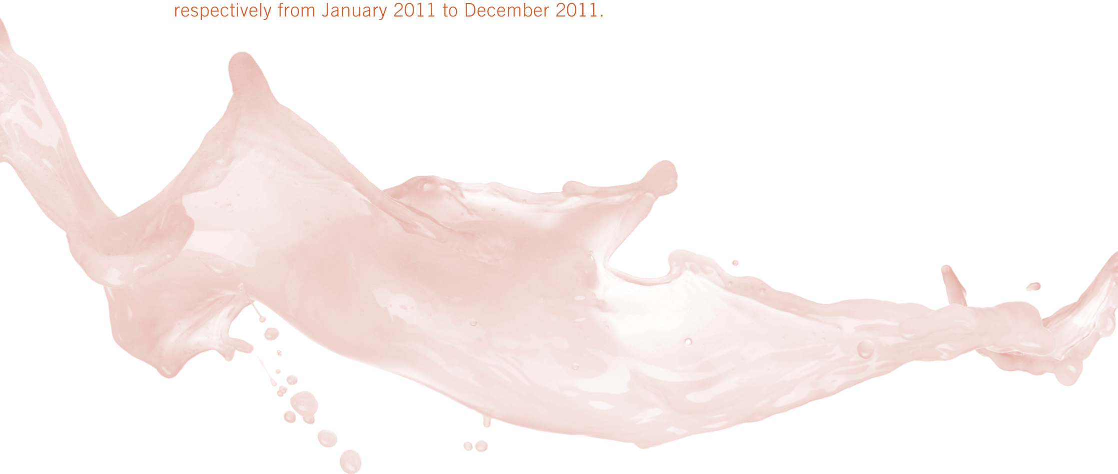
Interim Dividend

The Directors have resolved not to declare any interim dividend for the period under review (six months ended 31 December 2010: nil).

Financial Performance of The Group's Acquisition*

Since the Group's completion of the acquisition of Oujing Fruits (through the acquisition of the entire interest in Global One Management Limited) on 9 November 2011, Oujing Fruits' operating results had been consolidated into the Group's consolidated accounts. The unaudited sales and unaudited net profit of Oujing Fruits from November 2011 to December 2011 were RMB39,637,000 and RMB15,980,000 respectively, which were included in the Group's consolidated accounts.

*Note: Oujing Fruits' unaudited sales and unaudited net profit were RMB124,091,000 and RMB41,461,000 respectively from January 2011 to December 2011.



LIQUIDITY AND FINANCIAL RESOURCES AND CAPITAL STRUCTURE

— Liquidity

As at 31 December 2011, the Group had cash and cash equivalents of RMB585,278,000 (30 June 2011: RMB555,996,000); total bank loans were RMB125,290,000 (30 June 2011: RMB119,290,000); and outstanding convertible bonds of RMB145,939,000 (30 June 2011: RMB141,626,000). Approximately 98.4%, 1.3% and 0.3% of the cash and cash equivalents were held in RMB, HKD and USD respectively. (30 June 2011: approximately 93.1%, 1.6% and 0.3%, of the cash and cash equivalents were held in RMB, HKD and USD respectively)

An amount of RMB120,190,000 of the total bank loans was secured by cash deposited in offshore bank accounts (30 June 2011: RMB114,119,000). The secured bank loan of RMB5,100,000 was an interest-free entrusted bank loan granted by a local finance bureau of the PRC (30 June 2011: RMB5,100,000). As 31 December 2011, 100% of the total bank loans were made in RMB. (30 June 2011 : 100% of the total bank loans were made in RMB).

The Board's approach to manage liquidity of the Group is to ensure sufficient liquidity at any time to meet its matured liabilities to avoid any unacceptable losses or damage to the Group's reputation.

— Financial performance

	As at 31 December 2011 (Unaudited)	As at 30 June 2011 (Audited)
Gearing Ratio	**21.1%**	33.1%
Quick Ratio	**2.4**	2.2
Current Ratio	**2.6**	2.5
Debt Equity Ratio	**0.1**	0.2

As at 31 December 2011, current assets amounted to RMB958,711,000 (30 June 2011: RMB676,503,000). Current liabilities were RMB362,245,000 (30 June 2011: RMB274,291,000).

— Capital Structure

As at 31 December 2011, the total number of issued shares of the Company was 1,198,072,727 shares. Based on the closing price of HK$1.35 per share as at 30 December 2011, the Company's market capitalization as at 31 December 2011 was approximately HK$1,617,398,181*.

*Note: The closing price of HK$1.35 per share was quoted on 30 December 2011. There was no stock trading on 31 December 2011 on The Stock Exchange of Hong Kong Limited.

Foreign Exchange Exposure

The Group's sales and purchases were dominated in RMB. As such, the Group is not exposed to any significant foreign currency exchange risks and 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 period under review.

Capital Expenditure

During the period under review, the Group's capital expenditure amounted to RMB28,574,000 (2010 same period: RMB26,606,000) which was used for acquisition of properties, plants, equipment and land use rights.

Net Finance Costs

During the period under review, the Group's net finance costs decreased to approximately RMB4,441,000 (2010 same period: RMB9,652,000), such decrease was due to increase in the interest income from the Group's bank deposit.

Pledge of Assets

As at 31 December 2011, the Group pledged bank deposits of RMB122,900,000 (30 June 2011: RMB122,900,000) to secure the bank loans granted to the Group.

Contingent Liability

As at 31 December 2011, the Group had no material contingent liabilities (30 June 2011: nil).

HUMAN RESOURCES

As at 31 December 2011, the Group employed approximately 904 employees (31 December 2010: 782). The Group offered competitive remuneration packages, discretionary bonuses and social insurance benefits to its employees. In addition, a share option scheme was adopted for employees of the Group.

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 2011, interests and short positions in the shares of the Company ("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 ("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 Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") in Appendix 10 of 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

Name of Directors	Capacity/Nature	No. of Shares	Percentage of issued share capital of the Company (Approximately)
Mr. Sin Ke ("Mr. Sin")	Interest of controlled corporation (Note 2)	555,608,145 (L)	46.37%
Mr. San Kwan ("Mr. San")	Beneficial owner	2,600,000 (L)	0.21%

2. Interests and Short Position in the Underlying Shares

Name of Directors	Capacity/Nature	No. of underlying Shares	Percentage of issued share capital of the Company (Approximately)
Mr. Sin	Beneficial owner (Note 3)	6,000,000 (L)	0.50%
Mr. San	Beneficial owner (Note 3)	5,400,000 (L)	0.45%

Notes:

1. The letters "L" denote a long position in the Shares.

2. Mr. Sin beneficially owned 51% interest in Cheer Sky Limited ("Cheer Sky") which beneficially owned 49% interest in Key Wise Group Limited ("Key Wise"). Therefore, Mr. Sin was deemed, or taken to be, interested in the 555,608,145 Shares held by Key Wise under the SFO.

3. Interests in the options granted on 18 November 2008 under the share option scheme of the Company.

3. Long Position in the Ordinary Shares of Associated Corporation

Name of Directors	Name of the associated corporation	Capacity/Nature	No. of shares held	Percentage of interest
Mr. Sin	Key Wise	Interest of controlled corporation and interest of spouse	100,000	100%

Note: 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 2011, none of the Directors or chief executives 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.

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

As at 31 December 2011, so far as 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 Shareholders	Capacity/Nature	No. of Shares/ underlying Shares	Percentage of issued share capital of the Company (Approximately)
Ngai Chi Hang ("Mr. Ngai") (Note 2)	Beneficial owner	177,272,727 (L)	14.80%
Key Wise	Beneficial owner	555,608,145 (L)	46.37%
Cheer Sky	Interest of controlled corporation (Note 3)	555,608,145 (L)	46.37%
Ms. Hong Man Na	Interest of controlled corporation and interest of spouse (Note 4)	561,608,145 (L)	46.87%
Shen Nanpeng	Interest of controlled corporation (Note 5)	78,141,000 (L)	6.52%
SNP China Enterprises Limited ("SNP China Enterprises")	Interest of controlled corporation (Note 5)	78,141,000 (L)	6.52%
SC China Holding Limited ("SC China")	Interest of controlled corporation (Note 5)	78,141,000 (L)	6.52%
Sequoia Capital China Growth Fund Management I, L.P. ("Sequoia Capital China Growth Fund Management")	Interest of controlled corporation (Note 5)	78,141,000 (L)	6.52%

Name of Shareholders	Capacity/Nature	No. of Shares/ underlying Shares	Percentage of issued share capital of the Company (Approximately)
Sequoia Capital China Growth Fund I, L.P.	Beneficial owner	68,154,580 (L)	5.69%
Sequoia Capital China Advisors Limited ("Sequoia Capital China Advisors")	Investment manager (Note 6)	78,141,000 (L)	6.52%

Notes:

1. The letters "L" denote a long position in the Shares.

2. On 13 February 2012, Mr. Ngai disposed of 117,272,727 Shares (the "Disposal"). After the Disposal and as at the date of this report, Mr. Ngai was interested in 60,000,000 shares of the Company, representing approximately 4.98% of the issued share capital of the Company as at the date of this report.

3. Cheer Sky beneficially owned 49% interest in Key Wise and Key Wise held 555,608,145 Shares. Therefore, Cheer Sky was deemed, or taken to be, interested in the 555,608,145 Shares held by Key Wise under the SFO.

4. Ms. Hong Man Na beneficially owned 51% interest in Key Wise. Therefore, Ms. Hong Man Na was deemed, or taken to be, interested in the 555,608,145 Shares held by Key Wise under the SFO. Mr. Sin held share options to subscribe for 6,000,000 Shares and Ms. Hong Man Na is the spouse of Mr. Sin. Therefore, Ms. Hong Man Na was deemed, or taken to be, interested in the 555,608,145 Shares held by Key Wise and the share options to subscribe for 6,000,000 Shares held by Mr. Sin under the SFO.

5. Shen Nanpeng controlled all the issued shares in SNP China Enterprises which in turn, controlled all the issued shares in SC China. SC China was the general partner of Sequoia Capital China Growth Fund Management which in turn, was the general partner of Sequoia Capital China Growth Fund I, L.P., Sequoia Capital China Growth Partners Fund I, L.P. and Sequoia Capital China GF Principals Fund I, L.P. which held 68,154,580 Shares, 1,625,333 Shares and 8,361,087 Shares respectively. Shen Nanpeng, SNP China Enterprises, SC China and Sequoia Capital China Growth Fund Management were therefore deemed or taken to be interested in all the Shares in which Sequoia Capital China Growth Fund I, L.P., Sequoia Capital China Growth Partners Fund I, L.P. and Sequoia Capital China GF Principals Fund I, L.P. were interested under the SFO.

6. Sequoia Capital China Advisors was the investment manager of Sequoia Capital China Growth Fund I, L.P., Sequoia Capital China Growth Partners Fund I, L.P. and Sequoia Capital China GF Principals Fund I, L.P. which held 68,154,580 Shares, 1,625,333 Shares and 8,361,087 Shares respectively. Sequoia Capital China Advisors was therefore deemed or taken to be interested in all the Shares in which Sequoia Capital China Growth Fund I, L.P., Sequoia Capital China Growth Partners Fund I, L.P. and Sequoia Capital China GF Principals Fund I, L.P. were interested under the SFO.

Save as disclosed above, and as at 31 December 2011, 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.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the period under review, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the period under review, save as disclosed below, there was no material acquisition and disposal of subsidiaries and associated companies by the Company.

On 27 September 2011, Manwell (China) Limited ("Manwell"), an indirectly wholly-owned subsidiary of the Company, and Mr. Ngai entered into a sale and purchase agreement (the "Sale and Purchase Agreement"), pursuant to which Mr. Ngai had conditionally agreed to transfer the entire issued share capital of Global One Management Limited to Manwell at the consideration of HK$390,000,000 (the "Consideration"). The Consideration was to be satisfied by the issue and allotment of 177,272,727 new ordinary shares of

HK$0.01 each in the share capital of the Company (the "Consideration Shares") to Mr. Ngai (or his nominee) at the issue price of HK$2.2 per Consideration Share within 10 business days after completion of the Sale and Purchase Agreement (the "Completion"). The Completion took place on 9 November 2011 and the Consideration Shares were issued and allotted by the Company to Mr. Ngai on 11 November 2011.

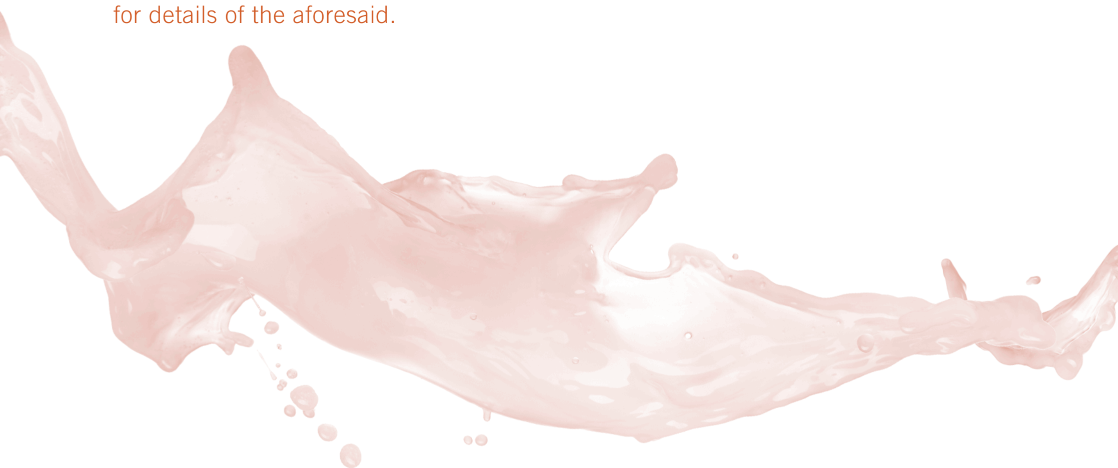
Please refer to the announcements of the Company dated 27 September 2011 and 9 November 2011 respectively for details of the aforesaid.

CHANGE OF COMPANY NAME

On 21 December 2011, a special resolution of the shareholders of the Company was passed to approve the change of the English name of the Company from "Tianyi Fruit Holdings Limited" to "China Tianyi Holdings Limited" and the Chinese name of the Company from "天溢果業控股有限公司" to "中國天溢控股有限公司" (the "Change of Name"). The Change of Name was effective on 21 December 2011 as approved by the Certificate of Incorporation on Change of Name which was issued by the Registrar of Companies in the Cayman Islands on 30 December 2011. 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 17 February 2012 certifying that the new name of the Company has been registered in Hong Kong.

Following the Change of Name, the stock short name of the Company for trading in the shares of the Company on the Stock Exchange will be changed from "TIANYI FRUIT" to "CHI TIANYI HOLD" in English and from "天溢果業" to "中國天溢控股" in Chinese with effect from 28 February 2012.

Please refer to the announcements of the Company dated 16 November, 21 December 2011 and 23 February 2012, and the circular of the Company dated 28 November 2011 for details of the aforesaid.



SHARE OPTION SCHEME

The status of the share options under the share option scheme of the Company (the "Scheme") from 1 July 2011 to 31 December 2011 (the "period") is as follows:

Category of participants	Outstanding as at 1 July 2011	Granted during the period	Exercised during the period	Cancelled/ lapsed during the period	Outstanding as at 31 December 2011	Date of grant of share option	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$
Directors:									
Sin Ke	6,000,000	—	—	—	6,000,000	18 November 2008	10 years from the date of grant	0.75	0.75
San Kwan	5,400,000	—	—	—	5,400,000	18 November 2008	10 years from the date of grant	0.75	0.75
Employees**	9,300,000	—	—	—	9,300,000	18 November 2008	10 years from the date of grant	0.75	0.75
Employee***	4,000,000	—	—	—	4,000,000	11 October 2009	10 years from the date of grant	0.90	0.90
	24,700,000				24,700,000				

* 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.

** There was a total of 9 employees of the Group being granted share options under the Share Option Scheme, except one of them is the director of the Company's subsidiaries, all of the other 8 employees are not Directors, chief executive or substantial shareholders of the Company or their respective associates.

*** The employee is not a director, chief executive or substantial shareholder of the Company or their respective associates.

The following table lists out the vesting period of the share options granted on 18 November 2008 under the Scheme:

	Name	No. of Option Shares	Vesting period/Maximum percentage of options exercisable from the date of acceptance 0-12 Months	13-24 Months	25-36 Months	After 36 Months
Directors	Sin Ke	6,000,000	0.00%	33.33%	66.67%	100.00%
	San Kwan	8,000,000	0.00%	30.00%	60.00%	100.00%
Employees		25,000,000	0.00%	31.20%	62.40%	100.00%
		39,000,000	0.00%	31.28%	62.56%	100.00%

The following table lists out the vesting period of the share options granted on 11 October 2009 under the Scheme:

	No. of Option Shares	0-12 Months	13-24 Months	25-36 Months	After 36 Months
Employee	10,000,000	30%	60%	100%	100%

No option is granted during the period.

Further details of the share options are set out in note 24 to the unaudited interim financial report.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICE AND THE LISTING RULES

Save as disclosed below, the Board considered that, during the period under review, the Company had complied with the code provisions set out in the Code on Corporate Governance Practices (the "Code") in Appendix 14 to the Listing Rules.

Under code provision A.2.1 of the Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. During the period under review, Mr. Sin had been the chairman of the Board and the chief executive officer of the Company. This deviates from the code provision A.2.1.

Mr. Sin has extensive experience in the FCOJ industry. He has the appropriate standing, management skills and business acumen that are essential prerequisites for assuming the two roles. The Board believes that vesting both roles in Mr. Sin provides the Group with strong and consistent leadership and, at the same time, allows for the continuous effective operations and development of the Group's business. As such, the structure is beneficial to the Group and the shareholders as a whole.

The Company understands the importance to comply with the code provision A.2.1 and will continue to consider the feasibility of appointing different persons to assume the roles of the chairman and the chief executive officer. The Company will make timely announcement(s) if such decision has been made.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by the Directors adopted by the Company during the period under review.

AUDIT COMMITTEE

The audit committee of the Company had reviewed with management of the Group the accounting principles and practices adopted by the Group and discussed the auditing, internal control 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 2011.

By Order of the Board
China Tianyi Holdings Limited
Sin Ke
Chairman

Hong Kong
20 February 2012

INTERIM RESULTS

The board (the "Board") of directors (the "Directors") of China Tianyi Holdings Limited (the "Company") is pleased to present the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 31 December 2011, along with the comparative figures and selected explanatory notes, which are prepared in accordance with the International Financial Reporting Standards ("IFRSs") promulgated by the International Accounting Standards Board ("IASB"), and have been reviewed by the audit committee of the Company.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 31 December 2011

	Note	**Six months ended 31 December**	
		2011	2010
		RMB'000	RMB'000
		(unaudited)	(unaudited)
Revenue	5	**320,340**	209,935
Cost of sales		**(220,570)**	(139,700)
Gross profit		**99,770**	70,235
Gain from changes in fair value of biological assets less estimated point-of-sale costs	17	**108,511**	113,142
Other income	6	**1,175**	1,389
Distribution costs		**(8,527)**	(14,046)
Administrative expenses		**(21,074)**	(18,527)
Other expenses		**(58)**	(516)
Profit from operations		**179,797**	151,677
Finance income		**4,257**	941
Finance expenses		**(8,698)**	(10,593)
Net finance costs	8(a)	**(4,441)**	(9,652)

The notes on pages 29 to 46 form part of these financial statements.

CONDENSED CONSOLIDATED INCOME STATEMENT (Continued)

For the six months ended 31 December 2011

	Note	Six months ended 31 December **2011** **RMB'000** **(unaudited)**	 2010 RMB'000 (unaudited)
Profit before taxation		**175,356**	142,025
Income tax	9	**(321)**	(10,879)
Profit for the period		**175,035**	131,146
Attributable to equity shareholders of the Company		**175,035**	131,146
Earnings per share (RMB cents)			
Basic	10(a)	**14.61**	12.98
Diluted	10(b)	**14.06**	12.48

The notes on pages 29 to 46 form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2011

	Six months ended 31 December	
	2011	2010
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Profit for the period	**175,035**	131,146
Other comprehensive income for the period:		
Exchange differences on translation of financial statements of overseas subsidiaries	**3**	127
Total comprehensive income for the period	**175,038**	131,273
Total comprehensive income attributable to:		
Equity shareholders of the Company	**175,038**	131,273

The notes on pages 29 to 46 form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2011

	Note	As at 31 December 2011 RMB'000 (unaudited)	As at 30 June 2011 RMB'000 (audited)
Non-current assets			
Property, plant and equipment	12	**214,360**	158,897
Land use rights	13	**18,591**	11,030
Goodwill	14	**242,222**	—
Rental prepayments		**115,121**	123,657
Pledged bank deposits	15	**120,350**	120,350
		710,644	413,934
Current assets			
Inventories	16	**72,983**	7,925
Biological assets	17	**6,018**	46,335
Rental prepayments		**18,428**	13,418
Trade and other receivables	18	**273,454**	50,279
Pledged bank deposits	15	**2,550**	2,550
Cash and cash equivalents	19	**585,278**	555,996
		958,711	676,503
Total assets		**1,669,355**	1,090,437
Current liabilities			
Trade and other payables	20	**93,245**	18,475
Loans and borrowings	21	**122,740**	114,190
Convertible bonds	23	**145,939**	141,626
Income tax payables		**321**	—
		362,245	274,291
Net current assets		**596,466**	402,212

The notes on pages 29 to 46 form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2011

	Note	As at 31 December 2011 RMB'000 (unaudited)	As at 30 June 2011 RMB'000 (audited)
Total assets less current liabilities		**1,307,110**	816,146
Non-current liabilities			
Loans and borrowings	21	**2,550**	5,100
Deferred income	22	**20,060**	20,060
Deferred tax liabilities		**1,250**	1,250
		23,860	26,410
Total liabilities		**386,105**	300,701
Net assets		**1,283,250**	789,736
Capital and reserves			
Share capital	25	**10,744**	8,971
Reserves		**1,272,506**	780,765
Total equity attributable to equity shareholders of the Company		**1,283,250**	789,736

Approved and authorised for issue by the board of directors on 20 February 2012.

Sin Ke
Chairman

San Kwan
Director

The notes on pages 29 to 46 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2010

	Attributable to equity shareholders of the Company (unaudited)						
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Statutory reserves RMB'000	Exchange reserve RMB'000	Retained earnings RMB'000	Total equity RMB'000
At 1 July 2010	8,822	149,444	63,098	34,350	11	378,010	633,735
Changes in equity:							
Profit for the period	—	—	—	—	—	131,146	131,146
Other comprehensive income	—	—	—	—	127	—	127
Total comprehensive income for the period	—	—	—	—	127	131,146	131,273
Dividend to equity shareholders (note 11)	—	—	—	—	—	(13,050)	(13,050)
Share options exercised (note 24)	149	16,517	(4,684)	—	—	—	11,982
Appropriation to statutory reserves	—	—	—	4,460	—	(4,460)	—
Equity settled share-based transactions (note 24)	—	—	1,927	—	—	—	1,927
At 31 December 2010	8,971	165,961	60,341	38,810	138	491,646	765,867

For the six months ended 31 December 2011

	Attributable to equity shareholders of the Company (unaudited)						
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Statutory reserves RMB'000	Exchange reserve RMB'000	Retained earnings RMB'000	Total equity RMB'000
At 1 July 2011	8,971	165,961	61,395	38,810	331	514,268	789,736
Changes in equity:							
Profit for the period	—	—	—	—	—	175,035	175,035
Other comprehensive income	—	—	—	—	3	—	3
Total comprehensive income for the period	—	—	—	—	3	175,035	175,038
Issuance of shares	1,773	315,964	—	—	—	—	317,737
Equity settled share-based transactions (note 24)	—	—	739	—	—	—	739
At 31 December 2011	10,744	481,925	62,134	38,810	334	689,303	1,283,250

The notes on pages 29 to 46 form part of these financial statements.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 31 December 2011

	Six months ended 31 December	
	2011 RMB'000 (unaudited)	2010 RMB'000 (unaudited)
Cash generated from operations	**18,863**	8,844
Interest paid	**(4,117)**	(1,269)
Income tax paid	**—**	(3,898)
Net cash generated from operating activities	**14,746**	3,677
Net cash generated from (used in) investing activities	**14,337**	(143,412)
Net cash generated from financing activities	**196**	80,066
Net increase (decrease) in cash and cash equivalents	**29,279**	(59,669)
Cash and cash equivalents at 1 July	**555,996**	429,074
Effect of foreign currency exchange rate changes	**3**	127
Cash and cash equivalents at 31 December	**585,278**	369,532

The notes on pages 29 to 46 form part of these financial statements.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

1. REPORTING ENTITY

China Tianyi Holdings Limited (the "Company") is a company incorporated in the Cayman Islands. The unaudited interim financial report of the Company as at and for the six months ended 31 December 2011 comprises the Company and its subsidiaries ("the Group").

2. BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), including compliance with International Accounting Standard ("IAS") 34 "Interim financial reporting", issued by the International Accounting Standards Board ("IASB"). It was authorised for issue on 20 February 2012.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the annual report for the year ended 30 June 2011, except for the accounting policy changes that are expected to be reflected in the annual financial statements for the year ending 30 June 2012.

3. CHANGE IN ACCOUNTING POLICIES

The IASB has issued a number of amendments to IFRSs and new Interpretations that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

Improvements to IFRSs (2009)

Improvements to IFRSs (2010)

The "Improvements to IFRSs (2009)" and The "Improvements to IFRSs (2010)" comprise a number of minor and non-urgent amendments to a range of IFRSs which the IASB has issued as an omnibus batch of amendments. The amendments have not resulted in any significant changes to the Group's accounting policies.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In preparing the interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to and were disclosed in the consolidated financial statements as at and for the year ended 30 June 2011.

5. SEGMENT INFORMATION

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (products) and geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified the following five reportable segments. Certain operating segments in Fujian and Chongqing have been aggregated to form the following reportable segments as management consider they are of similar economic characteristics.

— Fresh oranges for wholesale. This segment carries on the business of cultivation and selling of oranges to third party customers.

— Oranges for production of frozen concentrated orange juice ("FCOJ") and its related products. This segment carries on the business of cultivation of oranges for production of FCOJ, FCOJ fibre and orange pulp.

— FCOJ. This segment carries on the business of manufacturing and distribution of FCOJ, which is produced through a sequence of processes including crushing, pressing, pasteurisation and concentrating by using oranges as raw material. FCOJ is mainly used by the external customers for production of fruit juice and blended fruit juice.

— FCOJ fibre. This segment carries on the business of manufacturing and distribution of FCOJ fibre, which is a mixture of frozen concentrated orange juice with lower concentration rate and orange pulp sac. FCOJ fibre is mainly used by the external customers for production of pulpy fruit juice and blended fruit juice.

— Orange pulp. This segment carries on the business of manufacturing and distribution of orange pulp, which is a by-product from the production process of FCOJ. Orange pulp is mainly used by the external customers for production of blended fruit juice.

(a) Segment results

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

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments.

The measure used for reporting segment profit is "gross profit less sales tax and surcharges as well as reversal of fair value gain upon sales".

The Group's senior executive management monitors assets and liabilities on a consolidated basis and not by reportable segment. Accordingly, no additional information on assets and liabilities to that shown on the Group's consolidated statement of financial position is presented.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the six months ended 31 December 2011 and 31 December 2010 is set out below.

5. SEGMENT INFORMATION (Continued)

(a) Segment results (Continued)

	Six months ended 31 December 2011 (unaudited)						
	Fresh oranges for wholesale RMB'000	Oranges for production of FCOJ and its related products RMB'000	FCOJ RMB'000	FCOJ fibre RMB'000	Orange pulp RMB'000	Others(i) RMB'000	Total RMB'000
Revenue from external customers	93,745	—	125,240	90,661	10,728	2,426	322,800
Inter-segment revenue	—	38,810	—	—	—	—	38,810
Reportable segment revenue	93,745	38,810	125,240	90,661	10,728	2,426	361,610
Reportable segment profit	49,981	22,001	42,998	54,935	9,522	1,175	180,612

	Six months ended 31 December 2010 (unaudited)						
	Fresh oranges for wholesale RMB'000	Oranges for production of FCOJ and its related products RMB'000	FCOJ RMB'000	FCOJ fibre RMB'000	Orange pulp RMB'000	Others RMB'000	Total RMB'000
Revenue from external customers	80,058	—	52,317	71,768	5,847	448	210,438
Inter-segment revenue	—	47,894	—	—	—	—	47,894
Reportable segment revenue	80,058	47,894	52,317	71,768	5,847	448	258,332
Reportable segment profit	43,856	29,073	19,948	41,303	5,059	80	139,319

(i) Revenue from segments below the quantitative thresholds are mainly attributable to two segments of the Group. Those segments include other concentrated juice products and premier fresh oranges. None of those segments met any of the quantitative thresholds for determining reportable segments.

5. SEGMENT INFORMATION (Continued)

(b) Reconciliation of reportable segment revenues and profit

	Six months ended 31 December	
	2011	2010
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Revenue		
Total revenues for reportable segments	**359,184**	257,884
Other revenue	**2,426**	448
Elimination of inter-segment revenue	**(38,810)**	(47,894)
Sales tax and surcharges	**(2,460)**	(503)
Consolidated revenue	**320,340**	209,935
Profit		
Total profit for reportable segments	**179,437**	139,239
Other profit	**1,175**	80
	180,612	139,319
Sales tax and surcharges	**(2,460)**	(503)
Reversal of fair value gain upon sales	**(76,174)**	(66,447)
Gain from changes in fair value of biological assets less estimated point-of-sale costs	**108,511**	113,142
Write-down of inventories	**(2,208)**	(2,134)
Other income	**1,175**	1,389
Distribution costs	**(8,527)**	(14,046)
Administrative expenses	**(21,074)**	(18,527)
Other expenses	**(58)**	(516)
Net finance costs	**(4,441)**	(9,652)
Consolidated profit before taxation	**175,356**	142,025

6. OTHER INCOME

	Six months ended 31 December	
	2011	2010
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Government grants	**—**	1,180
Others	**1,175**	209
	1,175	1,389

The Group received discretionary grants from various People's Republic of China ("PRC") government authorities in recognition of the Group's contribution to the development of the local agriculture industry and investment in a concentrated fruit juice production plant in Chongqing. These government grants are not recurring in nature and are not only available to the Group. There is no assurance that the Group will receive these government grants in the future.

7. PERSONNEL EXPENSES

	Six months ended 31 December	
	2011	2010
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Salaries, wages and other benefits	**34,325**	36,120
Contributions to defined contribution plans	**3,052**	2,860
Equity settled share-based payment	**739**	1,927
	38,116	40,907

The Group participates in pension funds organised by the PRC government. According to the respective pension fund regulations, the Group is required to pay annual contributions. The Group remits all the pension fund contributions to the respective social security offices, which are responsible for the payments and liabilities relating to the pension funds.

The Group also operates a Mandatory Provident Fund Scheme ("the MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HKD 20,000. Contributions to the scheme vest immediately.

The Group has no obligation for payment of retirement and other post retirement benefits of employees other than the contributions described above.

8. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Net finance costs

	Six months ended 31 December	
	2011	2010
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest income on bank deposits	**(4,257)**	(941)
Finance income	**(4,257)**	(941)
Interest expenses	**11,966**	8,935
— convertible bonds	**7,849**	7,666
— bank loans wholly repayable within five years	**4,117**	1,269
Bank charges	**101**	32
Net foreign exchange (gain) loss	**(3,369)**	1,626
Finance expenses	**8,698**	10,593
Net finance costs	**4,441**	9,652

(b) Other expenses

The following expenses are included in cost of sales, distribution costs, administrative expenses and other expenses.

	Six months ended 31 December	
	2011	2010
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Amortisation of land use rights	**130**	126
Depreciation of fixed assets	**6,698**	6,782
Operating lease charges	**8,809**	8,146
Cost of inventories*	**220,570**	139,700

*Note: For the six months ended 31 December 2011 and 2010, cost of inventories includes RMB43,482,000 and RMB45,950,000 respectively relating to personnel expenses, depreciation expenses and amortisation of rental prepayments.

9. INCOME TAX

Income tax in the condensed consolidated income statement represents:

	Six months ended 31 December	
	2011	2010
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current tax expense		
Provision for PRC income tax	**321**	9,779
Deferred tax expense		
Origination and reversal of temporary differences	**—**	1,100
	321	10,879

(i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the "BVI"), the Group is not subject to any income tax in the Cayman Islands and BVI.

(ii) No provision has been made for Hong Kong profits tax as the Group did not have assessable profit subject to Hong Kong profits tax.

(iii) The provision for PRC income tax is based on the respective applicable rates on the estimated assessable income of the Group's subsidiaries in the PRC as determined in accordance with the relevant income tax rules and regulations of the PRC.

Pursuant to the Corporate Income Tax Law of the PRC, the Group's subsidiaries engaged in the cultivation and selling of self-cultivated fresh oranges are entitled to exemption from corporate income tax.

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 2011 (for the six months ended 31 December 2010: 25%).

With effect from 1 January 2011, the Company's subsidiaries which are responsible for the orange juice production operation are exempt from corporate income tax 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, all businesses of the Group in the PRC (i.e. cultivation and selling of self-cultivated fresh oranges and orange juice production) are exempt from corporate income tax, 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.

9. INCOME TAX (Continued)

(iv) Pursuant to the Corporate Income Tax 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. As at 31 December 2011, the management believe that should the Group determined 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.

As the Company controls the dividend policy of the Group's PRC subsidiaries, as at 31 December 2011, deferred tax liabilities of RMB1,250,000 (30 June 2011: 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. Deferred tax liabilities of RMB25,227,000 (30 June 2011: RMB20,710,000) have not been recognised as at 31 December 2011, as the directors consider it probable that a portion of the undistributed profits earned by the Group's PRC subsidiaries as at 31 December 2011 will not be distributed in the foreseeable future.

10. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share for the six months ended 31 December 2011 is based on the profit attributable to the equity shareholders of the Company of RMB175,035,000 (for the six months ended 31 December 2010: RMB131,146,000) and the weighted average of 1,198,072,727 ordinary shares (for the six months ended 31 December 2010: 1,010,166,033 shares) of the Company, calculated as follows:

Weighted average number of ordinary shares

	Six months ended 31 December	
	2011	2010
Issued ordinary shares	**1,020,800,000**	1,000,000,000
Issuance of shares	**177,272,727**	—
Effect of share options exercised	—	10,166,033
Weighted average number of ordinary shares	**1,198,072,727**	1,010,166,033

10. EARNINGS PER SHARE (Continued)

(b) Diluted earnings per share

The calculation of diluted earnings per share for the six months ended 31 December 2011 is based on the profit attributable to equity shareholders of the Company (diluted) of RMB182,884,000 (for the six months ended 31 December 2010: 138,856,000) and the weighted average number of ordinary shares outstanding (diluted), after adjusting for the effect of all dilutive potential ordinary shares, of 1,300,597,727 (for the six months ended 31 December 2010: 1,112,641,886), calculated as follows:

(i) Profit attributable to ordinary equity holders of the Company (diluted)

	Six months ended 31 December	
	2011	2010
	RMB'000	RMB'000
Profit attributable to equity shareholders (basic)	**175,035**	131,146
Effect of effective interest on the liability component of convertible bonds	**7,849**	7,666
Effect of exchange loss recognised on the liability component of convertible bonds	**—**	44
Profit attributable to equity shareholders (diluted)	**182,884**	138,856

(ii) Weighted average number of ordinary shares (diluted)

	Six months ended 31 December	
	2011	2010
Weighted average number of ordinary shares	**1,198,072,727**	1,010,166,033
Effect of deemed issue of shares under the Company's share option scheme for nil consideration	**24,700,000**	24,650,853
Effect of conversion of convertible bonds	**77,825,000**	77,825,000
Weighted average number of ordinary shares (diluted)	**1,300,597,727**	1,112,641,886

The average market value of the Company's shares for purpose of calculating the dilutive effect of share options was based on quoted market prices for the period that the options were outstanding.

11. DIVIDENDS

(i) The Directors do not recommend the payment of a dividend in respect of the six months ended 31 December 2011 (six months ended 31 December 2010: nil).

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the interim period.

	Six months ended 31 December	
	2011	2010
	RMB'000	RMB'000
Dividend in respect of the previous financial year, approved and paid during the period	**—**	13,050

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2011, the Group acquired items of buildings, plant and machinery with costs of RMB23,741,000. Apart from that, there are no significant acquisitions/disposals during the six months ended 31 December 2011.

As at 31 December 2011, one of the Group's buildings with a carrying value of RMB37,620,000 was pledged to secure the loans and borrowings granted to a subsidiary of the Group. As at 31 December 2010, no buildings have been pledged to secure the loans and borrowings.

13. LAND USE RIGHTS

	Six months ended	
	31 December	31 December
	2011	2010
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Beginning of the period	**11,030**	11,281
Additions	**2,191**	—
Acquisition of subsidiaries	**5,520**	—
Less: amortisation	**(150)**	(126)
End of the period	**18,591**	11,155

All the Group's land use rights relate to land located in the PRC.

As at 31 December 2011, one of the Group's land use rights with a carrying value of RMB5,500,000 was pledged to secure the loans and borrowings granted to a subsidiary of the Group. As at 31 December 2010, no land use rights have been pledged to secure the loans and borrowings.

14. GOODWILL

	As at 31 December 2011 RMB'000 (unaudited)	As at 30 June 2011 RMB'000 (audited)
At beginning of the period/year	**—**	—
Acquisition of subsidiaries (note a)	**242,222**	—
At the end of the period/year	**242,222**	—

Note

a. On 9 November 2011, the Company acquired the entire equity interests of Global One Management Limited and its subsidiaries (the "Acquisition"), which is principally engaged in the processing and sale of fruits and vegetables for a consideration of RMB317, 737,000 (equivalent to approximately HK$390,000,000) which was all satisfied by the allotment and issue of 177,272,727 new ordinary shares at HK$2.2 per share, the issue price was agreed between the Group and the vendor based on arm's length negotiation. Details of the goodwill arising from the acquisition are as follows:

	RMB'000
Purchase consideration	317,737
Fair value of net assets acquired	(75,515)
Goodwill	242,222

15. PLEDGED BANK DEPOSITS

The amount represents a deposit of RMB5,100,000 pledged to secure an interest-free bank loan of RMB5,100,000, and a three-year term deposit of RMB117,800,000 pledged by one of the Group's subsidiaries in Hong Kong to secure an interest-bearing bank loan of RMB114,190,000 of one of the Group's PRC subsidiaries (note 21).

16. INVENTORIES

(a) Inventories in the condensed consolidated statement of financial position comprise:

	As at 31 December 2011 RMB'000 (unaudited)	As at 30 June 2011 RMB'000 (audited)
Oranges	**57,834**	—
FCOJ (Frozen concentrated orange juice)	**10,709**	7,575
FCOJ fibre (Frozen concentrated orange juice fibre)	**754**	—
Consumables and packing materials	**3,686**	350
	72,983	7,925

(b) No provisions were made against inventories as at 31 December 2011 (30 June 2011: nil).

(c) The analysis of the amount of inventories recognised as an expense is as follows:

	Six months ended 31 December	
	2011 RMB'000 (unaudited)	2010 RMB'000 (unaudited)
Carrying amount of inventories sold	**218,362**	137,566
Write-down of inventories	**2,208**	2,134
	220,570	139,700

(d) Production quantities of agricultural produce:

	Six months ended 31 December	
	2011 tonnes (unaudited)	2010 tonnes (unaudited)
Oranges	**113,478**	128,432

17. BIOLOGICAL ASSETS

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

		Six months ended	
		31 December 2011 RMB'000 (unaudited)	31 December 2010 RMB'000 (unaudited)
Beginning of the period		**46,335**	42,219
Increase due to cultivation		**46,457**	45,292
Gain from changes in fair value less estimated point-of-sale costs	(i)	**108,511**	113,142
Harvested oranges transferred to inventories		**(195,285)**	(195,350)
End of the period	(ii)	**6,018**	5,303

(i) The directors measured the fair value of oranges at harvest based on market prices as at or close to the harvest dates.

(ii) All oranges are harvested annually and are harvested shortly before the calendar year end. The directors consider that there is no active market for the immature oranges before harvest as at 31 December. The present value of expected cash flows is 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 pesticide prevention. As such, the directors consider that the fair value of biological assets at 31 December 2011 and 31 December 2010 cannot be measured reliably and no reliable alternative estimates exist to determine fair value. Therefore, biological assets as at 31 December 2011 and 31 December 2010 continue to be stated at cost.

The carrying value of biological assets as at period end represents cultivation costs incurred including fertilisers, pesticides, labour costs and orange farm rental costs.

18. TRADE AND OTHER RECEIVABLES

	As at 31 December 2011 RMB'000 (unaudited)	As at 30 June 2011 RMB'000 (audited)
Trade receivables	**239,668**	43,765
Deposits and prepayments	**23,088**	3,289
Other receivables	**10,698**	3,225
	273,454	50,279

The Group generally grants credit terms of not more than 90 days depending on the credit worthiness of individual customers. An ageing analysis of the trade receivables as of the reporting dates is as follows:

	As at 31 December 2011 RMB'000 (unaudited)	As at 30 June 2011 RMB'000 (audited)
Within three months	**239,664**	42,044
Over three months but less than six months	**—**	1,717
Over six months but less than one year	**—**	2
1 to 2 years past due	**4**	2
	239,668	43,765

All of the trade and other receivables are expected to be recovered within one year.

19. CASH AND CASH EQUIVALENTS

	As at 31 December 2011 RMB'000 (unaudited)	As at 30 June 2011 RMB'000 (audited)
Denominated in RMB	**576,044**	544,610
Denominated in HKD	**7,335**	9,402
Denominated in USD	**1,899**	1,984
Total cash and cash equivalents	**585,278**	555,996

RMB is not a freely convertible currency and the remittance of funds out of the PRC is subject to exchange restrictions imposed by the PRC government.

20. TRADE AND OTHER PAYABLES

	As at 31 December 2011 RMB'000 (unaudited)	As at 30 June 2011 RMB'000 (audited)
Trade payables	**58,100**	8,210
Other payables and accrued expenses	**35,145**	10,265
	93,245	18,475

All of the trade and other payables are expected to be settled within one year.

An ageing analysis of the trade payables of the Group is analysed as follows:

	As at 31 December 2011 RMB'000 (unaudited)	As at 30 June 2011 RMB'000 (audited)
Not past due	**58,100**	8,210

21. LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's loans and borrowings, which are measured at amortised cost.

(a) Loans and borrowings were repayable as follows:

	As at 31 December 2011 RMB'000 (unaudited)	As at 30 June 2011 RMB'000 (audited)
Within 1 year	**122,740**	114,190
After 1 year but within 2 years	**2,550**	2,550
After 2 years but within 3 years	**—**	2,550
	125,290	119,290
Representing:		
Secured bank loans	**125,290**	119,290

The above loans and borrowings were all denominated in RMB.

21. LOANS AND BORROWINGS (Continued)

(a) Loans and borrowings were repayable as follows: (Continued)

The secured bank loans as at 31 December 2011 are an interest-free entrusted bank loan of RMB5,100,000 extended by a local finance bureau of the PRC, in support of the Group's operations in agricultural industry, and an interest-bearing bank loan of RMB120,190,000 with fixed rate of 5.04% and 6.972% during the six months ended 31 December 2011.

(b) The above secured borrowings were secured by pledged bank deposits of the Group. An analysis of the carrying value of these deposits is as follows:

	As at 31 December 2011 RMB'000 (unaudited)	As at 30 June 2011 RMB'000 (audited)
Pledged bank deposits (note 15)	**122,900**	122,900

22. DEFERRED INCOME

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

23. CONVERTIBLE BONDS

In May 2010, the Company issued United States Dollar ("USD") Settled Unsecured Zero Coupon Convertible Bonds due 2012 in the aggregate principal amount of USD 22,000,000 (the "Convertible Bonds" or "the Bonds"). The subscription amount payable in respect of each USD 1,000,000 principal amount of the Bonds is approximately RMB6,833,000. The issue of the Bonds was completed on 28 May 2010.

The movement of the liability component and the equity component of the Convertible Bonds for the six months ended 31 December 2011 is set out below:

	Liability component RMB'000	**Equity component** RMB'000	**Total** RMB'000
As at 1 July 2011	141,626	12,285	153,911
Interest charged during the six months ended 31 December 2011	7,849	—	7,849
Foreign currency translation difference	(3,536)	—	(3,536)
As at 31 December 2011	145,939	12,285	158,224

No conversion of the Convertible Bonds has occurred up to 31 December 2011.

24. 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 (the "Share Option Scheme"). Each option gives the holder the right to subscribe for one ordinary share of HKD 0.01 each of the Company.

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

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

During the six months ended 31 December 2011, no share options have been exercised. During the six months ended 31 December 2010, 17,350,000 share options have been exercised. Except for this, no share options have been exercised, lapsed or cancelled pursuant to the above share option scheme during the six months ended 31 December 2011.

The options outstanding at 31 December 2011 had a weighted average exercise price of HKD 0.77 (31 December 2010: HKD 0.77) and had a weighted average remaining contractual life of 7.03 years (31 December 2010: 8.03 years).

25. SHARE CAPITAL

During the six months ended 31 December 2011, the Company issued 177,272,727 new shares of HK$0.01 each at the price of at HK$2.2 per share on 9 November 2011 to the shareholders of Global One Management Limited as the purchase consideration for the Acquisition. The ordinary shares issued have the same rights as other ordinary shares in issue. The issue price of the ordinary shares issued at the date of Acquisition amounted to RMB317,737,000 and therefore an amount of RMB315,964,000 was credited to share premium account. As the shares are issued in exchange of the cost of investment in the Acquisition, the issue of the shares are non-cash transaction and therefore are not reflected as in the cash flow statement for the six months ended 31 December 2011. During the six months ended 31 December 2010, 17,350,000 ordinary shares of HKD 0.01 of the Company were issued for a total cash consideration of HKD 13,912,480 (equivalent to RMB11,982,000) as certain share options were exercised by the holders pursuant to the share option scheme adopted by the Company. Details of the share option scheme are discussed in note 24.

26. COMMITMENTS

(a) Capital commitments that relate to purchase of land use rights, property, plant, and equipment outstanding at of the reporting date not provided for in the financial statements were as follows:

	As at 31 December 2011 RMB'000 (unaudited)	As at 30 June 2011 RMB'000 (audited)
Authorised and contracted for	**20,872**	20,928

(b) Non-cancellable operating lease rentals are payables as follows:

	As at 31 December 2011 RMB'000 (unaudited)	As at 30 June 2011 RMB'000 (audited)
Less than one year	**472**	116
Between one and five years	**21,000**	21,000
More than five years	**21,000**	21,000
	42,472	42,116

27. RELATED PARTY TRANSACTIONS

Key management personnel received compensation in the form of short-term employee benefits, post-employment benefits and share-based payment awards of RMB1,402,764 for the six months ended 31 December 2011 (six months ended 31 December 2010: RMB2,999,544).

Except for the transactions with key management personnel mentioned above, no other significant related party transactions took place during the six months ended 31 December 2011 and 2010, respectively.