

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 20-F

(Mark One)

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(B) OR 12(G) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended June 30, 2014.

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

OR

☐ SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report _____

Commission file number: 001-33766

AGRIA CORPORATION

(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant's name into English)

Cayman Islands

(Jurisdiction of incorporation or organization)

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(Name, Telephone, Email and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of Each class	Name of Each Exchange on Which Registered
American Depositary Shares, each representing two ordinary shares, par value \$0.0000001 per share	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

(Title of Class)

Indicate the number of outstanding shares of each of the Issuer's classes of capital or common stock as of the close of the period covered by the annual report.
110,766,600 ordinary shares, par value \$0.0000001 per share, as of June 30, 2014.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☒

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

US GAAP ☐

International Financial Reporting Standards as issued
by the International Accounting Standards Board ☒

Other ☐

If "Other" has been checked in response to the previous question indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☐ No ☐

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INTRODUCTION

Unless otherwise indicated and except where the context otherwise requires, references in this annual report on Form 20-F to:

- “we,” “us,” “our company,” “the Company,” “our” and “Agria” refer to Agria Corporation, a Cayman Islands company, and its predecessor entities, subsidiaries and, unless the context indicates otherwise, our consolidated structured entities, and their subsidiaries and associates;
- “P3A” refers to Taiyuan Primalights III Agriculture Development Co., Ltd., a limited liability company established in China, which was one of our consolidated structured entities until it was disposed of in July 2010;
- “Zhongguan” refers to our consolidated structured entity, Shenzhen Zhongguan Agriculture Group Co., Ltd (formerly known as Shenzhen Guanli Agricultural Technology Co., Ltd.), which is a limited liability company established in China;
- “Ganxin” refers to Wuwei Ganxin Seeds Co., Ltd., the former 49% owned associate of Zhongguan, which was disposed of in May 2013;
- “PGW” refers to PGG Wrightson Limited, in which we hold a 50.22% equity interest;
- “PGG Wrightson Seeds” refers to PGG Wrightson Seeds Limited, a wholly-owned subsidiary held through PGW;
- “China” or “PRC” refers to the People’s Republic of China, excluding, for purposes of this annual report, Taiwan, Hong Kong Special Administrative Region and Macau Special Administrative Region;
- “shares” or “ordinary shares” refers to our ordinary shares, and “preferred shares” refers to our series A redeemable convertible preferred shares, all of which were converted into our ordinary shares upon the completion of our initial public offering on November 13, 2007;
- “ADSs” refers to our American depositary shares, each of which represents two ordinary shares; and
- all references to “RMB” or “Renminbi” are to the legal currency of China; all references to “\$,” “dollars” and “US dollars” are to the legal currency of the United States; and all references to “NZ\$” is to the legal currency of New Zealand.

FORWARD-LOOKING STATEMENTS

This annual report on Form 20-F contains forward-looking statements that involve risks and uncertainties. All statements other than statements of historical facts can be forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements.

You can identify forward-looking statements by words or phrases such as “may,” “will,” “expect,” “anticipate,” “aim,” “estimate,” “intend,” “plan,” “believe,” “likely to” or other similar expressions. We have based these forward-looking statements largely on our current expectations, estimates and projections about future events and financial trends that we believe may affect our financial condition, results of operations, liquidity, business strategy and financial needs. We believe that the following important factors, among others, in some cases have affected, and in the future could affect our consolidated results and could cause our actual consolidated results for the fiscal year ended June 30, 2014 and any other future period to differ materially from those described in any forward-looking statements made by us:

- our future business development, results of operations and financial condition;

- changes in our revenues, cost and expense items;
- the financial performance of PGW;
- our anticipated development strategies, which may include potential acquisitions and divestitures, expanding into new sectors within the agricultural industry, expanding sales into new regions and expanding our product offerings;
- our strategy to expand our research and development capability;
- our ability to attract customers and end users and enhance our brand recognition;
- future changes in government regulations affecting our business;
- trends and competition in the agricultural industry, particularly in China, New Zealand, Australia and South America; and
- our ability to retain and motivate existing management and other key personnel and to recruit and integrate additional qualified personnel into our operations.

You should thoroughly read this annual report and the documents that we refer to in this annual report with the understanding that our actual future results may be materially different from or worse than what we expect. We qualify all of our forward-looking statements by these cautionary statements. Other sections of this annual report include additional factors which could adversely impact our business and financial performance. Moreover, we operate in an evolving environment. New risk factors and uncertainties emerge from time to time and it is not possible for our management to predict all risk factors and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

SPECIAL NOTE ON OUR FINANCIAL INFORMATION PRESENTED IN THIS ANNUAL REPORT

Our consolidated financial statements as of and for the years ended June 30, 2014 and 2013 included in this Annual Report on Form 20-F have been prepared in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board, or IFRS. We adopted IFRS effective as of and for the fiscal year ended June 30, 2014 by applying IFRS 1: First-Time Adoption of International Reporting Standards. Our consolidated financial statements as of and for the year ended June 30, 2013 were originally prepared in accordance with generally accepted accounting principles in the United States, or U.S. GAAP, and have been restated in accordance with IFRS for comparative purposes only. An explanation of how the transition to IFRS from U.S. GAAP has affected our reported financial position, financial performance and cash flows is provided in note 3, "Transition to IFRS," in the accompanying audited consolidated financial statements in Item 8. In accordance with rule amendments adopted by the SEC, we do not provide a reconciliation to U.S. GAAP. Furthermore, pursuant to the transitional relief granted by the SEC in respect of the first-time adopters of IFRS, we have only provided financial statements and financial information for two fiscal years ended June 30, 2013 and June 30, 2014 as presented under IFRS in this annual report on IFRS.

For the fiscal year ended June 30, 2014, we changed the presentation currency of our consolidated financial statements from the Renminbi to the U.S. dollar. We believe that the U.S. dollar is more appropriate than Renminbi for presenting our performance and financial position, due to the global nature of our operations, the worldwide recognition of the U.S. dollar, and the greater ease in making direct comparisons with industry peers and other US-listed companies. We have evolved from a China-based company into a group with global reach. We have a presence in various countries, including New Zealand, Australia, Uruguay, Brazil and Argentina, as well as exposure to customers in 47 countries across every continent through our international trading and seed multiplication businesses. As a change in presentation currency is a change of accounting policy, all comparative financial information has been restated into U.S. dollars in this annual report. As a result, all financial information contained herein is expressed in U.S. dollars, unless otherwise stated.

PART I

ITEM 1. Identity of Directors, Senior Management and Advisers

Not Applicable.

ITEM 2. Offer Statistics and Expected Timetable

Not Applicable.

ITEM 3. Key Information

A. Selected Financial Data

The following table presents selected consolidated financial information for our company. The consolidated statements of profit or (loss) data for the year ended June 30, 2013 and 2014 and our consolidated financial position data as of June 30, 2013 and 2014 included elsewhere in this annual report have been derived from our consolidated financial statements for the relevant periods, and are prepared and presented in accordance with IFRS. We adopted IFRS effective as of and for the fiscal year ended June 30, 2014 by applying IFRS 1: First-Time Adoption of International Reporting Standards. Our consolidated financial statements as of and for the year ended June 30, 2013 were originally prepared in accordance with U.S. GAAP, and were restated in accordance with IFRS for comparative purposes only. A description of the principal differences between our previous accounting standards and IFRS and the impact of transition to IFRS is provided in note 3 to our consolidated financial statements included in this annual report.

In accordance with rule amendments adopted by the SEC, we do not provide a reconciliation to U.S. GAAP. Further, pursuant to the transitional relief granted by the SEC in respect of the first-time application of IFRS, financial and operating data as of and for the three years ended June 30, 2010, 2011 and 2012 derived from our consolidated financial statements prepared in accordance with U.S. GAAP have not been included below.

For the fiscal year ended June 30, 2014, we changed the presentation currency of our consolidated financial statements from the Renminbi to the U.S. dollar. We believe that the U.S. dollar is more appropriate than Renminbi for presenting our performance and financial position, due to the global nature of our operations, the worldwide recognition of the U.S. dollar, and the greater ease in making direct comparisons with industry peers and other US-listed companies. We have evolved from a China-based company into a group with global reach. We have a presence in various countries, including New Zealand, Australia, Uruguay, Brazil and Argentina, as well as exposure to customers in 47 countries across every continent through our international trading and seed multiplication businesses. As a change in presentation currency is a change of accounting policy, all comparative financial information has been restated into U.S. dollars in this annual report. As a result, all financial information contained herein is expressed in U.S. dollars, unless otherwise stated.

Our historical results do not necessarily indicate results expected for any future periods. You should read the following information in conjunction with our consolidated financial statements and related notes and “Item 5. Operating and Financial Review and Prospects” included elsewhere in this annual report.

Our consolidated financial statements for the years ended June 30, 2013 and 2014 have been audited by GHP Horwath, P.C., or GHP Horwath, an independent registered public accounting firm.

	For the Year Ended June 30,	
	2014	2013
	\$	\$
(In thousands, except per share data)		
Consolidated Statements of Profit or (Loss) Data:		
Revenue	1,023,571	940,194
Cost of sales	(764,995)	(700,377)
Gross profit	258,576	239,817
Other income	237	1,032
Operating expenses:		
Employee benefits expenses	(126,086)	(117,873)
Research and development	(4,411)	(3,887)
Depreciation and amortization	(9,929)	(7,982)
Other operating expenses	(83,735)	(89,730)
Operating profit	34,652	21,377
Equity accounted earnings/(loss) of associates	2,094	(112)
Impairment loss on goodwill	-	(140,837)
Provision for impairment loss on land use rights and non-current prepayments	-	(56,968)
Non-operating items	4,750	(4,418)
Fair value adjustments	1,089	(1,531)
Profit before interest and tax	42,585	(182,489)
Net interest and finance costs	(9,285)	(12,385)
Profit/(loss) before tax	33,300	(194,874)
Income tax	(7,153)	(4,520)
Profit/(loss) for the year	26,147	(199,394)
Attributable to:		
Equity holders of the Company	5,896	(137,166)
Non-controlling interests	20,251	(62,228)
	<u>26,147</u>	<u>(199,394)</u>
Earnings/(loss) per ordinary share:		
Basic	0.05	(1.24)
Diluted	0.05	(1.24)
Weighted average number of ordinary shares outstanding:		
Basic	110,766,600	110,766,600
Diluted	110,891,096	110,766,600

The following table presents a summary of our consolidated financial position data as of June 30, 2013 and 2014:

	As of June 30,	
	2014	2013
	\$	\$
(In thousands)		
Consolidated Balance Sheets Data:		
Cash and cash equivalents	13,958	43,342
Accounts receivable	193,146	165,610
Total assets	603,040	590,530
Total current liabilities	265,719	289,200
Share capital	-	-
Total equity attributable to equity holders of the Company	75,286	63,347
Non-controlling interests	140,526	115,562
Total equity	215,812	178,909

B. Capitalization and Indebtedness

Not Applicable.

C. Reasons for the Offer and Use of Proceeds

Not Applicable.

D. Risk Factors

Risks Related to Our Business

We face risks related to PGW's business and operations that may adversely affect our results of operations and financial condition.

A substantial portion of our revenues have been, and we expect will continue to be, derived from PGW, and therefore our revenues have been and will continue to be directly tied to the business and operations of PGW. PGW is New Zealand's leading provider of agricultural services and its business is spread across the agriculture, livestock, merchandising, insurance, real estate, irrigation and pumping and financial services sectors, all of which may be subject to various risks and factors beyond our control. If PGW's business and operations are not as successful as we expect or its revenues do not reach levels that we expected when we acquired our shareholding in it, our results of operations and financial condition may be materially and adversely affected.

We are dependent on the rural sectors in the markets where we operate.

Our revenues and results of operations depend significantly on the prospects of the New Zealand, Australian and South American rural sectors where we operate. Our prospects also depend, to a significant extent, on positive farmer sentiment both in New Zealand and the other countries where we operate, which can be affected by a wide range of factors outside our control. The following are key factors and risks that can have a material impact on the performance of the rural sector and farmer sentiment and in turn our business performance:

- *Fonterra milksolids payout:* The dairy sector in New Zealand is heavily influenced by the Fonterra payout announcements each year, which determine dairy farmers' cash flows and returns for the upcoming season. Farm financial performance is heavily determined by this metric and drives on-farm investment and expenditure decisions and subsequent demand for our products and services.
- *Climate conditions:* The rural sectors in the markets where we operate are exposed to volatile climate conditions, particularly given the adverse effects on farming caused by droughts or floods. The Australian rural sector is particularly susceptible to drought, which has the potential to result in a material adverse impact on that country's agricultural revenue.
- *Commodity price and volume:* Prices and sales volumes for agricultural commodities such as lamb, beef, wool and dairy products are key factors affecting farm financial performance. Farm financial performance dictates farmer expenditure, which significantly influences demand for our products and services and, in turn, our revenues and results of operations.
- *Regulatory changes:* Changes to the regulatory structure of the New Zealand, Australian or South American rural economies could either expand or reduce the range of products and services required by farmers and other rural sector participants.
- *Animal health and crop conditions:* An outbreak of animal or crop disease may dramatically reduce production or restrict the ability of our clients to sell their stock or production on domestic and international markets.
- *International trade barriers:* Barriers in the form of foreign government subsidies and quota restrictions can restrict the ability of New Zealand, Australian and South American industries to sell their agricultural commodities in international markets and can also affect the price at which such commodities are sold.
- *Environmental regulations:* Changes to environmental regulations and the resulting compliance burdens on PGW or its customers could adversely impact PGW's future performance.

We may not be able to compete successfully in the markets and sectors we which it operate.

The agricultural services sector and other markets in which we operate are competitive. The market share of our competitors may increase and our market share may decrease as a result of various factors, including a change in consumer preferences toward products or services offered by competitors, pricing (including pricing reductions due to “forced sales” by any competitors in financial distress or having an oversupply of products), payment terms, terms of business and promotional strategies implemented by competitors, improved distribution of competitors’ products or services in each market, and enhanced price competitiveness due to exchange rate fluctuations, lower costs of production or otherwise. Additionally, new competitors may attempt to enter the markets in which we operate by offering products or services at lower prices to gain market share, which would negatively impact our performance and results of operation.

Our seeds production and trading may be subject to certain risks.

We produce and procure seeds from a variety of sources. However, the sources of our seeds supply are subject to risks associated with growing crops, including natural disasters (such as drought), pestilence, plant diseases, insect infestations and man-made disasters (such as contamination). In addition, seeds inventories can be affected by other man-made interventions, such as arson. Our ability to trade seeds internationally is also dependent on biosecurity controls imposed by importing countries. Changes in regulations or a failure of our products to meet the required standards could result in us being unable to sell seeds or meet customer demand, which would adversely affect our business prospects and results of operation.

Extreme weather conditions and other natural or man-made disasters could damage our production and adversely affect demand from end users/farmers, which would cause a material reduction in revenues.

Customer demand for our products are subject to the risks associated with agriculture, including extreme weather conditions and other natural disasters such as drought, flood, snowstorm, earthquake, pestilence, plant diseases and insect infestations. The quality, cost and volume of seeds and other products that we produce could be materially adversely affected by extreme weather conditions or natural disasters; similarly, the end users of our seed products could also be adversely affected and as a result harming our sales and profitability. Man-made disasters, such as arson or other acts that may adversely affect our inventory in the winter storage season, may also damage our products or our production facilities. Furthermore, natural or man-made disasters may cause farmers to migrate from their farmland, which would decrease the number of end users of our products. We do not have insurance to protect against such risks. As a result, extreme weather conditions and other natural disasters may affect our customers’ demand for our products, which would adversely affect our business prospects and results of operation.

Our seed production in China primarily relies on arrangements with village collectives to produce the corn seed products and we rely on contracts with production companies to produce our edible corn seed products. If we were unable to continue these arrangements or enter into new arrangements with other village collectives or other production companies, our total land acreage devoted to corn seed production would decrease and our growth would be inhibited.

During the year ended June 30, 2014, we outsourced the production of our corn seeds to production companies in Gansu, Xinjiang, Guangdong, Hunan and Zhejiang provinces. While the seed production in China in fiscal 2013 and 2014 was not material to our operation (less than 5% of our group seed production), our ability to continue or expand production relies on arrangement with village collectives to produce our seed products.

In the year ended June 30, 2014, through our production base in Xinjiang and cooperation with our suppliers, we had access to approximately 618 acres of farmland primarily through contractual arrangements with village collectives for corn seed production. In the event that prices for other crops increase, these village collectives and production companies may decide to farm other crops in breach of our leases and seed production agreements with them or, following the expiration of our leases, lease the land to our competitors or other parties. If the land policy changes so that we are unable to continue to lease land, if a significant number of village collectives refuse to lease land to us upon the expiration of their current leases or if a significant number of production companies are unable to fulfill their contractual obligations to us, our business and results of operations would be materially and adversely affected. Any of these disruptions could materially and adversely affect our supply of seeds and our revenues. Such disruptions could also damage our relationships with our distributors and customers if we cannot supply them with the quantities and varieties of seeds that they expect. Moreover, due to competition for land suitable for leasing, we may be unable to lease the same land or other land at commercially reasonable prices. In the event that we have to pay more to lease land or are unable to lease sufficient land, our results of operations may be materially and adversely affected.

The highly fragmented agriculture industry in China makes it difficult to evaluate our future prospects and results of operations.

You should consider our future prospects in light of the risks and uncertainties facing companies in the highly fragmented agricultural industry in China. Some of these risks and uncertainties relate to our ability to:

- maintain our competitive position in China and compete in each of our business segments with Chinese and international companies, many of which have longer operating histories and greater financial resources than we do;
- offer commercially successful seed products to attract and retain direct customers and ultimate users;
- retain access to the farmland we currently use and obtain access to additional farmland for expansion;
- continue our existing arrangements with village collectives that grow our corn seed products and enter into new arrangements with additional village collectives;
- maintain effective control of our costs and expenses; and
- retain and motivate our management and skilled technical staff and recruit and integrate additional qualified personnel into our operations.

If we are unsuccessful in addressing any of these risks and uncertainties, our business, financial condition and results of operations may be materially and adversely affected.

Future acquisitions or divestitures could materially change our business and materially and adversely affect our results of operations and financial condition.

Our key strategic priorities require our ongoing efforts in pursuing strategic acquisitions, investments and strategic partnerships. In April 2011, we completed our acquisition of 50.01% of equity interest in PGW, New Zealand's largest rural services business, which offers a wide range of products, services and solutions to farmers, growers and processors in New Zealand and internationally. In September 2009, we acquired Agria NKY Seeds Co., Ltd., or NKY, a company engaged in research and development, production, distribution and sale of edible corn seeds and field corn seeds. We are also at various stages of discussions regarding potential investments in seed companies with proprietary seed varieties.

Presented with appropriate opportunities, we may acquire businesses or assets that we believe complement our existing business. Any such acquisitions are invariably subject to associated execution risk including issues relating to the integration of new operations and personnel, geographical coordination, retention of key management personnel, systems integration and the reconciliation of corporate cultures. The acquisition and integration could cause the diversion of management's attention or resources from our existing business or cause a temporary interruption of or loss of momentum in our business. We could also lose key personnel from the acquired companies. There may be unforeseen or hidden liabilities or we may not be able to generate sufficient revenue to offset new costs of acquisitions, investments and strategic partnerships. The execution of international expansion of our operations exposes us to a number of additional risks including difficulties in staffing and managing overseas operations, fluctuations in foreign currency exchange rates, increased costs associated with maintaining the ability to understand local trends, difficulties and costs relating to compliance with the different commercial, legal and regulatory requirements of the overseas locations in which we operate, failure to develop appropriate risk management and internal control structures tailored to overseas operations, inability to obtain, maintain or enforce intellectual property rights, unanticipated changes in economic conditions and regulatory requirements in overseas environment. These risks associated with strategic repositioning, future acquisitions, investments and strategic partnerships could have a material and adverse effect on our business, results of operations, financial condition or liquidity.

In July 2010, we divested P3A to Mr. Zhixin Xue, the president and a director of P3A, by transferring all of our interest in P3A to Mr. Xue. Following the completion of the divestiture, we acquired from Mr. Xue and cancelled shares representing 11.5% of our issued and outstanding share capital immediately prior to the transaction. The leases over nine parcels of land totaling approximately 13,500 acres previously held by P3A have been retained by us. However, we were unable to find commercially viable uses for these land parcels, and subsequently recorded an impairment provision of approximately \$57.0 million for the year ended June 30, 2013, which was the aggregate sum of our unamortized prepayments for the land. We do not anticipate deriving significant future economic benefit from these land parcels in the foreseeable future.

Any acquisitions and divestitures may materially affect our operations and business mix. We may also incur costs, suffer losses or incur liabilities in connection with these acquisitions or divestitures. Any acquisitions and divestitures could also result in reduction in our ADS price as result of any of the foregoing or because of market reaction to a transaction and diversion of management's attention from other concerns. Any such acquisition or divestiture could materially and adversely affect our business, results of operation and financial condition.

Any plans to increase our production capacity and expand into new markets may not be successful, which could adversely affect our operating results.

We may make other acquisitions or expansions in the future, which may place substantial demand on our managerial, operational, technological and other resources. Our failure to manage our product offerings, operations and distribution channels effectively and efficiently could materially adversely affect our operating results.

As part of our development, we may expand the geographic areas in which we sell or produce our products. Expansion into new markets may present operating and marketing challenges that differ from those that we currently encounter in our existing markets. For example, in April 2011, we completed a transaction to increase our shareholding in PGW from 19% to a controlling 50.01%, which subsequently increased to 50.22% in June 2011 as a result of share repurchases made by PGW. If we are unable to anticipate the changing demands that our expanding operations will impose on our management capacities, production systems and distribution channels, or if we fail to adapt our production systems and distribution channels to changing demands in a timely manner, our revenues could decline, our expenses could rise and our results of operations could be materially adversely affected.

Our business depends substantially on the continuing efforts of our management, and our business may be severely disrupted if we lose their services.

Our future success depends significantly upon the continued services of our management, including the management of our operating entities. We rely on our management's experience in product development, business operations and sales and marketing, as well as on their relationships with distributors and relevant government authorities. If one or more of our key management personnel is unable or unwilling to continue in their present positions, we may not be able to replace them easily or at all. The loss of the services of our key management personnel, in the absence of suitable replacements, could materially adversely affect our operations and financial condition, and we may incur additional expenses to recruit and train personnel. Each member of our management team has entered into an employment agreement with us, which contains confidentiality and non-competition provisions. If disputes arise between our management and us in light of the uncertainties within the PRC legal system, there is a risk that some of the provisions of these agreements may not be enforced or enforceable in China, where our managers reside and hold most of their assets.

We rely on contractual arrangements with our consolidated structured entities for our China operations, which may not be as effective in providing control over our operating entity as direct ownership.

Because PRC regulations currently restrict foreign ownership of corn seed companies directly in China, we have no equity ownership interest in our consolidated structured entities and must rely on contractual arrangements to control and operate it. Our contractual arrangement with our consolidated structured entities and their individual shareholders may not be as effective in providing control over the entity as direct ownership. In the future, our consolidated structured entities may fail to take actions required for our business despite its contractual obligation to do so. Our consolidated structured entities are able to transact business with parties not affiliated with us. If our consolidated structured entities fail to perform under its agreements with us, we may have to rely on legal remedies under PRC law, which we cannot be sure would be available. In addition, we cannot be certain that the individual equity owners of our consolidated structured entities would always act in our best interest.

Our growth prospects may be materially and adversely affected if we are unable to develop or acquire new products.

The majority of the products provided by our seeds business are upstream products ultimately used by farmers. The profitability of our business depends on sustained and recurring orders from our direct customers, which include distributors, breed improvement and reproductive stations and other intermediaries. Reorder rates are uncertain due to several factors, many of which are beyond our control. These factors include changing customer preferences, competitive price pressures, failure to develop new products to meet the evolving demands of farmers, the development of higher-quality products by our competitors and general economic conditions. If we are unable to develop or acquire additional products that meet the demands of farmers, or if our competitors develop products that are favored by farmers, our growth prospects may be materially and adversely affected and our revenues and profitability may decline.

Our operating results may fluctuate due to a number of factors, some of which are beyond our control, and you may not be able to rely on our historical operating results as an indication of our future performance.

Our operating results may fluctuate due to a number of factors, some of which are beyond our control. Our quarterly and annual revenues and costs and expenses as a percentage of our revenues may differ significantly from our historical rates. Our operating results in future quarters may fall below expectations. Business disruption in key sales periods may significantly impact our full year results. Any unexpected seasonal or other fluctuations could adversely affect our business and results of operations. Future acquisitions or divestitures may also materially change our business mix and adversely affect our results of operations and financial condition.

Our future profitability depends on our ability to secure sufficient orders from customers. An adverse change in market conditions may materially adversely affect our operating results if we cannot adjust our operating and marketing strategy to respond to such changes. Our results of operations may be materially and adversely affected by reduced orders and profit margins in the event of a slowdown in market demand, an increase in business competition, a decrease in government subsidies to farmers, increased costs, or other reasons. As such, we may not be able to maintain a similar level of profitability and you may not be able to rely on our historical operating results as an indication of our future performance.

A severe or prolonged downturn in the global economy or the markets that we primarily operate in could materially and adversely affect our revenues and results of operations.

The global financial markets have experienced significant disruptions since 2008 and the effects of the crisis have persisted to the present. We and our subsidiary PGW primarily operate in New Zealand, Australia, South America and China. Weak economic conditions and decreased agricultural commodity demand and prices across the world as a result of a global economic downturn may have a negative impact on agricultural production and the rural economies in New Zealand, Australia, South America and China. Lower commodity prices reduce farmers' income and weaken their confidence in the development of agricultural business. In turn, this may limit their ability or lessen their willingness to use more expensive agricultural products, including the ones we produce. There are still great uncertainties regarding economic conditions and the demand for agricultural commodities. Any turbulence in the international markets and economies and prolonged declines in agricultural commodity demand and prices in New Zealand, Australia, South America and China may adversely affect our business, revenues and results of operations.

We have limited insurance coverage on our assets in China and any uninsured loss or damage to our property, business disruption or litigation may result in our incurring substantial costs.

The insurance industry in China is still at an early stage of development. Insurance companies in China offer limited insurance products. Other than automobile insurance on certain vehicles and property and casualty insurance for some of our assets, we do not have insurance coverage on our assets or inventories, nor do we have any business interruption, product liability or litigation insurance for our operations in China. As of June 30, 2014, seed inventory in China operation was not material to our group operation (approximately 5% of our group seed inventory). We have determined that the costs of insuring for these risks and the difficulties associated with acquiring such insurance on commercially reasonable terms make it impractical for us to have such insurance. Any uninsured loss or damage to property, business disruption or litigation may result in our incurring substantial costs and the diversion of our resources, which may materially adversely affect our results of operations, financial condition and/or liquidity.

If we are unable to estimate farmers' future needs accurately and to match our production levels to meet the demand of our direct customers, our business, financial condition and results of operations may be materially and adversely affected.

Due to the nature of the seed industry, we normally produce seeds according to our production plan before we sell them to distributors, which are our direct customers. Farmers, who are the end users of our seeds, generally make purchasing decisions for our products based on market prices, economic and weather conditions as well as other factors that we and our distributors may not be able to anticipate accurately in advance. If we fail to accurately estimate the volume and types of products sought by farmers, we may produce seeds that are not in demand. Unsold inventory could eventually be sold as field corn to end users at much lower prices than those of field corn seeds. Aged inventory could result in asset impairment, which would cause us to suffer a loss and incur an increase in our operating expenses. Conversely, if we underestimate demand, we may not be able to satisfy our distributors' demand for corn seeds, and as a result damage our customer relations and end-user loyalty. Failure to estimate farmers' future needs and to match our production to our direct customers' demands may materially and adversely affect our business, financial condition and results of operations.

The resources we devote to research and development may not result in commercially viable or competitive products.

Our success depends in part on our ability to develop new products. Research and development in the seed industries is generally expensive and prolonged. For example, seed development takes at least five years, as measured from the selection of the variety of seed for product development to the launch of a new seed product on the market. Due to the uncertainties and complexities associated with seed and biotechnological research, seed products may not survive the development process, may not ultimately be commercially viable or may not pass government testing in the relevant provinces. In addition, we have significantly fewer financial resources than many of our international competitors. If the resources we devote to research and development do not result in products that survive the development stage, do not result in products that we can sell to our customers or do not pass government testing, our results of operations may be materially and adversely affected.

We may be subject to intellectual property claims in the future which could result in substantial costs and divert our financial and management resources away from our business.

We are subject to the risk that the products, technology and processes that we have developed in collaboration with institutes and universities will infringe upon patents, copyrights, trademarks or other third-party intellectual property rights. We may be subject to legal proceedings and claims relating to the intellectual property of others. If any such claims arise in the future, litigation or other dispute resolution proceedings may be necessary to allow us to retain our ability to offer our products. Even if we prevail in contesting such claims, this could result in substantial costs and divert our management's resources and attention. If we are found to have violated the intellectual property rights of others, we may be enjoined from using such intellectual property rights, incur additional costs to license or develop alternative products and be forced to pay fines and damages, any of which could materially and adversely affect our business and results of operations.

Failure to protect our intellectual property rights may undermine our competitive position, and legal action to protect our intellectual property rights may be costly and divert our management's resources.

We rely primarily on trademark, trade secret and copyright law and contractual restrictions to protect our intellectual property. These afford only limited protection, and the actions we take to protect our intellectual property rights may not be adequate. Third parties may infringe or misappropriate our proprietary technologies or other intellectual property rights, which could materially adversely affect our business, financial condition or operating results. Preventing unauthorized use of proprietary technology can be difficult and expensive. Also, litigation may be necessary to enforce our intellectual property rights, protect our trade secrets or determine the validity and scope of the proprietary rights of others. The outcome of such litigation may not be in our favor. Such litigation may be costly and may divert management's attention as well as consume resources which could otherwise have been devoted to our business. An adverse determination in any such litigation would impair our intellectual property rights and may harm our business, prospects and reputation. In addition, we have no insurance coverage against litigation costs and would bear all costs arising from such litigation to the extent that we are unable to recover them from other parties. The occurrence of any of the foregoing may materially adversely affect our business, results of operations and financial condition.

Historically, implementation of PRC intellectual property laws has been lacking, primarily because of ambiguities in PRC law and difficulties of enforcement. Accordingly, intellectual property rights and confidentiality protections in China may not be as effective as those in the United States or other countries, which increases the risk that we may not be able to adequately protect our intellectual property.

We face risks and costs associated with our strategic partnerships, agreements and investments that may negatively impact our business, results of operations and financial condition.

We have entered into strategic partnerships and agreements with certain parties from time to time. We may not realize the anticipated benefits of our strategic partnerships and agreements, and we face risks, uncertainties and disruptions associated with the integration process, such as diversion of our management's attention from other business concerns. In addition, our operating results may suffer because of costs related to the strategic partnerships and potential additional investments required to commercialize the research.

We hold a 50.22% equity interest in PGW, a public company listed on the New Zealand Stock Exchange that is subject to a different set of rules and regulations from U.S. securities laws and the Corporate Governance Rules of the New York Stock Exchange. Therefore, rules and regulations applicable to PGW may prohibit or restrict our ability to take actions with respect to PGW. Any failure to successfully manage our strategic partnership and investment may have a material adverse effect on our business and results of operations.

Our ability to cause PGW to act solely in our interest may be restricted by agreements with the minority shareholders of Agria Asia Investments Limited and other factors.

We control PGW through our majority ownership of Agria Asia Investments Limited, or Agria Asia Investments, which indirectly holds a 50.22% shareholding in PGW. However, we have entered into shareholder agreements with Ngai Tahu Capital Limited, or Ngai Tahu, and New Hope International (Hong Kong) Limited, or New Hope International, the minority shareholders of Agria Asia Investments, which contain provisions protecting the rights of minority shareholders, including those that would require the unanimous shareholder approval for certain decisions. Additionally, certain decisions with respect to PGW may require super-majority shareholder approval, which our 50.22% shareholding does not ensure. Furthermore, we may be ineligible to vote on related party transactions between PGW and us, and such related party transactions may not be approved by PGW's remaining shareholders. As such, restrictions on our ability to exercise control over PGW may adversely affect our business, results of operations and financial condition.

We may not possess all of the licenses required to operate our business, or we may fail to maintain the licenses we currently hold. This could subject us to fines and other penalties, which could materially adversely affect our results of operations.

We are required to hold a variety of permits and licenses to conduct our seed businesses in China. We may not possess all of the permits and licenses required for each of our business segments. In addition, the approvals, permits or licenses required by governmental agencies may change without substantial advance notice, and we could fail to obtain the approvals, permits or licenses required to expand our business. If we fail to obtain or to maintain such permits or licenses, or if renewals are granted with onerous conditions, we could be subject to fines and other penalties and be limited in the number or the quality of the products that we could offer. As a result, our business, results of operations and financial condition could be materially and adversely affected.

We may be subject to product quality or liability claims, which may cause us to incur litigation expenses and to devote significant management time to defending such claims, and if such claims are determined adversely to us we may be required to pay significant damage awards.

In addition to the genetic traits and the quality of our products, the performance of our products depends on climate, geographic conditions, cultivation method, farmers' degree of knowledge and other factors including agronomy conditions. Moreover, different production methods might result in inconsistent quality. These factors can result in sub-optimal production yields. Farmers generally attribute sub-optimal production yields to lower quality agricultural raw materials. In addition, inconsistent quality of products may also result in the unwillingness of consumers to purchase products or pay for products already purchased that they consider to be sub-standard.

We may be subject to legal proceedings and claims from time to time relating to the quality of our products. The defense of these proceedings and claims could be both costly and time-consuming and significantly divert the efforts and resources of our management. An adverse determination in any such proceeding could subject us to significant liability. In addition, any such proceeding, even if ultimately determined in our favor, could damage our reputation and prevent us from maintaining or increasing sales and market share. Protracted litigation could also result in our customers or potential customers deferring or limiting their purchase of our products.

Seed prices and sales volumes may decrease in any given year with a corresponding reduction in sales, margins and profitability.

There have been periods of instability during which seed and other commodity prices and sales volumes have fluctuated significantly. Commodities can be affected by general economic conditions, weather, outbreaks of disease and factors affecting demand, such as the availability of financing, competition and trade restrictions. Our attempts to differentiate our products from those of other seed producers have not prevented some seed markets from having the characteristics of a commodity market. As a result, the price that we are able to demand for our seed depends on the amount of seed available from other producers. Therefore, prices may be volatile even in the absence of significant external events that might cause volatility. As a result, the amount of revenue that we receive in any given year is subject to change. As production levels are determined prior to the time that the volume and the market price for orders is known, we may have too much or too little product available, which may materially and adversely affect our revenues, margins and profitability.

Our growth prospects may be affected if we are unable to obtain additional capital to finance new acquisitions.

We may require additional cash resources in order to make acquisitions. In general, we do not know the cost of an acquisition until we analyze the opportunity, complete due diligence and begin negotiations. If the cost of any such acquisition exceeds our cash resources, we will need to seek additional cash resources, and may seek to sell additional equity or debt securities or borrow under credit facilities. The sale or issuance of additional equity securities could dilute our shareholders. The incurrence of indebtedness would result in increased debt service obligations and could result in operating and financing covenants that would restrict our operations. We may also not be able to secure, repay or refinance debt incurred to fund acquisitions and purchases of equity interests, especially if the acquisition or equity interest purchase does not result in the benefits anticipated. As a result, our operating results and financial condition may be materially and adversely affected.

If we grant additional employee share options, restricted shares or other share incentives in the future, our net income could be adversely affected.

We have adopted a share incentive plan and granted share options under the plan. We are required to account for share-based compensation in accordance with International Financial Reporting Standard 2: "Share-based Payment", under which the fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted, excluding the impact of any services and non-market performance vesting conditions. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. If we grant additional options, restricted shares or other equity incentives in the future, we could incur significant compensation charges equal to the fair value of the additional options, restricted shares and other equity incentives, and our net income could be adversely affected.

Fluctuation in the value of various currencies may materially adversely affect your investment.

The value of the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in political and economic conditions.

Our financial statements are expressed in United States dollar, which is our reporting currency. Most of the revenues and expenses of PGW and dividends that we receive from PGW are denominated in the New Zealand dollar. The revenues and most of the expenses of seeds business in China, which are derived from our consolidated structured entities, are denominated in Renminbi. Additionally, our functional currency and the functional currency of Agria Group Limited (formerly known as Aero-Biotech Group Limited), or Agria Group, China Victory International Holdings Limited, or China Victory, Agria Hong Kong Limited, or Agria Hong Kong, Agria Asia International Limited, or Agria International, Agria Biotech Overseas Limited, or Agria Overseas, Agria Asia Investments, and Agria (Singapore) Pte. Ltd., or Agria Singapore, is the United States dollar. The functional currency of Agria Corporation (New Zealand) Limited, or Agria New Zealand, and PGW is the New Zealand dollar. The functional currency of Aero Biotech Science & Technology Co., Ltd., or Agria China, Agria Brother Biotech (Shenzhen) Co., Ltd., or Agria Brother, and our consolidated structured entities is the Renminbi. To the extent that we need to convert US dollars or New Zealand dollars into Renminbi for our operations, appreciation of the Renminbi against the US dollar and the New Zealand dollar would adversely affect the Renminbi amount we receive from the conversion. Conversely, if we decide to convert our Renminbi into US dollars for the purpose of dividend distribution or for other business purposes, appreciation of the US dollar against the Renminbi would negatively affect the US dollar amount available to us. Fluctuations in the exchange rate will also affect the relative value of any dividend we issue which will be exchanged into US dollars and earnings from and the value of any US dollar-denominated investments we make.

PGW uses derivative financial instruments to manage its exposure to interest rate and foreign currency risks arising from operational, financing and investment activities. However, limited hedging transactions are available in China to reduce our exposure to exchange rate fluctuations. Additionally, the effectiveness of these hedges may be limited so that we may not be able to successfully hedge our exposure at all. In addition, our currency exchange losses may be magnified by PRC exchange control regulations that restrict our ability to convert RMB into foreign currency. Additionally, we are exposed to fluctuations in the value of the New Zealand dollar, the Australian dollar, the Euro and the currencies of certain South American countries through our subsidiary PGW. As a result, fluctuations in exchange rates may materially adversely affect your investment.

We face risks related to health epidemics and other outbreaks or acts of terrorism, which could result in reduced demand for our products or disrupt our operations.

Our business could be materially and adversely affected by an outbreak of H1N1 influenza A, avian flu, severe acute respiratory syndrome or another epidemic, or an act of terrorism. From time to time, there have been reports on the occurrences of avian flu in various parts of the world, including a few confirmed human cases and deaths. Since 2009, human cases of H1N1 influenza A virus infection have been identified internationally. Any prolonged recurrence of H1N1 influenza A, avian flu, severe acute respiratory syndrome or other adverse public health developments in countries where we operate may have a material and adverse effect on our business operations. In addition, terrorist attacks, such as those that took place on September 11, 2001, geopolitical uncertainty and international conflicts, could adversely affect our business operations. Any of these events could adversely affect the global economy and cause an immediate and prolonged drop in consumer demand. An immediate and prolonged drop in consumer demand could severely disrupt our business operations and adversely affect our results of operations. Furthermore, a significant portion of our revenues are derived from government customers, which may reduce their spending on our products during a crisis, which could adversely affect our results of operations and could probably be difficult to recover once the threat has subsided.

Risks Related to Doing Business in China

If the PRC government finds that the agreements that establish the structure for operating our Chinese businesses do not comply with PRC governmental restrictions on foreign investment in the seed industry, or if these regulations or the interpretation of existing regulations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations.

Most of our operations in China are conducted through our contractual arrangements with our consolidated structured entities and their individual shareholders. PRC regulations currently restrict foreign ownership of corn seed companies. For a description of these regulations, see “Item 4. Information on the Company—B. Business Overview—Regulation—Seed Law, Animal Husbandry Law and Other Relevant Regulations—Seed Law and Other Relevant Regulations.” We have entered into contractual arrangements with our consolidated structured entities, and their individual shareholders, all PRC citizens, which enable us to, among other things, exercise effective control over our consolidated structured entities. See “Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Contractual Arrangements with our consolidated structured entities and their individual shareholders.”

If we or either of our PRC subsidiaries or structured entity or our corporate structure is found to be in violation of any existing or future PRC laws or regulations (for example, if we are deemed to be holding equity interests in an entity in which direct foreign ownership is restricted), the relevant PRC regulatory authorities, including the State Administration of Industry and Commerce, the State Administration of Foreign Exchange, or SAFE, and relevant agencies of the Ministry of Commerce, would have broad discretion in dealing with such violations, including:

- revoking our consolidated structured entities' business and operating licenses;
- confiscating relevant income and imposing fines and other penalties;
- prohibiting or restricting our consolidated structured entities' operations in China;
- requiring us or our consolidated structured entities to restructure their ownership structure or operations; or
- imposing conditions or requirements with which we or our subsidiaries or our consolidated structured entities may not be able to comply.

The imposition of any of these penalties could materially adversely affect our ability to conduct our business.

The shareholders of our consolidated structured entities may breach our agreements with them or may have potential conflicts of interest with us, and we may not be able to enter into agreements to derive economic benefits from our consolidated structured entities, which may materially and adversely affect our business and financial condition.

The shareholders of our consolidated structured entity in the PRC may breach or refuse to renew the existing contractual arrangements with us that allow us to effectively control our consolidated structured entities, and receive economic benefits from their operations. They may not always act in the best interests of our company. We do not have existing arrangements to address potential conflicts of interest between these individuals and our company. We rely on these individuals to abide by the contract laws of China and to honor their contracts with us in order for us to effectively control our consolidated structured entities and to receive the economic benefits of our consolidated structured entities. If we cannot resolve any conflicts of interest or disputes that may arise between us and the shareholders of our consolidated structured entities or if the shareholders breach our agreements with them, we would have to rely on legal proceedings, which may disrupt our business. There is also substantial uncertainty as to the outcome of any such legal proceedings.

Any limitation of PRC law and regulations on the ability of our subsidiaries and structured entity to distribute dividends or make other payments to us could materially adversely affect our ability to conduct our business.

Current PRC regulations permit our subsidiaries to pay dividends to us only out of their accumulated profits, if any, determined in accordance with Chinese accounting standards and regulations. In addition, each of our subsidiaries and our structured entity in China is required to set aside at least 10% of its after-tax profits each year, if any, to fund a statutory reserve until such reserve reaches 50% of its registered capital, and to further set aside a portion of its after-tax profits to fund the employee welfare fund at the discretion of the shareholders' meeting or the board. These reserves are not distributable as cash dividends. Furthermore, if our subsidiaries and our structured entity in China incur debt on their own behalf in the future, the loan agreements governing that debt may restrict their ability to pay dividends or make payments to us according to the contractual agreements. In addition, the PRC tax authorities may require us to adjust our taxable income under the contractual arrangements we have in place in a manner that would materially and adversely affect our subsidiaries' ability to pay dividends and other distributions to us. Any limitation on the ability of our subsidiaries and our structured entity to distribute dividends or other payments to us could materially limit our ability to grow, make investments or acquisitions that could be beneficial to our businesses, or otherwise fund and conduct our business.

Pursuant to the PRC enterprise income tax law that became effective on January 1, 2008, or 2008 EIT Law, an enterprise established outside of the PRC with “de facto management bodies” within the PRC is considered as a resident enterprise and will be subject to a PRC income tax on its global income. According to the implementing rules of the 2008 EIT Law, or Implementing Rules, “de facto management bodies” refer to “establishments that carry out substantial and overall management and control over the manufacturing and business operations, personnel, accounting, properties, etc. of an enterprise.” On April 22, 2009, the State Administration of Taxation promulgated a circular setting out the criteria for determining whether “de facto management bodies” are located in China for overseas incorporated, domestically controlled enterprises. However, as this circular only applies to enterprises incorporated under the laws of foreign countries or regions that are controlled by PRC enterprises or groups of PRC enterprises, it remains unclear how the tax authorities will determine the location of “de facto management bodies” for overseas incorporated enterprises that are not controlled by PRC enterprises or groups of PRC enterprises like us. Accordingly, we may be considered a resident enterprise and may therefore be subject to a PRC income tax on our global income. If we are considered a resident enterprise and earn income other than dividends from our PRC subsidiaries, such PRC income tax on our global income could significantly increase our tax burden and materially and adversely affect our cash flow and profitability.

Under the applicable PRC tax laws in effect before January 1, 2008, dividend payments to foreign investors made by foreign-invested enterprises are exempt from PRC withholding tax. Pursuant to the 2008 EIT Law and the Implementing Rules effective as of January 1, 2008, however, dividends generated after January 1, 2008 and payable by a foreign-invested enterprise to its foreign investors will be subject to a 10% withholding tax if the foreign investors are considered non-resident enterprises without any establishment or place within China or if the dividends payable have no connection with the establishment or place of the foreign investors within China, unless any such foreign investor’s jurisdiction of incorporation has a tax treaty with China that provides for a different withholding arrangement. The Cayman Islands, where we are incorporated, does not have such a tax treaty with China. China Victory, our wholly owned subsidiary and the direct holder of 100% equity interest in Agria China and Agria Brother, is incorporated in Hong Kong. According to the Arrangement between Mainland China and Hong Kong Special Administrative Region on the Avoidance of Double Taxation and Prevention of Fiscal Evasion in August 2006, or Mainland and Hong Kong Taxation Arrangement, and the Notice in Relation to the Dispatch of Schedule of Agreed Tax Rates on Dividends issued by the State Administration of Taxation (State Taxation Circular No. 112 (2008)), dividends paid by a foreign-invested enterprise in China to its direct holding company in Hong Kong will be subject to withholding tax at a rate of 5% (if the foreign investor owns directly at least 25% of the shares of the foreign-invested enterprise).

On October 1, 2009, the Administrative Measures for Non-Residents Enjoying Tax Treaty Benefits (Trial Implementation) became effective. Under these measures, our Hong Kong subsidiary needs to obtain approval from the competent local branch of the State Administration of Taxation in order to enjoy the preferential withholding tax rate of 5% in accordance with the tax treaty. In February 2009, the State Administration of Taxation issued Notice No. 81. According to Notice No. 81, in order to enjoy the preferential treatment on dividend withholding tax rates, an enterprise must be the “beneficial owner” of the relevant dividend income, and no enterprise is entitled to preferential treatment pursuant to any tax treaties if such enterprise qualifies for such preferential tax rates through any transaction or arrangement, the major purpose of which is to obtain such preferential tax treatment. The tax authority in charge has the right to make adjustments to the applicable tax rates, if it determines that any taxpayer has enjoyed preferential treatment under tax treaties as a result of such transaction or arrangement. In October 2009, the State Administration of Taxation issued Notice No. 601 to provide guidance on the criteria to determine whether an enterprise qualifies as the “beneficial owner” of the PRC sourced income for the purpose of obtaining preferential treatment under tax treaties. Pursuant to Notice No. 601, the PRC tax authorities will review and grant tax preferential treatment on a case-by-case basis and adopt the “substance over form” principle in the review. Notice 601 specifies that a beneficial owner should generally carry out substantial business activities and own and have control over the income, the assets or other rights generating the income. Therefore, an agent or a conduit company will not be regarded as a beneficial owner of such income. Since the two notices were issued, it has remained unclear how the PRC tax authorities will implement them in practice and to what extent they will affect the dividend withholding tax rates for dividends distributed by our subsidiaries in China to our Hong Kong subsidiary. Under the 2008 EIT Law and the Implementing Rules, if China Victory is regarded as a resident enterprise, the dividends payable to China Victory from Agria China and Agria Brother will be exempt from the PRC income tax. If China Victory is regarded as a non-resident enterprise and the relevant tax authority determines that China Victory does not qualify as the “beneficial owner” of the dividend income it receives from our PRC subsidiaries and therefore is subject to the higher 10% withholding tax rate, the amount of funds available to us to meet our cash requirements, including the payment of dividends to our shareholders, could be reduced correspondingly.

On April 12, 2013, the State Administration of Taxation released the “Opinion on Implementing the Dividends Provision under the Tax Arrangement between Mainland China and Hong Kong in Cases Involving Beneficial Ownership (Shuizonghan [2013] No. 165, hereinafter referred to as ‘Opinion 165’)” in response to inquiries made by several Hong Kong companies applying for beneficial ownership status under the dividends provision of the Double Taxation Avoidance Agreement between Mainland China and Hong Kong. Opinion 165 clarifies five of the seven “unfavorable factors” in determining beneficial ownership as addressed in Notice No. 601 discussed above. Those clarifications, however, do not provide additional guidance on whether or not China Victory is a resident enterprise discussed above.

In addition, because uncertainty remains regarding the interpretation and implementation of the 2008 EIT Law and the Implementing Rules, if we are regarded as a PRC resident enterprise, then any dividends to be distributed by us to our non-PRC shareholders or any gains realized by non-PRC shareholders or ADS holders from transfer of our shares or ADSs may be subject to PRC withholding tax. If we are required under the 2008 EIT Law to withhold PRC income tax on the above dividends or gains, the investment in our shares or ADSs may be materially and adversely affected.

We benefit from certain PRC government incentives. Expiration of, changes to, disputes over or challenges against these incentives or protectionism arising from the incentives could adversely affect our operating results.

Prior to January 1, 2008, companies established in China were generally subject to a state and local enterprise income tax, or EIT, at statutory rates of 30% and 3%, respectively. However, the Chinese government has provided incentives to high-technology companies and agricultural companies in order to encourage the development of the high-technology and agricultural industries. These incentives include reduced tax rates, subsidies and other measures. Agria China, our wholly-owned subsidiary established in March 2007 in China, was initially granted a full exemption from the EIT for the fiscal years 2007 to 2009. As a result of the 2008 EIT Law and its Implementing Rules, Agria China’s EIT exemption ended on December 31, 2007, and Agria China is subject to EIT at a rate of 25% from 2008 onwards.

Under the 2008 EIT Law, the Implementing Rules, the State Council circulars on implementation of enterprise tax transition preferential policy and relevant rules, foreign-invested enterprises, such as our subsidiary, Agria China, and domestic companies would be subject to EIT at a uniform rate of 25%. Preferential tax treatments will continue to be granted to entities that are classified as “high and new technology enterprises strongly supported by the State” or conduct business in encouraged sectors, whether foreign-invested enterprises or domestic companies. Furthermore, enterprises that were established and that have already enjoyed preferential tax exemption or reduction for a specified term will continue to enjoy them until the expiration of such term. Uncertainty remains with respect to their interpretation and implementation. If the PRC central government challenges the preferential tax treatment enjoyed by some of our subsidiaries and consolidated affiliates, our effective tax rate applied to our income in China will likely increase to a maximum of 25%, which could materially adversely affect our financial condition and results of operations.

The PRC government has in recent years reduced taxes and increased subsidies and other support across the agricultural industry. For instance, the government subsidizes farmers for their seed purchases, and has increased spending on rural infrastructure. Sales of agricultural products from producers to intermediaries or to farmers are exempt from PRC value-added tax. Discontinuance of preferential treatments granted by the Chinese government to the seed industry could adversely affect our earnings.

In addition, subsidies may adversely affect our ability to market our products, especially in provinces other than Shanxi where we are planning to increase our sales. Farmers can buy corn seeds designated as “high-quality” at subsidized prices, but the designation of seeds as “high-quality” is at the discretion of the local government, companies owned by the local government and local private seed companies. Because of local protectionism, this policy could result in preferential treatment for local seed producers, with locally produced seeds being designated as “high-quality”, while ours are not designated as such. If such preferential treatment were to occur, the price for our seeds to farmers in those provinces would be higher than the subsidized local seeds, and our sales in those provinces could suffer, which could materially and adversely affect our results of operations.

Uncertainties with respect to the PRC legal system could adversely affect us.

We conduct our business in China primarily through our subsidiaries and our consolidated structured entities. Our operations in China are governed by PRC laws and regulations. Our subsidiaries and our consolidated structured entities are generally subject to laws and regulations applicable to foreign investments in China, and in particular, laws applicable to wholly foreign-owned enterprises. The PRC legal system is based on written statutes. Prior court decisions may be cited for reference but have limited precedential value.

Since 1979, PRC legislation and regulations have significantly enhanced the protections afforded to various forms of foreign investments in China. However, China has not developed a fully integrated legal system and recently enacted laws and regulations may not sufficiently cover all aspects of economic activities in China. In particular, because these laws and regulations are relatively new, and because of the limited volume of published decisions and their non-binding nature, the interpretation and enforcement of these laws and regulations involve uncertainties. In addition, the PRC legal system is based in part on government policies and internal rules (some of which are not published on a timely basis or at all) that may have a retroactive effect. As a result, we may not be aware of our violation of these policies and rules until after the violation. In addition, any litigation in China, regardless of outcome, may be protracted and result in substantial costs and diversion of resources and management attention.

SAFE regulations relating to offshore investment activities by PRC residents may increase our administrative burden and restrict our overseas and cross-border investment activity. If our shareholders and beneficial owners who are PRC residents fail to make required applications and filings under such regulations, we may be unable to distribute profits and may become subject to liability under PRC laws.

SAFE has promulgated several regulations, including Circular No. 75 issued in November 2005, requiring registrations with, and approvals from, PRC government authorities in connection with direct or indirect offshore investment activities by PRC residents. These regulations apply to our shareholders and beneficial owners who are PRC residents.

The SAFE regulations require registration of direct or indirect investments made by PRC residents in offshore companies. In the event that a PRC shareholder with a direct or indirect stake in an offshore parent company fails to make the required SAFE registration, the PRC subsidiaries of that offshore parent company may be prohibited from making distributions of profit to the offshore parent and from paying the offshore parent proceeds from any reduction in capital, share transfer or liquidation in respect of the PRC subsidiaries. Further, failure to comply with the various SAFE registration requirements described above could result in liability under PRC law for foreign exchange evasion.

SAFE recently promulgated the Notice of the State Administration of Foreign Exchange on Relevant Issues Concerning Foreign Exchange Administration for Domestic Residents to Engage in Investing and Financing Overseas and Roundtrip Investment via Special Purpose Vehicles, or Circular No. 37, in July 2014, which replaced and rescinded Circular No. 75. Subject to the Circular No. 37, domestic residents, individuals or institutions are required to register with the SAFE before they invest in special purpose vehicles with legitimate assets or equity interests inside and outside the PRC. Failure to comply with the registration procedures set forth in the Circular No. 37 may result in restrictions imposed on the subsequent foreign exchange activities of the relevant domestic residents, including the remitting back of dividends and profits. Domestic residents who invest in special purpose vehicles with legitimate assets or equity interests inside and outside the PRC prior to the implementation of the Circular No. 37, but fail to conduct the foreign exchange registration of overseas investments shall submit an explanatory statement and state the reasons to the bureau of foreign exchange administration. The bureau of foreign exchange administration may allow complementary registration under the principles of legality and legitimacy. In event of any violation of foreign exchange regulations by domestic residents who apply for the aforesaid complementary registration, administrative penalty would be imposed in accordance with relevant laws.

There is a risk that not all of our shareholders and beneficial owners who are PRC residents will comply with any applicable registration or approvals required by these regulations or other related legislation. The failure or inability of our PRC resident shareholders and beneficial owners to receive any required approvals or make any required registrations may subject us to fines and legal sanctions, restrict our overseas or cross-border investment activities, limit our PRC subsidiaries' ability to make distributions or pay dividends or affect our ownership structure, as a result of which our acquisition strategy and business operations and our ability to distribute profits to our shareholders could be materially and adversely affected. See "Item 4. Information on the Company—B. Business Overview—Regulation—Foreign Exchange."

In addition, under the Implementation Rules of the Administrative Measures for Individual Foreign Exchange, or Individual Foreign Exchange Rules, issued on January 5, 2007 by SAFE and the Notice on Issues Related to Foreign Exchanges on Domestic Individuals' Participation in Employee Share Option or Incentive Plan of Overseas Listed Companies on February 15, 2012, PRC citizens who are granted shares or share options by an overseas listed company according to its employee share option or share incentive plan are required, through the PRC subsidiary of such overseas listed company or any other qualified PRC agent, to register with SAFE and complete certain other procedures related to the share option or other share incentive plan. Foreign exchange income received from the sale of shares or dividends distributed by the overseas listed company may be remitted into a foreign currency account of such PRC citizen or be exchanged into Renminbi. Our PRC citizen employees who have been granted share options, or PRC option holders, are subject to the Individual Foreign Exchange Rules. If we or our PRC citizen employees fail to comply with these regulations, we or our PRC option holders may be subject to fines and legal sanctions.

Restrictions on currency exchange may limit our ability to utilize our revenues effectively.

The PRC government imposes controls on the convertibility of RMB into foreign currencies and, in certain cases, the remittance of currency out of China. Shortages in the availability of foreign currency may restrict the ability of our PRC subsidiaries and our structured entity to remit sufficient foreign currency to pay dividends or other payments to us, or otherwise satisfy their foreign currency denominated obligations. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and expenditures from trade-related transactions, can be made in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. However, approval from appropriate government authorities is required where RMB are to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of bank loans denominated in foreign currencies. The PRC government may also, at its discretion, restrict access in the future to foreign currencies for current account transactions. If the foreign exchange control system prevents us from obtaining sufficient foreign currency to satisfy our currency demands, we may not be able to pay dividends in foreign currencies to our shareholders, including holders of our ADSs.

The PRC Property Law may affect the perfection of the pledge in our pledge agreements with our consolidated structured entities and their individual shareholders.

Under the equity pledge agreements among our consolidated structured entities, the individual shareholders of our consolidated structured entities pledged all of their equity interests in our consolidated structured entities to Agria Brother. The equity pledge agreements were duly created by recording the pledges on the register of individual shareholders of our consolidated structured entities in accordance with the PRC Security Law and the PRC Contract Law. The purpose of the equity pledge agreements is to guarantee our consolidated structured entities' performance of their obligations under the exclusive technology development, technical support and service agreements, the exclusive call option agreements and the loan agreements. However, according to the PRC Property Law, which became effective as of October 1, 2007, a pledge is not effective without being registered with the relevant local Administration for Industry and Commerce. Our consolidated structured entities have attempted to register the pledge, but the applications for registration have not been processed due to the lack of registration procedures. Our consolidated structured entities will continue to make efforts to register such pledge when the local Administration for Industry and Commerce implements registration procedures. If our consolidated structured entities are unable to do so, the pledges may be deemed ineffective under the PRC Property Law. If our consolidated structured entities or their individual shareholders breach their obligations under the agreements with Agria Brother, there is a risk that Agria Brother may not be able to successfully enforce the pledges and would need to resort to legal proceedings to enforce their contractual rights.

Risks Related to the ADSs

The trading price of our ADSs has been and continues to be highly volatile.

The trading price of our ADSs may be highly volatile and subject to wide fluctuations in response to factors including the following:

- announcement of securities law class action lawsuits against us and our directors and officers;
- delays in our periodic earnings announcements;
- announcements of technological or competitive developments;
- regulatory developments in our target markets affecting us, our customers or our competitors;
- actual or anticipated fluctuations in our quarterly operating results;
- changes in financial estimates by securities research analysts;
- changes in the economic performance or market valuations of our seeds;
- additions to or departures of our executive officers and key personnel;
- fluctuations in the exchange rates between the US dollar and RMB; and
- sales or anticipated sales of additional ADSs.

In addition, the securities markets have from time to time experienced significant price and volume fluctuations that are not related to the operating performance of particular companies. These market fluctuations may also materially adversely affect the market price of our ADSs.

Substantial future sales or perceived sales of our ADSs in the public market or substantial cancellation of our ADSs could cause the price of our ADSs to decline.

Additional sales of our ADSs in the public market or the perception that these sales could occur could cause the market price of our ADSs to decline. A substantial repurchase of our ADSs may adversely affect the liquidity of our shares. As of the date of this annual report, we had 110,766,600 ordinary shares outstanding, of which 48,830,000 ordinary shares were represented by 24,415,000 ADSs. All ADSs are freely transferable without additional registration requirements under the Securities Act. The remaining ordinary shares not represented by ADSs are available for sale subject to the volume and other restrictions as applicable under Rule 144 and Rule 701 under the Securities Act. Risks associated with a substantial sale or cancellation of our ADSs could materially and adversely affect the market price of our ADSs and liquidity.

We may be classified as a passive foreign investment company, which could result in adverse U.S. federal income tax consequences to U.S. Holders of our ADSs or ordinary shares.

Based on the market price of our ADSs and the value and composition of our assets, we believe we were not a passive foreign investment company, or PFIC, for U.S. federal income tax purposes for the taxable year ended June 30, 2014. However, we believe we were a PFIC in certain previous taxable years. A non-U.S. corporation will be a PFIC for any taxable year if either (1) at least 75% of its gross income for such year is passive income or (2) at least 50% of the value of its assets (based on an average of the quarterly values of the assets) during such year is attributable to assets that produce passive income or are held for the production of passive income. We must make a separate determination after the close of each taxable year as to whether we were a PFIC for that year. Because the value of our assets for purposes of the PFIC test will generally be determined by reference to the market price of our ADSs or ordinary shares, our PFIC status may depend in part on the market price of the ADSs or ordinary shares, which may fluctuate significantly. Certain adverse U.S. federal income tax consequences could apply to U.S. Holders (as defined in “Item 10. Additional Information—E. Taxation—U.S. Federal Income Taxation”) of our ADSs or ordinary shares with respect to any “excess distribution” received from us and any gain from a sale or other disposition of the ADSs or ordinary shares if we are or were a PFIC during any taxable year during which a U.S. Holder holds ADSs or ordinary shares, as we were in certain previous taxable years. See “Item 10. Additional Information—E. Taxation—U.S. Federal Income Taxation—Passive Foreign Investment Company.”

You may not have the same voting rights as the holders of our ordinary shares and may not receive voting materials in time to be able to exercise your right to vote.

Except as described in this annual report and in the deposit agreement, holders of our ADSs will not be able to exercise voting rights attaching to the shares represented by our ADSs on an individual basis. Holders of our ADSs will appoint the depositary or its nominee to vote the shares represented by the ADSs. You may not receive voting materials in time to instruct the depositary to vote and you may not have the opportunity to exercise a right to vote. Upon our written request, the depositary will mail to you a shareholder meeting notice that contains, among other things, a statement as to the manner in which you may give your voting instructions, including an express indication that such instructions may be given or deemed given to the depositary to give a discretionary proxy to a person designated by us if no instructions are received by the depositary from you on or before the response date established by the depositary. However, no voting instruction shall be deemed given and no such discretionary proxy shall be given with respect to any matter as to which we inform the depositary that (i) we do not wish such proxy given, (ii) substantial opposition exists, or (iii) such matter materially and adversely affects the rights of shareholders.

Under our deposit agreement, the depositary will give us a discretionary proxy to vote our ordinary shares underlying your ADSs at shareholders' meetings if you do not vote, unless we have instructed the depositary that we do not wish a discretionary proxy to be given or under any of the other situations specified under the deposit agreement. The effect of this discretionary proxy is that you cannot prevent ordinary shares underlying your ADSs from being voted, absent the situations described above, and it may be more difficult for shareholders to influence the management of our company. Holders of our ordinary shares are not subject to this discretionary proxy.

Your right to participate in any future rights offerings may be limited, which may dilute your holdings, and you may not receive cash dividends if it is impractical to make them available to you.

We may from time to time distribute rights to our shareholders, including rights to acquire our securities. However, we cannot make rights available to you in the United States unless we register the rights and the securities to which the rights relate under the Securities Act or an exemption from the registration requirements is available. Also, under the deposit agreement, the depositary bank will not make rights available to you unless the distribution to ADS holders of both the rights and any related securities are either registered under the Securities Act or exempted from registration under the Securities Act. We are under no obligation to file a registration statement with respect to any such rights or securities or to endeavor to cause such a registration statement to be declared effective. Moreover, we may not be able to establish an exemption from registration under the Securities Act. Accordingly, you may be unable to participate in our rights offerings and may experience dilution in your holdings.

In addition, the depositary of our ADSs has agreed to pay to you the cash dividends or other distributions it or the custodian receives on our ordinary shares or other deposited securities after deducting its fees and expenses. You will receive these distributions in proportion to the number of ordinary shares your ADSs represent. However, the depositary may, at its discretion, decide that it is inequitable or impractical to make a distribution available to any holders of ADSs. For example, the depositary may determine that it is not practicable to distribute certain property through the mail, or that the value of certain distributions may be less than the cost of mailing them. In these cases, the depositary may decide not to distribute that property and you will not receive that distribution.

We are a Cayman Islands company and because judicial precedent regarding the rights of shareholders is more limited under Cayman Islands law than that under U.S. law, you may have less protection for your shareholder rights than you would under U.S. law.

Our corporate affairs are governed by our amended and restated memorandum and articles of association, the Cayman Islands Companies Law and the common law of the Cayman Islands. The rights of shareholders to take action against the directors, actions by minority shareholders and the fiduciary responsibilities of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as that from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The rights of our shareholders and the fiduciary responsibilities of our directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands has a less developed body of securities laws than the United States. In addition, some U.S. states, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law than the Cayman Islands.

As a result of all of the above, public shareholders of our company may have more difficulty in protecting their interests in the face of actions taken by management, members of the board of directors or controlling shareholders of our company than they would as shareholders of a U.S. public company.

We are controlled by a small group of shareholders, whose interests may differ from other shareholders.

As of the date of this annual report, our principal shareholder, Mr. Guanglin Lai, beneficially owned 45.1% of our total outstanding shares, with approximately 20.0% owned by the next four biggest shareholders (based on the latest publicly available information known to us). This concentration of ownership may discourage, delay or prevent a change in control of our company, which could deprive our shareholders of an opportunity to receive a premium for their shares as part of a sale of our company and might reduce the price of our ADSs. In addition, because these shareholders could collectively control our company, they would be able to take actions that may not be in the best interests of other shareholders. These actions may be taken even if they are opposed by our other shareholders. We do not have any existing arrangements with any of our shareholders to address potential conflicts of interests between these shareholders and our company, and none of our shareholders, other than our officers pursuant to the terms of their service agreements, has entered into non-compete agreements. There is a risk that our existing shareholders may not always act in the best interests of our company.

Our memorandum and articles of association contain anti-takeover provisions that could adversely affect the rights of holders of our ordinary shares and ADSs.

Our memorandum and articles of association include the following provisions that may have the effect of delaying or preventing a change of control of our company:

- Our board of directors has the authority to establish from time to time one or more series of shares, including preferred shares without action by our shareholders and to determine, with respect to any series of preferred shares, the terms and rights of that series, including the designation of the series; number of shares of the series; dividend rights, dividend rates, conversion rights, voting rights; and rights and terms of redemption and liquidation preferences.
- Our board of directors may issue a series of preferred shares without action by our shareholders to the extent of available authorized but unissued shares. Accordingly, the issuance of preferred shares may adversely affect the rights of the holders of the ordinary shares. Issuance of preference shares may dilute the voting power of holders of ordinary shares.
- Subject to applicable regulatory requirements, our board of directors may issue additional ordinary shares or rights to acquire ordinary shares without action by our shareholders to the extent of available authorized but unissued shares.

By discouraging third parties from seeking to obtain control of our company in a tender offer or similar transaction, our memorandum and articles of association could deprive our shareholders of the opportunity to sell their shares at a premium over the prevailing market price.

You may have difficulty enforcing judgments obtained against us.

We are a Cayman Islands company and most of our assets are located outside of the United States. We conduct most of our operations in the PRC. In addition, most of our directors and officers are nationals and residents of countries other than the United States. A substantial portion of the assets of these persons are located outside the United States. As a result, it may be difficult for you to effect service of process within the United States upon these persons. It may also be difficult for you to enforce in courts judgments obtained in U.S. courts based on the civil liability provisions of the U.S. federal securities laws against us and our officers and directors, most of whom are not residents in the United States and the substantial majority of whose assets are located outside of the United States. In addition, there is uncertainty as to whether the courts of the Cayman Islands or the PRC would recognize or enforce judgments of U.S. courts.

Our ADSs may not comply with the minimum listing requirements of the New York Stock Exchange. Delisting could adversely affect the liquidity of our ADSs and the market price of our ADSs could decrease, and our ability to obtain adequate financing for the continuation of our operations would be substantially impaired.

Our ADSs are currently listed on the New York Stock Exchange. The New York Stock Exchange has minimum requirements that a company must meet in order to remain listed on the New York Stock Exchange. These requirements include maintaining a minimum average closing price of \$1.00 per share over a period of consecutive 30 trading days. We previously fell below NYSE minimum requirements in July 2011 and June 2012 and regained compliance in October 2011 and April 2013, respectively. We may fall below NYSE minimum requirements in the future. If our ADSs are delisted as a result of our failure to comply with any of the New York Stock Exchange's minimum listing requirements, the liquidity of our ADSs would be adversely affected, the market price of our ADSs could further decrease, and our ability to obtain adequate financing for the continuation of our operations would be substantially impaired, which could have a material adverse effect on our financial condition and results of operations.

ITEM 4. Information on the Company

A. History and Development of the Company

We are a Cayman Islands incorporated holding company that conducts operations primarily in New Zealand, Australia, South America and China. We commenced operations in January 2004 through P3A, a limited liability company incorporated under the laws of the PRC in 2000. We established a holding company, Agria Group, under the laws of the British Virgin Islands in July 2005 to facilitate our future international fund-raising activities. We formed Agria China in Beijing, China as a wholly-owned subsidiary under the laws of the PRC in March 2007 to focus on research and development and other corporate activities.

We incorporated Agria Corporation under the laws of the Cayman Islands in May 2007. Agria Corporation became the holding company of Agria Group in June 2007 when all of the shareholders of Agria Group exchanged their shares in Agria Group for shares of Agria Corporation on a pro rata basis. In April 2008, we formed Agria Brother in Shenzhen, China, as a wholly-owned subsidiary under the laws of the PRC to engage in research and development and other activities. In August 2009, we entered into contractual arrangements with Zhongguan to hold our future investments in the agricultural industry in China.

In September 2009, we acquired, through our subsidiary, now known as Agria Singapore, a 19.01% equity interest in PGW. In January 2011, Agria Singapore made a partial takeover offer to the shareholders of PGW to acquire an additional 31.0% of the shares in PGW. On April 29, 2011, we completed this acquisition and increased our shareholding of PGW to 50.01%. In June 2011, our shareholding in PGW was increased to 50.22% as a result of share repurchases made by PGW.

In July 2010, we divested P3A to Mr. Zhixin Xue, the president and a director of P3A. Agria China assigned to Mr. Xue all of our rights, interests, duties, liabilities and obligations under our contractual agreements with P3A in exchange for 11.5% of our issued and outstanding share capital immediately prior to the transaction. As a result of the divestiture, we ceased to operate the corn seed, sheep products and seedling businesses that were previously operated through P3A.

As a result of our acquisition of a controlling stake in PGW and our divestiture of P3A, we completed our transition from a PRC agricultural company to a global agricultural company with operations and networks servicing New Zealand, Australia, South America, China and various international markets. While our business in China is not significant as at June 30, 2014, this may increase materially in the future.

B. Business Overview

Overview

We are a global agricultural company with three principal business segments: Seed & Grain; Crop Protection, Nutrients & Merchandise; and Rural Services. The Seed and Grain segment is engaged in research and development, production and sale of a broad range of seed products and trading of seed and grain products globally. The Crop Protection, Nutrients and Merchandise segment operates an extensive chain of retail stores that supply farm input materials. The Rural Services segment provides livestock trading, wool trading, irrigation and pumping, real estate agency and other agriservices.

- **Seed and Grain.** This business segment is engaged in research and development, production, and sale of seed products, including forage, turf, maize, corn, cereal and vegetable seeds. Its business also includes multiplication of seed for international customers and trading of seed and grain products globally.
- **Crop Protection, Nutrients and Merchandise.** This business segment operates an extensive chain of retail stores that supply farm input materials, including chemicals, fertilizers, pollination products, frost protection products, fencing, animal health and nutrition products, grains and seeds, clothing, leisure goods, and gardening equipment. It offers a wide range of plant nutrition options, supported by industry-leading knowledge of the specific products and application protocols.
- **Rural Services.** This business segment offers a variety of services critical to the agricultural economy, including:
 - **Livestock.** Livestock agents for sheep, beef, dairy, and deer farmers, meat processors and livestock exporters. The primary service is trading livestock through auctions, private on-farm sales, and online or direct sales to meat processors;
 - **Wool.** Sales agents for sheep farmers, primarily through auctions, forward contracts and private sales; and providing comprehensive range of services to grower clients and wool processors including on-farm assistance, in-store wool handling and export processing;
 - **Irrigation and Pumping.** Design, construction, installation and servicing of irrigation and pumping systems;
 - **Real Estate.** Real estate brokerage primarily focused on farm sales with additional transactions in lifestyle and residential properties; and
 - **Insurance.** Insurance brokerage providing a range of market-leading insurance products.

Our total revenues increased from \$940.2 million in the year ended June 30, 2013 to \$1,023.6 million in the year ended June 30, 2014. We recorded a net loss of \$199.4 million in the year ended June 30, 2013 and a net profit of \$26.1 million in the year ended June 30, 2014.

Our revenues by segment and by geographical location are shown as follows:

	For the Year Ended June 30,			
	2014		2013	
	Revenue (\$ millions)	% of Total Revenue	Revenue (\$ millions)	% of Total Revenue
Seed & Grain	385.0	37	375.1	40
Crop Protection, Nutrients & Merchandise	406.3	40	357.3	38
Rural Services	232.3	23	207.8	22
Total	1,023.6	100	940.2	100

	For the Year Ended June 30,			
	2014		2013	
	Revenue (\$ millions)	% of Total Revenue	Revenue (\$ millions)	% of Total Revenue
New Zealand	851.7	83	756.3	80
Australia	69.9	7	70.6	8
South America	92.1	9	96.7	10
China	9.9	1	16.6	2
Total	1,023.6	100	940.2	100

Seed & Grain

Seeds

Our seeds business is the largest southern hemisphere supplier of commodity and proprietary forage seed primarily to New Zealand, Australia, South America, China and various international markets. Our seed product range includes grass seeds, seed treatment products, forage legumes, forage brassicas, herb seeds, pea seeds and turf seeds. We are a market leader in New Zealand in forage, brassicas and turf and a market leader in Australia in proprietary and commodity forage products, and have a strong presence in South America through various investments in Uruguay, Argentina and Brazil. Our seed products are focused on improving overall farm productivity and performance. Our seeds business is also involved in the turf seeds market in New Zealand and Australia for application in sports grounds, parks and lawns. The seeds segment is supported by a strong research base and commercializes new products through internal research and development, breeding and evaluation programs and joint venture research partnerships. The seeds business has a number of proprietary seeds that provide superior margins and a large number of new cultivars in development. Our seeds business in China consists primarily of research and development, production, marketing and distribution of field corn seeds and edible corn seeds.

Grain

Our grain business is New Zealand's largest domestic grain brokerage and marketing service. The business specializes in the supply of cereal seeds to arable farmers together with crop drying and storage activities in maize in the North Island and grain brokerage services throughout New Zealand. Key product categories include feed wheat, milling wheat, malting barley, feed barley, maize and proprietary cereals. The grain division has strong relationships with growers via a network of field representatives throughout key cropping areas.

Crop Protection, Nutrients & Merchandise

Our rural supplies business provides goods and services to the rural sector, farm input materials including chemicals, fertilizers, pollination products, frost protection products, fencing, animal health and nutrition products, grains and seeds, clothing, leisure goods, and gardening equipment. It offers a wide range of plant nutrition options, supported by industry-leading knowledge of the specific products and application protocols. Currently, on-farm technical sales representatives providing advice and technical assistance in conjunction of product orders and network of retail stores in New Zealand. Our fruited supplies business is a horticulture service and supply business providing grower clients with agronomic advice, technical expertise and products such as chemicals, fertilizers, pollination products and frost protection products. This business has 96 retail stores and over 220 dedicated staff, supported by an in-house team of more than 130 technical field representatives, who provide advice to customers to help increase their productivity.

Rural Services

Livestock

Our livestock business comprises New Zealand's largest group of livestock representatives (approximately 260 in total) managing a variety of relationships between farmers, meat processors, livestock exporters and stud-stock breeders and buyers. Our livestock representatives also facilitate the buying and selling of livestock on behalf of clients (at auction or privately on-farm), and provide advice in relation to livestock genetics, stocking and animal evaluation, valuation and selling and buying strategies.

Real Estate

We operate a national rural real estate business conducted through a team of sales representatives with specialized knowledge of the rural property market.

Irrigation and Pumping

Irrigation and pumping is an integrated irrigation business including system design, construction and service with a primary focus on the design and installation of “turnkey” irrigation and pumping projects for arable, pastoral and dairy platforms.

Wool

We are New Zealand's principal nationwide woolbroker and the world's largest supplier of crossbred wools. We handle and market all types of wool using a variety of sales methods, including auction, private sale and forward contracts.

Insurance

We offer a range of specialized insurance products delivered in conjunction with New Zealand insurance brokers, AON and Vero. Insurance products include farm insurance, domestic insurance, livestock insurance, crop insurance and business insurance.

Agriculture New Zealand Training

Agriculture New Zealand, or AgNZ, is a national multi-site private training establishment owned by our Group. AgNZ is registered and accredited with the New Zealand Qualifications Authority to deliver approved training courses at levels 1-6 on the New Zealand National Qualifications Framework.

Other Rural Services

Other rural services represent regional administration, finance commission and other related activities.

Research and Development

We conduct research and development primarily in cooperation with various universities and research institutions. See “—Intellectual Property.” We have also acquired a number of technologies and varieties of corn from third parties.

Our Seed & Grain business has a strong emphasis on research and development, extensive experience in plant breeding and has developed management practices to ensure that best use of cultivars on farm. This research ensures that any cultivars introduced into the market will perform under temperate farming systems with the goal of increasing on-farm productivity and profitability. To support this objective, we have developed relationships with key primary research partners including:

- Grasslands Innovation Limited: a joint venture between PGG Wrightson Seeds and AgResearch Ltd, New Zealand's largest Crown Research Institute, or CRI, which specializes in forage grass and clover breeding. Grasslands Innovation has delivered significant innovations to the pastoral market including leading cultivars and the hugely successful AR37 endophyte technology;
- Forage Innovations Ltd: a joint venture between PGG Wrightson Seeds and Plant & Food Research Ltd, New Zealand's specialist CRI dedicated to food technology research. Forage Innovations has recently delivered the step-change technology of herbicide-tolerant brassicas to the New Zealand market;

- INIA-GIL joint breeding programme: a joint venture between PGG Wrightson Seeds and INIA, Uruguay's largest government owned agricultural research institute, that has developed and delivered Uruguay's first locally bred forage technologies to the market;
- Universities of Queensland and New South Wales, Australia: research collaborations that are developing sub-tropical and dryland forage innovations respectively;
- University of Wisconsin, USA: research collaboration that is developing forage innovations for the continental or winter-tolerant environment; and
- Chinese Academy of Agricultural Sciences, or CNAAS: we entered into a strategic cooperation framework agreement with CNAAS, delivering novel hybrid field crops and providing for future cooperation across the spectrum of agricultural research. Under this agreement, we have preferential rights to partner with CNAAS in commercializing their research results. Established in 1957, CNAAS comprises 39 research institutes across China, covering all major areas of the agricultural sector, including advanced research in the development of horticulture and livestock. CNAAS employs over 5,000 scientists and research engineers and controls one of the largest germplasm banks in the world.

In New Zealand, we have established a pre-eminent research and development center, Kimihia Research & Development Centre, near Lincoln, New Zealand. It carries out various research and development programs and draws on genetic material sourced from New Zealand, Australia, South America and includes breeding partnerships with leading research organizations from around the world.

Additionally, we collaborate with a number of universities and research institutions to develop advanced technologies, including the Beijing Academy of Agriculture and Forestry Sciences, or BAAFS, China Agricultural University, China Northwest Agriculture and Forestry University and Dongyang Corn Research Institute in Zhejiang Province. We worked with BAAFS in the cultivation, demonstration, promotion and commercialization of new strains of edible corn seeds.

The various partnerships give us access to leading proprietary innovation in a variety of crop species including corn, forage crops and cereal crops. An additional benefit that comes from these partnerships is preferential access to numerous leading academics and technicians that are experts in their chosen field. Research institutes gain the benefit of seeing their innovations being commercialized and delivered to market in a timely and professional manner.

Our global research and development team currently consists of 87 research professionals and staff.

As of June 30, 2014, through acquisitions and our research and development, we own the rights to:

- over two hundred proprietary forage varieties (grass, clover, brassica);
- four patented forage novel endophyte strains;
- sixteen proprietary edible corn seed varieties;
- twenty proprietary field corn seed varieties;
- dozens of proprietary cereal grain varieties (wheat and barley);
- several proprietary summer and annual crops (sunflower, sorghum); and
- several proprietary and branded seed coating technologies.

We have established approximately 40 testing sites for the evaluation and selection of new varieties. These sites are based in multiple locations across 10 different countries covering all the major markets and different climatic zones.

Seasonality of Operations

We are subject to significant seasonal fluctuations. In particular, seeds and livestock revenues are significantly weighted to the second half of the fiscal year. The seasonality of seeds revenue reflects the fact we operate in geographical zones that suit autumn harvesting and sowing. The seasonality of livestock revenue reflects the fact that New Zealand generally has spring calving and lambing, resulting in more livestock trading in the second half of the fiscal year in order for farmers to maximize their income.

Structure of Our Investment in PGW

In October 2009, we entered into agreements to invest in and form a strategic partnership with PGW. Between November 2009 and December 2009, through equity purchases and participation in a rights issue, we invested a total of NZ\$83.9 million and acquired a 19.01% stake in PGW. This stake was held by Agria Singapore, a wholly owned subsidiary of Agria Asia Investments, which in turn was a 100% owned subsidiary of Agria.

In January 2011, Agria Singapore made a partial takeover offer for an additional 31.0% of the shares in PGW at the offer price of NZ\$0.60 per share to in order to bring its total shareholding in PGW to 50.01%. The total consideration paid by Agria Singapore, excluding transaction expenses for the shares acquired under the partial offer, was NZ\$141.0 million. The partial takeover offer was completed in April 2011, at which point we held a 50.01% interest in PGW. Our shareholding in PGW was subsequently increased to 50.22% by the end of June 2011 as a result of share repurchases made by PGW.

To finance the partial takeover offer of PGW, Agria Group subscribed for additional equity in Agria Asia Investments valued at \$55.3 million for a combination of cash, expenses already incurred on behalf of Agria Asia Investments and expenses that we agreed to incur on behalf of Agria Asia Investments. Agria Asia Investments also received additional financing in the form of new share subscriptions from third parties, with \$20.0 million from New Hope International, a subsidiary of New Hope Group, and NZ\$15.0 million from Ngai Tahu, a long-term strategic investor with a particular focus on New Zealand's South Island commercial and rural ventures. After the completion of share subscriptions, the equity interest in Agria Asia Investments was as follows:

	%
Agria Group	80.81
New Hope International	11.95
Ngai Tahu	7.24

In June 2011, we entered a new shareholders agreement with New Hope International. Under this agreement, we granted New Hope International the rights of first offer in the event that Agria Corporation proposes to transfer all or part of its shares in Agria Group, as well as the tag-along rights in the event that Agria Group proposes to transfer all or part of its shares in Agria Asia Investments. Furthermore, New Hope International has the right to sell its shares in Agria Asia Investments to Agria Group on the terms and conditions provided in the shareholders agreement at a certain repurchase price to be determined pursuant to a supplemental agreement entered into between Agria Group and New Hope International in June 2011. Under the supplemental agreement, Agria Group agreed to provide guarantee to New Hope International for a minimal level of dividends to be distributed by Agria Asia Investments to New Hope International. If Agria Group makes any payment to New Hope International under that guarantee, New Hope International will remit such payment to Agria Group once cumulative dividends distributed by Agria Asia Investments to New Hope International exceeds the minimal guaranteed level. To secure the performance of Agria Group's obligation in connection with this put option held by New Hope International, in June 2011, Agria Group pledged its shares in Agria Asia Investments to New Hope International and Mr. Guanglin Lai, the chairman of our board, made a personal guarantee to New Hope International for Agria Group's payment obligation in the event that New Hope International exercises its put option. Agria Corporation agreed to indemnify Mr. Lai against all the obligations, losses, costs, damages, expenses, liabilities, actions and demands that he may incur or sustain in connection with his personal guarantee.

Divestiture of P3A

Historically, our principal operating entity was P3A, which had three production lines: corn seed, sheep products and seedlings. P3A's financial and operating performance had declined since 2007. In July 2010, we completed our divestiture of P3A.

Through the transaction, we acquired from Mr. Xue and cancelled shares representing 11.5% of our issued and outstanding share capital immediately prior to the transaction in exchange for the transfer of all of Agria's interest in P3A to Mr. Xue.

The leases over nine parcels of land totaling approximately 13,500 acres previously held by P3A have been retained by us. However, we were unable to find commercially viable uses for these land parcels, and subsequent recorded an impairment provision of approximately \$57.0 million for the year ended June 30, 2013, which was the aggregate sum of our unamortized prepayments for the land. We do not anticipate deriving significant future economic benefit from these land parcels in the foreseeable future.

Investments and Strategic Partnerships

In September 2009, we entered into an agreement to acquire NKY. Under the terms of the agreement, Zhongguan, our consolidated structured entity acquired 100% of the equity of NKY for RMB5.0 million. Previously, in June 2008, we had purchased the production and sales rights to two corn seeds owned by NKY, JKN2000 and JKN120.

In October 2009, we entered into a strategic cooperation framework agreement with CNAAS, which provides for future cooperation across the spectrum of agricultural research. In October 2009, we agreed to invest RMB35 million in Beijing Zhongnong Seeds Industry Co., Ltd., or Zhongnong, a seed company based in China, for a 53.84% equity interest in Zhongnong. We invested RMB11.0 million in Zhongnong from 2009 to 2011. Through our cooperation with CNAAS, we were licensed the commercial rights to ZhongDan909, one of our key seed products.

In February 2013, PGW completed the contracting process for a Primary Growth Partnership program, or PGP Program, with the New Zealand Ministry for Primary Industries, or MPI. PGG Wrightson Seeds is spearheading the PGP Program with Grasslanz Technology Limited, a New Zealand government-owned company engaged in science and research, to deliver innovative forages for New Zealand farms. The PGP Program is valued at NZ\$14.6 million, with government PGP funding contributing NZ\$7.15 million over six years. The seed and nutritional technology development PGP Program aims to develop new technologies that improve animal productivity and animal health, while overcoming adverse environmental impact.

In May 2013, we renewed our ten-year cooperation agreement with BAAFS, to cooperate in the cultivation, demonstration, promotion and commercialization of new strains of edible corn seeds. We signed our first five-year cooperation agreement with BAAFS in 2008. Under this renewal agreement, BAAFS will continue to provide technology and research support for us in developing and breeding new strains of edible corn seeds through 2022.

In November 2013, we entered an agreement to establish the China National (Yangling) Plant Variety Rights Trading Center, or the Center. The Center will be an institution sponsored by the PRC Ministry of Agriculture in order to promote research and commerce in crop plant varieties that can thrive in the vast regions of dry land in China.

Intellectual Property

We conduct research and development primarily in cooperation with various universities and research institutions. We have also acquired a number of technologies and varieties of corn from third parties. In New Zealand, Australia and Uruguay, much of our research is undertaken by our Seed and Grain business segment, including its turf division, which is supported by a strong research base and commercializes new products through internal research and development, breeding and evaluation programs and joint venture research partnerships.

Many elements of our proprietary information, such as production processes, technologies, know-how and data are not patentable in China. We rely primarily on a combination of trade secrets, trademarks, and confidentiality agreements with employees and third parties to protect our intellectual property. While we cannot assure you that our efforts will deter others from misappropriating our intellectual property rights, we will continue to create and protect our intellectual property rights in order to maintain our competitive position.

A number of seed cultivars are protected by plant variety rights and plant breeders' rights in New Zealand, Australia and other markets. Certain cultivars are also provided by seed certifications in various jurisdictions. We also protect our intellectual property through a portfolio of registered trademarks and patents, confidentiality clauses in employment contracts and staff education.

Regulation

We derive a substantial majority of our revenues in New Zealand. We are subject to a number of regulations in New Zealand related to its agricultural operations, including the following:

- *Agricultural Compounds and Veterinary Medicines Act 1997*. The New Zealand Food Safety Authority administers the Agricultural Compounds and Veterinary Medicines Act. The scope of this Act includes regulatory control of agricultural compounds (veterinary medicines and plant compounds), and their importation, manufacture, sale and use. This Act regulates all animal health products sold by us.
- *Animal Products Act 1999*. MPI administers the Animal Products Act and the Animal Products (Ancillary and Transitional Provisions) Act and various regulations made under these Acts. They regulate the production and processing of animal material and animal products traded and used in New Zealand, or exported from New Zealand, to manage associated risks and facilitate overseas market access. The Animal Products Act requires all animal products traded and used to be "fit for intended purpose". This means they must meet New Zealand animal product standards. These Acts impact the products that we sell for animal consumption and use on animals.
- *Animal Welfare Act 1999*. The Animal Welfare Act relates to the welfare of animals and the prevention of their ill treatment, and provides for the development and issue of codes of welfare. This Act applies to our livestock operations.
- *Biosecurity Act 1993*. The MPI administers the Biosecurity Act, which provides a legal basis for excluding, eradicating and effectively managing pests and unwanted organisms. Its power can be widely used by the MPI, other government agencies, regional councils and pest management agencies. It is an enabling tool that provides a range of functions, powers and options for the management of risk organisms. This Act regulates our operations at sale yards and livestock movements.
- *Food Acts 1981 and 2014*. The Food Act 1981 regulates domestic food and ingredients produced or sold in New Zealand. The new Food Act 2014 aims to give food businesses the tools to manage food safety themselves based on the level of risk associated with the kinds of food produced. Over the next 21 months, MPI will be developing regulations, tools and guidance. When the new Act comes fully into force, which will be by March 1, 2016, it will replace the Food Act 1981. After this time, food businesses will transition in groups into the new rules over a staggered three year period. We have obligations under the Food Act 1981 as it will under the new law in relation to components of food that it sells.
- *National Animal Identification and Tracing Act 2012, or NAIT Act*. The NAIT Act sets up the NAIT scheme which links people, property and livestock in New Zealand. Under the scheme, cattle and deer are traced using NAIT approved radio frequency identification device ear tags. Once tagged, these animals are registered in a national database and the details recorded include the animal's location, movements in the animal's life, and contact details for the person in charge of that animal. This provides traceability for individual animals, to enhance New Zealand's ability to respond quickly if there is a biosecurity incursion such as a disease outbreak. We have detailed obligations in relation to livestock we transact under this Act.
- *Wine Act 2003*. The Wine Act establishes an integrated regime for the production and export of wine. The objectives of the Wine Act include setting standards for identity, truthfulness in labelling, and safety of wine, and minimizing and managing risks to human health arising from the making of wine and ensuring compliance with wine standards. We have obligations under the Wine Act in relation to components of wine that it sells.

- *Auctioneers Act 2014*. This sets out what information a person needs to provide to become registered as an auctioneer. The new registration system is administered by the Ministry of Business, Innovation and Employment. It replaces the licensing system administered by the Ministry of Justice under the Auctioneers Act 1928 and the Auctioneers Regulations 1958. We are registered under the new Act.

Our subsidiary, PGW, a New Zealand listed company, is also subject to various other New Zealand rules and regulations applicable to listed companies in New Zealand and the rules and regulations of the other markets where it operates, namely Australia and South America.

While our business in China is not significant at present, it may increase materially in the future. Our business in the PRC is regulated by the following rules and regulations:

Agriculture Law

On July 2, 1993, the PRC promulgated the Agriculture Law which sets forth certain principles and various measures designed to ensure the steady development of the agricultural industry. For example, the production and operation of agricultural products that affect the health of people or animals, such as seeds, must meet registration and approval requirements under PRC laws and regulations. The Agriculture Law was revised on December 28, 2002, became effective as of March 1, 2003 and was subsequently revised on December 28, 2012.

Seed Law, Animal Husbandry Law and Other Relevant Regulations

Seed Law and Other Relevant Regulations

The crop seed business is a highly regulated industry in the PRC. In July 2000, the Seed Law was enacted to promote the use of seed resources; to control the selection, production and use of seeds and regulate related business operations; to protect the legal rights of producers, business operators and users of seeds; to promote seed quality; to drive the industrialization processes of seeds and to accelerate the development of the planting and forestry industries. The Seed Law became effective on December 1, 2000 and was amended on August 28, 2004 and June 29, 2013.

Under the Seed Law, major crop seeds and tree varieties are subject to examination and approval as a pre-condition of their popularization. An applicant may apply directly for examination and approval at either the national or provincial level. Committees composed of professional experts have been established separately by the State Council's agriculture and forestry administrative departments and the provincial governments for the examination and approval of crop and tree varieties. Major crop seed varieties that are verified and approved by the State Council's committee and the National Crop Variety Examination and Approval Committee may be marketed and distributed nationwide. Varieties that receive provincial approval are only permitted to be marketed and distributed within the province that granted the approval.

For seed production, a permission-based system is currently in practice pursuant to the Administrative Regulation on Permission of Production and Operation of Crop Seeds, which was issued on August 22, 2011. A company engaged in the production of seeds must obtain a production license, which is issued at either the provincial or the local level, entitling the licensee to engage in seed production in the permitted area. The level of issuing authority required for a production license varies based on the types of seeds to be produced. The production license also specifies the types of seeds the license holder may produce, the geographic region where seeds can be produced and the term of the production license.

For seed distribution, a company must obtain a distribution license in order to distribute seeds in permitted areas. Generally, a distribution license may be issued at the county level or above. A seed company must obtain a distribution license from the provincial government to distribute major crop seeds in that province and a distribution license from the national government for national distribution.

Animal Husbandry Law and Other Relevant Regulations

According to the PRC's Animal Husbandry Law, which was promulgated on December 29, 2005 and became effective on July 1, 2006, popularization of any new variety of livestock is subject to examination and approval by the National Commission of Animal Genetic Resources. Approved varieties are announced by the Ministry of Agriculture and be eligible for popularization.

Pursuant to the Animal Husbandry Law, entities or individuals engaged in production of breeder livestock or poultry, or engaged in the commercial production of new-born livestock or poultry, must obtain a Permit for the Production and Business Operation of Breeding Livestock and Poultry, or Husbandry Permit. Entities and individuals engaged in the production of ova, frozen sperm, embryos or other genetic materials must obtain a Husbandry Permit from the State Council's stockbreeding and veterinary administrative departments through their respective provincial agencies. The approval level of the Husbandry Permit varies depending on the permitted scope and content.

In addition to the Animal Husbandry Law, the Administrative Regulation of Breeders was issued on April 15, 1994 and revised on January 8, 2011. These regulations specify conditions and requirements that must be satisfied by breeding farms regarding their technologies, facilities, quarantine measures, livestock and poultry inspection systems and livestock and poultry distribution. We believe our sheep farms meet the conditions required under the applicable regulations.

Supervision of Agricultural Products Quality and Safety

On March 10, 2005, the Ministry of Agriculture issued the Administrative Measures for the Supervision and Spot Check of Agricultural Seed Quality, which became effective on May 1, 2005, and which permit the government's administrations of agriculture at the county level or above to organize relevant seed administration and seed quality inspection institutions to sample and inspect agricultural seeds that are produced and sold. A seed production and operation company that does not meet inspection standards must recall any seeds that have been sold. Such companies may not conduct sales until they meet inspection standards. A legal representative of the seed company must circulate information on the inspection to all employees, and the company must determine why the seeds failed to meet inspection standards and implement corrective measures. Such measures include improving quality control processes, submitting rectification reports and submitting to subsequent examinations by the administration of agriculture.

Under the PRC Law on Agricultural Product Quality Safety, issued on April 29, 2006 and declared effective on November 1, 2006, an entity engaged in the production of agricultural products must maintain production records and retain data relating to production for two years.

Under the PRC Law on Animal Epidemic Prevention, issued on July 3, 1997 and revised on August 30, 2007 and June 29, 2013, animals and/or animal products to be sold or transported require quarantine certificates and quarantine inspection marks or seals. Shanxi province's Regulations on Animal Epidemic Prevention require business operators to report to their local supervisory institutions or animal quarantine officers of animal epidemic prevention where such operators are domiciled, and to submit to inspections and quarantines of animals and animal products. The level of inspection varies depending on the uses for such animals or animal products.

Under the Regulations on Plant Quarantine, issued on January 3, 1983 and revised on May 13, 1992, plants and plant products listed in quarantine catalogues are subject to quarantine inspections before they are transported from a county administration area where an epidemic occurs. Plant seeds, seedlings or other propagating materials are subject to quarantine inspections prior to transportation.

Land Use Rights

All land in the PRC is either state-owned or collectively owned, depending on the location of the land. All land in the urban areas of a city or town is state-owned, and all land in the rural areas of a city or town and all rural land are, unless otherwise specified by law, collectively owned. The state has the right to reclaim land in accordance with law if required for the benefit of the public. Although all land in the PRC is owned by the state or by collectives, private individuals and businesses and other organizations are permitted to hold, lease and develop land for which they are granted land use rights.

National Legislation on Land

In April 1988, the constitution of the PRC was amended by the National People's Congress to allow for the transfer of land use rights for value, and in December 1988, the Land Administration Law of the PRC was similarly amended. The Land Administration Law of the PRC was further amended in August 1998 and August 2004.

Under the Interim Regulations of the People's Republic of China on Grant and Transfer of the Right to Use State-owned Urban Land, or Interim Regulations on Grant and Transfer, promulgated in May 1990, local governments at or above the county level have the power to grant land use rights for specific purposes and for a definite period to a land user pursuant to a contract for the grant of land use rights against payment of a grant premium.

Under the Interim Regulations on Grant and Transfer, all local and foreign enterprises are permitted to acquire land use rights unless the law provides otherwise. The state may not reclaim lawfully granted land use rights prior to the expiration of the term of grant. If public interest requires repossession by the state under special circumstances during the term of grant, compensation will be paid by the state. A land grantee may lawfully transfer, mortgage or lease its land use rights to a third party for the remainder of the term of grant.

Upon expiration of the term of grant, renewal is possible subject to the execution of a new contract for the grant of land use rights and payment of a premium. If the term of the grant is not renewed, the land use rights and ownership of any buildings erected on the land will revert to the state without compensation.

Transfer and Lease of State-owned Land Use Rights

After the state had granted land use rights relating to a particular area of land, unless any restriction is imposed, the party to whom such land use rights have been granted may transfer, lease or mortgage such land use rights for a term not exceeding the term which has been granted by the state. The difference between a transfer and a lease is that a transfer involves the vesting of the land use rights by the transferor in the transferee during the term for which such land use rights were vested in the transferor. A lease, on the other hand, does not involve a transfer of such rights by the lessor to the lessee. Furthermore, a lease, unlike a transfer, does not usually involve the payment of a premium. Instead, a rent is payable during the term of the lease. Land use rights cannot be transferred, leased or mortgaged if the provisions of the land grant contract, with respect to the prescribed period and conditions of investment, development and use of the land, have not been complied with. In addition, different areas of the PRC have different conditions which must be fulfilled before the respective land use rights can be transferred, leased or mortgaged.

All transfers, mortgages and leases of land use rights must be evidenced by a written contract registered with the relevant local land bureau at the municipality or the county level. Upon a transfer of land use rights, all rights and obligations contained in the contract pursuant to which the land use rights were originally granted by the state are deemed to be incorporated as part of the terms and conditions of such transfer, depending on the nature of the transaction.

Under Article 38 of the PRC Law on Administration of Urban Real Estate, or Urban Real Estate Law, issued on July 5, 1994 and revised on August 30, 2007, real property that has not been registered and for which a title certificate has not been obtained in accordance with the law cannot be transferred. Under Article 39 of the Urban Real Estate Law, if land use rights are acquired by means of grant, the following conditions must be met before the land use rights may be transferred: (i) the premium for the grant of land use rights must have been paid in full in accordance with the land grant contract and a land use rights certificate must have been obtained; (ii) investment or development must have been made or carried out in accordance with terms of the land grant contract; (iii) where the investment or development involves a real estate construction project, more than 25% of the total amount of investment or development must have been made or completed; (iv) where the investment or development involves a large tract of land, conditions for use of the land for industrial or other construction purpose must have been confirmed; and (v) title certificate for a building is required in the event that real estate is transferred with a finished building.

Regulation of Collective-owned Land

According to the PRC Law on Land Administration, adopted by the National People's Congress on June 25, 1986 and amended on August 28, 2004, land in rural and suburban areas, except for that stipulated by law as being owned by the state, is collectively owned by rural residents. Land collectively owned by rural residents is contracted to and operated by members of the respective collective economic entity for uses such as plantation, forestry, livestock husbandry or fishery production. Before any land collectively owned by rural residents is contracted to a unit or individual not from the collective economic entity, at least two-thirds of the members of the villager committee meeting or at least two-thirds of the village representatives must agree, and it must be submitted to the people's government at the township level for approval. The land use rights of collectively owned land must not be granted, assigned or leased to any party for any non-agricultural uses.

Foreign Ownership Restrictions in the Seed Industry

The PRC restricts foreign ownership of domestic businesses engaged in the seed industry. According to the Foreign Investment Industrial Guidance Catalogue, the latest revision of which became effective on January 30, 2012, the selection and breeding of new breeds of crops and the development and production of seeds fall into the category of a restricted foreign investment industry. In addition, the breeding and planting of China's rare and peculiar breeds (including quality gene cultivation, animal husbandry and aquatic products) and the production and development of genetically modified plant seeds, breeding livestock and poultry and aquatic seedlings are considered prohibited foreign investment industries. PRC law currently prohibits a foreign entity or person from owning over 50% of any seed development and production business in China and prohibits a foreign entity or person from owning any sheep business in China.

In accordance with the Regulation on the Approval and Registration of Foreign Investment Enterprises in the Agricultural Seed Industry, issued and effective on September 8, 1997, investors may establish foreign-invested crop seed companies provided that they have satisfied the following requirements: (i) the company's PRC investors must have obtained necessary approvals for crop seed production and operation and submitted the business to any necessary examinations; (ii) the foreign investors must be equipped with relatively advanced research breeding capabilities, seed production technologies and good corporate management and possess a positive business reputation; (iii) the investors must be able to introduce or adopt outstanding domestic or foreign species or seed resources and advanced seeds technologies and facilities; (iv) the registered capital of companies engaged in the production of cereal, cotton and oil products seeds must be no less than \$2 million, and the registered capital of companies engaged in the production of other crop seeds must be no less than \$0.5 million; and (v) the company's PRC investors' equity ownership in the foreign-invested cereal, cotton and oil products seeds enterprises must be more than 50%. Pursuant to this regulation, foreign investors are not permitted to establish foreign-invested crop seed distribution enterprises or wholly foreign-owned crop seed enterprises in China.

Intellectual Property

The PRC Trademark Law, adopted on August 23, 1982 and revised on October 27, 2001 and August 30, 2013, protects the proprietary rights of registered trademarks. The State Administration for Industry and Commerce's Trademark Office handles trademark registrations and grants an initial term of ten years to registered trademarks. Upon the initial term's expiration, a second term of ten years may be granted under a renewal. Trademark license agreements must be filed with the Trademark Office or a regional office. In addition, if a registered trademark is recognized as a well-known trademark, the proprietary right of the trademark holder may be extended beyond the registered scope of products and services to which the trademark relates.

Under the PRC Patent Law, which was adopted on March 12, 1984 and revised on December 27, 2008, animal and plant varieties may not be protected under patents, but the production methods of animal and plant varieties may be patented. Producers of plant varieties may seek protection for their rights to new varieties under the Protection of New Varieties of Plants Regulation.

The Protection of New Varieties of Plants Regulation was promulgated by the State Council on March 20, 1997, became effective on October 1, 1997 and was subsequently revised on January 31, 2013. The administrative departments of the State Council in charge of agriculture and forestry are, according to their respective functions, jointly responsible for the acceptance and examination of applications for the rights to new varieties of plants and grant such rights to new varieties of plants which satisfy the requirements under the regulations. An entity or individual that has completed the production, sale or dissemination of a new variety of plant which has been granted a variety right will have an exclusive right in its protected variety. Unless otherwise provided for in these regulations, without a license from the owner of the variety right, no other entity or individual may use such variety for commercial purposes.

Foreign Currency Exchange

Under the Foreign Currency Administration Rules promulgated on January 29, 1996 and amended on August 5, 2008, the foreign exchange incomes of domestic entities and individuals can be remitted into China or deposited abroad, subject to the conditions and time limits to be issued by SAFE. According to the Foreign Currency Administration Rules, the Renminbi is convertible for current account items, including the distribution of dividends, interest payments, trade and service-related foreign exchange transactions. Conversion of Renminbi for capital account items, such as direct investment, loan, securities investment, derivative transactions and repatriation of investment, however, is still subject to the approval of, and/or the registration with, SAFE or its local branches.

Dividend Distribution

The principal regulations governing distribution of dividends of wholly foreign-owned enterprises include the Wholly Foreign-owned Enterprise Law, promulgated by the National People's Congress on April 12, 1986 and amended on October 31, 2000, and the Wholly Foreign-owned Enterprise Law Implementing Rules, approved by the State Council and promulgated by the Ministry of Foreign Economics and Trade on December 12, 1990 and amended on April 12, 2001. Under these regulations, wholly foreign-owned enterprises in the PRC may pay dividends only out of their accumulated profits, if any, as determined in accordance with PRC accounting standards and regulations. Additionally, wholly foreign-owned enterprises are required to set aside at least 10% of their after-tax profits each year, if any, to contribute to certain reserve funds until the cumulative amounts in such reserve funds have reached 50% of the registered capital of such enterprises. These reserves are not distributable as cash dividends.

Pursuant to the 2008 EIT Law and the Implementing Rules effective on January 1, 2008, dividends payable by a foreign-invested enterprise to its foreign investors who are non-resident enterprises will be subject to a 10% withholding tax, unless any such foreign investor's jurisdiction of incorporation has a tax treaty with China that provides for a different withholding arrangement. According to the Mainland and Hong Kong Special Administrative Region Arrangement on Avoiding Double Taxation or Evasion of Taxation on Income agreed between the Mainland and Hong Kong Special Administrative Region in August 2006 and the Notice in Relation to the Dispatch of Schedule of Agreed Tax Rates on Dividends issued by the State Administration of Taxation (State Taxation Circular No. 112 (2008)), dividends payable by a foreign-invested enterprise to its foreign investors will be subject to a 5% tax provided that such foreign investor directly owns at least 25% of the equity interests of the foreign-invested enterprise.

On October 1, 2009, the Administrative Measures for Non-Residents Enjoying Tax Treaty Benefits (Trial Implementation) became effective. Under these measures, our Hong Kong subsidiary needs to obtain approval from the competent local branch of the State Administration of Taxation in order to enjoy the preferential withholding tax rate of 5% in accordance with the tax treaty. In February 2009, the State Administration of Taxation issued Notice No. 81. According to Notice No. 81, in order to enjoy the preferential treatment on dividend withholding tax rates, an enterprise must be the "beneficial owner" of the relevant dividend income, and no enterprise is entitled to preferential treatment pursuant to any tax treaties if such enterprise qualifies for such preferential tax rates through any transaction or arrangement, the major purpose of which is to obtain such preferential tax treatment. The tax authority in charge has the right to make adjustments to the applicable tax rates, if it determines that any taxpayer has enjoyed preferential treatment under tax treaties as a result of such transaction or arrangement. In October 2009, the State Administration of Taxation issued Notice No. 601 to provide guidance on the criteria to determine whether an enterprise qualifies as the "beneficial owner" of the PRC sourced income for the purpose of obtaining preferential treatment under tax treaties. Pursuant to Notice No. 601, the PRC tax authorities will review and grant tax preferential treatment on a case-by-case basis and adopt the "substance over form" principle in the review. Notice 601 specifies that a beneficial owner should generally carry out substantial business activities and own and have control over the income, the assets or other rights generating the income. Therefore, an agent or a conduit company will not be regarded as a beneficial owner of such income. Since the two notices were issued, it has remained unclear how the PRC tax authorities will implement them in practice and to what extent they will affect the dividend withholding tax rates for dividends distributed by our subsidiaries in China to our Hong Kong subsidiary. Under the 2008 EIT Law and the Implementing Rules, if China Victory is regarded as a resident enterprise, the dividends payable to China Victory from Agria China and Agria Brother will be exempt from the PRC income tax. If the relevant tax authority determines that our Hong Kong subsidiary is a conduit company and does not qualify as the "beneficial owner" of the dividend income it receives from our PRC subsidiaries, the higher 10% withholding tax rate may apply to such dividends.

Pursuant to the 2008 EIT Law which became effective on January 1, 2008, an enterprise established outside of the PRC with “de facto management bodies” within the PRC is considered as a resident enterprise and will be subject to PRC income tax on its global income. According to the Implementing Rules, “de facto management bodies” refer to establishments that carry out substantial and overall management and control over the manufacturing and business operations, personnel, accounting, properties, etc. of an enterprise. On April 22, 2009, the State Administration of Taxation promulgated a circular setting out the criteria for determining whether “de facto management bodies” are located in China for overseas incorporated, domestically controlled enterprises. However, as this circular only applies to enterprises incorporated under the laws of foreign countries or regions that are controlled by PRC enterprises or groups of PRC enterprises, it remains unclear how the tax authorities will determine the location of “de facto management bodies” for overseas incorporated enterprises that are not controlled by PRC enterprises or groups of PRC enterprises like us. Accordingly, we may be considered a resident enterprise and may therefore be subject to PRC income tax on our global income.

Moreover, under the EIT law, if we are classified as a PRC resident enterprise and such income is deemed to be sourced from within the PRC, foreign ADS holders may be subject to a 10% withholding tax upon dividends payable by us and gains realized on the sale or other disposition of ADSs or ordinary shares.

Foreign Exchange

In October 2005, SAFE issued the Notice on Issues Relating to the Administration of Foreign Exchange in Fund-raising and Return Investment Activities of Domestic Residents Conducted via Offshore Special Purpose Companies, or SAFE Notice 75, which became effective as of November 1, 2005, and was further supplemented by an implementation notice issued by SAFE on November 24, 2005. SAFE Notice 75 suspends the implementation of two prior regulations promulgated in January and April of 2005 by SAFE. SAFE Notice 75 states that PRC residents, whether natural or legal persons, must register with the relevant local SAFE branch prior to establishing or taking control of an offshore entity established for the purpose of overseas equity financing involving onshore assets or equity interests held by them. The term “PRC legal person residents” as used in SAFE Notice 75 refers to those entities with legal person status or other economic organizations established within the territory of the PRC. The term “PRC natural person residents” as used in SAFE Notice 75 includes all PRC citizens and all other natural persons, including foreigners, who habitually reside in the PRC for economic benefit. The SAFE implementation notice of November 24, 2005 further clarifies that the term “PRC natural person residents” as used under SAFE Notice 75 refers to those “PRC natural person residents” defined under the relevant PRC tax laws and those natural persons who hold any interests in domestic entities that are classified as “domestic-funding” interests.

PRC residents are required to complete amended registrations with the local SAFE branch upon: (i) injection of equity interests or assets of an onshore enterprise to the offshore entity, or (ii) subsequent overseas equity financing by such offshore entity. PRC residents are also required to complete amended registrations or filing with the local SAFE branch within 30 days of any material change in the shareholding or capital of the offshore entity, such as changes in share capital, share transfers, long-term equity or debt investments, and granting security interests. PRC residents who have already incorporated or gained control of offshore entities that have made onshore investment in the PRC before SAFE Notice 75 was promulgated must register their shareholding in the offshore entities with the local SAFE branch on or before March 31, 2006.

Under SAFE Notice 75, PRC residents are further required to repatriate into the PRC all of their dividends, profits or capital gains obtained from their shareholdings in the offshore entity within 180 days of their receipt of such dividends, profits or capital gains. The registration and filing procedures under SAFE Notice 75 are prerequisites for other approval and registration procedures necessary for capital inflow from the offshore entity, such as inbound investments or shareholders loans, or capital outflow to the offshore entity, such as the payment of profits or dividends, liquidating distributions, equity sale proceeds, or the return of funds upon a capital reduction.

In May 20 2011, SAFE issued the Circular of the SAFE on Printing and Distributing the Operational Rules on Foreign Exchange Administration for Financing and Return Investments by Domestic Residents through Special-Purpose Overseas Companies, or No.19 [2011] of SAFE, which became effective as of July 1, 2011. No.19 [2011] of SAFE further clarifies the administrative principles and relevant issues in the application of the SAFE Notice 75 and to simplify the operational process.

SAFE promulgated the Notice of the State Administration of Foreign Exchange on Relevant Issues Concerning Foreign Exchange Administration for Domestic Residents to Engage in investing and Financing Overseas and Roundtrip Investment via Special Purpose Vehicles, or Circular No. 37, in July 2014, which replaced and rescinded SAFE Notice 75. Subject to the Circular No. 37, domestic residents, individuals or institutions, are required to register with the bureau of foreign exchange administration before they invest in special purpose vehicles with legitimate assets or equity interests inside and outside the PRC. Failure to comply with the registration procedures set forth in the Circular No. 37 may result in restrictions imposed on the subsequent foreign exchange activities of the relevant domestic residents, including the remitting back of dividends and profits. Domestic residents who invest in special purpose vehicles with legitimate assets or equity interests inside and outside the PRC prior to the implementation of the Circular No. 37, but fail to conduct the foreign exchange registration of overseas investments shall submit explanatory statement and state the reasons to the bureau of foreign exchange administration. The bureau of foreign exchange administration may allow complementary registration under the principles of legality and legitimacy. In event of any violation of foreign exchange regulations by domestic residents who apply for the foresaid complementary registration, administrative penalty would be imposed in accordance with relevant laws.

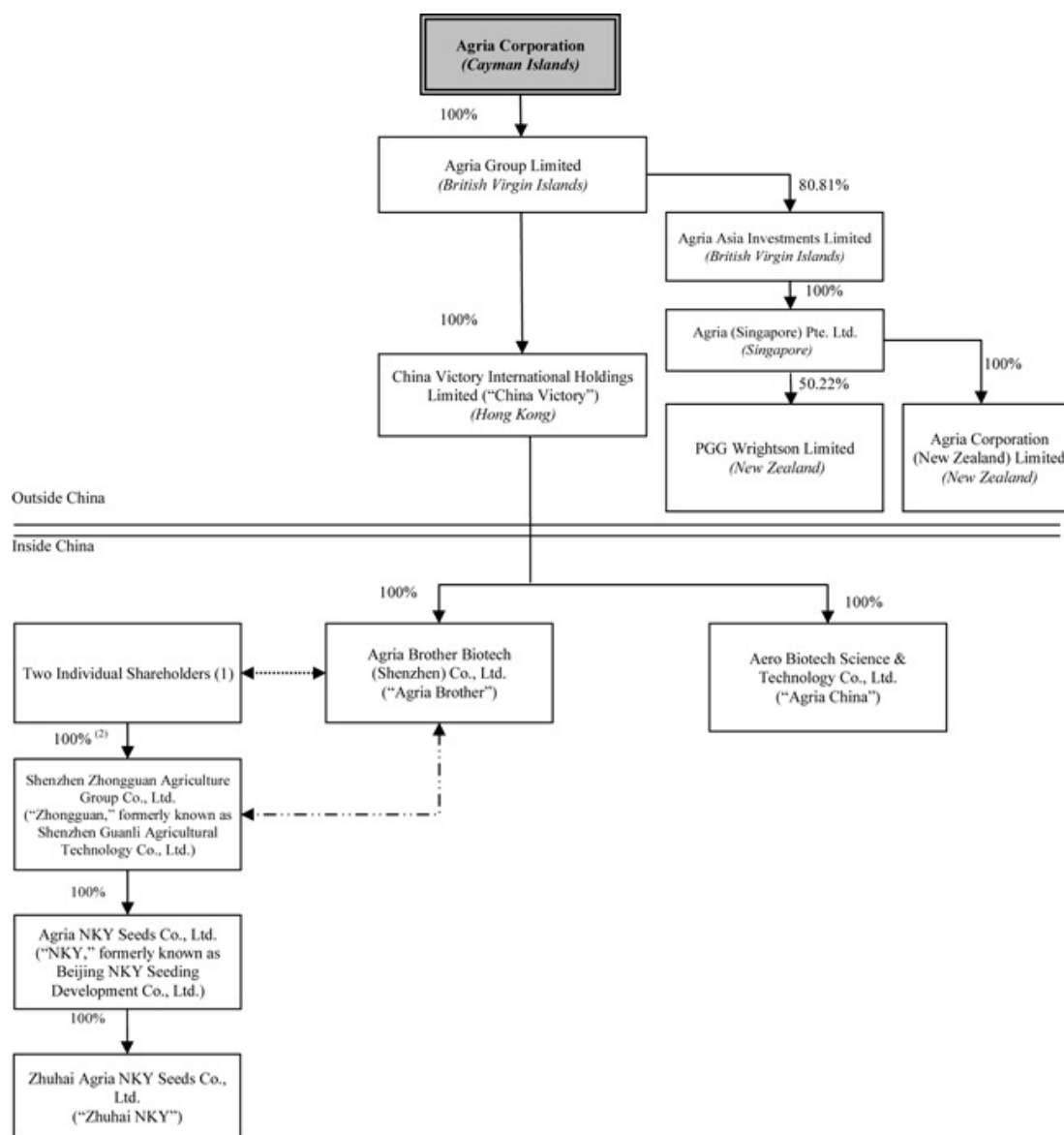
M&A Rule

On August 8, 2006, six PRC regulatory agencies, namely, the PRC Ministry of Commerce, the State Assets Supervision and Administration Commission, the State Administration for Taxation, the State Administration for Industry and Commerce, the China Securities Regulatory Commission, or CSRC, and SAFE, jointly adopted the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or M&A Rule, which became effective on September 8, 2006. The M&A Rule purports, among other things, to require offshore special purpose vehicles formed for overseas listing purposes through acquisitions of PRC domestic companies and controlled by PRC companies or individuals to obtain the approval of the CSRC prior to publicly listing their securities on an overseas stock exchange. On September 21, 2006, the CSRC published a notice on its official website specifying documents and materials required to be submitted to it by special purpose vehicles seeking CSRC approval of their overseas listings.

While the application of this regulation remains unclear and to a certain extent has not been practically enforced, we believe that CSRC approval was not required in the context of our initial public offering because we established our PRC subsidiaries by means of direct investment other than by merger or acquisition of PRC domestic companies. The regulation also establishes more complex procedures for acquisitions conducted by foreign investors which could make it more difficult to pursue growth through acquisitions.

C. Organizational Structure

The following diagram illustrates our corporate structure, including our principal subsidiaries, as of June 30, 2014:



→ Equity interest.

↔ Contractual arrangements including an Exclusive Technology Development, Technical Support and Service Agreement.

↔ Contractual arrangements including Loan Contract, a Power of Attorneys, an Exclusive Call Option Agreement, an Equity Pledge Agreement, an Letters of Undertaking, and Statement of Spouse.

(1) Consisting of Ms. Juan Li, the wife of Mr. Guanglin Lai and Mr. Fulin Lai, the brother of Mr. Guanglin Lai, the Chairman of our board of directors and a beneficial owner of our ordinary shares,

(2) Ms. Juan Li holds 95% and Mr. Fulin Lai holds 5%.

We conduct our business in China through contractual agreements with our consolidated structured entities, Zhongguan, Shenzhen NKY Seeds Co., Ltd. (formerly known as Shenzhen Agria Agricultural Co., Ltd.), or Shenzhen NKY, and Shenzhen PGW Seeds Co., Ltd. (formerly known as Shenzhen Zhongyuan Agriculture Co., Ltd.), or Shenzhen PGW Seeds, which hold the requisite licenses and permits for conducting agricultural business. Our contractual arrangements with our consolidated structured entities and their individual shareholders enable us to:

- exercise effective control over our consolidated structured entities;
- receive substantially all of the earnings and other economic benefits from our consolidated structured entities to the extent permissible under PRC law in consideration for the services provided by Agria Brother; and
- have an exclusive option to purchase all or part of the equity interests of our consolidated structured entities in each case when and to the extent permitted by PRC law.

In addition, the individual shareholders of our consolidated structured entities have executed letters of undertaking to remit all of the dividends and other distributions received from our consolidated structured entities to Agria Brother, subject to satisfaction of their personal income tax and other statutory obligations arising from receiving such dividends or other distributions. We will require every person who holds the equity interests in our consolidated structured entities at any time to enter into agreements with us on terms substantially similar as the existing contractual agreements between us and the current shareholders of our consolidated structured entities. We have the legal obligation to provide funding for all losses incurred by our consolidated structured entities.

D. Property, Plant and Equipment

P3A, which we divested in July 2010, entered into long-term lease agreements with local government and village collectives for approximately 13,500 acres of land with remaining durations of approximately 8 to 26 years and all rental payments was prepaid in full. P3A had previously used this land for sheep breeding. As part of the divestiture of P3A, we retained our interest in this land. However, we were unable to find commercially viable uses for these land parcels, and subsequent recorded an impairment provision of approximately \$57.0 million for the year ended June 30, 2013, which was the aggregate sum of our unamortized prepayments for the land. We do not anticipate deriving significant future economic benefit from these land parcels in the foreseeable future.

In China, we have a production plant in Xinjiang province for the primary production of corn seeds and fine processing plants in Beijing and Henan province.

We have several sale yards and woolstores in New Zealand for its Rural Services division and storage and processing facilities in New Zealand, Australia and Uruguay for its Seed and Grain division. In fiscal 2014, we acquired 40 properties previously leased by us, including retail stores, sale yards and processing facilities in New Zealand, for total consideration of \$26.8 million.

ITEM 4A. Unresolved Staff Comments

None.

ITEM 5. Operating and Financial Review and Prospects

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our consolidated financial statements and the related notes included elsewhere in this annual report on Form 20-F. This discussion may contain forward-looking statements based upon current expectations that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under “Item 3. Key Information—D. Risk Factors” or in other parts of this annual report on Form 20-F. Our consolidated financial statements and the financial information discussed below, have been prepared in accordance with IFRS. Since these are our first consolidated financial statements prepared in accordance with IFRS, pursuant to the transitional relief granted by the SEC in respect of the first time adoption of IFRS, the following is limited to a discussion of our financial condition and results of operations for the years ended June 30, 2014 and 2013 and no comparative data for prior years has been included. See note 3 to our consolidated financial statements for an explanation of how the transition from U.S. GAAP to IFRS has affected the reported financial position, financial performance and cash flows of our Company.

A. Operating Results

Overview of Financial Results

The following table sets forth a summary of our consolidated result of operations for the periods indicated. This information should be read together with our consolidated financial statements and related notes included elsewhere in this annual report. The operating results in any period are not indicative of the results that may be expected for any future period.

	For the Year Ended June 30,			
	2014		2013	
	\$'000	% of Revenue	\$'000	% of Revenue
Revenue	1,023,571	100.0	940,194	100.0
Cost of sales	(764,995)	(74.7)	(700,377)	(74.5)
Gross profit	258,576	25.3	239,817	25.5
Other income	237	0.0	1,032	0.1
Operating expenses:				
Employee benefits expense	(126,086)	(12.3)	(117,873)	(12.5)
Research and development	(4,411)	(0.4)	(3,887)	(0.4)
Depreciation and amortization	(9,929)	(1.0)	(7,982)	(0.8)
Other operating expenses	(83,735)	(8.2)	(89,730)	(9.5)
Operating profit	34,652	3.4	21,377	2.3
Equity accounted earnings/(loss) of associates	2,094	0.2	(112)	0.0
Impairment loss on goodwill	-	0.0	(140,837)	(15.0)
Provision for impairment loss on land use rights and non-current prepayments	-	0.0	(56,968)	(6.1)
Non-operating items	4,750	0.5	(4,418)	(0.5)
Fair value adjustments	1,089	0.1	(1,531)	(0.2)
Profit/(loss) before interest and tax	42,585	4.2	(182,489)	(19.4)
Net interest and finance costs	(9,285)	(0.9)	(12,385)	(1.3)
Interest income	1,591	0.1	2,213	0.2
Interest expense	(11,161)	(1.1)	(16,178)	(1.7)
Derivatives not in qualifying hedge relationships	2,680	0.3	(2,665)	(0.3)
Exchange gain/(loss)	(2,395)	(0.2)	4,245	0.5
Profit/(loss) before tax	33,300	3.3	(194,874)	(20.7)
Income tax	(7,153)	(0.7)	(4,520)	(0.5)
Profit/(loss) for the year	26,147	2.6	(199,394)	(21.2)
Attributable to:				
Equity holders of the Company	5,896	0.6	(137,166)	(14.6)
Non-controlling interests	20,251	2.0	(62,228)	(6.6)
	26,147	2.6	(199,394)	(21.2)

Revenue

Our revenue increased from \$940.2 million in the year ended June 30, 2013 to \$1,023.6 million in the year ended June 30, 2014.

Revenues from our seed and grain segment represent sale of seed products including forage, turf, maize, corn, cereal and vegetable seeds. Its business also includes multiplication of seed for international customers and trading of seed and grain products globally.

Revenues from our crop protection, nutrients and merchandise segment represent sale of goods and services to the rural sector, farm input materials including chemicals, fertilizers, pollination products, frost protection products, fencing, animal health and nutrition products, grains and seeds, clothing, leisure goods, and gardening equipment.

Revenues from our rural services segment represent commission income for livestock trading, wool trading, insurance brokerage, real estate brokerage.

Costs of Revenue

Seed and grain cost of sales primarily consist of (i) payments made to companies to whom we outsource production of our seed products, and (ii) direct costs associated with the treatment, dressing and other value added activities we perform on our seed products prior to them being ready for sale.

Crop protection, nutrients and merchandise cost of sales primarily consist of payments to suppliers of agrichemicals, fertilizers and other farm inputs which are sold into the New Zealand agriculture sector through our merchandising store network.

Rural services cost of sales primarily consist of (i) payments for livestock acquired for stock fattening programs, (ii) payments for livestock purchased for the purposes of live export, and (iii) payments to suppliers of capital farm equipment, including irrigation systems which are sold through our various other business units.

Operating Expenses

Our employee benefits expenses primarily consist of salaries, share-based payments, compensation and benefits for administrative, sales finance and human resources personnel and director fees.

Our research and development expenses primarily consist of direct expenses related to development of our proprietary products, trials, external contractors and services, costs of raw materials used in our research and development activities, as well as amortization of seed variety rights.

Our depreciation and amortization expenses primarily consist of depreciation of property, plant and equipment and amortization of land use rights, acquired technology and software.

Our other operating expenses primarily consist of selling and general and administrative expenses, including provisions for bad debts, travel and other expenses associated with our corporate and administrative activities as well as advertising in magazines, promotion expenses and other marketing related expenses.

Since we adopted the 2007 share incentive plan in July 2007, options to purchase a total of 3,344,000 ordinary shares were granted to our officers, directors and employees and remained outstanding as of June 30, 2014. We have not granted any options or other or equity incentives to any employee, director or consultant before July 2007.

We determine share-based compensation expenses based on the fair value of the options as of the date of grant and amortize such expenses over the vesting period of the options. A change in the amount of share-based compensation expenses will primarily affect our operating expenses, net income and earnings per share.

For the options to purchase 3,344,000 ordinary shares that were granted to our officers, directors and employees on July 4, 2007, July 19, 2007, December 7, 2007, February 1, 2008, May 27, 2008, June 5 2008, June 12, 2008, September 5, 2008, December 5, 2008, October 13, 2009, May 21, 2010, June 1, 2010 and August 19, 2011 and remained outstanding, total unrecognized compensation costs are estimated to be approximately \$6,000 as of June 30, 2014 based on an assessment of the fair value of the awarded options. The compensation expenses are to be recognized as a charge to expense over the remaining vesting period of about two months.

Interest income and interest and financing expense

Interest income primarily consists of interest earned on our cash and cash equivalents and restricted cash deposits.

Interest and financing expense comprises interest and facility fees paid on our bank loans.

Taxation

We are incorporated in the Cayman Islands. Under the current law of the Cayman Islands, we are not subject to income or capital gains tax. In addition, dividend payments are not subject to withholding tax in the Cayman Islands.

New Zealand Tax

New Zealand resident companies are subject to tax on their taxable income at the rate of 28%. There is no capital gains tax in New Zealand. However, certain gains arising from the disposal of personal property purchased with the intention of resale are taxable and certain gains on the sale or transfer of land may be taxable.

Australia Tax

Australian resident companies are taxable on their taxable income at the rate of 30%. Net capital gains derived by Australian resident companies are taxed at the 30% corporate rate.

Uruguayan Tax

Uruguayan businesses are taxed on taxable income sourced in Uruguay. Capital gains derived by Uruguayan companies are taxed at the standard rate of corporate tax. The corporate tax rate in Uruguay is 25%. A capital duty at the rate of 1.5% is levied on the net worth of the entity.

PRC Enterprise Income Tax

On March 16, 2007, the National People's Congress of China enacted a new tax law, the 2008 EIT Law, which became effective on January 1, 2008. Under the new tax law, foreign invested enterprises and domestic companies are subject to EIT at a uniform rate of 25% and any tax exemption, reduction and preferential treatments which are applicable only to foreign invested enterprises will be revoked. Agria China, our wholly-owned subsidiary established in March 2007 in China, was initially granted a "tax holiday" for a full exemption from EIT for the fiscal years 2007 to 2009. As a result of the EIT law passed in March 2007 and its related implementation rules, our "tax holiday" exemption ceased on December 31, 2007, and Agria China has been subject to EIT at a rate of 25% since January 1, 2008. Agria Brother, our wholly-owned subsidiary established in April 2008 in Shenzhen, China is subject to EIT at a rate of 25%. Zhongguan, our consolidated structured entity established in November 2008, is subject to EIT at a rate of 25%.

Under the new tax law, enterprises organized under the laws of jurisdictions outside China with their de facto management bodies located within China may be considered PRC resident enterprises and therefore subject to PRC EIT at the rate of 25% on their worldwide income. According to the Implementing Rules, "de facto management bodies" refer to "establishments that carry out substantial and overall management and control over the manufacturing and business operations, personnel, accounting, properties, etc. of an enterprise." We may be considered a resident enterprise and may therefore be subject to a 25% PRC income tax on our global income. See "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—Any limitation of PRC law and regulations on the ability of our subsidiaries and structured entity to distribute dividends or make other payments to us could materially adversely affect our ability to conduct our business."

PRC Value-Added Tax

In accordance with the relevant tax laws in the PRC, value-added tax is levied on the invoiced value of sales and is payable by purchasers. A PRC company is required to remit the value-added tax it collects to the tax authorities but may deduct the value-added tax it has paid on eligible purchases.

Results of Operations

Year ended June 30, 2014 compared to year ended June 30, 2013

Revenue

Our revenue increased by 9% from \$940.2 million in the year ended June 30, 2013 to \$1,023.6 million in the year ended June 30, 2014.

Seed and grain revenue increased by 3% from \$375.1 million in fiscal year 2013 to \$385.0 million in fiscal year 2014, primarily due to increase in grain sales and seeds revenue from New Zealand. Favorable trading conditions in New Zealand resulted in a greater volume sold of proprietary grasses, maize, and CleancropTM Brassica system. In Australia, a higher volume of proprietary products was sold.

Crop protection, nutrients and merchandise revenue increased by 14% from \$357.3 million in fiscal year 2013 to \$406.3 million in fiscal year 2014, primarily due to improved performance resulted from initiatives to develop better technical expertise and customer service skills within sale force, combined with enhancements to logistics systems. Strong sales growth also reflected higher confidence in the dairy sector, increased investment by farmers in fruit production, and market share growth in key value-added categories related to agronomy inputs, in particular agricultural chemicals and fertilizers.

Rural services revenue increased by 12% from \$207.8 million in fiscal year 2013 to \$232.3 million in fiscal year 2014, primarily due to revenue from Irrigation and Pumping increased by 44%, Wool increased by 31% and Real Estate increased by 27%. For Irrigation and Pumping business, we expanded our presence across all of New Zealand via the acquisition of a complementary irrigation and pumping business. Results were also enhanced by strong demand created by wind damage experienced by many clients in New Zealand's Canterbury region. For Wool business, higher revenue was driven by strong growth in export sales and higher wool price. For Real Estate business, it experienced an exceptionally good year, due mainly to successful transactions for a number of large farms and a farm portfolio. Activity was driven by strength in the dairy sector. The drop of revenue from Livestock was offset by the growth of the three businesses mentioned above.

Cost of Sales and Gross Profit

Our cost of sales increased by 9% from \$700.4 million in fiscal year 2013 to \$765.0 million in fiscal year 2014, which was in line with sales growth. Gross profit increased by 8% from \$239.8 million in fiscal year 2013 to \$258.6 million in fiscal year 2014.

Other Income

Other income decreased from \$1.0 million in fiscal year 2013 to \$0.2 million in fiscal year 2014, primarily due to decrease in dividend income from Heartland New Zealand investment as the investment was sold in August 2013.

Employee Benefits Expense

Employee benefits expense increased by 7% from \$117.9 million in fiscal year 2013 to \$126.1 million in fiscal year 2014, which was in line with the sales growth.

Research and Development

Research and development expenses increased by 14% from \$3.9 million in fiscal year 2013 to \$4.4 million in fiscal year 2014, as we put more resources in research and development activities.

Depreciation and Amortization

Depreciation and amortization expenses increased by 24% from \$8.0 million in fiscal year 2013 to \$9.9 million in fiscal year 2014, primarily due to increase in amortization on software.

Other Operating Expenses

Operating expenses decreased by 7% from \$89.7 million in fiscal year 2013 to \$83.7 million in fiscal year 2014, primarily due to better cost control implemented during the year.

Operating Profit

As a result of the foregoing factors, operating profit increased by 62% from \$21.4 million in fiscal year 2013 to \$34.7 million in fiscal year 2014.

Equity Accounted Earnings of Associates

Equity accounted earnings of associates recorded profit of \$2.1 million in fiscal year 2014, compared to loss of \$0.1 million in fiscal year 2013, which was mainly contributed by share of profits of 4Seasons Feeds Limited in fiscal 2014.

Impairment Loss on Goodwill

For the year ended June 30, 2013, we recognized an impairment loss on goodwill of \$140.8 million. A number of factors, including the overall financial performance and the share price of PGW, recognition of goodwill impairment loss in the consolidated financial statements of PGW, the slower than expected recovery in the Australian market following poor weather and trading conditions were considered. These conditions were reflected in our operating results and cash flow for the quarter ended June 30, 2013. As a result, we have reconsidered the above factors and re-evaluated growth and trend estimate in its future cash flow and value-in-use models. The goodwill impairment assessment process was conducted at the cash generating units. We determined the fair value based on value-in-use calculations. Detail of the assessment is set out in note 28 of the consolidated financial statements. Based on the assessment test of goodwill, the recoverable amount was lower than the carrying amount of the goodwill and it was concluded that carrying amount of goodwill of approximately \$140.8 million was impaired.

Provision for Impairment Loss on Land Use Rights and Non-current Prepayments

As previously disclosed, we assessed the appropriate revenue generating opportunities on the approximately 13,500 acres of land which was retained by us following the divestiture of P3A. The relevant land parcels were acquired in the time when we were engaged in the sheep breeding business, which has since ceased after disposal of P3A. Since then, we have explored, apart from finding third-party tenants, long-term viable alternative commercial use of the land parcels, especially with respect to trial plantation of grass varieties. Extensive trial plantation of grass was conducted over the last several years. These trial plantations and their latest results and evaluations completed in late 2012 indicated that it would not be economically viable to carry out large scale commercial plantation on this land. After completion of the trial plantations, we engaged a separate and independent professional valuer to evaluate the value of the land. The independent valuation was received in February 2013 and indicated a substantial impairment on the land. The valuation has taken into consideration the results of the trial plantations, as well as other possible alternatives that these land parcels could be used. Without clear visibility as to its cash flow generating capacity in the foreseeable future, we determined that it was appropriate to record an impairment provision of \$57.0 million for fiscal year 2013, which was the aggregate sum of our unamortized prepayments for the land. While we will continue to maintain our legal rights (subject to certain risks detailed in Item 3. Key Information—D. Risk Factors) as to the land parcels as part of our divestiture arrangement of P3A, we do not anticipate to derive significant future economic benefit from the land parcels in the foreseeable future.

Non-operating Items

Non-operating items recorded gain of \$4.8 million in fiscal year 2014, which mainly consists of gain on disposal of 4Seasons Feeds Limited, gain on defined benefit superannuation plan and bargain gain on an insignificant acquisition of business, compared to a loss of \$4.4 million in fiscal year 2013, which primarily includes loss on onerous property lease and loss on disposal of 49% equity investments in Ganxin.

Fair Value Adjustments

Fair value adjustments recorded gain of \$1.1 million in fiscal year 2014, compared to loss of \$1.5 million in fiscal year 2013, which was primarily driven by the change in fair value of biological assets.

Net Interest and Finance Costs

Our net interest and finance costs decreased from \$12.4 million in fiscal year 2013 to \$9.3 million in fiscal year 2014, primarily due to decrease in facilities fees and interest expense as loan balances were lower than last year.

Profit/(Loss) before Tax

As a result of the foregoing factors, we had profit before tax of \$33.3 million in fiscal year 2014, compared to loss before tax of \$194.9 million in fiscal year 2013.

Income Tax

Our income tax expenses increased from \$4.5 million in fiscal year 2013 to \$7.2 million in fiscal year 2014, primarily due to increase in profit.

Profit/(Loss) for the Year

As a result of the foregoing factors, we had profit for the year of \$26.1 million in fiscal year 2014, compared to loss for the year of \$199.4 million in fiscal year 2013.

Profit/(Loss) Attributable to Non-controlling Interests

Of the \$26.1 million profit for fiscal year 2014, \$20.3 million was attributable to non-controlling interests, mainly consisting of the 49.78% of PGW not owned by Agria Singapore; and the 19.19% of Agria Asia Investments not owned by Agria Group. Of the \$199.4 million loss for fiscal year 2013, \$62.2 million was attributable to non-controlling interests, primarily consisting of non-controlling interests' share of impairment loss on goodwill of \$69.9 million. The non-controlling interests primarily represent (i) non-PGW shareholders of subsidiaries of PGW; (ii) the 49.78% of PGW not owned by Agria Singapore; and (iii) the 19.19% of Agria Asia Investments not owned by Agria Group.

Profit/(Loss) Attributable to Equity Holders of the Company

As a result of the foregoing factors, profit attributable to equity holders of the Company was \$5.9 million fiscal year 2014 and loss attributable to equity holders of the Company was \$137.2 million for fiscal year 2013.

Critical Accounting Policies

We prepare financial statements in accordance with IFRS, which requires us to make judgments, estimates and assumptions that affect (i) the reported amounts of our assets and liabilities, (ii) the disclosure of our contingent assets and liabilities at the end of each fiscal period, and (iii) the reported amounts of revenues and expenses during each fiscal period. We continually evaluate these judgments and estimates based on our own historical experience, knowledge and assessment of current business and other conditions, our expectations regarding the future based on available information and assumptions that we believe to be reasonable, which together form our basis for making judgments about matters that are not readily apparent from other sources. Since the use of estimates is an integral component of the financial reporting process, our actual results could differ from those estimates. Some of our accounting policies require a higher degree of judgment than others in their application.

The selection of critical accounting policies, the judgments and other uncertainties affecting application of those policies and the sensitivity of reported results to changes in conditions and assumptions are factors that should be considered when reviewing our financial statements. We believe the following accounting policies involve the most significant judgments and estimates used in the preparation of our financial statements.

Basis of Consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities or variable interest entities) over which we have control. We control an entity where we are exposed to, or have rights to, variable returns from its involvement with the entity and have the ability to affect those returns through its power to direct the activities of the entity. In assessing control, potential voting rights that presently are exercisable are taken into account. Subsidiaries are fully consolidated from the date on which control is transferred to us. They are deconsolidated from the date that control ceases.

Business Combination

We apply the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by us. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interests recognized and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in the profit or loss.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions – that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Associates

Associates are all entities over which we have significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost. Our investment in associates includes goodwill identified on acquisition.

Our share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition other comprehensive income is recognized in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivables from associates are recognized as a reduction in the carrying amount of the investment.

Where our share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, we do not recognize further losses, unless we have incurred obligations or made payments on behalf of the associate.

Unrealized gains on transactions between us and its associates are eliminated to the extent of our interests in the associates. Unrealized losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred.

Transactions Eliminated on Consolidation

Intra-group balances, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of our interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

The consolidated financial statements include the financial statements of the Company, its subsidiaries and structured entities for which the Company is the primary beneficiary. All significant intercompany transactions and balances between the Company, its subsidiaries and its structured entities are eliminated upon consolidation.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers, who are responsible for allocating resources and assessing performance of the operating segments and making strategic decisions. The chief operating decision-makers include the board of directors and senior management team at corporate level.

Foreign Currency

Foreign Currency Transactions

Transactions in foreign currencies are translated to the respective functional currencies of our entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that fair value was determined. Foreign currency differences arising on retranslation are recognized in profit or loss.

Foreign Operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to New Zealand dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated to New Zealand dollars at exchange rates at the date of the transactions.

Foreign currency differences are recognized in other comprehensive income and the Foreign Currency Translation Reserve, or FCTR. When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss.

The functional currency of the Company, Agria Group, China Victory, Agria Hong Kong, Agria International, Agria Overseas, Agria Asia Investments and Agria Singapore is the U. S. dollar. The functional currency of Agria New Zealand and PGW is the New Zealand dollar. The functional currency of Agria China, Agria Brother and the consolidated structured entities is the RMB. The presentation currency of the Company is U.S. dollar.

Income Recognition

Recognition of Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to us and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

Sales Revenue

Sales revenue comprises the sale value of transactions where we act as a principal and the commission for transactions where we act as an agent.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Irrigation Contracts

The revenue on work-in-progress is recognized when it can be estimated reliably. The percentage of completion method is used to determine the appropriate amount to recognize in each year. The full amount of any anticipated loss, including that relating to work on the contract, is recognized as soon as it is foreseen.

Investment Income

Investment income is recognized when earned. Dividends are recognized when received, or accrued when declared and approved for distribution prior to balance date.

Interest and Similar Income and Expense

For all financial instruments measured at amortized cost, interest income or expense is recorded at the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses.

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognized using the original effective interest rate applied to the new carrying amount.

We recognize interest revenue, management fees, and establishment fees on an accruals basis when the services are rendered using the effective interest rate method.

Fee and Commission Income

Fees arising from negotiating or participating in the negotiation of a transaction for a third party are recognized on completion of the underlying transactions. Fees or components of the fees that are linked to certain performance are recognized after fulfilling the corresponding criteria.

Income Tax

Income tax expense comprises current and deferred taxation and is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized directly in other comprehensive income or equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable with respect to previous periods.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- the initial recognition of goodwill; or
- differences relating to subsidiaries, associates and jointly controlled entities to the extent that they will probably not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantially enacted at the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be recognized.

Earnings per Share

We present basic and diluted earnings per share, or EPS, data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to shareholders by the weighted average number of shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to shareholders and the number of shares outstanding to include the effects of all potential dilutive shares.

Financial Instruments

Non-derivative Financial Assets

Non-derivative financial assets comprise investments in equity and debt securities, finance receivables, trade and other receivables, cash and cash equivalents and intercompany advances. We adopted IFRS 9 (2009) Financial Instruments from the transition date of first-time adoption of IFRS. IFRS 9 (2009) requires that an entity classifies its financial assets at either amortized cost or fair value depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

We initially recognize financial assets on the trade date at which we become a party to the contractual provisions of the instrument.

Financial assets are initially measured at fair value. If the financial asset is not subsequently measured at fair value through profit and loss, the initial investment includes transaction costs that are directly attributable to the asset's acquisition or origination. We subsequently measure financial assets at either fair value or amortized cost.

Financial assets measured at amortized cost

A financial asset is subsequently measured at amortized cost using the effective interest method and net of any impairment loss, if:

- the asset is held within a business model with an objective to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest.

Our policy on impairment is the same as that applied to its consolidated financial statements as at and for the year ended June 30, 2013 for loans and receivables.

Financial assets measured at fair value

Financial assets other than those classified as financial assets measured at amortized cost are subsequently measured at fair value with all changes recognized in profit or loss.

However, for investments in equity instruments that are not held for trading, we may elect at initial recognition to present gains and losses through other comprehensive income. For instruments measured at fair value through other comprehensive income gains and losses are never reclassified to profit and loss and no impairments are recognized in profit and loss. Dividends earned from such investments are recognized in profit and loss unless the dividends clearly represent a repayment of part of the cost of investment.

Investments in equity securities of subsidiaries, associates and joint ventures are measured at cost in the separate financial statements of the Company.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of our cash management are included as a component of cash and cash equivalents.

Trade and Other Receivables

Trade and other receivables are stated at their amortized cost less impairment losses.

Non-derivative Financial Liabilities

Interest-bearing Borrowings

Interest-bearing borrowings are classified as other financial liabilities and are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest rate method.

Trade and Other Payables

Trade and other payables are stated at cost.

Derivative Financial Instruments

We use derivative financial instruments to manage its exposure to interest rate and foreign currency risks arising from operational, financing and investment activities. In accordance with Treasury policy, we do not hold or issue derivative instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognized initially at fair value and transaction costs are expensed immediately. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on re-measurement to fair value is recognized immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the hedging relationship (see below).

Cash Flow Hedges

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in equity remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognized in equity is transferred to the carrying amount of the asset when it is recognized. In other cases the amount recognized in equity is transferred to profit or loss in the same period that the hedged item affects profit or loss.

Impairment

The carrying value of our assets is reviewed at each reporting date to determine whether there is any objective evidence of impairment. An impairment loss is recognized whenever the carrying amount exceeds its recoverable amount. Impairment losses directly reduce the carrying value of assets and are recognized in profit or loss unless the asset is carried at a revalued amount in accordance with another standard.

Impairment of Equity Instruments

We assess at each reporting date whether there is objective evidence that a financial asset or group of assets is impaired. In the case of equity instruments that are not held for trading, we may elect to present gains and losses through other comprehensive income. If no election is made fair value gains and losses are recognized in profit or loss.

Impairment of Trade Receivables

Trade receivables are considered past due when they have been operated outside of the normal key trade terms. When forming a view management considers the counterparty's ability to pay, the level of security and the risk of loss.

Accounts receivables include accrued interest. Specific provisions are maintained to cover identified doubtful debts.

Impairment of Finance Receivables

Finance receivables are considered past due when they have been operated by the counterparty out of key terms, the facility has expired, and in managements view there is no possibility of the counterparty operating the facility within key terms. When forming a view management considers the counterparty's ability to pay, the level of security and the risk of loss.

Finance receivables include accrued interest and are stated at estimated net realizable value after allowing for a provision for doubtful debts. Specific provisions are maintained to cover identified doubtful debts.

The recoverable amount of our investments in held-to-maturity debt instruments and receivables carried at amortized cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with short duration are not discounted.

Impairment losses on an individual basis are determined by an evaluation of the exposures on an instrument by instrument basis. All individual instruments that are considered significant are subject to this approach.

All known losses are expensed in the period in which it becomes apparent that the receivables are not collectable.

Non-financial Assets (including goodwill)

The carrying amounts of our non-financial assets, other than biological assets, inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the recoverable amount of the asset is estimated. For goodwill and intangible assets that have indefinite lives, the recoverable amount is estimated at each reporting date.

An impairment loss is recognized if the carrying amount of an asset or the cash-generating unit to which it relates, exceeds the recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognized in profit or loss. Impairment losses recognized with respect to cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units, then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or unit.

In determining the fair value using value in use, regard is given to external market evidence.

An impairment loss with respect to goodwill is not reversed. With respect to other assets losses recognized in prior periods are assessed at each reporting date for any indications that the loss may have decreased or no longer exist. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is only reversed to the extent that the carrying value of the asset does not exceed the carrying value that the asset would have had, net of depreciation or amortization, if no impairment loss had been recognized.

Determination of Fair Values

A number of our accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made is disclosed in the notes specific to that asset or liability.

Property, Plant and Equipment

The fair value of property, plant and equipment recognized as a result of a business combination is based on market values. The market value of property is the estimated amount for which the property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of items of plant, equipment, fixtures and fittings is based on the quoted market prices for similar items.

Intangible Assets

The fair value of intangible assets acquired in a business combination is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

Biological Assets

The fair value of biological assets is based on the market price of similar assets at the reporting date. The market price of biological assets intended for export is determined by recent transactions in the market place. The fair value of biological assets intended for domestic processing is determined by applying the market price of stock weight offered by meat processors to the stock weight at the reporting date less any point of sale costs including transportation.

Stock counts of livestock quantities are performed by us at each reporting date.

Investments in Equity

The fair value of financial assets at fair value through profit or loss and available-for-sale financial assets is determined by reference to the market price, unless other objective reliable evidence suggests a different value. Other investments where no active market exists are held at historical cost.

Trade and Other Receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Derivatives

The fair value of forward exchange contracts is based on broker quotes, if available. If broker quotes are not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price at the reporting date for the residual maturity of the contract using a risk-free interest rate based on government bonds.

The fair value of interest rate swaps is based on broker quotes. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract using market interest rates for a similar instrument at the reporting date.

Non-derivative Financial Instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market rate of interest is determined by reference to similar lease agreements.

Biological Assets

Biological assets are measured at fair value less point-of-sale costs, with any change therein recognized in profit or loss. Point-of-sale costs include all costs that would be necessary to sell the assets including transportation costs.

Inventories

Finished Goods

Raw materials and finished goods are stated at the lower of cost or net realizable value. Cost is determined on a first in, first out basis, and, in the case of manufactured goods, includes direct materials, labor and production overheads.

Wholesale Seeds

Wholesale seeds inventory is stated at the lower of cost or net realizable value and comprises costs of purchase and other direct costs incurred to bring the inventory to its present location and condition.

Assets held for sale

Assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

Intangible Assets

Computer Software

Computer software is a finite life intangible and is recorded at cost less accumulated amortization and impairment. Amortization is charged on a straight line basis over an estimated useful life between 3 and 10 years. The estimated useful life and amortization method is reviewed at the end of each annual reporting period.

Goodwill

Goodwill represents the excess of the cost of the acquisition over our interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Goodwill is measured at cost less accumulated impairment losses. Impairment loss with respect to goodwill is not reversed. With respect to equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment.

Research and Development

The principal research and development activities are in the development of systems, processes and new seed cultivars.

Research expenditure on the development of new systems and processes is recognized in profit or loss as incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and we intend to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalized includes the cost of materials, direct labor and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognized in profit or loss when incurred.

Capitalized development expenditure is measured at cost less accumulated amortization and accumulated impairment losses.

Research and development expenditure on the development of new seed cultivars is recognized in profit or loss as incurred. Development costs of seed cultivars are substantially indistinguishable from the cultivar research costs.

Land Use Rights

Prepaid land use rights are recorded at the amount paid less accumulated amortization and impairment losses. Amortization is provided on a straight-line basis over the term of the agreements of 19 years.

Acquired Technologies

Acquired technologies, which consist primarily of purchased technology know-how related to the production of corn seeds, are stated at cost less accumulated amortization. Amortization is calculated on a straight-line basis over the estimated useful lives of 5 to 15 years.

Property, Plant and Equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to us and its cost can be measured reliably. The costs of day-to-day servicing of property, plant and equipment is recognized in profit or loss as incurred.

Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. All other borrowing costs are expensed as they are incurred.

Depreciation

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each item of property, buildings, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives for the current and comparative periods are between 3 and 40 years for plant and equipment and 50 years for buildings. Depreciation methods, useful lives and residual values are reassessed at reporting date.

Leasing Commitments

Leases in terms of which we assume substantially all of the risks and rewards of ownership are classed as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value or the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognized on the statement of financial position. Amounts payable under operating lease arrangements are recognized in profit or loss.

Employee Benefits

Defined Benefit Pension Plan

Our net obligation with respect to defined benefit pension plans is calculated by estimating the future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and any unrecognized past service costs and the fair value of any plan assets is deducted. The discount rate is the yield at the reporting date on bonds that have maturity dates approximating the terms of our obligations. The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to us, the recognized asset is limited to the lower of the net assets of the plan or the current value of the contributions holiday that is expected to be generated. Actuarial gains and losses are recognized directly in other comprehensive income and the defined benefit plan reserve in equity.

The IFRS Interpretations Committee has provided clarification with regards to IAS 19 Employee Benefits (2011) as to whether the discount rate used to calculate a defined benefit liability should be a pre-tax or post-tax rate. The Committee observed that a pre-tax discount rate should be applied. Historically, our actuarial calculations used a post-tax discount rate. In calculating our defined benefit liability as at June 30, 2014 a pre-tax rate has been used. No changes have been made to the comparative periods.

Short-term Employee Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and expensed as the related service is provided. A provision is recognized for the amount of outstanding short term benefits at each reporting date.

Provisions made with respect to employee benefits which are not expected to be settled within twelve months are measured as the present value of the estimated future cash outflows to be made by us with respect to services provided by employees up to reporting date.

Share-based Payment

We operate equity-settled, share-based compensation plan, under which the entity receives services from employees as considerations for our equity instruments (options). The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted, excluding the impact of any service and non-market performance vesting conditions. Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the nonmarket performance and service conditions. It recognizes the impact of the revision of original estimates, if any, in the income statement with a corresponding adjustment to equity.

When the options are exercised, the company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

Provisions

Provisions are recognized when we have a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

Share Capital

Ordinary Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity.

Repurchase of Share Capital

When share capital recognized as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognized as a deduction from equity. Repurchased shares are cancelled. Treasury stock for which unrestricted ownership has not yet been transferred are not cancelled.

B. Liquidity and Capital Resources

Our principal sources of liquidity have been cash generated from operating activities and from financing activities, consisting of proceeds from our initial public offering in November 2007, bank borrowings and loans from related parties and other entities. As of June 30, 2014, we had \$14.0 million in cash and cash equivalents, which consisted of cash on hand and bank deposits which are unrestricted as to withdrawal or use.

We are entitled to dividend payments from PGW and cash payments from Zhongguan pursuant to our contractual arrangements with Zhongguan and its shareholders.

As of June 30, 2014, we had \$38.9 million in outstanding short-term bank loans and borrowings and current portions of long term bank loans and borrowings and \$79.1 million in outstanding long term portions of long-term bank loans and borrowings.

As of June 30, 2013, we had \$93.0 million in outstanding short-term bank loans and borrowings and current portions of long term bank loans and borrowings and \$76.7 million in outstanding long term portions of long-term bank loans and borrowings.

As of June 30, 2014, short-term and long-term bank borrowing facilities were approximately \$243.0 million, with an outstanding balance was \$79.1 million in long-term borrowings and \$38.9 million in short-term borrowings.

The short and long term facilities are generally collateralized by receivables, inventories, property and equipment. The interest rates on the loans are set by reference to the base rates in each of China, the United States and New Zealand for RMB, US dollar and New Zealand dollar denominated loans, respectively, with a margin. The weighted average interest rate was 3.6% for the fiscal year ended 2014. These loans have been provided by various banks in China, South America and New Zealand. Fixed rate borrowings represent approximately 23% of the total outstanding amount.

We incurred capital expenditures of \$8.3 million and \$37.0 million in the years ended June 30, 2013 and 2014, respectively. Our capital expenditures have primarily been used to acquire property, plant and equipment, other assets and technologies. Our capital expenditures are funded by cash provided from operating activities and debt.

We have not encountered any difficulties in meeting our cash obligations to date. We believe that our current cash and cash equivalents and anticipated cash flow from operations will be sufficient to meet our anticipated cash needs for operations for the foreseeable future. We may, however, require additional cash due to changing business conditions or other future developments, including any investments or acquisitions that we may pursue, or any amounts we may pay in the class action lawsuits against us. If our existing cash is insufficient to meet our requirements, we may seek to sell additional equity securities, issue debt securities or borrow from lending institutions.

The following table sets forth a summary of our cash flows for the periods indicated:

	For the Year Ended June 30,	
	2014	2013
	\$	\$
	(In thousands)	
Net cash provided by operating activities	32,019	20,127
Net cash provided by/(used in) investing activities	(17,267)	4,624
Net cash used in financing activities	(46,271)	(10,660)
Effect of exchange rate changes on cash	2,135	3,181
Net increase/(decrease) in cash and cash equivalents	(29,384)	17,272
Cash and cash equivalents at the beginning of the year	43,342	26,070
Cash and cash equivalents at the end of the year	<u>13,958</u>	<u>43,342</u>

Operating Activities

Net cash provided by operating activities in the year ended June 30, 2014 was \$32.0 million, primarily as a result of an increase in operating profit and cash inflows of \$12.4 million from an increase in accounts payable.

Net cash provided by operating activities in the year ended June 30, 2013 was \$20.1 million, primarily as a result of cash received from the sales of our products more than our cash operating expenses and cash inflows of \$5.6 million from the decrease in inventories, partially offset by an increase in accounts receivable resulting in cash outflows of \$14.6 million.

Investing Activities

Net cash used in investing activities in the year ended June 30, 2014 was \$17.3 million, primarily as a result of acquisition of property, plant and equipment and other assets of \$32.6 million, which included the acquisition of 40 properties leased by PGW in New Zealand, partially offset by proceeds from sale of investment resulting in cash inflows of \$17.5 million.

Net cash provided by investing activities in the year ended June 30, 2013 was \$4.6 million, primarily as a result of inflows of cash proceeds from the disposal of Ganxin of \$6.5 million and a net decrease in financial receivables of \$9.3 million, partially offset by cash outflows of acquisition of property, plants and equipment and other assets of \$7.1 million and purchase of investments of \$5.8 million.

Financing Activities

Net cash used in investing activities in the year ended June 30, 2014 was \$46.3 million, primarily as a result of repayment of borrowings of \$73.6 million, partially offset by an increase of borrowings of \$10.4 million and the release of a pledged deposit of \$37.3 million upon repayment of borrowings.

Net cash used in financing activities in the year ended June 30, 2013 was \$10.7 million, primarily as a result of cash outflows from repayment of borrowings exceeding drawdown of borrowings of \$27.4 million and dividends paid to minority shareholders of \$7.5 million, partially offset by cash inflows from released of pledged deposit of \$24.5 million.

Recently Issued Accounting Pronouncements

Please refer to note 2 to our consolidated financial statements attached hereto for more information.

C. Research and Development, Patents and Licenses, etc.

We conduct research and development primarily in cooperation with various universities and research institutions. We have also acquired a number of technologies and varieties of corn from third parties. In New Zealand, Australia and Uruguay, much of our research is undertaken by our Seed and Grain business segment, including its turf division, which is supported by a strong research base and commercializes new products through internal research and development, breeding and evaluation programs and joint venture research partnerships.

Our expenses incurred in connection with these activities were \$4.4 million for the year ended June 30, 2014, \$3.9 million for the year ended June 30, 2013. Research and development expenses primarily consist of direct expenses related to development of our proprietary products, trails, external contractors and services, costs of raw materials used in our research and development activities.

D. Trend Information

See “Item 3. Key Information,” “Item 4. Information on the Company” and “Item 5. Operating and Financial Review and Prospects—A. Operating Results—Results of Operations” for information on material trends affecting our business and results of operations.

E. Off-Balance Sheet Commitments and Arrangements

We have not entered into any derivative contracts that are indexed to our own shares and classified as shareholder’s equity, or that are not reflected in our consolidated financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. Moreover, we do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or research and development services with us.

F. Tabular Disclosure of Contractual Obligations

The following table sets forth our contractual obligations as of June 30, 2014:

	Payment Due by June 30,				
	Total	Less than one year	One to three years	Three to five years	More than five years
In \$ millions					
Short and long-term borrowings ⁽¹⁾					
- principal	118.0	38.9	71.1	8.0	-
- finance costs	12.3	7.3	4.8	0.2	-
Lease obligations ⁽²⁾	61.9	18.9	23.8	9.6	9.6
Purchase obligations ⁽³⁾	2.5	2.5	-	-	-
Investment into BioPacific Ventures ⁽⁴⁾	0.4	0.2	0.2	-	-
Investment into Zhongnong ⁽⁵⁾	3.9	3.9	-	-	-
Capital expenditure commitment ⁽⁶⁾	1.4	1.4	-	-	-
Other commitments ⁽⁷⁾	2.6	0.6	1.2	0.8	-
Additional investment in Agria Asia Investments ⁽⁸⁾	24.7	-	24.7	-	-
Total	227.7	73.7	125.8	18.6	9.6

- (1) Includes short-term and long-term borrowings and future interest obligations.
- (2) Includes all non-cancelable operating leases for land and buildings, which are mainly used to conduct operations, primarily related to our wool business and store network. The terms of the leases have various rights of renewal with lease periods ranging from 1 to 15 years. Also includes all non-cancelable operating leases for motor vehicles. These have lease terms of up to three years.
- (3) Represents commitments for the purchase of corn seeds in China.
- (4) We have, through PGW, committed \$12.3 million to an international fund, BioPacific Ventures established for investment in food and agriculture life sciences. Our investment in BioPacific Ventures will be made over approximately six years. The investment has an anticipated total lifespan of 12 years. At June 30, 2014, \$11.9 million has been drawn on the committed level of investment.
- (5) Represents commitments to make remaining investment into Zhongnong.
- (6) Represents commitments for the upgrading and purchase of seeds processing equipment.
- (7) Represents commitments for the Primary Growth Partnership programme of PGW.
- (8) Represents commitment to acquire at minimal contractual price, at the request of New Hope International, their 11.95% stake in Agria Asia Investments.

G. Safe Harbor

This annual report on Form 20-F contains forward-looking statements that relate to future events, including our future operating results and conditions, our prospects and our future financial performance and condition, all of which are largely based on our current expectations and projections. The forward-looking statements are contained principally in the sections entitled “Item 3. Key Information—D. Risk Factors,” “Item 4. Information on the Company” and “Item 5. Operating and Financial Review and Prospects.” These statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. You can identify these forward-looking statements by terminology such as “may,” “will,” “expect,” “anticipate,” “future,” “intend,” “plan,” “believe,” “estimate,” “is/are likely to” or other similar expressions. These forward-looking statements include:

- our anticipated development strategies, which may include potential acquisitions and divestitures, expanding into new sectors within the agricultural industry, expanding sales into new regions, and expanding our product offerings;
- our strategy to expand our research and development capability;
- our ability to attract customers and end users and enhance our brand recognition;
- future changes in government regulations affecting our business;
- trends and competition in the agricultural industry, particularly in New Zealand, Australia, South America and China; and
- our ability to retain and motivate existing management and other key personnel and to recruit and integrate additional qualified personnel into our operations.

The accuracy of these forward-looking statements may be impacted by a number of known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. We would like to caution you not to place undue reliance on these statements and you should read these statements in conjunction with the risk factors disclosed in the section entitled “Item 3. Key Information—D. Risk Factors.” Except as required by law, we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

The following table sets forth information regarding our executive officers and directors as of the date of this annual report.

Directors and Executive Officers	Age	Position/Title
Guanglin Lai	51	Executive Chairman of the Board of Directors
Joo Hai Lee	58	Independent Director
Sean Shao	57	Independent Director
Wah Kwong Tsang	62	Independent Director
Patrick Wai Yip Tsang	45	Chief Financial Officer
Kean Seng U	48	Head of Corporate and Legal Affairs

Mr. Guanglin Lai has served as the chairman of our board of directors since June 2007 and executive chairman since March 2013. He has also served as member of our corporate governance and nominating committee since November 2012. Mr. Lai also served as our co-chief executive officer from September 2007 to June 2008 and as our chief executive officer from November 2008 to September 2009. Mr. Lai's wholly-owned investment vehicle, Brothers Capital Limited, is our largest shareholder. Mr. Lai has extensive experience in investments, acquisitions and operation management. Mr. Lai has established many other enterprises in China, Hong Kong and internationally, in particular, animation, logistics and transportation, pharmaceutical sectors, etc. He takes a leading role in respect of strategic planning and business development in his investment portfolio. Mr. Lai is the chairman and executive director of the board of directors, the chairman and a member of nomination committee and a member of remuneration committee of China Pipe Group Limited, a Hong Kong listed company, which is a leading provider to the construction sector offering a wide range of pipe related products, services and solutions to the constructors, designers, consultants and government agencies in Hong Kong and Macau. Mr. Lai was appointed as a Chairman of directors of PGG Wrightson Limited, a company list on the New Zealand Stock Exchange, on 22 October 2013 and has been a director since 30 December 2009. Mr. Lai holds a bachelor's degree in accounting from Monash University, Melbourne, Australia and master of business administration in finance from The Chinese University of Hong Kong. He is a certified public accountant in Australia. Mr. Lai is a Fellow of Monash University and also the member of Global Advisory Council of Faculty of Business and Economics, Monash University.

Mr. Joo Hai Lee has served as our independent director since November 2008 and a member of our audit committee since January 2009. Mr. Lee has 33 years of experience in accounting and auditing. Mr. Lee joined BDO Patrick Tay & Partners/BDO International Singapore (now known as BDO LLP) in 1983 and became a partner there in 1986 and retired in February 2013 and remained as advisor of the firm. He was a member of the Institute of Chartered Accountants in England and Wales and currently a member of the Institute of Chartered Accountants of Singapore (previously known as the institute of Certified Public Accountants of Singapore), the Malaysian Institute of Accountants and the Singapore and Hong Kong Institutes of Directors.

Mr. Sean Shao has served as our independent director since November 2008, chairman of our compensation committee from November 2008 to March 2010 and chairman of our corporate governance and nominating committee since March 2010. Mr. Shao currently serves as independent director and chairman of the audit committee of: Jumei International Holding Ltd., an e-commerce company listed on NYSE since May 2014; LightInTheBox Holdings Co. Ltd., a global e-commerce company listed on NYSE since June 2013; UTStarcom Holdings Corp., a provider of broadband equipment and solutions listed on NASDAQ since October 2012; Xueda Education Group, a Chinese personalized tutoring services company listed on NYSE since March 2010; and China Biologic Products, Inc., a biopharmaceutical company listed on NASDAQ since July 2008. He served as the chief financial officer of Trina Solar Limited from 2006 to 2008. In addition, Mr. Shao served from 2004 to 2006 as the chief financial officer of ChinaEdu Corporation, an educational service provider, and of Watchdata Technologies Ltd., a Chinese security software company. Prior to that, Mr. Shao worked at Deloitte Touche Tohmatsu CPA Ltd. for approximately a decade. Mr. Shao received his master's degree in health care administration from the University of California at Los Angeles in 1988 and his bachelor's degree in art from East China Normal University in 1982. Mr. Shao is a member of the American Institute of Certified Public Accountants.

Mr. Wah Kwong Tsang has served as our independent director since August 2011, the chairman of our audit committee and compensation committee since November 2013, and member of nomination committee since October 2012. Mr. Tsang is a former partner of Hong Kong and China firms of PricewaterhouseCoopers and has over 30 years of professional experience in auditing listed and unlisted companies and providing supports for initial public offerings and acquisition transactions. Currently, Mr. Tsang is an independent non-executive director of a number of companies listed on Hong Kong Stock Exchange, including China Merchant China Direct Investments Limited, PanAsialum Holdings Company Limited, Sihuan Pharmaceutical Holdings Group Ltd and TK Group (Holdings) Limited. Mr. Tsang is also an alternate director of PGW. Mr. Tsang is a fellow member of Hong Kong Institute of Certified Public Accountants, a member of Chinese Institute of Certified Public Accountants and a fellow member of Association of Chartered Certified Accountants, UK.

Mr. Patrick Wai Yip Tsang has served as our chief financial officer since February 15, 2013. Mr. Tsang is currently a director of PGW and a director of China Pipe Group Limited, a company listed on the Hong Kong Stock Exchange. Mr. Tsang has over twenty years of experience in auditing, accounting, investor relations and corporate finance, including initial public offering, restructuring and merger and acquisition transactions. Prior to joining the Company, Mr. Tsang held finance roles at a number of companies listed on the Hong Kong Stock Exchange, including China Resources Enterprises Limited and Tianjin Development Holdings Limited. Mr. Tsang holds a bachelor's degree with honors in accountancy and is a fellow member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants and a member of the Institute of Chartered Accountants in England and Wales.

Mr. Kean Seng U has served as our head of corporate and legal affairs since December 2008. Mr. U has extensive experience in advising multi-national corporations and sovereign entities on direct investments in the People's Republic of China entities. Mr. U previously practiced as a partner in the Singaporean firm of Shooklin & Bok LLP and led a corporate finance team in Allen & Overy Shooklin & Bok, JLV, an international law venture partnership with London-based Allen & Overy LLP. Currently, Mr. U sits as independent and non-executive directors of several publicly listed corporations. Mr. U received his bachelor of laws degree with honors from Monash University in Australia. He is a barrister and solicitor of the Supreme Court of Victoria in Australia, an advocate and solicitor of the Supreme Court of Singapore and a solicitor of England and Wales. In addition to his extensive legal knowledge, Mr. U also has a degree in economics and accounting from Monash University in Australia.

Employment Agreements

We have entered into employment agreements with each of our senior executive officers. Under these agreements, we may terminate the employment for cause, at any time, without notice or remuneration, for certain acts of the employee, including but not limited to a conviction or plea of guilty to a felony, negligence or dishonesty to our detriment, failure to perform the agreed-to duties after a reasonable opportunity to cure the failure and failure to achieve the performance measures specified in the employment agreement. An executive officer may terminate his employment at any time with one-month prior written notice if there is a material reduction in his authority, duties and responsibilities or in his annual salary before the next annual salary review. Furthermore, we may terminate an executive officer's employment at any time without cause upon one-month advance written notice. In the event of a termination without cause by us, we will provide compensation to the executive officer only to the minimum extent expressly required by applicable law of the jurisdiction where the executive officer is based.

B. Compensation of Directors and Executive Officers

For the year ended June 30, 2014, we paid an aggregate of approximately \$1.9 million to our directors and executive officers in cash or benefits in kind.

Share Incentives

2007 Share Incentive Plan. We have adopted the 2007 Share Incentive Plan to attract and retain the best available personnel, provide additional incentives to employees, directors and consultants and promote the success of our business. Our board of directors has authorized the issuance of up to 15,000,000 ordinary shares upon exercise of awards granted under our plan, plus an increase of 5,000,000 shares when and if the 15,000,000 ordinary shares plan has been fully used pursuant to the awards granted under the plan and the board approves such increase.

In the year ended June 30, 2014, options to purchase 3,575,000 ordinary shares that were previously granted to certain of our directors, executive officers, employees and consultants were cancelled or forfeited following the termination of their services or employment with Agria. As of the date of this annual report, options to purchase a total of 3,344,000 ordinary shares have been granted to our directors and executive officers and other individuals as a group, including certain of our former directors and officers, with exercise prices of \$0.335, \$0.92, \$1.00, \$2.18, \$2.40, \$3.15, \$3.80, \$3.83, \$4.80 and \$5.21 per share and a term of ten years to exercise from the date of grant, and remained outstanding.

The following summarizes the terms of our 2007 Share Incentive Plan:

Plan Administration. Our board of directors, or a committee designated by our board or directors, will administer the plan. The committee or the full board of directors, as appropriate, will determine the provisions and terms and conditions of each option grant.

Award Agreements. Options and other share incentives granted under our plan are evidenced by an award agreement, as applicable, that sets forth the terms, conditions and limitations for each grant. In addition, the award agreement also provides that securities granted are subject to a 180-day lock-up period following the effective date of a registration statement filed by us under the Security Act, if so requested by us or any representative of the underwriters in connection with any registration of the offering of any of our securities.

Eligibility. We may grant awards to employees, directors and consultants of our company or any of our related entities, which include our subsidiaries or any entities in which we hold a substantial ownership interest.

Acceleration of Options upon Corporate Transactions. The outstanding options will accelerate upon occurrence of a change-of-control corporate transaction where the successor entity does not assume our outstanding options under the plan. In such event, each outstanding option will become fully vested and immediately exercisable, and the transfer restrictions on the awards will be released and the repurchase or forfeiture rights will terminate immediately before the date of the change-of-control transaction, provided that the grantee's continuous service with us shall not be terminated before that date.

Term of the Options. The term of each option grant shall be stated in the stock option agreement, provided that the term shall not exceed 10 years from the date of the grant.

Vesting Schedule. In general, the plan administrator determines, or the stock option agreement specifies, the vesting schedule. The share options have a vesting term of two to four years.

Transfer Restrictions. Options to purchase our ordinary shares may not be transferred in any manner by the optionee other than by will or the laws of succession and may be exercised during the lifetime of the optionee only by the optionee.

Termination of the Plan. Unless terminated earlier, the plan will terminate automatically in 2017. Our board of directors has the authority to amend or terminate the plan subject to shareholder approval to the extent necessary to comply with applicable law. However, no such action may (i) impair the rights of any optionee unless agreed by the optionee and the plan administrator or (ii) affect the plan administrator's ability to exercise the powers granted to it under our plan.

C. Board Practices

Our board of directors currently consists of five directors. A director is not required to hold any shares in the company by way of qualification. A director may vote with respect to any contract or transaction in which he or she is materially interested provided the nature of the interest is disclosed prior to its consideration and any vote on such contract or transaction. The directors may exercise all the powers of the Company to borrow money, mortgage its undertaking, property and uncalled capital, and issue debentures or other securities whenever money is borrowed or as security for any obligation of the company or of any third party.

In the year ended June 30, 2014, our board held meetings or passed resolutions by unanimous written consent 13 times.

Committees of the Board of Directors

We have established three committees under the board of directors: the audit committee, the compensation committee and the corporate governance and nominating committee. We have adopted a charter for each of the three committees. Each committee's members and functions are described below.

Audit Committee. Our audit committee consists of Messrs. Wah Kwong Tsang, Joo Hai Lee and Sean Shao, all of whom satisfy the independence requirements of Section 303A of the Corporate Governance Rules of the New York Stock Exchange and meet the independence standards under Rule 10A-3 under the Securities Exchange Act of 1934, as amended, or Exchange Act. Mr. Tsang is the chair of our audit committee. The audit committee oversees our accounting and financial reporting processes and the audits of the financial statements of our company. The audit committee is responsible for, among other things:

- selecting the independent auditors and pre-approving all auditing and non-auditing services permitted to be performed by the independent auditors;
- reviewing with the independent auditors any audit problems or difficulties and management's response;
- reviewing and approving all proposed related party transactions, as defined in Item 404 of Regulation S-K under the Securities Act;
- discussing the annual audited financial statements with management and the independent auditors;

- reviewing major issues as to the adequacy of our internal controls and any special audit steps adopted in light of material control deficiencies;
- annually reviewing and reassessing the adequacy of our audit committee charter;
- meeting separately and periodically with management and the independent auditors; and
- reporting regularly to the board of directors.

In the year ended June 30, 2014, our audit committee held meetings or passed resolutions by unanimous written consent five times.

Compensation Committee. Our compensation committee consists of Messrs. Wah Kwong Tsang and Sean Shao. Messrs. Tsang and Shao satisfy the “independence” requirements of Section 303A of the Corporate Governance Rules of the New York Stock Exchange. Mr. Tsang is the chair of our compensation committee. The compensation committee assists the board in reviewing and approving the compensation structure, including all forms of compensation, relating to our directors and executive officers. Our executive chairman may not be present at any committee meeting during which his compensation is deliberated. The compensation committee will be responsible for, among other things:

- reviewing and recommending to the board total compensation packages for our senior executives;
- approving and overseeing the total compensation packages for our executive chairman;
- reviewing and recommending director compensation to the board; and
- periodically reviewing and approving any long-term incentive compensation or equity plans, programs or similar arrangements, annual bonuses, employee pension and welfare benefit plans.

In the year ended June 30, 2014, our compensation committee held meetings or passed resolutions by unanimous written consent once.

Corporate Governance and Nominating Committee. Our corporate governance and nominating committee consists of Messrs. Sean Shao, Guanglin Lai and Wah Kwong Tsang. Messrs. Shao and Tsang satisfy the “independence” requirements of Section 303A of the Corporate Governance Rules of the New York Stock Exchange. Mr. Shao is the chair of our corporate governance and nominating committee. The corporate governance and nominating committee assists the board of directors in selecting qualified individuals to become our directors and in determining the composition of the board and its committees. The corporate governance and nominating committee is responsible for, among other things:

- selecting and recommending nominees for election or re-election to the board or appointments to fill any vacancy;
- annually reviewing with the board the current composition of the board with regards to characteristics such as independence, age, skills, experience and availability of service to us;
- periodically advising the board with regard to significant developments in the law and practice of corporate governance as well as our compliance with applicable laws and regulations, and making recommendations to the board on all matters of corporate governance and on any remedial action to be taken; and
- monitoring compliance with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance.

In the year ended June 30, 2013, our corporate governance and nominating committee held meetings or passed resolutions by unanimous written consent twice.

Duties of Directors

Under Cayman Islands law, our directors have a fiduciary duty of loyalty to act honestly in good faith with a view to our best interests. Our directors also have a duty to exercise the skill they actually possess with such care and diligence that a reasonably prudent person would exercise in comparable circumstances. In fulfilling their duty of care to us, our directors must ensure compliance with our memorandum and articles of association.

Terms of Directors and Officers

Our officers are elected by and serve at the discretion of the board of directors. Except for one director who is subject to an initial term of two years, our directors are not subject to a term of office and hold office until their resignation, death or incapacity or until their respective successors have been elected and qualified in accordance with our shareholders agreement and our articles of association, or they are removed by a special resolution of our shareholders. A director will be removed from office automatically if, among other things, the director (i) becomes bankrupt or makes any arrangement or composition with his creditors, or (ii) dies or is found by our company to be or become of unsound mind.

D. Employees

We had approximately 1,934 full-time employees and 250 part-time employees as of June 30, 2014, respectively. Our part-time employees are usually hired seasonally because of the seasonality of our China business. The following table sets forth the approximate number of employees for each of our business segments and our administrative offices as of June 30, 2014:

	Number of full-time Employees	Percentage of Total Employees	Number of part-time Employees	Percentage of Total Employees
Seed and grain	652	29.9	84	3.9
Crop protection, nutrients and merchandise	396	18.1	49	2.2
Rural services	709	32.5	92	4.2
Corporate and administration	177	8.1	25	1.1
Total	1,934	88.6	250	11.4

We have entered into employment agreements with our full-time employees. Generally, our management and research and development staff have signed non-compete agreements with us and are prohibited from engaging in any activities that compete with our business during the period of their employment with us. Furthermore, the employment contracts with our officers or managers generally include a covenant that prohibits them from engaging in any activities that compete with our business for periods ranging from six months to three years after the period of their employment with us. Approximately 40 of our employees are members of a labor union.

If we lose the services of one of more of our key management personnel and are unable to find suitable replacements, our operations and financial condition may be materially and adversely affected. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—Our business depends substantially on the continuing efforts of our management, and our business may be severely disrupted if we lose their services.”

E. Share Ownership

The following table sets forth information with respect to the beneficial ownership of our ordinary shares by:

- each of our directors and executive officers as of the date of this annual report; and
- each person known to us to own beneficially more than 5% of our ordinary shares as of September 30, 2014.

The calculations in the shareholder table below are based on 110,766,600 ordinary shares issued and outstanding as of June 30, 2014. Beneficial ownership is determined in accordance with the rules and regulations of the SEC. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, we have included shares that the person has the right to acquire within 60 days after the date of this annual report, including through the exercise of any option, warrant or other right or the conversion of any other security. These shares, however, are not included in the computation of the percentage ownership of any other person.

	Ordinary Shares Beneficially Owned	
	Number ⁽¹⁾	% ⁽²⁾
Directors and Executive Officers:		
Guanglin Lai ⁽³⁾	50,728,932	45.8
Joo Hai Lee	—	—
Sean Shao	*	*
Wah Kwong Tsang	*	*
Patrick Wai Yip Tsang	—	—
Kean Seng U	*	*
All directors and executive officers as a group ⁽⁴⁾	51,828,932	46.8
Principal Shareholders:		
Morgan Finanz Capital Limited ⁽⁵⁾	31,076,750	28.1
Brothers Capital Limited ⁽⁶⁾	17,445,250	15.7
TPG Capital, L.P. ⁽⁷⁾	8,650,000	7.8
Zhixin Xue ⁽⁸⁾	7,549,640	6.8

* Less than 1% of our total issued and outstanding shares

- (1) Beneficial ownership is determined in accordance with Rule 13d-3 of the General Rules and Regulations under the Exchange Act and includes voting or investment power with respect to the securities.
- (2) For each person and group included in this table, percentage ownership is calculated by dividing the number of shares beneficially owned by such person or group by the sum of 110,766,600, being the number of ordinary shares outstanding as of the date of this annual report, and the number of ordinary shares underlying share options held by such person or group that are exercisable within 60 days after the date of this annual report if any.
- (3) Includes (i) 17,445,250 ordinary shares owned by Brothers Capital Limited, or BCL, a British Virgin Islands company wholly owned by Mr. Lai, (ii) 31,076,750 ordinary shares owned by Morgan Finanz Capital Limited, a British Virgin Islands company wholly owned by BCL, (iii) 800,000 ordinary shares issuable upon the exercise of options exercisable within 60 days of the date of this annual report, and (iv) 1,406,932 ordinary shares in the form of ADSs. The business address of Mr. Lai is Room 1206, Huantai Building 12, Zhongguancun South Street, Haidian District Beijing 100081, People's Republic of China.
- (4) Certain directors and executive officers have been granted options pursuant to our 2007 Share Incentive Plan. See “—B. Compensation of Directors and Executive Officers—Share Incentives.”
- (5) Morgan Finanz Capital Limited is a company incorporated in the British Virgin Islands. Morgan Finanz Capital Limited is wholly owned by BCL, which in turn is wholly owned by Mr. Guanglin Lai. The business address of Morgan Finanz Capital Limited is Room 1206, Huantai Building 12, Zhongguancun South Street, Haidian District Beijing 100081, People's Republic of China.
- (6) BCL is a company incorporated in the British Virgin Islands. BCL is wholly owned by Mr. Lai. The business address of BCL is Room 1206, Huantai Building 12, Zhongguancun South Street, Haidian District Beijing 100081, People's Republic of China.
- (7) Based on latest publicly available information. In the form of ADSs, each representing two ordinary shares. TPG Capital, L.P. is ultimately owned by Tarrant Capital Advisors, Inc., a Delaware company, whose shareholders are David Bonderman and James Coulter. The registered address for both of these companies is c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.
- (8) The business address of Mr. Xue is Floor 25, Golden Port Hotel, No. 35 North Bing Zhou Road, Tai Yuan City, Shanxi Province 030012, People's Republic of China.

As of the date of this annual report, 110,766,600 of our ordinary shares were issued and outstanding. To our knowledge, we had only one record shareholder in the United States, The Bank of New York Mellon, which is the depository of our ADS program and held approximately 44.1% of our outstanding ordinary shares as of the date of this annual report. The number of beneficial owners of our ADSs in the United States is likely to be much larger than the number of record holders of our ordinary shares in the United States.

None of our existing shareholders has different voting rights from other shareholders. We are not aware of any arrangement that may, at a subsequent date, result in a change of control of our company.

For the options granted to our directors, officers and employees, please refer to “—B. Compensation of Directors and Executive Officers.”

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

Please refer to “Item 6. Directors, Senior Management and Employees—E. Share Ownership.”

B. Related Party Transactions

PRC law currently restricts foreign ownership of seed business in China. We conduct our business in China primarily through Agria Brother’s contractual arrangements with our consolidated structured entities and their individual shareholders. While our business in China is not significant at present, it may increase materially in the future.

Contractual Arrangements with Our Consolidated Structured Entities and Their Individual Shareholders

In August 2009, we entered into contractual arrangements with Zhongguan to hold our investments in the agricultural industry in China. The shareholding of Zhongguan is held in the proportion of 95% and 5% by Ms. Juan Li, the wife of Mr. Guanglin Lai and a beneficial owner of our ordinary shares, and Mr. Fulin Lai, the brother of Mr. Guanglin Lai, respectively. Both Ms. Juan Li and Mr. Fulin are PRC citizens and do not receive any compensation from us for holding shares of in our consolidated structured entities. Agria Brother’s relationship with Zhongguan and its individual shareholders are governed by contractual arrangements. The powers of attorney, the equity pledge agreement and the exclusive call option agreement enable Agria Brother to effectively control Zhongguan. The exclusive technology development, technical support and service agreement and the letter of undertaking, the terms of which may be amended from time to time, enable Agria Brother to receive substantially all of Zhongguan’s earnings and other economic benefits to the extent permissible under PRC law. We have a legal obligation to provide funding for all losses incurred by Zhongguan.

In September 2009, we formed Shenzhen NKY, to engage in the businesses of research and development, service, sales and investment. The shareholding of Shenzhen NKY is held in the proportion of 51% and 49% by Zhongguan and Ms. Juan Li, respectively. Agria Brother’s relationship with Shenzhen NKY and its individual shareholder is governed by the contractual arrangements. The powers of attorney, the equity pledge agreement and the exclusive call option agreement enable Agria Brother to effectively control Shenzhen NKY. The exclusive technology development, technical support and service agreement and the letter of undertaking, the terms of which may be amended from time to time, enable Agria Brother to receive substantially all of Shenzhen NKY’s earnings and other economic benefits to the extent permissible under PRC law. We have a legal obligation to provide funding for all losses incurred by Shenzhen NKY.

In September 2009, we formed Shenzhen PGW Seeds, to engage in the businesses of research and development, service, sales and investment. The shareholding of Shenzhen PGW Seeds is held in the proportion of 95% and 5% by Ms. Juan Li and Mr. Fulin Lai, respectively. Agria Brother’s relationship with Shenzhen PGW Seeds and its individual shareholders are governed by the contractual arrangements. The powers of attorney, the equity pledge agreement and the exclusive call option agreement enable Agria Brother to effectively control Shenzhen PGW Seeds. The exclusive technology development, technical support and service agreement and the letter of undertaking, the terms of which may be amended from time to time, enable Agria Brother to receive substantially all of Shenzhen PGW Seeds’ earnings and other economic benefits to the extent permissible under PRC law. We have a legal obligation to provide funding for all losses incurred by Shenzhen PGW Seeds.

Power of Attorney

Each of the individual shareholders of our consolidated structured entities has executed a power of attorney to appoint a nominee of Agria Brother as his or her attorney-in-fact to exercise all of his or her rights as an individual shareholder of our consolidated structured entities as provided under PRC law and the articles of association of our consolidated structured entities in China, including voting rights, the rights to transfer any or all of his or her equity interest in our consolidated structured entities and the right to appoint the general manager of our consolidated structured entities.

Equity Pledge Agreement

Under the equity pledge agreements among our consolidated structured entities, each of the individual shareholders of our consolidated structured entities pledged all of their equity interests in our consolidated structured entities to Agria Brother to guarantee our consolidated structured entities' performance of their obligations under the exclusive technology developments, technical support and service agreements, the exclusive call option agreements and the loan agreements. If our consolidated structured entities or any of such individual shareholders breaches its contractual obligations under any of these principal agreements, Agria Brother, as pledgee, will be entitled to certain rights, including the right to sell or auction the pledged equity interests. During the term of this agreement, such individual shareholder of our consolidated structured entities may not transfer their respective equity interests to any third party or create other pledges or rights over the equity interests that may have an adverse effect on the rights of Agria Brother as pledgee. The equity pledge agreement will terminate when all the principal agreements are terminated or fully performed.

Exclusive Call Option Agreement

Under the exclusive call option agreement with the individual shareholders of our consolidated structured entities, each of the individual shareholders of our consolidated structured entities has irrevocably granted Agria Brother an exclusive option to purchase from such individual shareholder, to the extent permitted under PRC law, all of the equity interests in our consolidated structured entities for the higher of (i) RMB1 and (ii) the minimum amount of consideration permitted by applicable law. To the extent permitted by PRC law, Agria Brother or its designated person has sole discretion to decide when to exercise the option and when to buy all or part of the equity interests in our consolidated structured entities.

Loan Agreement

Under the loan agreement with the individual shareholders of our consolidated structured entities, Agria Brother made loans to each of the individual shareholders of our consolidated structured entities who undertook to use the loans for investment purposes in our consolidated structured entities.

Exclusive Technology Development, Technology Support and Technology Services Agreement

Under the exclusive technology development, technical support and service agreements between our consolidated structured entities, Agria Brother is the exclusive provider of technology development, technical support and services to our consolidated structured entities. Our consolidated structured entities will not accept these services from any third party without the prior consent of Agria Brother. Agria Brother owns the rights to any intellectual property developed by Agria Brother in the performance of these agreements. The payments of fees are secured by the equity interests in our consolidated structured entities under the equity pledge agreements. These agreements are effective during the operation term of our consolidated structured entities unless terminated by Agria Brother or by either party due to the other party's breach of the agreements according to the early termination provisions of the agreements. Through the power of attorney granted by the individual shareholders of our consolidated structured entities to an individual designated by Agria Brother, Agria Brother has the ability to cause our consolidated structured entities to agree to amend the agreements and intends to do so as needed.

Letter of Undertaking

Each of the individual shareholders of our consolidated structured entities has executed a letter of undertaking to irrevocably undertake that, unless otherwise limited by laws, regulations or legal proceedings, he or she will remit all of the dividends and other distributions received from our consolidated structured entities to Agria Brother, subject to satisfaction of their personal income tax and other statutory obligations arising from the receipt of such dividends or other distributions. The spouse of each of such individual shareholder has consented to the foregoing undertaking.

We have been advised by our PRC legal counsel, that there are substantial uncertainties regarding the interpretation and application of current and future PRC laws and regulations. The uncertainties include how the PRC government may interpret the restriction of foreign ownership of corn seed development and production companies and whether foreign companies may conduct the corn seed development and production businesses through contractual arrangements with domestic companies engaging in such businesses. We have been further advised by our PRC counsel that if the PRC government finds that the agreements that establish the structure for operating our PRC agricultural business do not comply with PRC government restrictions on foreign investment in the agricultural businesses, we could be subject to severe penalties. In addition, under PRC Property Rights Law which became effective on October 1, 2007, an equity pledge is required to be registered with the relevant administration for industry and commerce in order to become effective.

For more information in this regards, see “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—If the PRC government finds that the agreements that establish the structure for operating our Chinese businesses do not comply with PRC governmental restrictions on foreign investment in the seed industry, or if these regulations or the interpretation of existing regulations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations,” “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—We rely on contractual arrangements with our consolidated structured entities for our China operations, which may not be as effective in providing control over our operating entity as direct ownership,” “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—Uncertainties with respect to the PRC legal system could adversely affect us” and “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—The PRC Property Law may affect the perfection of the pledge in our pledge agreements with our consolidated structured entities and their individual shareholders.”

Transactions Relating to Personal Guarantee and Indemnification

In June 2011, we entered a further shareholders agreement with New Hope International. Under this agreement, New Hope International has the right to sell its shares in Agria Asia Investments to Agria Group on the terms and conditions provided in the shareholders agreement at a certain repurchase price to be determined pursuant to a supplemental agreement entered into between Agria Group and New Hope International in June 2011. To secure the performance of Agria Group’s obligation in connection with this put option held by New Hope International, in June 2011, Mr. Guanglin Lai, the chairman of our board, made a personal guarantee to New Hope International for Agria Group’s payment obligation in the event that New Hope International exercises its put option. Agria Corporation agreed to indemnify Mr. Lai against all the obligations, losses, costs, damages, expenses, liabilities, actions and demands that he may incur or sustain in connection with his personal guarantee.

Other Related Party Transactions

The following were considered related parties during the years presented:

Name of Related Parties	Relationship with us
Wuwei Ganxin Seeds Co., Ltd.	A former 49% associate held by subsidiary before May 2013
Beijing Zhongnong Seeds Industry Co., Ltd.	A 26.8% associate held by subsidiary
Fertimas S.A.	A 50% associate held by subsidiary
New Hope International (Hong Kong) Limited	Shareholder of Agria Asia Investments with equity interest of 11.95%
Mark Dewdney	Management of PGW
John McKenzie	Management of PGW
George Gould	Director of PGW (retired June 28, 2013)
Bill Thomas	Director of PGW (retired October 24, 2012)
Trevor Burt	Director of PGW (appointed December 11, 2012)

We had the following related party transactions during the years presented:

	For the Year Ended June 30,	
	2014	2013
	(\$'000)	(\$'000)
Purchase of corn seeds from:		
Ganxin	Not related party	580
Purchase of retail goods, sale of seed under production contracts and livestock transaction		
John McKenzie	4,089	2,913
Trevor Burt	22	20
Mark Dewdney	482	—
Purchase of retail goods		
George Gould	—	341
Bill Thomas	—	19
Collection of amounts due from:		
Zhongnong	1	351
Payment of amounts due to:		
Ganxin	Not related party	377
Loan to Zhongnong	77	742
Loan from shareholder ^(note)	—	4,638
Repayment of loan from shareholder	—	2,922
Interest expense on loan from shareholder	214	285

Note: Loan from shareholder is unsecured and bears interest at 1% per month.

We had the following related party balances at the end of each period:

	2014	2013	2012
	(\$'000)	(\$'000)	(\$'000)
Amounts due from/prepayments to related parties:			
Ganxin	—	—	1,440
Zhongnong	—	—	770
Fertimas S.A.	2,500	2,474	—
New Hope International	11,939	500	—
	<u>14,439</u>	<u>2,974</u>	<u>2,210</u>
Amounts due to related parties:			
Zhongnong	—	—	651
Shareholder	2,241	2,027	—
Officers and directors of PGW	—	31	64
	<u>2,241</u>	<u>2,058</u>	<u>715</u>

Share Options

See “Item 6. Directors, Senior Management and Employees—B. Compensation of Directors and Executive Officers—Share Incentives.”

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

We have appended consolidated financial statements filed as part of this annual report.

Legal Proceedings

We are currently not a party to any material legal or administrative proceedings, and we are not aware of threatened material legal or administrative proceedings against us. We may from time to time become a party to various legal or administrative proceedings arising in the ordinary course of our business.

Dividend Policy

We have no present plan to declare and pay any dividends on our shares or ADSs in the near future. We currently intend to retain most, if not all, of our available funds and any future earnings to operate and expand our business.

We are a holding company incorporated in the Cayman Islands. We rely on dividends from PGW and to a limited extent at present, our subsidiaries in China, Agria China and Agria Brother. Current PRC regulations permit our subsidiaries to pay dividends to us only out of their accumulated profits, if any, determined in accordance with PRC accounting standards and regulations. In addition, our subsidiaries in China are required to set aside a certain amount of their accumulated after-tax profits each year, if any, to fund certain statutory reserves. These reserves may not be distributed as cash dividends. Further, if our subsidiaries in China incur debt on their own behalf, the instruments governing the debt may restrict their ability to pay dividends or make other payments to us.

Dividends paid by PGW to Agria Singapore are not subject to withholding tax, provided that the dividends paid by PGW were fully imputed and Agria Singapore holds a direct voting interest of 10% or more in PGW. A dividend is considered to be fully imputed when it is paid out of fully-taxed profits.

Under Cayman Islands law and our amended and restated memorandum and articles of association, we are able to pay dividends out of either profits or share premium. Subject to having sufficient profits and share premium, our board of directors has discretion as to whether to distribute dividends. Even if our board of directors decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the board of directors may deem relevant. If we pay any dividends, we will pay our ADS holders to the same extent as holders of our ordinary shares, subject to the terms of the deposit agreement, including the fees and expenses payable thereunder. Cash dividends on our ordinary shares, if any, will be paid in US dollars.

B. Significant Changes

Except as disclosed elsewhere in this annual report, we have not experienced any significant changes since the date of our audited consolidated financial statements included in this annual report.

ITEM 9. THE OFFER AND LISTING

A. Offering and Listing Details

The following table provides the high and low trading prices on the New York Stock Exchange for the periods indicated.

	Sales Price (\$)	
	High	Low
Yearly Highs and Lows		
2009	4.53	0.75
2010	3.31	1.11
2011	2.12	0.63
2012	1.56	0.65
2013	1.74	0.69
Six Months ended June 30, 2014	2.12	1.25
Quarterly Highs and Lows		
Third Quarter 2012	1.02	0.68
Fourth Quarter 2012	1.03	0.65
First Quarter 2013	1.14	0.69
Second Quarter 2013	1.25	1.03
Third Quarter 2013	1.19	1.07
Fourth Quarter 2013	1.74	1.08
First Quarter 2014	2.12	1.32
Second Quarter 2014	1.49	1.25

	Sales Price (\$)	
	High	Low
Third Quarter 2014	1.59	1.10
Monthly Highs and Lows		
April 2014	1.49	1.27
May 2014	1.45	1.27
June 2014	1.44	1.25
July 2014	1.43	1.24
August 2014	1.43	1.11
September 2014	1.59	1.10
October 2014 (through October 21, 2014)	1.17	0.96

B. Plan of Distribution

Not applicable.

C. Markets

Our ADSs, each representing two of our ordinary shares, have been traded on the New York Stock Exchange since November 7, 2007. Our ADSs trade under the symbol “GRO.”

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

We incorporate by reference into this annual report our amended and restated memorandum and articles of association filed as Exhibit 3.2 to our F-1 registration statement (File No. 333-146785), as amended, initially filed with the SEC on October 18, 2007.

C. Material Contracts

We have not entered into any material contracts other than in the ordinary course of business and other than those described in “Item 4. Information on the Company” or elsewhere in this annual report on Form 20-F.

D. Exchange Controls

See “Item 4. Information on the Company—B. Business Overview—Regulation—Foreign Exchange.”

E. Taxation

Cayman Islands Taxation

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to us levied by the Government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or brought within the jurisdiction of the Cayman Islands. There are no exchange control regulations or currency restrictions in the Cayman Islands. The Cayman Islands is not a party to any tax treaties that are applicable to any payment made by or to our company.

New Zealand Taxation

New Zealand resident companies are subject to tax on their taxable income at the rate of 28%. There is no capital gains tax in New Zealand. However, certain gains arising from the disposal of personal property purchased with the intention of resale are taxable and certain gains on the sale or transfer of land may be taxable.

Australia Taxation

Australian resident companies are taxable on their taxable income at the rate of 30%. Net capital gains derived by Australian resident companies are taxed at the 30% corporate rate.

Uruguayan Taxation

Uruguayan businesses are taxed on taxable income sourced in Uruguay. Capital gains derived by Uruguayan companies are taxed at the standard rate of corporate tax. The corporate tax rate in Uruguay is 25%. A capital duty at the rate of 1.5% is levied on the net worth of the entity.

PRC Taxation

Under the former PRC Income Tax Law for Enterprises with Foreign Investment and Foreign Enterprises, any dividends payable by foreign-invested enterprises to non-PRC investors were exempt from any PRC withholding tax. In addition, any interest or dividends payable, or distributions made, by us to holders or beneficial owners of our ADSs or ordinary shares would not have been subject to any PRC tax, provided that such holders or beneficial owners, including individuals and enterprises, were not deemed to be PRC residents under the PRC tax law and had not become subject to PRC tax.

Under the 2008 EIT Law, which took effect as of January 1, 2008, enterprises established under the laws of non-PRC jurisdictions but whose “de facto management body” is located in China are considered “resident enterprises” for PRC tax purposes. Under the Implementing Rules issued by the State Council relating to the 2008 EIT Law, “de facto management bodies” are defined as the bodies that have material and overall management control over the business, personnel, accounts and properties of an enterprise. If we were treated as a “resident enterprise” for PRC tax purposes, we would be subject to PRC income tax on our worldwide income at a uniform tax rate of 25%, but dividends received by us from our PRC subsidiaries would be exempt from the income tax.

Pursuant to the 2008 EIT Law and the Implementing Rules, dividends payable by a foreign-invested enterprise to its foreign investors who are non-resident enterprises will be subject to a 10% withholding tax, unless any such foreign investor's jurisdiction of incorporation has a tax treaty with China that provides for a different withholding arrangement. According to the Mainland and Hong Kong Special Administrative Region Arrangement on Avoiding Double Taxation or Evasion of Taxation on Income agreed between the Mainland and Hong Kong Special Administrative Region in August 2006 and the Notice in Relation to the Dispatch of Schedule of Agreed Tax Rates on Dividends issued by the State Administration of Taxation (State Taxation Circular No. 112 (2008)), dividends payable by a foreign-invested enterprise to its foreign investors will be subject to a 5% tax provided that such foreign investor directly owns at least 25% of the equity interests of the foreign-invested enterprise.

On October 1, 2009, the Administrative Measures for Non-Residents Enjoying Tax Treaty Benefits (Trial Implementation) became effective. Under these measures, our Hong Kong subsidiary needs to obtain approval from the competent local branch of the State Administration of Taxation in order to enjoy the preferential withholding tax rate of 5% in accordance with the tax treaty. In February 2009, the State Administration of Taxation issued Notice No. 81. According to Notice No. 81, in order to enjoy the preferential treatment on dividend withholding tax rates, an enterprise must be the “beneficial owner” of the relevant dividend income, and no enterprise is entitled to preferential treatment pursuant to any tax treaties if such enterprise qualifies for such preferential tax rates through any transaction or arrangement, the major purpose of which is to obtain such preferential tax treatment. The tax authority in charge has the right to make adjustments to the applicable tax rates, if it determines that any taxpayer has enjoyed preferential treatment under tax treaties as a result of such transaction or arrangement. In October 2009, the State Administration of Taxation issued Notice No. 601 to provide guidance on the criteria to determine whether an enterprise qualifies as the “beneficial owner” of the PRC sourced income for the purpose of obtaining preferential treatment under tax treaties. Pursuant to Notice No. 601, the PRC tax authorities will review and grant tax preferential treatment on a case-by-case basis and adopt the “substance over form” principle in the review. Notice 601 specifies that a beneficial owner should generally carry out substantial business activities and own and have control over the income, the assets or other rights generating the income. Therefore, an agent or a conduit company will not be regarded as a beneficial owner of such income. Since the two notices were issued, it has remained unclear how the PRC tax authorities will implement them in practice and to what extent they will affect the dividend withholding tax rates for dividends distributed by our subsidiaries in China to our Hong Kong subsidiary. Under the 2008 EIT Law and the Implementing Rules, if China Victory is regarded as a resident enterprise, the dividends payable to China Victory from Agria China and Agria Brother will be exempt from the PRC income tax. If the relevant tax authority determines that our Hong Kong subsidiary is a conduit company and does not qualify as the “beneficial owner” of the dividend income it receives from our PRC subsidiaries, the higher 10% withholding tax rate may apply to such dividends.

Moreover, under the EIT law, if we are classified as a PRC resident enterprise and such income is deemed to be sourced from within the PRC, foreign ADS holders may be subject to a 10% withholding tax upon dividends payable by us and gains realized on the sale or other disposition of ADSs or ordinary shares.

U.S. Federal Income Taxation

The following discussion describes the material U.S. federal income tax consequences to U.S. Holders (as defined below) under current law of an investment in the ADSs or ordinary shares. This discussion applies only to U.S. Holders that hold the ADSs or ordinary shares as capital assets (generally, property held for investment) and have the U.S. dollar as their functional currency. This discussion is based on the tax laws of the United States in effect as of the date of this annual report on Form 20-F and on U.S. Treasury regulations in effect or, in some cases, proposed as of the date of this annual report on Form 20-F, as well as judicial and administrative interpretations thereof available on or before such date. All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax consequences described below.

The following discussion does not deal with the tax consequences to any particular investor or to persons in special tax situations such as:

- banks and other financial institutions;
- insurance companies;
- regulated investment companies;
- real estate investment trusts;
- broker-dealers;
- traders that elect to use a mark-to-market method of accounting;
- U.S. expatriates or entities subject to the U.S. anti-inversion rules;

- tax-exempt entities;
- persons liable for alternative minimum tax;
- persons holding an ADS or ordinary share through a bank, financial institution or other entity, or a branch thereof, located organized or resident outside the United States;
- persons holding an ADS or ordinary share as part of a straddle, hedging, conversion or integrated transaction;
- persons that actually or constructively own 10% or more of the total combined voting power of all classes of our voting stock;
- partnerships or other pass-through entities, or persons holding ADSs or ordinary shares through such entities; or
- persons who acquired ADSs or ordinary shares pursuant to the exercise of any employee share option or otherwise as compensation.

In addition, the discussion below does not describe any tax consequences arising out of the Medicare tax on certain “net investment income” pursuant to the Health Care and Education Reconciliation Act of 2010.

The following discussion is for informational purposes only and is not a substitute for careful tax planning and advice. Investors are urged to consult their tax advisors regarding the application of the U.S. federal tax rules to their particular circumstances as well as the state, local, foreign and other tax consequences to them of the purchase, ownership and disposition of ADSs or ordinary shares.

The discussion below of the U.S. federal income tax consequences to “U.S. Holders” will apply to you if you are a beneficial owner of ADSs or ordinary shares and you are, for U.S. federal income tax purposes,

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in the United States or under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust that (1) is subject to the primary supervision of a court within the United States and the control of one or more U.S. persons for all substantial decisions or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of our ADSs or ordinary shares, the tax treatment of a partner in such partnership generally will depend on the status of such partner and the activities of such partnership.

The discussion below assumes that the representations contained in the deposit agreement are true and the obligations in the deposit agreement and any related agreement have been and will be complied with in accordance with their terms. If you hold ADSs, you should be treated as the holder of the underlying ordinary shares represented by those ADSs for U.S. federal income tax purposes.

The U.S. Treasury and the U.S. Internal Revenue Services, or IRS, have expressed concerns that U.S. Holders of ADSs may be claiming foreign tax credits in situations where an intermediary in the chain of ownership between the holder of an ADS and the issuer of the security underlying the ADS has taken actions that are inconsistent with the beneficial ownership of the underlying security by the person claiming the credit (for example, pre-releasing ADSs to persons that do not have beneficial ownership of the securities underlying the ADSs). Such actions also may be inconsistent with the claiming of the reduced tax rate for dividends received by certain non-corporate U.S. Holders, including individual U.S. Holders (as discussed below). Accordingly, the availability of foreign tax credits or the reduced tax rate for dividends could be affected by actions taken by intermediaries in the chain of ownership between the holders of ADSs and our company if as a result of such actions the holders of ADSs are not properly treated as beneficial owners of underlying ordinary shares.

Passive Foreign Investment Company

Based on the market price of our ADSs and ordinary shares and the value and composition of our assets, we believe we were not a passive foreign investment company, or PFIC, for U.S. federal income tax purposes for the taxable year ended June 30, 2014, and do not expect to become a PFIC in the foreseeable future. However, we believe we were a PFIC in certain previous taxable years. Kirkland & Ellis LLP, our U.S. tax counsel, expresses no opinion with respect to our PFIC status for any taxable year or our expectations contained in this paragraph.

A non-U.S. corporation will be a PFIC for any taxable year if either:

- at least 75% of its gross income for such year is passive income, or
- at least 50% of the value of its assets (based on an average of the quarterly values of the assets) during such year is attributable to assets that produce passive income or are held for the production of passive income, or the asset test.

For this purpose, we will be treated as owning our proportionate share of the assets and earning our proportionate share of the income of any other corporation in which we own, directly or indirectly, at least 25% (by value) of the stock. In applying this rule, however, it is not clear whether the contractual arrangements between us and our structured entity will be treated as ownership of stock. We must make a separate determination after the close of each taxable year as to whether we were a PFIC for that year. Because the value of our assets for purposes of the asset test generally will be determined by reference to the market price of our ADSs or ordinary shares, our PFIC status may depend in part on the market price of our ADSs or ordinary shares, which may fluctuate significantly.

If we are or were a PFIC for any taxable year during which you hold ADSs or ordinary shares, as we were in certain previous taxable years, we will continue to be treated as a PFIC with respect to you for all succeeding years during which you hold ADSs or ordinary shares, unless we cease to be a PFIC and you make a “deemed sale” election with respect to the ADSs or ordinary shares, as applicable. If such election is made, you will be deemed to have sold the ADSs or ordinary shares you hold at their fair market value and any gain from such deemed sale would be subject to the rules described in the following two paragraphs. After the deemed sale election, so long as we do not become a PFIC in a subsequent taxable year, your ADSs or ordinary shares with respect to which such election was made will not be treated as shares in a PFIC, and you will not be subject to the rules described below with respect to any “excess distribution” you receive from us or any gain from an actual sale or other disposition of the ADSs or ordinary shares. **You are strongly urged to consult your tax advisors as to the possibility and consequences of making a deemed sale election.**

For each taxable year that we are treated as a PFIC with respect to you, you will be subject to special tax rules with respect to any “excess distribution” you receive and any gain you recognize from a sale or other disposition (including a pledge) of the ADSs or ordinary shares, unless you make a “mark-to-market” election as discussed below. Distributions you receive in a taxable year that are greater than 125% of the average annual distributions you received during the shorter of the three preceding taxable years or your holding period for the ADSs or ordinary shares will be treated as an excess distribution. Under these special tax rules, if you receive any excess distribution or recognize any gain from a sale or other disposition of the ADSs or ordinary shares:

- the excess distribution or recognized gain will be allocated ratably over your holding period for the ADSs or ordinary shares,
- the amount allocated to the current taxable year, and any taxable years in your holding period prior to the first taxable year in which we became a PFIC, will be treated as ordinary income, and
- the amount allocated to each other taxable year will be subject to tax at the highest tax rate in effect for individuals or corporations, as applicable, for each such year, and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

The tax liability for amounts allocated to taxable years prior to the year of disposition or “excess distribution” cannot be offset by any net operating losses for such years, and gains (but not losses) from the sale or other disposition of the ADSs or ordinary shares cannot be treated as capital, even if you hold the ADSs or ordinary shares as capital assets.

If we are treated as a PFIC with respect to you for any taxable year, to the extent any of our subsidiaries (or possibly our consolidated structured entities) are also PFICs or we make direct or indirect equity investments in other entities that are PFICs, you will be deemed to own shares in such lower-tier PFICs directly or indirectly owned by us in the proportion that the value of the ADSs or ordinary shares you own bears to the value of all of our ADSs or ordinary shares, and you may be subject to the rules described in the preceding two paragraphs with respect to the shares of such lower-tier PFICs that you would be deemed to own. You should consult your tax advisors regarding the application of the PFIC rules to any of our subsidiaries (or structured entities).

A U.S. Holder of “marketable stock” (as defined below) of a PFIC may make a mark-to-market election for such stock to elect out of the PFIC rules described above regarding excess distributions and recognized gains. If you make a mark-to-market election for the ADSs or ordinary shares, you will include in income for each year that we are a PFIC an amount equal to the excess, if any, of the fair market value of the ADSs or ordinary shares as of the close of your taxable year over your adjusted basis in such ADSs or ordinary shares. You will be allowed a deduction for the excess, if any, of the adjusted basis of the ADSs or ordinary shares over their fair market value as of the close of the taxable year. However, deductions will be allowable only to the extent of any net mark-to-market gains on the ADSs or ordinary shares included in your income for prior taxable years. Amounts included in your income under a mark-to-market election, as well as gain on the actual sale or other disposition of the ADSs or ordinary shares, will be treated as ordinary income. Ordinary loss treatment will apply to the deductible portion of any mark-to-market loss on the ADSs or ordinary shares, as well as to any loss from the actual sale or other disposition of the ADSs or ordinary shares, to the extent that the amount of such loss does not exceed the net mark-to-market gains previously included for such ADSs or ordinary shares. Your basis in the ADSs or ordinary shares will be adjusted to reflect any such income or loss amounts. If you make a mark-to-market election, any distributions that we make generally would be subject to the tax rules discussed below under “Taxation of Dividends and Other Distributions on the ADSs or Ordinary Shares,” except that the lower tax rate applicable to qualified dividend income would not apply.

The mark-to-market election is available only for “marketable stock,” which is stock that is traded in greater than *de minimis* quantities on at least 15 days during each calendar quarter, or regularly traded on a qualified exchange or other market, as defined in applicable U.S. Treasury regulations. The ADSs are currently listed on the New York Stock Exchange, which is a qualified exchange or other market for these purposes. Consequently, if the ADSs remain listed on the New York Stock Exchange and are regularly traded, and you are a holder of ADSs, we expect the mark-to-market election would be available to you if we are a PFIC (as we believe we were for 2010). Because a mark-to-market election cannot be made for equity interests in any lower-tier PFICs that we own, a U.S. Holder may continue to be subject to the PFIC rules described above regarding excess distributions and recognized gains with respect to its indirect interest in any investments held by us that are treated as an equity interest in a PFIC for U.S. federal income tax purposes. You should consult your tax advisors as to the availability and desirability of a mark-to-market election, as well as the impact of such election on interests in any lower-tier PFICs.

Alternatively, a U.S. Holder of stock in a PFIC may make a “qualified electing fund” election with respect to such corporation to elect out of the PFIC rules described above regarding excess distributions and recognized gains. A U.S. Holder that makes a qualified electing fund election with respect to a PFIC will generally include in income such holder’s *pro rata* share of the corporation’s income on a current basis. However, you may make a qualified electing fund election with respect to your ADSs or ordinary shares only if we furnish you annually with certain tax information, and we currently do not intend to prepare or provide such information.

Unless otherwise provided by the U.S. Treasury, each U.S. shareholder of a PFIC is required to file an annual report containing such information as the U.S. Treasury may require. You should consult your tax advisors regarding any reporting requirements that may apply to you.

YOU ARE STRONGLY URGED TO CONSULT YOUR TAX ADVISORS REGARDING THE IMPACT OF OUR BEING A PFIC IN ANY TAXABLE YEAR ON YOUR INVESTMENT IN OUR ADSs AND ORDINARY SHARES AS WELL AS THE APPLICATION OF THE PFIC RULES AND THE POSSIBILITY OF MAKING A MARK-TO-MARKET OR DEEMED SALE ELECTION.

Taxation of Dividends and Other Distributions on the ADSs or Ordinary Shares

Subject to the PFIC rules discussed above, the gross amount of any distributions we make to you with respect to the ADSs or ordinary shares will be includible in your gross income as dividend income on the date of receipt by the depository, in the case of ADSs, or by you, in the case of ordinary shares, but only to the extent the distribution is paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). To the extent the amount of the distribution exceeds our current and accumulated earnings and profits, such excess amount will be treated first as a tax-free return of your tax basis in your ADSs or ordinary shares, and then, to the extent such excess amount exceeds your tax basis, as capital gain. We currently do not, and we do not intend to, calculate our earnings and profits under U.S. federal income tax principles. Therefore, a U.S. Holder should expect that any distribution we make will be reported as a dividend even if such distribution would otherwise be treated as a non-taxable return of capital or as capital gain under the rules described above. Any dividends we pay to you will not be eligible for the dividends-received deduction allowed to corporations in respect of dividends received from U.S. corporations.

With respect to certain non-corporate U.S. Holders, including individual U.S. Holders, dividends will be taxed at the lower capital gains rate applicable to “qualified dividend income,” provided that (1) the ADSs or ordinary shares, as applicable, are readily tradable on an established securities market in the United States, or we are eligible for the benefits of a qualifying income tax treaty with the United States that includes an exchange of information program, (2) we are neither a PFIC nor treated as such with respect to you for the taxable year in which the dividend was paid and the preceding taxable year, and (3) certain holding period requirements are met. Under published IRS authority, common or ordinary shares, or ADSs representing such shares, are considered for the purpose of clause (1) above to be readily tradable on an established securities market in the United States if they are listed on the New York Stock Exchange, as are our ADSs (but not our ordinary shares). If we are treated as a “resident enterprise” for PRC tax purposes under the EIT Law (see “Item 3. Key Information—D. Risk Factors—Risks Related To Doing Business in China—We benefit from certain PRC government incentives. Expiration of, changes to, disputes over or challenges against these incentives or protectionism arising from the incentives could adversely affect our operating results”), we may be eligible for the benefits of the income tax treaty between the United States and the PRC. As discussed above in “—Passive Foreign Investment Company,” we believe we were not a PFIC for the taxable year ended June 30, 2014, although we were in previous years. You should consult your tax advisors regarding the availability of the lower capital gains rate applicable to qualified dividend income for any dividends paid with respect to our ADSs or ordinary shares.

Dividends will constitute foreign source income for foreign tax credit limitation purposes. If the dividends are taxed as qualified dividend income (as discussed above), the amount of the dividend taken into account for purposes of calculating the foreign tax credit limitation will be limited to the gross amount of the dividend, multiplied by the reduced tax rate applicable to qualified dividend income and divided by the highest tax rate normally applicable to dividends. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends distributed by us with respect to the ADSs or ordinary shares generally will constitute “passive category income” but could, in the case of certain U.S. Holders, constitute “general category income.”

If PRC withholding taxes apply to dividends paid to you with respect to our ADSs or ordinary shares (see “Item 3. Key Information—D. Risk Factors—Risks Related To Doing Business in China—Any limitation of PRC law and regulations on the ability of our subsidiaries and structured entity to distribute dividends or make other payments to us could materially adversely affect our ability to conduct our business”), subject to certain conditions and limitations, such PRC withholding taxes may be treated as foreign taxes eligible for credit against your U.S. federal income tax liability. The rules relating to the determination of the foreign tax credit are complex, and you should consult your tax advisors regarding the availability of a foreign tax credit in your particular circumstances.

Taxation of Disposition of the ADSs or Ordinary Shares

Subject to the PFIC rules discussed above, you will recognize taxable gain or loss on any sale, exchange or other taxable disposition of an ADS or ordinary share equal to the difference between the amount realized (in U.S. dollars) for the ADS or ordinary share and your tax basis (in U.S. dollars) in the ADS or ordinary share. The gain or loss will be capital gain or loss. If you are a non-corporate U.S. Holder, including an individual U.S. Holder, who has held the ADS or ordinary share for more than one year, you will be eligible for reduced tax rates. The deductibility of capital losses is subject to limitations.

Any gain or loss you recognize on a disposition of ADSs or ordinary shares generally will be treated as U.S. source income or loss for foreign tax credit limitation purposes, subject to exceptions and limitations. However, if we are treated as a “resident enterprise” for PRC tax purposes under the EIT Law and PRC taxes were to be imposed on any gain from the disposition of the ADSs or ordinary shares (see “Item 3. Key Information—D. Risk Factors—Risks Related To Doing Business in China—Any limitation of PRC law and regulations on the ability of our subsidiaries and structured entity to distribute dividends or make other payments to us could materially adversely affect our ability to conduct our business”), a U.S. Holder that is eligible for the benefits of the treaty may elect to treat such gain as PRC source income. You should consult your tax advisors regarding the proper treatment of gain or loss in your particular circumstances.

Information Reporting and Backup Withholding

Dividend payments with respect to ADSs or ordinary shares and proceeds from the sale, exchange or redemption of ADSs or ordinary shares generally will be subject to information reporting to the IRS and possible U.S. backup withholding. Backup withholding will not apply, however, to a U.S. Holder that furnishes a correct taxpayer identification number and makes any other required certification or is otherwise exempt from backup withholding. U.S. Holders that are required to establish their exempt status must provide such certification on IRS Form W-9. Certain individuals holding ADSs or ordinary shares other than in an account at certain financial institutions may be subject to additional information reporting requirements. U.S. Holders should consult their tax advisors regarding the application of the U.S. information reporting and backup withholding rules.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against your U.S. federal income tax liability, and you may obtain a refund of any excess amounts withheld under the backup withholding rules by filing an appropriate claim for refund with the IRS and furnishing any required information in a timely manner.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

We have filed with the SEC registration statements on Form F-1, including relevant exhibits and securities under the Securities Act with respect to underlying ordinary shares represented by the ADSs.

We are subject to the periodic reporting and other informational requirements of the Exchange Act. Under the Exchange Act, we are required to file reports and other information with the SEC. Specifically, we are required to file annually a Form 20-F no later than four months after the close of each fiscal year, which is June 30. Copies of reports and other information, when so filed, may be inspected without charge and may be obtained at prescribed rates at the public reference facilities maintained by the SEC at 100 F Street, N.E., Room 1580, Washington, D.C. 20549, and at the regional office of the SEC located at Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. The public may obtain information regarding the Washington, D.C. Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains a web site at www.sec.gov that contains reports, proxy and information statements, and other information regarding registrants that make electronic filings with the SEC using its EDGAR system. As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the furnishing and content of quarterly reports and proxy statements, and officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act.

Our consolidated financial statements have been prepared in accordance with IFRS. We will furnish JPMorgan Chase Bank, N.A., the depositary of our ADSs, with our annual reports, which will include a review of operations and annual audited consolidated financial statements prepared in conformity with IFRS.

I. Subsidiary Information

For a listing of our subsidiaries, see “Item 4. Information on the Company—C. Organizational Structure.”

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

Our exposure to interest rate risk primarily relates to the interest expenses on our outstanding bank borrowings and the interest income generated by cash invested in cash deposits and liquid investments. As of June 30, 2014, our total outstanding bank borrowings amounted to \$118.0 million with a weighted average interest rate of 3.6% per annum. Assuming a 1% increase in applicable interest rates, net profit after tax would have been decreased by \$0.7 million. We use derivative financial instruments to manage our exposure to interest rate risks arising from operational, financing and investment activities. We may use interest rate swaps, interest rate options and forward rate agreements to hedge the floating rate exposure as deemed appropriate. However, we do not hold or issue derivative instruments for trading purposes.

Foreign Exchange Risk

Our foreign currency exposure gives rise to market risk associated with exchange rate movements against the U.S. dollar, our reporting currency. Currently, the majority of our revenues and expenses are denominated in New Zealand dollars, with the remaining portion of revenue denominated in Australian dollars, Euro, U.S. dollar and RMB. Of the total \$118.0 million bank borrowings outstanding as of June 30, 2014, 53% was denominated in New Zealand dollars, 46% in U.S. dollars and 1% in RMB. Fluctuations in exchange rates, primarily among the U.S. dollar against the New Zealand dollar, will affect our financial position. Assuming a 1% appreciation of New Zealand dollars against U.S. dollar, our bank borrowings would have increased by \$0.6 million.

In order to mitigate the foreign currency risk, we hedge foreign currency risks as they arise. In some circumstances, foreign exchange options are used to hedge potential foreign exchange risk. We use forward foreign exchange contracts, spot foreign exchange contracts and foreign exchange options to manage these exposures. However, we do not hold or issue derivative instruments for trading purposes.

Inflation

Historically, inflation has not had a significant effect on our business in New Zealand, the place which generated substantial part of our revenue. According to the Reserve Bank of New Zealand, the change in the Consumer Price Index in New Zealand ranged from 0.7% to 5.3% on a quarterly basis between the first quarter of 2011 and the second quarter of 2014.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

Fees and Charges Our ADS Holders May Have to Pay

The Bank of New York Mellon, the depositary of our ADS program, collects its fees for delivery and surrender of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deductions from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them. The depositary may generally refuse to provide fee-attracting services until its fees for those services are paid.

Persons depositing or withdrawing shares must pay:

\$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)

\$.02 (or less) per ADS

A fee equivalent to the fee that would be payable if securities distributed to you had been shares and the shares had been deposited for issuance of ADSs

\$.02 (or less) per ADSs per calendar year

Registration or transfer fees

Expenses of the depositary

Taxes and other governmental charges the depositary or the custodian have to pay on any ADS or share underlying an ADS, for example, stock transfer taxes, stamp duty or withholding taxes

Any charges incurred by the depositary or its agents for servicing the deposited securities

For:

- Issuance of ADSs, including issuances resulting from a distribution of shares or rights or other property
- Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates
- Any cash distribution to ADS registered holders
- Distribution of securities distributed to holders of deposited securities that are distributed by the depositary to ADS registered holders
- Depositary services
- Transfer and registration of shares on our share register to or from the name of the depositary or its agent when you deposit or withdraw shares
- Cable, telex and facsimile transmissions (when expressly provided in the deposit agreement)
- Converting foreign currency to US dollars
- As necessary
- As necessary

Fees and Other Payments Made by the Depositary to Us

The depositary has agreed to reimburse us for expenses we incur that are related to the administration and maintenance of our ADS facility including, but not limited to, investor relations expenses or any other program related expenses. There are limits on the amount of expenses for which the depositary will reimburse us, but the amount of reimbursement available to us is not related to the amounts of fees the depositary collects from investors. In the year ended June 30, 2013, we did not receive any reimbursements from the depositary.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

See “Item 10. Additional Information” for a description of the rights of securities holders, which remain unchanged.

The following “Use of Proceeds” information relates to the registration statement on Form F-1 (File number: 333-146785) filed by us in connection with our initial public offering of 17,150,000 ADSs, representing 34,300,000 ordinary shares. The registration statement was declared effective by the SEC on November 6, 2007.

We received net proceeds of approximately \$184.1 million from our initial public offering and as of June 30, 2014, we used the net proceeds received from our initial public offering as follows: approximately \$25 million has been used to repay a shareholder’s loan, approximately \$2 million has been used to repay bank loans and approximately \$157.1 million has been used to fund investments and for general corporate purposes. As of June 30, 2014, all of the net offering proceeds from our initial public offering had been applied.

ITEM 15. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As of June 30, 2014, the end of the period covered by this annual report on Form 20-F, our management performed, under the supervision and with the participation of our executive chairman and chief financial officer, an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Disclosure controls and procedures are those controls and procedures designed to provide reasonable assurance that the information required to be disclosed in our Exchange Act filings is (1) recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and (2) accumulated and communicated to the management, including our executive chairman and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure. Based on that evaluation, our executive chairman and chief financial officer concluded that, as of June 30, 2014, our disclosure controls and procedures were effective.

Management’s Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that our receipts and expenditures are being made only in accordance with authorizations of our management or our board of directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on our interim or annual consolidated financial statements.

Because of its inherent limitations, a system of internal control over financial reporting can provide only reasonable assurance with respect to the preparation of financial statements for external purposes in accordance with IFRS and may not prevent or detect misstatements as set out above. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As required by Section 404 of the Sarbanes-Oxley Act of 2002 and related rules as promulgated by the SEC, management assessed the effectiveness of our internal control over financial reporting as of June 30, 2014 using criteria established in “Internal Control-Integrated Framework” issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this evaluation, our management has concluded that our internal control over financial reporting was effective as of June 30, 2014.

Changes in Internal Control over Financial Reporting

There were no changes in our internal controls over financial reporting that occurred during the period covered by this annual report on Form 20-F that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our board of directors has determined that Mr. Sean Shao, our director and a member of our audit committee, is an audit committee financial expert and an independent director.

ITEM 16B. CODE OF ETHICS

Our board of directors has adopted a code of ethics that applies to our directors, officers, employees and agents, including certain provisions that specifically apply to our executive chairman, chief financial officer, chief operating officer, chief technology officer, vice presidents and any other persons who perform similar functions for us. We have filed our code of business conduct and ethics as an exhibit to our registration statement on Form F-1 (File No. 333-146785). You can also find our code of business conduct on our investor relations website at <http://ir.agriacorp.com>.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table sets forth the aggregate fees by categories specified below in connection with certain professional services rendered by GHP Horwath during the years ended June 30, 2013 and 2014, in each case an independent registered public accounting firm. The fees paid in each period were in respect of work performed in the audit of the previous period’s our annual report or unaudited six months report respectively. We incurred audit fees (aggregate fees billed for professional services rendered by our principal auditors for the audit of our annual financial statements and the performance of agreed upon procedures on our comparative unaudited interim financial statements) of \$0.5 million for the year ended June 30, 2014 and \$0.5 million for the year ended June 30, 2013. Except as otherwise disclosed, we did not pay any other fees to our auditors during the periods.

In addition, PGW paid fees to KPMG in the year ended June 30, 2014 for the audit of PGW’s financial statements (including its subsidiaries and associates) of approximately \$0.5 million and for other non-audit services for accounting opinions of approximately \$0.01 million. This was for the purposes of PGW satisfying their New Zealand reporting obligations.

The policy of our audit committee is to pre-approve all audit and non-audit services provided by independent registered public accounting firms, including audit services, audit-related services, tax services and other services as described above, other than those for *de minimis* services which are approved by the Audit Committee prior to the completion of the audit.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

None.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

In March 2013, our board of directors approved a share buyback program under which we may spend up to \$10.0 million to repurchase our ordinary shares, either in the form of ordinary shares or ADSs, in the open market or in privately negotiated transactions, by December 31, 2013. As of the date of this annual report, we have not repurchased any shares under this share buyback program.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

None.

ITEM 16G. CORPORATE GOVERNANCE

We intend to follow the applicable corporate governance standards under the New York Stock Exchange Listed Company Manual.

NYSE Listed Company Manual Section 302.00 requires each issuer to hold an annual meeting of shareholders during each fiscal year. However, NYSE Listed Company Manual permits foreign private issuers like us to follow "home country practice" in certain corporate governance matters. Our Cayman Islands counsel has provided a letter to the NYSE certifying that under Cayman Islands law, we are not required to hold annual shareholder meetings every year. We have historically followed home country practice with respect to annual meetings. We did not hold an annual meeting of shareholders in the year ended June 30, 2014, and may only hold annual shareholder meetings if there are significant issues that require shareholders' approvals.

Other than the annual meeting practice described above, there are no significant differences between our corporate governance practices and those followed by U.S. domestic companies under NYSE Listed Company Manual.

PART III

ITEM 17. FINANCIAL STATEMENTS

We have elected to provide financial statements pursuant to Item 18.

ITEM 18. FINANCIAL STATEMENTS

The consolidated financial statements of Agria Corporation are included at the end of this annual report.

ITEM 19. EXHIBITS

Exhibit Number	Description of Document
1.1	Amended and Restated Memorandum and Articles of Association (incorporated by reference to Exhibit 3.2 from our F-1 registration statement (File No. 333-146785), as amended, initially filed with the Commission on October 18, 2007)
2.1	Registrant's Specimen American Depositary Receipt (incorporated by reference to Exhibit A to Exhibit 4.3 from our F-1 registration statement (File No. 333-146785), as amended, initially filed with the Commission on October 18, 2007)
2.2	Registrant's Specimen Certificate for Ordinary Shares (incorporated by reference to Exhibit 4.2 from our F-1 registration statement (File No. 333-146785), as amended, initially filed with the Commission on October 18, 2007)
2.3	Form of Deposit Agreement among the Registrant, the owners and holders of American Depositary Shares and The Bank of New York (incorporated by reference to Exhibit 4.3 from our F-1 registration statement (File No. 333-146785), as amended, initially filed with the Commission on October 18, 2007)
4.1	Subscription Agreement, dated as of October 16, 2009, between PGG Wrightson Limited and Agria Corporation (incorporated by reference to Exhibit 4.20 of our annual report on Form 20-F filed with the Commission on December 29, 2009)
4.2	Subscription Agreement for Convertible Redeemable Notes, dated as of November 18, 2009, between PGG Wrightson Limited and Agria Corporation (incorporated by reference to Exhibit 4.21 of our annual report on Form 20-F filed with the Commission on December 29, 2009)

Exhibit Number	Description of Document
4.3	English Translation of Exclusive Technology Development, Technology Support and Technology Services Agreement, dated as of November 7, 2008, between Agria Brother Biotech (Shenzhen) Co., Ltd. and Shenzhen Guanli Agricultural Technology Co., Ltd. (incorporated by reference to Exhibit 4.22 of our annual report on Form 20-F filed with the Commission on June 29, 2010)
4.4	English Translation of Loan Contract, dated as of October 6, 2008, between Agria Brother Biotech (Shenzhen) Co., Ltd. and Juan Li (incorporated by reference to Exhibit 4.23 of our annual report on Form 20-F filed with the Commission on June 29, 2010)
4.5	English Translation of Equity Pledge Agreement, dated as of November 7, 2008, among Agria Brother Biotech (Shenzhen) Co., Ltd., Juan Li and Shenzhen Guanli Agricultural Technology Co., Ltd. (incorporated by reference to Exhibit 4.24 of our annual report on Form 20-F filed with the Commission on June 29, 2010)
4.6	English Translation of Exclusive Call Option Agreement, dated as of November 7, 2008, among Agria Brother Biotech (Shenzhen) Co., Ltd., Juan Li and Shenzhen Guanli Agricultural Technology Co., Ltd. (incorporated by reference to Exhibit 4.25 of our annual report on Form 20-F filed with the Commission on June 29, 2010)
4.7	English Translation of Letter of Undertaking, dated as of November 7, 2008, from Juan Li (incorporated by reference to Exhibit 4.26 of our annual report on Form 20-F filed with the Commission on June 29, 2010)
4.8	English Translation of Power of Attorney, dated as of November 7, 2008, from Juan Li (incorporated by reference to Exhibit 4.27 of our annual report on Form 20-F filed with the Commission on June 29, 2010)
4.9	English Translation of Statement of Spouse, dated as of November 7, 2008, from Guanglin Lai (incorporated by reference to Exhibit 4.28 of our annual report on Form 20-F filed with the Commission on June 29, 2010)
4.10	English Translation of Loan Contract, dated as of July 22, 2009, between Agria Brother Biotech (Shenzhen) Co., Ltd. and Juan Li (incorporated by reference to Exhibit 4.29 of our annual report on Form 20-F filed with the Commission on June 29, 2010)
4.11	English Translation of Equity Transfer Agreement, dated as of August 12, 2009, among Agria Brother Biotech (Shenzhen) Co., Ltd., Juan Li and Yachao Cui (incorporated by reference to Exhibit 4.43 of our annual report on Form 20-F filed with the Commission on June 29, 2010)
4.12	English Translation of Loan Contract, dated as of May 7, 2013 between Agria Brother Biotech (Shenzhen) Co., Ltd. and Fulin Lai (incorporated by reference to Exhibit 4.12 of our annual report on Form 20-F filed with the Commission on October 18, 2013)
4.13	English Translation of Equity Transfer Agreement dated as of March 13, 2013 between Jie Zhen Chen and Fulin Lai (incorporated by reference to Exhibit 4.13 of our annual report on Form 20-F filed with the Commission on October 18, 2013)
4.14	English Translation of Supplemental Agreement to Loan Contract, dated as of May 7, 2013 among Agria Brother Biotech (Shenzhen) Co., Ltd., Jie Zhen Chen and Fulin Lai (incorporated by reference to Exhibit 4.14 of our annual report on Form 20-F filed with the Commission on October 18, 2013)
4.15	English Translation of Equity Pledge Agreement, dated as of May 7, 2013, among Agria Brother Biotech (Shenzhen) Co., Ltd., Fulin Lai and Shenzhen Zhongguan Agricultural Group Co., Ltd. (incorporated by reference to Exhibit 4.15 of our annual report on Form 20-F filed with the Commission on October 18, 2013)
4.16	English Translation of Exclusive Call Option Agreement dated as of May 7, 2013 among Agria Brother Biotech (Shenzhen) Co., Ltd., Fulin Lai and Shenzhen Zhongguan Agricultural Group Co., Ltd. (incorporated by reference to Exhibit 4.16 of our annual report on Form 20-F filed with the Commission on October 18, 2013)

Exhibit Number	Description of Document
4.17	English Translation of Letter of Undertaking, dated as of May 7, 2013 from Fulin Lai (incorporated by reference to Exhibit 4.17 of our annual report on Form 20-F filed with the Commission on October 18, 2013)
4.18	English Translation of Power of Attorney, dated as of May 7, 2013 from Fulin Lai (incorporated by reference to Exhibit 4.18 of our annual report on Form 20-F filed with the Commission on October 18, 2013)
4.19	English Translation of Statement of Spouse, dated as of May 7, 2013 from Liling Jiang (incorporated by reference to Exhibit 4.19 of our annual report on Form 20-F filed with the Commission on October 18, 2013)
4.20	Subscription Agreement, dated as of April 14, 2011, among Agria Asia Investments Limited, New Hope International (Hong Kong) Limited, Agria Group Limited and Agria Singapore Pte Ltd. (incorporated by reference to Exhibit 99.2 from our form 6-K (File No. 001-33766) filed with the Commission on April 18, 2011)
4.21	Shareholders Agreement, dated as of April 14, 2011, among Agria Asia Investments Limited, Agria Group Limited, New Hope International (Hong Kong) Limited and Agria (Singapore) Pte Ltd. (incorporated by reference to Exhibit 99.3 from our form 6-K (File No. 001-33766) filed with the Commission on April 18, 2011)
4.22	Subscription Agreement, dated as of April 17, 2011, among Agria Asia Investments Limited, New Hope International (Hong Kong) Limited, Agria Group Limited and Agria Singapore Pte Ltd. (incorporated by reference to Exhibit 99.2 from our form 6-K (File No. 001-33766) filed with the Commission on April 18, 2011)
4.23	Shareholders Agreement, dated as of April 17, 2011, among Agria Asia Investments Limited, Agria Group Limited, New Hope International (Hong Kong) Limited, Ngai Tahu Capital Limited and Agria (Singapore) Pte Ltd. (incorporated by reference from Exhibit 99.3 of our form 6-K (File No. 001-33766) filed with the Commission on April 18, 2011)
4.24	Form of Employment Agreement with Senior Executive Officers (incorporated by reference to Exhibit 10.3 from our F-1 registration statement (File No. 333-146785), as amended, initially filed with the Commission on October 18, 2007)
4.25	Shareholders Agreement, dated as of June 28, 2011, among Agria Group Limited, New Hope International (Hong Kong) Limited and Agria Corporation (incorporated by reference to Exhibit 4.55 of our annual report on Form 20-F filed with the Commission on June 28, 2011)
4.26	Charge over Shares in Agria Asia Investments Limited, dated as of June 28, 2011, between Agria Group Limited as Chargor and New Hope International (Hong Kong) Limited as Chargee (incorporated by reference to Exhibit 4.56 of our annual report on Form 20-F filed with the Commission on June 28, 2011)
4.27	Deed of Guarantee, dated as of June 28, 2011, between Guanglin Lai as Guarantor and New Hope International (Hong Kong) Limited as Beneficiary (incorporated by reference to Exhibit 4.57 of our annual report on Form 20-F filed with the Commission on June 28, 2011)
4.28	Deed of Indemnification, dated as of June 28, 2011, between Agria Corporation and Guanglin Lai (incorporated by reference to Exhibit 4.58 of our annual report on Form 20-F filed with the Commission on June 28, 2011)
4.29*	English Translation of Loan Contract, dated as of March 13, 2013 between Agria Brother Biotech (Shenzhen) Co., Ltd. and Fulin Lai
4.30*	English Translation of Equity Transfer Agreement dated as of March 13, 2013 between Jie Zhen Chen and Fulin Lai
4.31*	English Translation of Supplemental Agreement to Loan Contract, dated as of March 13, 2013 among Agria Brother Biotech (Shenzhen) Co., Ltd., Jie Zhen Chen and Fulin Lai

Exhibit Number	Description of Document
4.32*	English Translation of Equity Pledge Agreement, dated as of March 13, 2013, among Agria Brother Biotech (Shenzhen) Co., Ltd., Fulin Lai and Shenzhen PGW Seeds Co., Ltd.
4.33*	English Translation of Exclusive Call Option Agreement dated as of March 13, 2013 among Agria Brother Biotech (Shenzhen) Co., Ltd., Fulin Lai and Shenzhen PGW Seeds Co., Ltd.
4.34*	English Translation of Letter of Undertaking, dated as of March 13, 2013 from Fulin Lai
4.35*	English Translation of Power of Attorney, dated as of March 13, 2013 from Fulin Lai
4.36*	English Translation of Statement of Spouse, dated as of March 13, 2013 from Liling Jiang
8.1*	Subsidiaries of the Registrant
11.1	Code of Business Conduct and Ethics of the Registrant (incorporated by reference to Exhibit 99.1 from our F-1 registration statement (File No. 333-146785), as amended, initially filed with the Commission on October 18, 2007) (incorporated by reference to Exhibit 11.1 of our annual report on Form 20-F filed with the Commission on June 29, 2010)
12.1*	Executive Chairman Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
12.2*	CFO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
13.1*	Executive Chairman Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
13.2*	CFO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
15.1*	Consent of GHP Horwath, P.C.

* Filed with this annual report on Form 20-F.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

AGRIA CORPORATION

By: /s/ Guanglin Lai

Name: Guanglin Lai

Title: Executive Chairman of the Board of Directors

Date: October 23, 2014

Agria Corporation

Audited Consolidated Financial Statements

June 30, 2014

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Shareholders
Agria Corporation

We have audited the accompanying consolidated statements of financial position of Agria Corporation and subsidiaries (the “Company”) as of June 30, 2014, June 30, 2013 and July 1, 2012 and the related consolidated statements of profit or loss, comprehensive income, cash flows and changes in equity for the years ended June 30, 2014 and 2013. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of June 30, 2014, June 30, 2013 and July 1, 2012, and the results of its operations and cash flows for the years ended June 30, 2014 and 2013, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

As discussed in notes 2 and 3, the Company adopted International Financial Reporting Standards as issued by the International Accounting Standards Board, and changed its reporting currency to the U.S. dollar, during the year ended June 30, 2014. Our opinion is not modified with respect to these matters.

/s/ GHP Horwath, P.C.

GHP HORWATH, P.C.
Denver, Colorado
October 23, 2014

AGRIA CORPORATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As of July1, 2012, June 30, 2013 and June 30, 2014

	Note	As at June30,		As at July1,
		2014	2013	2012
		(US\$'000)	(US\$'000)	(US\$'000)
ASSETS				
Current assets:				
Cash and cash equivalents	17	13,958	43,342	26,070
Restricted cash	17	-	37,457	63,038
Accounts receivable	18	193,146	165,610	153,495
Inventories	19	212,183	195,451	192,778
Biological assets	20	5,424	3,272	16,348
Prepayments and other current assets	18	23,754	20,722	21,260
Finance receivables	21	3,116	8,871	23,154
Tax receivable		-	3,163	4,090
Short-term derivative assets	22	2,236	512	2,336
Assets held for sale	23	1,022	619	4,394
Amounts due from related parties	37	-	-	2,210
Total current assets		454,839	479,019	509,173
Non-current assets:				
Property, plant and equipment, net	25	104,603	71,246	70,536
Investments in equity accounted investees	11	1,194	4,665	10,009
Other investments	26	9,316	17,136	16,848
Intangible assets	27	7,348	7,077	58,787
Goodwill	28	3,278	3,264	141,189
Long-term derivative assets	22	323	3	395
Biological assets	20	128	113	164
Non-current prepayments	29	414	224	6,350
Deferred tax asset	15	9,658	7,283	11,544
Non-current prepayment to non-controlling interest	37	11,939	500	-
Total non-current assets		148,201	111,511	315,822
Total assets		603,040	590,530	824,995
LIABILITIES AND EQUITY				
Current liabilities:				
Short-term bank borrowings and current portion of long-term bank borrowings	17	38,864	93,043	93,703
Income tax payable		2,688	-	-
Accounts payable	30	131,817	117,247	133,600
Accrued expenses and other liabilities	30	89,333	74,957	54,403
Short-term derivative liabilities	22	776	1,895	1,156
Amounts due to related parties	37	2,241	2,058	715
Total current liabilities		265,719	289,200	283,577
Non-current liabilities:				
Long-term bank borrowing, net of current portion	17	79,142	76,724	108,058
Long-term derivative liabilities	22	4	481	232
Defined benefit liability	31	11,837	16,092	20,791
Other long-term liabilities	30	30,526	29,124	26,113
Total non-current liabilities		121,509	122,421	155,194
Total liabilities		387,228	411,621	438,771
Commitments and contingencies	35,36			
Equity:				
Agria Corporation shareholders' equity:				
Share capital	32	-	-	-
Share premium	32	160,971	160,971	160,971
Statutory reserves	33	503	204	129
Share-based payment reserve	34	16,965	16,869	16,732
Other reserves	33	96,389	96,643	94,035
Foreign currency translation reserve		(4,257)	(9,288)	-
Retained earnings		(195,285)	(202,052)	(64,787)
Total equity attributable to equity holders of the Company		75,286	63,347	207,080
Non-controlling interests		140,526	115,562	179,144
Total equity		215,812	178,909	386,224

Total liabilities and equity	<u>603,040</u>	<u>590,530</u>	<u>824,995</u>
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The accompanying notes are an integral part of the consolidated financial statements.

AGRIA CORPORATION
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the years ended June 30, 2013 and June 30, 2014

		For the years ended June 30,	
	Note	2014	2013
		(US\$'000)	(US\$'000)
Revenue	7	1,023,571	940,194
Cost of sales	8	(764,995)	(700,377)
Gross profit		258,576	239,817
Other income	9	237	1,032
Employee benefits expense		(126,086)	(117,873)
Research and development		(4,411)	(3,887)
Depreciation and amortization		(9,929)	(7,982)
Other operating expenses	10	(83,735)	(89,730)
Operating profit		34,652	21,377
Equity accounted earnings/(loss) of associates	11	2,094	(112)
Impairment loss on goodwill	28	-	(140,837)
Provision for impairment loss on land use rights and non-current prepayments	27,29	-	(56,968)
Non-operating items	12	4,750	(4,418)
Fair value adjustments	13	1,089	(1,531)
Profit before interest and tax		42,585	(182,489)
Net interest and finance costs	14	(9,285)	(12,385)
Interest income		1,591	2,213
Interest expense		(11,161)	(16,178)
Derivatives not in qualifying hedge relationships		2,680	(2,665)
Exchange gain/(loss)		(2,395)	4,245
Profit/(loss) before tax		33,300	(194,874)
Income tax	15	(7,153)	(4,520)
Profit/(loss) for the year		26,147	(199,394)
Attributable to:			
Equity holders of the Company		5,896	(137,166)
Non-controlling interest		20,251	(62,228)
		<u>26,147</u>	<u>(199,394)</u>
Earnings/(loss) per ordinary share:	16	US\$	US\$
Basic		0.05	(1.24)
Diluted		0.05	(1.24)
No. of ordinary shares outstanding	32	<u>110,766,600</u>	<u>110,766,600</u>

The accompanying notes are an integral part of the consolidated financial statements.

AGRIA CORPORATION
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the years ended June 30, 2013 and June 30, 2014

	For the years ended June 30,	
	2014	2013
	(US\$'000)	(US\$'000)
Profit/(loss) for the year	26,147	(199,394)
Other comprehensive income, net of tax		
Items that will not be reclassified to profit or loss		
Changes in fair value of equity instruments	(700)	4,453
Re-measurements of defined benefit liability	4,250	5,114
Deferred tax on re-measurements of defined benefit liability	(1,190)	(1,432)
	<u>2,360</u>	<u>8,135</u>
Items that are or may be reclassified to profit or loss		
Foreign currency translation differences for foreign operations	19,180	(6,439)
Effective portion of changes in fair value of cash flow hedges	539	(579)
Income tax on changes in fair value of cash flow hedges	(223)	-
	<u>19,496</u>	<u>(7,018)</u>
Total comprehensive income	<u>48,003</u>	<u>(198,277)</u>
Total comprehensive income/(loss) attributable to:		
Equity holders of the Company	12,013	(143,635)
Non-controlling interests	<u>35,990</u>	<u>(54,642)</u>
Total comprehensive income/(loss) for the year	<u>48,003</u>	<u>(198,277)</u>

The accompanying notes are an integral part of the consolidated financial statements.

AGRIA CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS
For the years ended June 30, 2013 and June 30, 2014

	For the years ended June 30,	
	2014	2013
	(US\$'000)	(US\$'000)
Cash flows from operating activities:		
Profit/(loss) before tax	33,300	(194,874)
<i>Adjustments for:</i>		
Exchange gain	(6,081)	(3,252)
Interest expense	11,161	16,178
Equity accounted (earnings)/loss of associates	(2,094)	112
Decrease in deferred taxation	1,191	1,523
Share-based payment expenses	96	137
Provision for impairment loss of land use right and non-current prepayments	-	56,968
Goodwill impairment loss	-	140,837
(Gain)/loss on disposal of assets and investment	(4,839)	1,571
Depreciation and amortization expense	11,162	9,200
Allowance/(reversal) for doubtful accounts	(119)	1,647
Contractual obligations accrual	(133)	(120)
Other non-cash items	(2,995)	5,739
Fair value (gain)/loss	(1,089)	4,195
<i>Changes in working capital:</i>		
Accounts receivable	(12,947)	(14,645)
Inventories	6,135	5,583
Movement in working capital due to sale of business	4,893	(1,546)
Prepayments and other current assets	(1,867)	(334)
Tax receivable and payable	(31)	(49)
Accounts payable	12,418	(3,011)
Accrued expenses and other liabilities	(3,013)	1,255
Amounts due to related parties	-	1,690
Derivative assets and liabilities	(2,872)	2,673
	42,276	31,477
Interest paid	(7,009)	(11,267)
Income tax paid	(3,248)	(83)
Net cash provided by operating activities	32,019	20,127
Cash flows from investing activities:		
Net cash paid for purchase of investments	(5,957)	(6,464)
Net decrease in finance receivables	6,577	9,272
Acquisition of property, plant and equipment and other assets	(32,558)	(7,111)
Acquisition of intangible assets	(4,452)	(1,150)
Proceeds from sales of investments	17,535	8,726
Proceeds from disposal of property, plant and equipment and other assets	1,588	1,351
Net cash (used in)/provided by investing activities	(17,267)	4,624
Cash flows from financing activities:		
Increase in external borrowings	10,431	84,034
Extension/(repayment) of external borrowings	(73,615)	(111,399)
Cash released from pledged deposits	37,262	24,488
(Prepayment)/repayment to/(from) related parties	(9,940)	(247)
Dividends paid to non-controlling interests	(10,409)	(7,536)
Net cash used in financing activities	(46,271)	(10,660)
Effect of exchange rate changes on cash and cash equivalents	2,135	3,181
Net increase/(decrease) in cash and cash equivalents	(29,384)	17,272
Cash and cash equivalents at the beginning of year	43,342	26,070
Cash and cash equivalents at the end of year	13,958	43,342

The accompanying notes are an integral part of the consolidated financial statements.

AGRIA CORPORATION
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the years ended June 30, 2013 and June 30, 2014

	Number of Ordinary Shares	Attributable to equity holders of the Company							Non- controlling Interests (US\$'000)	Total Equity (US\$'000)
		Shares Capital (US\$'000)	Share Premium (US\$'000)	Statutory Reserves (US\$'000)	Share- based Payment Reserve (US\$'000)	Foreign Currency Translation Reserves (US\$'000)	Other Reserves (US\$'000)	Retained Earnings/ (deficit) (US\$'000)		
Balance July 1, 2012	110,776,600	-	160,971	129	16,732	-	94,035	(64,787)	207,080	386,224
Loss for the year	-	-	-	-	-	-	-	(137,166)	(137,166)	(199,394)
Other comprehensive Income:										
Foreign currency translation differences	-	-	-	-	-	(9,288)	(223)	(24)	(9,535)	(6,439)
Change in fair value of equity instruments	-	-	-	-	-	-	1,807	-	1,807	4,453
Effective portion of loss on cash flow hedges	-	-	-	-	-	-	(235)	-	(235)	(579)
Defined benefit plan actuarial gains and losses	-	-	-	-	-	-	1,494	-	1,494	3,682
Total other comprehensive income	-	-	-	-	-	(9,288)	2,843	(24)	(6,469)	1,117
Total comprehensive income	-	-	-	-	-	(9,288)	2,843	(137,190)	(143,635)	(198,277)
Transactions with owners										
Provision for statutory reserve	-	-	-	75	-	-	-	(75)	-	-
Buyout of non-controlling interests	-	-	-	-	-	-	(235)	-	(235)	(1,742)
Share-based payment	-	-	-	-	137	-	-	-	137	137
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	(7,433)
Total transaction with owners	-	-	-	75	137	-	(235)	(75)	(98)	(9,038)
Balance June 30, 2013	110,776,600	-	160,971	204	16,869	(9,288)	96,643	(202,052)	63,347	178,909
Balance July 1, 2013	110,776,600	-	160,971	204	16,869	(9,288)	96,643	(202,052)	63,347	178,909
Profit for the year	-	-	-	-	-	-	-	5,896	5,896	26,147
Other comprehensive Income:										
Foreign currency translation differences	-	-	-	-	-	5,031	-	-	5,031	19,180
Effective portion of changes in fair value of equity instruments, net of tax	-	-	-	-	-	-	(284)	-	(284)	(700)
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	-	128	-	128	316
Reclassification upon sale of other investments	-	-	-	-	-	-	(1,170)	1,170	-	-
Re-measurements of defined benefit liability, net of tax	-	-	-	-	-	-	1,242	-	1,242	3,060
Total other comprehensive income	-	-	-	-	-	5,031	(84)	1,170	6,117	21,856
Total comprehensive income	-	-	-	-	-	5,031	(84)	7,066	12,013	48,003
Transactions with owners										
Provision for statutory reserve	-	-	-	299	-	-	-	(299)	-	-
Sale to non-controlling interest	-	-	-	-	-	-	20	-	20	50
Buy out of non-controlling interest	-	-	-	-	-	-	(190)	-	(190)	(837)
Share-based payment	-	-	-	-	96	-	-	-	96	96
Dividend to non-controlling interest	-	-	-	-	-	-	-	-	-	(10,409)
Total transaction with owners	-	-	-	299	96	-	(170)	(299)	(74)	(11,100)
Balance June 30, 2014	110,776,600	-	160,971	503	16,965	(4,257)	96,389	(195,285)	75,286	215,812

The accompanying notes are an integral part of the consolidated financial statements.

AGRIA CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended June 30, 2013 and June 30, 2014

1. Corporation Information

Agria Corporation (the "Company" or "Agria") is an international agricultural company with operations in New Zealand, Australia, South America and China through its subsidiaries and consolidated structured entities (also known as variable interest entities (VIEs) previously) (collectively the "Group").

The Group has three principal business segments: Seed & Grain; Crop Protection, Nutrients & Merchandise; and Rural Services. The Seed and Grain segment is engaged in research and development, production and sale of a broad range of seed products and trading of seed and grain products globally. The Crop Protection, Nutrients and Merchandise segment operates an extensive chain of retail stores that supply farm input materials. The Rural services segment provides livestock trading, wool trading, irrigation and pumping, real estate agency and other agriservices.

The Company was incorporated in Cayman Islands. The Company's registered office address is at P.O. Box 309 GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands.

These financial statements were authorized for issue by the Board of Directors on October 23, 2014.

Consolidated structured entities

Shenzhen Zhongguan Agriculture Group Co., Ltd. ("Zhongguan") (formerly known as Shenzhen Guanli Agricultural Technology Co., Ltd.) was set up using contractual agreements such that Agria Brother Biotech (Shenzhen) Co., Ltd. ("Agria Brother") effectively controlled Zhongguan. As of June 30, 2014, the 100% equity interest in Zhongguan was legally held by two People's Republic of China ("PRC") citizens (defined as "Registered Shareholders").

Shenzhen NKY Seeds Co., Ltd. ("Shenzhen NKY") (formerly known as Shenzhen Agria Agricultural Co., Ltd.) was set up with 51% equity interest legally held by Zhongguan and 49% equity interest legally held by a PRC citizen (defined as "Registered Shareholder").

Shenzhen PGW Seeds Co., Ltd. ("Shenzhen PGW Seeds") (formerly known as Shenzhen Zhongyuan Agriculture Co., Ltd.) was set up with its 100% equity interest legally held by two PRC citizens (defined as "Registered Shareholders"). Agria Brother has entered into the contractual agreements with the Registered Shareholder(s) of Shenzhen NKY and Shenzhen PGW Seeds, respectively. Agria Brother has a legal obligation to provide funding of all losses incurred by Zhongguan, Shenzhen NKY and Shenzhen PGW Seeds.

Under a series of contractual arrangements (collectively, "Structure Contracts") entered into among Agria Brother, Zhongguan, Shenzhen NKY, Shenzhen PGW Seeds and the relevant Registered Shareholder(s), Agria Brother is able to effectively control and receive substantially all the economic benefits of the business and operations of Zhongguan, Shenzhen NKY, Shenzhen PGW Seeds to the extent permissible under the PRC law. As a result, Zhongguan, Shenzhen NKY and Shenzhen PGW Seeds are accounted for as consolidated structured entities (see also note 2(a) and note 38 list of principal subsidiaries). All these consolidated structured entities' financial statements have been consolidated into the Group.

2. Summary of Significant Accounting Policies

Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These are the Group's first consolidated financial statements prepared in accordance with IFRSs and IFRS 1, First Time Adoption of International Financial Reporting Standards, has been applied.

The Group has adopted all issued IFRS standards and the adoption was carried out in accordance with IFRS 1. For all periods up to and including the year ended June 30, 2013, the Group prepared its consolidated financial statements in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") or "Previous GAAP", as defined in IFRS 1. Until the adoption of IFRS, the Group's financial statements that were included in its reports filed with or furnished to the U.S. Securities and Exchange Commission were prepared in accordance with U.S. GAAP.

An explanation of how the transition to IFRS has affected the Group's financial position, financial performance and cash flow is detailed in note 3.

The consolidated financial statements have been prepared under the historical cost convention except for the following:

- derivative financial instruments are measured at fair value

- financial instruments at fair value through profit or loss are measured at fair value
- investments are measured at fair value
- biological assets are measured at fair value less point-of-sale costs
- assets classified as held for sale are measured at the lower of their carrying amount and fair value less cost to sell.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5. Actual results could differ from those estimates and such differences could affect the results of operations reported in future periods.

The following new and revised standards, and amendments to existing standards are mandatory for the Group's financial year beginning July 1, 2013. Other than as further explained in paragraph (p) below regarding the impact of IAS 19, Employee benefits (2011), the adoption of these new and revised standards, and amendments to existing standards does not have any significant impact to the results and financial position of the Group.

Amendments to IFRSs	Annual improvements to IFRSs 2009-2011 Cycle
IAS 19 (as revised in 2011)	Employee benefits
IAS 27 (as revised in 2011)	Separate financial statements
IAS 28 (as revised in 2011)	Investments in associates and joint ventures
Amendments to IFRS 7	Disclosures – offsetting financial assets and financial liabilities
Amendments to IFRS 10, IFRS 11 and IFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: transition guidance
IFRS 10	Consolidated financial statements
IFRS 11	Joint arrangements
IFRS 12	Disclosure of interests in other entities
IFRS 13	Fair value measurement

The following new standards, amendments to existing standards and interpretation have been issued but are not effective for the financial year beginning July 1, 2013 and have not been early adopted by the Group. The Group has commenced an assessment of the impact of these new standards, amendments to existing standards and interpretation but is not yet in a position to state whether they would have a significant impact on its results of operations and financial position.

Amendments to IFRSs	Annual improvements to IFRSs 2010-2012 Cycle ³
Amendments to IFRSs	Annual improvements to IFRSs 2011-2013 Cycle ²
Amendments to IAS 16 and IAS 38	Clarification of acceptable methods of depreciation and amortization ⁴
Amendments to IAS 19	Defined benefit plans: employee contributions ²
Amendments to IAS 32	Offsetting financial assets and financial liabilities ¹
Amendments to IAS 36	Recoverable amount disclosures for non-financial assets ¹
Amendments to IFRS 7	Disclosures – offsetting financial assets and financial liabilities ¹
Amendments to IFRS 10, IFRS 12 and IAS 27	Investment entities ¹
Amendments to IFRS 11	Accounting for acquisition of interests in joint operations ⁴
IFRS 15	Revenue from contracts with customers ⁵
IFRIC-Int 21	Levies ¹

¹ Effective for annual periods beginning on or after January 1, 2014

² Effective for annual periods beginning on or after July 1, 2014

³ Effective for annual periods beginning on or after July 1, 2014, with limited exceptions

⁴ Effective for annual periods beginning on or after January 1, 2016

⁵ Effective for annual periods beginning on or after January 1, 2017

Change in presentation currency

For the fiscal year ended June 30, 2014, the Group changed the presentation currency of the consolidated financial statements from Renminbi ("RMB") to the U.S. dollar. The Company believes that the U.S. dollar is more appropriate than RMB for presenting its performance and financial position, due to the global nature of its operations, the worldwide recognition of the U.S. dollar, and the greater ease in making direct comparisons with industry peers and other US-listed companies. The Group has evolved from a China-based company into a group with global reach. The Group has presence in various countries including New Zealand, Australia, Uruguay, Brazil and Argentina, as well as exposure to customers in 47 countries across every continent through its international trading and seed multiplication businesses. As a change in presentation currency is a change of accounting policy, all comparative financial information has been restated into U.S. dollars.

In making this change in presentation currency, the Company followed the recommendations set out in IAS 21, The Effects of Change in Foreign Exchange Rates. In accordance with IAS 21, the financial statements for all years and periods presented have been translated into the new presentation currency using the current rate method. Under this method, the statement of loss and cash flow statement items for each year and period have been translated into the presentation currency using the average exchange rates prevailing during each reporting period. All assets and liabilities have been translated using the exchange rate prevailing at the balance sheets dates. Shareholders' equity transactions have been translated using the rates of exchange in effect as of the dates of the various capital transactions, while shareholders' equity balances from the translation are included as a separate component of other comprehensive income. All resulting exchange differences arising from the translation are included as a separate component of other comprehensive income. All comparative financial information has been restated to reflect the Company's results as if they had been historically reported in U.S. dollars and the effect on the consolidated financial statements resulted in an accumulated other comprehensive income adjustment of \$31.8 million and \$35.1 million as at July 1, 2012 and June 30, 2013 respectively (i.e. the difference between previously reported RMB converted into U.S. dollars using respective rate at balance sheet date and restated in U.S. dollars using the current rate method)

(a) Basis of Consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities or VIEs) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. In assessing control, potential voting rights that presently are exercisable are taken into account. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Business Combination

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interests recognized and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in the profit or loss.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions – that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost. The Group's investment in associates includes goodwill identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition other comprehensive income is recognized in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivables from associates are recognized as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealized losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred.

Transactions Eliminated on Consolidation

Intra-group balances, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

The consolidated financial statements include the financial statements of the Company, its subsidiaries and structured entities for which the Company is the primary beneficiary. All significant intercompany transactions and balances between the Company, its subsidiaries and its structured entities are eliminated upon consolidation.

(b) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers, who are responsible for allocating resources and assessing performance of the operating segments and making strategic decisions. The chief operating decision-makers include the board of directors and senior management team at corporate level.

(c) Foreign Currency

Foreign Currency Transactions

Transactions in foreign currencies are translated to the respective functional currencies of the group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that fair value was determined. Foreign currency differences arising on retranslation are recognized in profit or loss.

Foreign Operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to New Zealand dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated to New Zealand dollars at exchange rates at the date of the transactions.

Foreign currency differences are recognized in other comprehensive income and the Foreign Currency Translation Reserve ("FCTR"). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss.

The functional currency of the Company, Agria Group Ltd., China Victory, Agria Hong Kong, Agria International, Agria Overseas, Agria Asia Investments and Agria Singapore is the U. S. dollar. The functional currency of Agria New Zealand and PGW is the New Zealand dollar. The functional currency of Agria China, Agria Brother and the consolidated structured entities is the RMB. The presentation currency of the Company is U.S. dollar.

(d) Income Recognition

Recognition of Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

Sales Revenue

Sales revenue comprises the sale value of transactions where the Group acts as a principal and the commission for transactions where the Group acts as an agent.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Irrigation Contracts

The revenue on work-in-progress is recognized when it can be estimated reliably. The percentage of completion method is used to determine the appropriate amount to recognize in each year. The full amount of any anticipated loss, including that relating to work on the contract, is recognized as soon as it is foreseen.

Investment Income

Investment income is recognized when earned. Dividends are recognized when received, or accrued when declared and approved for distribution prior to balance date.

Interest and Similar Income and Expense

For all financial instruments measured at amortized cost, interest income or expense is recorded at the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses.

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognized using the original effective interest rate applied to the new carrying amount.

The Group recognizes interest revenue, management fees, and establishment fees on an accruals basis when the services are rendered using the effective interest rate method.

Fee and Commission Income

Fees arising from negotiating or participating in the negotiation of a transaction for a third party are recognized on completion of the underlying transactions. Fees or components of the fees that are linked to certain performance are recognized after fulfilling the corresponding criteria.

(e) Income Tax

Income tax expense comprises current and deferred taxation and is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized directly in other comprehensive income or equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable with respect to previous periods.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- the initial recognition of goodwill
- differences relating to subsidiaries, associates and jointly controlled entities to the extent that they will probably not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantially enacted at the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be recognized.

(f) Earnings per Share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to shareholders by the weighted average number of shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to shareholders and the number of shares outstanding to include the effects of all potential dilutive shares.

(g) Financial Instruments

(i) Non-derivative Financial Assets

Non-derivative financial assets comprise investments in equity and debt securities, finance receivables, trade and other receivables, cash and cash equivalents and intercompany advances. The Group adopted IFRS 9 (2009) Financial Instruments from the transition date of first-time adoption of IFRS. IFRS 9 (2009) requires that an entity classifies its financial assets at either amortized cost or fair value depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Group initially recognizes financial assets on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

Financial assets are initially measured at fair value. If the financial asset is not subsequently measured at fair value through profit and loss, the initial investment includes transaction costs that are directly attributable to the asset's acquisition or origination. The Group subsequently measures financial assets at either fair value or amortized cost.

Financial assets measured at amortized cost

A financial asset is subsequently measured at amortized cost using the effective interest method and net of any impairment loss, if:

- the asset is held within a business model with an objective to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest.

The Group's policy on impairment is the same as that applied to its consolidated financial statements as at and for the year ended June 30, 2013 for loans and receivables.

Financial assets measured at fair value

Financial assets other than those classified as financial assets measured at amortized cost are subsequently measured at fair value with all changes recognized in profit or loss.

However, for investments in equity instruments that are not held for trading, the Group may elect at initial recognition to present gains and losses through other comprehensive income. For instruments measured at fair value through other comprehensive income gains and losses are never reclassified to profit and loss and no impairments are recognized in profit and loss. Dividends earned from such investments are recognized in profit and loss unless the dividends clearly represent a repayment of part of the cost of investment.

Investments in equity securities of subsidiaries, associates and joint ventures are measured at cost in the separate financial statements of the Company.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents.

Trade and Other Receivables

Trade and other receivables are stated at their amortized cost less impairment losses.

(ii) Non-derivative Financial Liabilities

Interest-bearing Borrowings

Interest-bearing borrowings are classified as other financial liabilities and are initially recognized at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest rate method.

Trade and Other Payables

Trade and other payables are stated at cost.

(iii) Derivative Financial Instruments

The Group uses derivative financial instruments to manage its exposure to interest rate and foreign currency risks arising from operational, financing and investment activities. In accordance with Treasury policy, the Group does not hold or issue derivative instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognized initially at fair value and transaction costs are expensed immediately. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on re-measurement to fair value is recognized immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the hedging relationship (see below).

Cash Flow Hedges

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in equity remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognized in equity is transferred to the carrying amount of the asset when it is recognized. In other cases the amount recognized in equity is transferred to profit or loss in the same period that the hedged item affects profit or loss.

(h) Impairment

The carrying value of the Group's assets is reviewed at each reporting date to determine whether there is any objective evidence of impairment. An impairment loss is recognized whenever the carrying amount exceeds its recoverable amount. Impairment losses directly reduce the carrying value of assets and are recognized in profit or loss unless the asset is carried at a revalued amount in accordance with another standard.

Impairment of Equity Instruments

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of assets is impaired. In the case of equity instruments that are not held for trading, the Group may elect to present gains and losses through other comprehensive income. If no election is made fair value gains and losses are recognized in profit or loss.

Impairment of Trade Receivables

Trade receivables are considered past due when they have been operated outside of the normal key trade terms. When forming a view management considers the counterparty's ability to pay, the level of security and the risk of loss.

Accounts receivables include accrued interest. Specific provisions are maintained to cover identified doubtful debts.

Impairment of Finance Receivables

Finance receivables are considered past due when they have been operated by the counterparty out of key terms, the facility has expired, and in managements view there is no possibility of the counterparty operating the facility within key terms. When forming a view management considers the counterparty's ability to pay, the level of security and the risk of loss.

Finance receivables include accrued interest and are stated at estimated net realizable value after allowing for a provision for doubtful debts. Specific provisions are maintained to cover identified doubtful debts.

The recoverable amount of the Group's investments in held-to-maturity debt instruments and receivables carried at amortized cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with short duration are not discounted.

Impairment losses on an individual basis are determined by an evaluation of the exposures on an instrument by instrument basis. All individual instruments that are considered significant are subject to this approach.

All known losses are expensed in the period in which it becomes apparent that the receivables are not collectable.

Non-financial Assets (including goodwill)

The carrying amounts of the Group's non-financial assets, other than biological assets, inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the recoverable amount of the asset is estimated. For goodwill and intangible assets that have indefinite lives, the recoverable amount is estimated at each reporting date.

An impairment loss is recognized if the carrying amount of an asset or the cash-generating unit to which it relates, exceeds the recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognized in profit or loss. Impairment losses recognized with respect to cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units, then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or unit.

In determining the fair value using value in use, regard is given to external market evidence.

An impairment loss with respect to goodwill is not reversed. With respect to other assets losses recognized in prior periods are assessed at each reporting date for any indications that the loss may have decreased or no longer exist. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is only reversed to the extent that the carrying value of the asset does not exceed the carrying value that the asset would have had, net of depreciation or amortization, if no impairment loss had been recognized.

(i) Determination of Fair Values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made is disclosed in the notes specific to that asset or liability.

Property, Plant and Equipment

The fair value of property, plant and equipment recognized as a result of a business combination is based on market values. The market value of property is the estimated amount for which the property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of items of plant, equipment, fixtures and fittings is based on the quoted market prices for similar items.

Intangible Assets

The fair value of intangible assets acquired in a business combination is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

Biological Assets

The fair value of biological assets is based on the market price of similar assets at the reporting date. The market price of biological assets intended for export is determined by recent transactions in the market place. The fair value of biological assets intended for domestic processing is determined by applying the market price of stock weight offered by meat processors to the stock weight at the reporting date less any point of sale costs including transportation.

Stock counts of livestock quantities are performed by the Group at each reporting date.

Investments in Equity

The fair value of financial assets at fair value through profit or loss and available-for-sale financial assets is determined by reference to the market price, unless other objective reliable evidence suggests a different value. Other investments where no active market exists are held at historical cost.

Trade and Other Receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Derivatives

The fair value of forward exchange contracts is based on broker quotes, if available. If broker quotes are not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price at the reporting date for the residual maturity of the contract using a risk-free interest rate based on government bonds.

The fair value of interest rate swaps is based on broker quotes. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract using market interest rates for a similar instrument at the reporting date.

Non-derivative Financial Instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market rate of interest is determined by reference to similar lease agreements.

(j) Biological Assets

Biological assets are measured at fair value less point-of-sale costs, with any change therein recognized in profit or loss. Point-of-sale costs include all costs that would be necessary to sell the assets including transportation costs.

(k) Inventories

Finished Goods

Raw materials and finished goods are stated at the lower of cost or net realizable value. Cost is determined on a first in, first out basis, and, in the case of manufactured goods, includes direct materials, labor and production overheads.

Wholesale Seeds

Wholesale seeds inventory is stated at the lower of cost or net realizable value and comprises costs of purchase and other direct costs incurred to bring the inventory to its present location and condition.

(l) Assets held for sale

Assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

(m) Intangible Assets

Computer Software

Computer software is a finite life intangible and is recorded at cost less accumulated amortization and impairment. Amortization is charged on a straight line basis over an estimated useful life between 3 and 10 years. The estimated useful life and amortization method is reviewed at the end of each annual reporting period.

Goodwill

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Goodwill is measured at cost less accumulated impairment losses. Impairment loss with respect to goodwill is not reversed. With respect to equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment.

Research and Development

The principal research and development activities are in the development of systems, processes and new seed cultivars.

Research expenditure on the development of new systems and processes is recognized in profit or loss as incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalized includes the cost of materials, direct labor and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognized in profit or loss when incurred.

Capitalized development expenditure is measured at cost less accumulated amortization and accumulated impairment losses.

Research and development expenditure on the development of new seed cultivars is recognized in profit or loss as incurred. Development costs of seed cultivars are substantially in distinguishable from the cultivar research costs.

Land Use Rights

Prepaid land use rights are recorded at the amount paid less accumulated amortization and impairment losses. Amortization is provided on a straight-line basis over the term of the agreements of 19 years.

Acquired Technologies

Acquired technologies, which consist primarily of purchased technology know-how related to the production of corn seeds, are stated at cost less accumulated amortization. Amortization is calculated on a straight-line basis over the estimated useful lives of 5 to 15 years.

(n) Property, Plant and Equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of day-to-day servicing of property, plant and equipment is recognized in profit or loss as incurred.

Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. All other borrowing costs are expensed as they are incurred.

Depreciation

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each item of property, buildings, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives for the current and comparative periods are between 3 and 40 years for plant and equipment and 50 years for buildings. Depreciation methods, useful lives and residual values are reassessed at reporting date.

(o) Leasing Commitments

Leases in terms of which the Group assumes substantially all of the risks and rewards of ownership are classed as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value or the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognized on the statement of financial position. Amounts payable under operating lease arrangements are recognized in profit or loss.

(p) Employee Benefits

Defined Benefit Pension Plan

The Group's net obligation with respect to defined benefit pension plans is calculated by estimating the future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and any unrecognized past service costs and the fair value of any plan assets is deducted. The discount rate is the yield at the reporting date on bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognized asset is limited to the lower of the net assets of the plan or the current value of the contributions holiday that is expected to be generated. Actuarial gains and losses are recognized directly in other comprehensive income and the defined benefit plan reserve in equity.

The IFRS Interpretations Committee has provided clarification with regards to IAS 19 as to whether the discount rate used to calculate a defined benefit liability should be a pre-tax or post-tax rate. The Committee observed that a pre-tax discount rate should be applied. Historically, the Group's actuarial calculations used a post-tax discount rate. In calculating the Group's defined benefit liability as at June 30, 2014 a pre-tax rate has been used. No changes have been made to the comparative periods.

Short-term Employee Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and expensed as the related service is provided. A provision is recognized for the amount of outstanding short term benefits at each reporting date.

Provisions made with respect to employee benefits which are not expected to be settled within twelve months are measured as the present value of the estimated future cash outflows to be made by the Group with respect to services provided by employees up to reporting date.

Share-based Payment

The Group operates equity-settled, share-based compensation plan, under which the entity receives services from employees as considerations for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted, excluding the impact of any service and non-market performance vesting conditions. Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non market performance and service conditions. It recognizes the impact of the revision of original estimates, if any, in the income statement with a corresponding adjustment to equity.

When the options are exercised, the company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

(q) Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

(r) Share Capital

Ordinary Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity.

Repurchase of Share Capital

When share capital recognized as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognized as a deduction from equity. Repurchased shares are cancelled. Treasury stock for which unrestricted ownership has not yet been transferred is not cancelled.

3. Transition to IFRS

These are the Group's first consolidated financial statements prepared in accordance with IFRSs.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended June 30, 2014, the corresponding information presented in these financial statements for the year ended June 30, 2013 and in the preparation of an opening IFRS balance sheet at July 1, 2012 (the Group's date of transition).

In preparing its opening IFRS balance sheet, the Group has adjusted amounts reported previously in financial statements prepared under U.S. GAAP. An explanation of how the transition from U.S. GAAP to IFRS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes that accompany the tables.

3.1. Initial elections upon adoption

Set out below are the applicable IFRS 1 exemptions and exceptions applied in the conversion from U.S. GAAP to IFRS.

(I) IFRS exemption options

(i) Exemption for business combinations

IFRS 1 provides the option to apply IFRS 3, Business combinations, prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Group elected to apply IFRS 3 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

(ii) Exemption for cumulative translation differences

IFRS 1 permits cumulative translation gains and losses to be reset to zero at the transition date. This provides relief from determining cumulative currency translation differences in accordance with IAS 21 from the date a subsidiary or equity method investee was formed or acquired. The Group elected to reset all cumulative translation gains and losses to zero in opening retained earnings at its transition date.

(iii) Non-cash compensation expenses

IFRS 1 provides certain accommodations for applying IFRS 2, Share-based payment, to equity instruments granted before the date of transition. In line with the exemption, the Group elected to apply IFRS 2 to unvested equity awards as at July 1, 2012 and all new awards granted after its transition date. Equity instruments granted and vested before July 1, 2012 have not been restated.

(iv) Designation of previously recognized financial instruments

IFRS 1 permits to make an available -for-sale designation at the date of transition. The Group elected to designate the investments previously classified as "financial assets carried at cost" as "financial assets measured at fair value through other comprehensive income".

(v) Fair value hierarchy disclosure exemption

IFRS 1 provides relieves on first-time adopters of IFRSs from providing the additional disclosures introduced in March 2009 by Improving Disclosures about Financial Instruments (Amendments to IFRS 7, Financial Instruments: Disclosures). The fair value hierarchy disclosures required by IFRS 7 have not been disclosed as on July 1, 2012.

(II) IFRS mandatory exceptions

Set out below are the applicable mandatory exceptions in IFRS 1 applied in the conversion from U.S. GAAP to IFRS.

(i) **Exception for estimates**

IFRS estimates as at July 1, 2012 are consistent with the estimates as at the same date made in conformity with U.S. GAAP.

(ii) **Non-controlling interests**

IFRS 1 requires a first time adopter to apply the requirements in IAS 27, Separate Financial Statements, in respect of the attribution of total comprehensive income to the owners of the parent and to the non-controlling interests (even if this results in the non-controlling interests having a deficit balance), the accounting for changes in the parent's ownership interest in a subsidiary that do not result in a loss of control and the accounting for a loss of control over a subsidiary. These are prospectively applied from the date of transition to IFRS.

3.2. Reconciliations of U.S. GAAP to IFRS

IFRS 1 requires an entity to reconcile equity, comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from U.S. GAAP to IFRS for the respective periods:

Reconciliation of total equity as of July 1, 2012 and June 30, 2013:

	As at June 30, 2013, (US\$'000)	As at July 1, 2012 (US\$'000)
Total equity as reported under U.S. GAAP	201,744	408,401
Recognition of financial liability in respect of put option over non-controlling interest	(20,000)	(20,000)
Interest on unwinding discount of financial liability	(3,648)	(1,894)
Change in fair value of equity instruments	351	(827)
Inventories impairment provision	702	700
Fair value adjustment on biological assets	(2)	70
Deferred tax impact	(196)	(216)
Foreign currency translation	(42)	(10)
Total equity under IFRS	<u>178,909</u>	<u>386,224</u>

Reconciliation of total comprehensive income for the year ended June 30, 2013:

	Year ended June 30, 2013 (US\$'000)
Total comprehensive income as reported under U.S. GAAP:	
Net loss as reported under U.S. GAAP	(197,590)
Interest on unwinding discount of financial liability	(1,754)
Fair value adjustment on biological assets	(72)
Inventories impairment provision	2
Deferred tax impact	20
Net loss under IFRS	<u>(199,394)</u>
Other comprehensive income as reported under U.S. GAAP	(29)
Change in fair value of equity instruments	1,178
Foreign currency translation	(32)
Other comprehensive income under IFRS	<u>1,117</u>
Total comprehensive income under IFRS	<u>(198,277)</u>

Reconciliation of consolidated statement of financial position as at July 1, 2012 and June 30, 2013 is as follows:

		As at July 1, 2012			
	Note	U.S. GAAP (US\$'000)	GAAP Adjustments (US\$'000)	Reclassification Adjustments (US\$'000)	IFRS (US\$'000)
ASSETS					
Current assets:					
Cash and cash equivalents		26,070	-	-	26,070
Restricted cash		63,038	-	-	63,038
Accounts receivable		153,495	-	-	153,495
Inventories	(a),(b)	208,371	685	(16,278)	192,778
Biological assets	(b)	-	70	16,278	16,348
Prepayments and other current assets		44,414	-	(23,154)	21,260
Finance receivables		-	-	23,154	23,154
Tax receivable		4,090	-	-	4,090
Short-term derivative assets		2,336	-	-	2,336
Assets held for sale		4,394	-	-	4,394
Amounts due from related parties		2,210	-	-	2,210
Deferred tax assets	(c)	13,619	(13,619)	-	-
Total current assets		522,037	(12,864)	-	509,173
Non-current assets:					
Property, plant and equipment, net		70,720	-	(184)	70,536
Investments in equity accounted investees		10,009	-	-	10,009
Other investments	(d)	-	(827)	17,675	16,848
Intangible assets		58,787	-	-	58,787
Goodwill		141,189	-	-	141,189
Long-term derivative assets		-	-	395	395
Biological assets	(b)	-	-	164	164
Non-current prepayments		6,350	-	-	6,350
Deferred tax asset	(c)	-	11,544	-	11,544
Other assets, net		18,050	-	(18,050)	-
Total non-current assets		305,105	10,717	-	315,822
Total assets		827,142	(2,147)	-	824,995
LIABILITIES AND EQUITY					
Current liabilities:					
Short-term bank borrowings and current portion of long-term bank borrowings		93,703	-	-	93,703
Income tax payable		-	-	-	-
Accounts payable		133,600	-	-	133,600
Accrued expenses and other liabilities		54,403	-	-	54,403
Short-term derivative liabilities		1,156	-	-	1,156
Amounts due to related parties		715	-	-	715
Total current liabilities		283,577	-	-	283,577
Non-current liabilities:					
Long-term bank borrowing, net of current portion		108,058	-	-	108,058
Long-term derivative liabilities		232	-	-	232
Defined benefit liability		-	-	20,791	20,791
Other long-term liabilities	(e)	25,010	21,894	(20,791)	26,113
Deferred tax liability	(c)	1,864	(1,864)	-	-
Total non-current liabilities		135,164	20,030	-	155,194
Total liabilities		418,741	20,030	-	438,771
Equity:					
Agria Corporation shareholders' equity:					
Shares capital		-	-	-	-
Additional paid-in capital	(g)	313,903	(313,903)	-	-
Share premium	(g)	-	160,971	-	160,971
Statutory reserves		129	-	-	129
Share-based payment reserve	(g)	-	16,732	-	16,732
Other reserves	(e), (g)	(4,108)	98,143	-	94,035
Foreign currency translation reserve	(f)	20,362	(20,362)	-	-
Retained earnings	(f), (g)	(101,190)	36,403	-	(64,787)
Total equity attributable to shareholders of the Company		229,096	(22,016)	-	207,080
Non-controlling interests		179,305	(161)	-	179,144
Total equity		408,401	(22,177)	-	386,224

Total liabilities and equity	<u>827,142</u>	(2,147)	-	<u>824,995</u>
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As at June 30, 2013				
Note	U.S. GAAP (US\$'000)	GAAP Adjustments (US\$'000)	Reclassification Adjustments (US\$'000)	IFRS (US\$'000)
ASSETS				
Current assets:				
Cash and cash equivalents	43,342	-	-	43,342
Restricted cash	37,457	-	-	37,457
Accounts receivable	165,610	-	-	165,610
Inventories (a),(b)	198,053	670	(3,272)	195,451
Biological assets (b)	-	-	3,272	3,272
Prepayments and other current assets	29,593	-	(8,871)	20,722
Finance receivables	-	-	8,871	8,871
Tax receivable	3,163	-	-	3,163
Short-term derivative assets	512	-	-	512
Assets held for sale	619	-	-	619
Deferred tax assets (c)	10,314	(10,314)	-	-
Amount due from related party	500	-	(500)	-
Total current assets	489,163	(9,644)	(500)	479,019
Non-current assets:				
Property, plant and equipment, net	71,360	-	(114)	71,246
Investments in equity accounted investees	4,665	-	-	4,665
Other investments (d)	-	330	16,806	17,136
Intangible assets	7,077	-	-	7,077
Goodwill	3,264	-	-	3,264
Long-term derivative assets	-	-	3	3
Biological assets (b)	-	-	113	113
Non-current prepayments	224	-	-	224
Deferred tax asset (c)	-	7,283	-	7,283
Other assets, net	16,808	-	(16,808)	-
Amount due from related party	-	-	500	500
Total non-current assets	103,398	7,613	500	111,511
Total assets	592,561	(2,031)	-	590,530
LIABILITIES AND EQUITY				
Current liabilities:				
Short-term bank borrowings and current portion of long-term bank borrowings	93,043	-	-	93,043
Income tax payable	-	-	-	-
Accounts payable	117,247	-	-	117,247
Accrued expenses and other liabilities	74,957	-	-	74,957
Short-term derivative liabilities	1,895	-	-	1,895
Amounts due to related parties	2,058	-	-	2,058
Total current liabilities	289,200	-	-	289,200
Non-current liabilities:				
Long-term bank borrowing, net of current portion	76,724	-	-	76,724
Long-term derivative liabilities	-	-	481	481
Defined benefit liability	-	-	16,092	16,092
Other long-term liabilities (e)	22,049	23,648	(16,573)	29,124
Deferred tax liability (c)	2,844	(2,844)	-	-
Total non-current liabilities	101,617	20,804	-	122,421
Total liabilities	390,817	20,804	-	411,621
Equity:				
Agria Corporation shareholders' equity:				
Shares capital	-	-	-	-
Additional paid-in capital (g)	313,813	(313,813)	-	-
Share premium (g)	-	160,971	-	160,971
Statutory reserves	204	-	-	204
Share-based payment reserve (g)	-	16,869	-	16,869
Other reserves (e),(g)	(1,751)	98,394	-	96,643
Foreign currency translation reserve (f)	11,079	(20,367)	-	(9,288)
Retained earnings (f),(g)	(236,681)	34,629	-	(202,052)
Total equity attributable to shareholders of the Company	86,664	(23,317)	-	63,347
Non-controlling interests	115,080	482	-	115,562
Total equity	201,744	(22,835)	-	178,909
Total liabilities and equity	592,561	(2,031)	-	590,530

(a) Inventories

Under U.S. GAAP, a write-down of inventory to the lower of cost or market at the close of a fiscal period creates a new cost basis (net) that subsequently cannot be marked up based on changes in underlying facts and circumstances. Reversals of impairment provision of inventories are allowed under IFRS.

(b) Biological assets

Under U.S. GAAP, biological assets have been classified as inventories and measured at cost. All biological assets are classified as separate assets in the consolidated statement of financial position according to IAS 41, Agriculture.

(c) Deferred tax assets

Under US GAAP, deferred taxes have been classified as current or non-current based on the nature of the related asset or liability giving rise to the temporary difference. All deferred tax assets are classified as non-current in the consolidated statement of financial position according to IAS 1, Presentation of Financial Statements.

(d) Other investments

As of July 1, 2012 and June 30, 2013, by electing the exemption of IFRS 1, the Company designated the investments previously classified as “Financial assets carried at cost” as “Financial assets measured at fair value through other comprehensive income”.

(e) Other long-term liabilities

As of July 1, 2012 and June 30, 2013, written put option over non-controlling interests was recognized as financial liability under IFRS. At initial recognition, financial liability was recognized as present value of estimated exercise price and corresponding debit to other reserve. Subsequent measurement of financial liability was recorded in accordance with IFRS 9.

(f) Foreign currency translation reserve

As allowed by IFRS 1, the Group has elected to reset its cumulative translation adjustment account to zero through an adjustment to opening retained earnings at July 1, 2012. Accordingly, the translation reserve as at this date of \$20.4 million under U.S. GAAP is eliminated against retained earnings. Total equity was not changed as a result of this reclassification.

Such an adjustment to retained earnings is permanent, and gains or losses on subsequent disposals of foreign operations will exclude translation differences that arose before the transition date. Total comprehensive income was not changed as a result of these differences.

(g) Additional paid-in capital

Additional paid-in capital was recorded under U.S. GAAP, certain reclassification was made to share premium, share-based payment reserves, other reserves and retained earnings according to IFRS.

(h) Presentation reclassifications

In addition to the adjustments arising from transition to IFRS explained above, the following reclassification has been made to comparatives of the financial statements in order to conform with current year presentation. Revised presentation is to provide better information to the user of the financial statements and does not result in a change in the Group's income before and after income tax.

- Statement of Profit or Loss - Separate line items of expense by nature are shown, including employee benefits expense, depreciation and amortization, fair value adjustments and non-operating items.
- Statement of Financial Position - Separate line items of biological assets, finance receivables, other investments, share premium, share-based payment reserve are shown.

The impact on consolidated statement of cash flows for the year ended June 30, 2013 was not significant arising from the Group's first-time adoption of IFRS.

4. Financial Risk Management

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit and counterparty risk and liquidity risk. The Group's financial risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance by actively managing debt level and cash flow in order to maintain a strong financial position and minimizing refinancing and liquidity risks by attaining healthy debt repayment capacity, appropriate maturity profile and availability of banking facilities. The Group uses derivative financial instruments to hedge certain risk exposures.

(a) Market risk

(i) Price and interest rate risk

Price risk is the risk that the value of financial instruments and the interest margin will fluctuate as a result of changes in market interest rates. The risk is that financial assets may be repriced at a different time and / or by a different amount than financial liabilities.

This risk is managed by operating within approved policy limits using an interest rate duration approach.

Floating rate borrowings are used for general funding activities. Interest rate swaps, interest rate options and forward rate agreements are used to hedge the floating rate exposure as deemed appropriate. The Group had no interest rate contracts at June 30, 2014 (2013: US\$51.8 million).

Sensitivity analysis

The sensitivity of net profit after tax for the year to June 30, 2014, to reasonably possible changes in conditions is as follows:

	Interest rate increase by 1%		Interest rate decrease by 1%	
	2014 (US\$'000)	2013 (US\$'000)	2014 (US\$'000)	2013 (US\$'000)
Impact on net profit after tax	(733)	(1,085)	733	1,085

Interest rate repricing schedule

The following tables include the Group's assets and liabilities at their carrying amounts, categorized by the earlier of contractual repricing or maturity dates.

	Within 12 months (US\$'000)	1 to 2 years (US\$'000)	Over 2 years (US\$'000)	Non-interest bearing (US\$'000)	Total (US\$'000)
As at June 30, 2014					
Liabilities					
Bank facilities	118,006	-	-	-	118,006
Amount due to related parties	2,241	-	-	-	2,241
Derivative financial instruments	-	-	-	780	780
Trade and other payables	-	-	-	245,673	245,673
	<u>120,247</u>	<u>-</u>	<u>-</u>	<u>246,453</u>	<u>366,700</u>
As at June 30, 2013					
Liabilities					
Bank overdraft	9,633	-	-	-	9,633
Bank facilities	160,134	-	-	-	160,134
Amount due to related parties	2,027	-	-	31	2,058
Derivative financial instruments	-	-	-	2,376	2,376
Trade and other payables	-	-	-	216,689	216,689
	<u>171,794</u>	<u>-</u>	<u>-</u>	<u>219,096</u>	<u>390,890</u>

(ii) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. Most of the Group's revenues and expenses are denominated in New Zealand dollars. Our exposure to foreign exchange risk primarily relates to transaction in U.S. dollars, Renminbi ("RMB"), Great Britain Pound, Australian dollars and Euro. In order to mitigate the foreign currency risk, the Group hedges foreign currency risks as they arise. In some circumstances, foreign exchange options are used to hedge potential foreign exchange risk. The Group uses forward foreign exchange contracts, spot foreign exchange contracts and foreign exchange options to manage these exposures.

The notional contract amounts of forward foreign exchange transactions outstanding at balance sheet date are \$79.5 million (2013: \$57.0 million) for the Group. The cash settlement requirements of these contracts approximate the notional contract amount shown above.

The translation of independent foreign operations into the Group financial statements is not hedged, apart from the seasonal working capital exposure to Australia business which is hedged with foreign exchange contracts.

Balances denominated in foreign currency can be summarized as:

	US\$ (US\$'000)	RMB (US\$'000)	GBP (US\$'000)	AUD (US\$'000)	Euro (US\$'000)
As at June 30, 2014					
Cash and cash equivalents	4,937	1,508	10	23	124
Receivables	73,868	8,463	1,586	914	33,491
Bank facilities	(54,579)	(1,376)	-	-	-
Payables	(77,230)	(7,915)	(251)	(178)	(2,473)
Net financial position	<u>(53,004)</u>	<u>680</u>	<u>1,345</u>	<u>759</u>	<u>31,142</u>
<i>Forward exchange contracts</i>					
Notional forward exchange cover	4,795	-	1,335	736	31,017
Net unhedged position	<u>(57,799)</u>	<u>680</u>	<u>10</u>	<u>23</u>	<u>125</u>
As at June 30, 2013					
Cash and cash equivalents and restricted cash	22,495	56,610	8	51	-
Receivables	57,079	12,636	3,562	376	22,615
Bank facilities	(81,667)	(12,639)	-	(953)	(69)
Payables	(53,224)	(10,199)	-	(3,882)	(67)
Net financial position	<u>(55,317)</u>	<u>46,408</u>	<u>3,570</u>	<u>(4,408)</u>	<u>22,479</u>
<i>Forward exchange contracts</i>					
Notional forward exchange cover	19,216	-	3,562	(3,505)	22,548
Net unhedged position	<u>(74,533)</u>	<u>46,408</u>	<u>8</u>	<u>(903)</u>	<u>(69)</u>

The net financial positions for the Group in AUD, RMB and USD include cash, trade and other receivables, bank borrowings and trade and other payables of the subsidiary companies domiciled in Australia, China and South America and are therefore not hedged.

The foreign exchange risks are not considered likely to lead to material change over the next reporting period. For this reason, sensitivity analysis of foreign exchange risks is not included.

(b) Credit risk

Concentration of credit risk

Credit risk mainly arises from bank balances, advances, finance receivable, accounts and other receivables, and interest rate forward agreements. The carrying amounts of these balances substantially represent the Group's maximum exposure to credit and counterparty risk in relation to financial assets.

As of June 30, 2014, substantially all of the Company's cash and cash equivalents were deposited in several financial institutions. The concentrations of credit risk with respect to advances are limited due to the large number of customers included in the Group's farming customer base in New Zealand, Australia, South America and China. Accounts receivable are typically unsecured and are derived from revenue earned from customers. The risk with respect to accounts receivable is mitigated by credit evaluations. The Group performs on its customers and ongoing monitoring process on outstanding balances. The Group also has credit committee who meets regularly as required to review credit risk, new loans and provisioning.

The Group's maximum credit exposure to credit risk for receivables by geographic regions is as follows:

	2014 (US\$'000)	2013 (US\$'000)
<i>Total finance receivables, trade and other receivables</i>		
New Zealand	147,264	124,922
Australia	9,444	12,673
South America	50,872	41,958
China	9,936	13,142
Total	<u>217,516</u>	<u>192,695</u>

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in raising funds at short notice to meet commitments associated with financial instruments. Prudent liquidity risk management includes maintaining sufficient cash and availability of funding from an adequate amount of committed credit facilities. Management maintains rolling forecast of the Group's liquidity reserves which comprises undrawn banking facilities and cash and cash equivalents, on the basis of expected cash flows.

Contractual Maturity Analysis

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Within 12 months (US\$'000)	Between 1 and 2 years (US\$'000)	Between 2 and 5 years (US\$'000)	Contractual cash flow (US\$'000)	Statement of financial position (US\$'000)
As at June 30, 2014					
Liabilities					
Bank facilities	46,178	67,361	16,830	130,369	118,006
Derivative financial instruments	776	4	-	780	780
Trade and other payables	220,930	24,743	-	245,673	245,673
Amount due to related parties	2,510	-	-	2,510	2,241
	<u>270,394</u>	<u>92,108</u>	<u>16,830</u>	<u>379,332</u>	<u>366,700</u>
As at June 30, 2013					
Liabilities					
Bank overdraft	9,638	-	-	9,638	9,633
Bank facilities	88,167	57,653	24,621	170,441	160,134
Derivative financial instruments	1,895	481	-	2,376	2,376
Trade and other payables	193,041	23,648	-	216,689	216,689
Amount due to related parties	2,301	-	-	2,301	2,058
	<u>295,042</u>	<u>81,782</u>	<u>24,621</u>	<u>401,445</u>	<u>390,890</u>

Expected Maturity Analysis

The expected cash flows of the Group's finance receivables equal their contractual cash flows.

4.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain a capital structure to optimize the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of gearing ratio. This ratio is calculated as net debt divided by total equity. The Group's strategy is to maintain a solid capital base to support the operations and development of its business in the long term.

	2014 (US\$'000)	2013 (US\$'000)
Net debt	104,048	88,968
Total equity	215,812	178,909
Gearing ratio	48.2%	49.7%

4.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3 – Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

There had been no material movements between the fair value hierarchy during the year ended June 30, 2014.

	Note	Level 1 (US\$'000)	Level 2 (US\$'000)	Level 3 (US\$'000)	Total (US\$'000)
As at June 30, 2014					
Assets					
Derivative financial instruments	22	-	2,559	-	2,559
Other investments	26	-	-	8,122	8,122
		<u>-</u>	<u>2,559</u>	<u>8,122</u>	<u>10,681</u>
Liabilities					
Derivative financial instruments	22	<u>-</u>	<u>780</u>	<u>-</u>	<u>780</u>
As at June 30, 2013					
Assets					
Derivative financial instruments	22	-	515	-	515
Other investments	26	8,554	-	7,720	16,274
		<u>8,554</u>	<u>515</u>	<u>7,720</u>	<u>16,789</u>
Liabilities					
Derivative financial instruments	22	<u>-</u>	<u>2,376</u>	<u>-</u>	<u>2,376</u>

As at June 30, 2014, the interest rate used for determining fair value of finance receivable was 14.2% (2013: 14.4%).

5. Critical Accounting Estimates and Judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Estimated impairment of assets

Non-financial assets including goodwill are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount.

In addition, the Group tests at least annually whether goodwill or assets that have indefinite useful lives have suffered any impairment. The recoverable amounts of assets or cash generating units ("CGUs") have been principally determined based on value-in-use calculations. These calculations require the use of estimates, such as discount rates, future profitability and growth rates.

Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

Valuation of seeds inventory

The net realizable value of seeds inventory depends on a number of factors such as age, germination levels and quality. A amount of judgement and estimation is required in assessing the valuation.

Provision and contingencies

Management reviews the provision at the end of each reporting period to determine whether the provision is adequate based on historical experience and most reliable estimates. Significant judgement is required in determining the provision and contingencies.

Measurement of defined benefit obligations

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The key assumptions used in determining the net cost / (income) for pensions include the discount rate, salary and pension growth rates and life expectancy. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

The Group determines the appropriate discount rate at the end of each reporting period. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. Key assumptions for defined benefit obligations are based in part on current market conditions. Additional information is disclosed in note 31.

Provision for impairment of accounts and other receivables

The policy for provision for impairment of accounts and other receivables of the Group is based on the evaluation of collectability and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realization of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

Consolidation of structured entities

The Directors have concluded that the Group controls Zhongguan, Shenzhen NKY and Shenzhen PGW Seeds, even though it does not hold the shares of these subsidiaries. This is because the Group has entered a series of contractual arrangements with the registered owners of the structured entities, of which the Group is able to effectively control, recognize and receive substantially all the economic benefits of the business and operations of structured entities.

Property, plant and equipment and intangible assets

Management determines the estimated useful lives and residual values for the Group's property, plant and equipment and intangible assets. Management will revise the depreciation/amortization charge where useful lives and residual values are different to previously estimated, or it will write off or write down technically obsolete that have been abandoned or sold.

6. Segment Reporting

New Segment Reporting Structure

The Company has adopted new segment reporting of revenue and profitability for the fiscal year 2014 and onwards. The new reportable segments are considered to better reflect the results of operations carried out in line with the Company's integrated and global strategy. The Company also believes that the new segment reporting will offer a better understanding of its global strategy to shareholders and stakeholders.

The Company now reports on three business segments: (i) Seed and Grain; (ii) Crop Protection, Nutrients and Merchandise; and (iii) Rural Services.

- **Seed and Grain** – This business segment is engaged in research and development, production, and sale of seed products including forage, turf, maize, corn, cereal and vegetable seeds. Its business also includes multiplication of seed for international customers and trading of seed and grain products globally.
- **Crop Protection, Nutrients and Merchandise** – This business segment operates an extensive chain of retail stores that supply farm input materials including chemicals, fertilizers, pollination products, frost protection products, fencing, animal health and nutrition products, grains and seeds, clothing, leisure goods, and gardening equipment. It offers a wide range of plant nutrition options, supported by industry-leading knowledge of the specific products and application protocols.
- **Rural Services** – This business segment offers a variety of services critical to the agricultural economy, including:
 - **Livestock** – Livestock agents for sheep, beef, dairy, and deer farmers, meat processors and livestock exporters. The primary service is trading livestock through auctions, private on-farm sales, and online or direct sales to meat processors;
 - **Wool** – Sales agents for sheep farmers, primarily through auctions, forward contracts and private sales; and providing comprehensive range of services to grower clients and wool processors including on-farm assistance, in-store wool handling and export processing;
 - **Irrigation and Pumping** – Design, construction, installation and servicing of irrigation and pumping systems;
 - **Real Estate** – Real estate brokerage primarily focused on farm sales with additional transactions in lifestyle and residential properties; and
 - **Insurance** – Insurance brokerage providing a range of market-leading insurance products.

The operating profit of each segment is reported as the segment result. The segment results are presented on a consolidated basis and include all directly attributable income and expenses. Other non-segmented amounts relate to certain corporate activities including Finance, Treasury, HR and other support services of corporate head office and regional offices.

The segment information presented below for the year ended June 30, 2013 has been restated in accordance with the new reporting segments.

	Seed and Grain		Crop Protection, Nutrients and Merchandise		Rural Services		Corporate		Total	
	2014 (US\$'000)	2013 (US\$'000)	2014 (US\$'000)	2013 (US\$'000)	2014 (US\$'000)	2013 (US\$'000)	2014 (US\$'000)	2013 (US\$'000)	2014 (US\$'000)	2013 (US\$'000)
Total segment revenue	449,881	412,745	406,327	357,315	232,314	207,783	-	-	1,088,522	977,843
Inter-segment revenue	(64,951)	(37,649)	-	-	-	-	-	-	(64,951)	(37,649)
Total revenue from external customers	384,930	375,096	406,327	357,315	232,314	207,783	-	-	1,023,571	940,194
Operating profit/(loss)	23,523	19,226	23,185	18,977	21,794	16,243	(33,850)	(33,069)	34,652	21,377
Equity accounted earnings/(loss) of associates	2,072	1,144	-	-	-	-	22	(1,256)	2,094	(112)
Impairment loss on goodwill	-	(140,837)	-	-	-	-	-	-	-	(140,837)
Provision for impairment loss on land use rights and non-current prepayments	-	(56,968)	-	-	-	-	-	-	-	(56,968)
Non-operating items	-	-	-	-	-	-	-	-	4,750	(4,418)
Fair value adjustments	-	-	-	-	-	-	-	-	1,089	(1,531)
Net interest and finance costs	-	-	-	-	-	-	-	-	(9,285)	(12,385)
Profit/(loss) before tax	-	-	-	-	-	-	-	-	33,300	(194,874)
Income tax	-	-	-	-	-	-	-	-	(7,153)	(4,520)
Profit/(loss) for the year	-	-	-	-	-	-	-	-	26,147	(199,394)
Depreciation and amortization	3,246	3,158	1,044	894	1,032	1,035	4,607	2,895	9,929	7,982
Capital expenditure	7,179	5,578	3,448	631	991	1,140	26,272	1,782	37,890	9,131

	Seed and Grain			Crop Protection, Nutrients and Merchandise			Rural Services			Corporate			Total		
	June 30, 2014 (US\$'000)	June 30, 2013 (US\$'000)	July 1, 2012 (US\$'000)	June 30, 2014 (US\$'000)	June 30, 2013 (US\$'000)	July 1, 2012 (US\$'000)	June 30, 2014 (US\$'000)	June 30, 2013 (US\$'000)	July 1, 2012 (US\$'000)	June 30, 2014 (US\$'000)	June 30, 2013 (US\$'000)	July 1, 2012 (US\$'000)	June 30, 2014 (US\$'000)	June 30, 2013 (US\$'000)	July 1, 2012 (US\$'000)
Segment assets	309,370	273,297	490,652	91,577	71,461	80,139	116,913	100,136	95,792	82,964	140,352	144,009	600,824	585,246	810,592
Equity accounted investees	1,115	3,709	9,909	-	-	-	-	907	24	79	49	76	1,194	4,665	10,009
Assets held for sale	-	-	-	-	-	-	-	-	-	1,022	619	4,394	1,022	619	4,394
Total segment assets	310,485	277,006	500,561	91,577	71,461	80,139	116,913	101,043	95,816	84,065	141,020	148,479	603,040	590,530	824,995
Segment liabilities	146,996	128,513	117,574	48,382	26,440	35,555	85,789	62,476	58,957	106,061	194,192	226,685	387,228	411,621	438,771

The balances under Corporate represent assets and liabilities at corporate level and other businesses not categorized as operating segments.

Geographical Information

The Group operates predominantly in New Zealand, Australia, South America and China. The Australian and South American business units facilitate the export sales and services of New Zealand operations in addition to their own seed trading operations. Inter-segment pricing is determined on an arm's length basis.

The revenue from external customers by geographical location are detailed below.

	2014 (US\$'000)	2013 (US\$'000)
New Zealand	851,643	756,308
Australia	69,942	70,577
South America	92,104	96,664
China	9,882	16,645
	<u>1,023,571</u>	<u>940,194</u>

The Group's non-current assets (excluding financial instruments and deferred tax assets) by geographical location are detailed below.

	As at June 30,		As at July 1,
	2014	2013	2012
	(US\$'000)	(US\$'000)	(US\$'000)
New Zealand	98,688	76,378	205,252
Australia	12,278	12,438	22,913
South America	4,782	5,100	2,346
China	22,472	10,309	73,372
	<u>138,220</u>	<u>104,225</u>	<u>303,883</u>

7. Revenue

	2014	2013
	(US\$'000)	(US\$'000)
Sales	893,598	824,009
Commissions	88,263	79,693
Construction contract revenue	39,374	32,913
Interest revenue on finance receivables	789	1,622
Debtor interest charges	1,547	1,957
Total operating revenue	<u>1,023,571</u>	<u>940,194</u>

8. Cost of sales

Cost of sales includes the following items by nature:

	2014	2013
	(US\$'000)	(US\$'000)
Depreciation and amortization	1,233	1,218
Employee benefits including commissions	27,724	20,946
Inventories, finished goods, work in progress, raw materials and consumables	704,938	650,506
Other	31,100	27,707
Total cost of sales	<u>764,995</u>	<u>700,377</u>

9. Other Income

	2014	2013
	(US\$'000)	(US\$'000)
Dividend income	7	477
Other investment income	230	555
	<u>237</u>	<u>1,032</u>

10. Other Operating Expenses

Other Operating expenses include the following items:

	2014	2013
	(US\$'000)	(US\$'000)
Audit fee (principal auditor)	510	478
Donations	8	7
(Reversal of)/provision for doubtful debts	(172)	4,578
Marketing expenses	8,582	7,477
Motor vehicle costs	6,641	6,877
Rental and operating lease costs	23,149	23,172
Others (note)	45,017	47,141
	<u>83,735</u>	<u>89,730</u>

Note: Others consist of communications costs, information technology costs, traveling and entertainment expenses, professional fees and general expenses.

11. Equity Accounted Earnings/(Loss) of Associates

Earnings/(loss) from associates

June 30, 2014

Company name	% held by subsidiaries	Effective % held	Current assets (US\$'000)	Non-current assets (US\$'000)	Total assets (US\$'000)	Current liabilities (US\$'000)	Non-current liabilities (US\$'000)	Total liabilities (US\$'000)	Revenue (US\$'000)	Expenses (US\$'000)	Profit / (loss) after tax (US\$'000)	The Company share (US\$'000)
Continuing												
Forage Innovations Limited	51%	21%	950	-	950	(459)	-	(459)	1,118	(981)	137	69
Canterbury Sale Yards (1996) Limited	50%	20%	170	3	172	(15)	-	(15)	482	(437)	45	22
Fertimas S.A. (formerly Lounay S.A.)	50%	20%	11,103	-	11,103	(9,475)	-	(9,475)	19,385	(18,743)	642	321
Beijing Zhongnong Seeds Industry Co., Ltd.	27%	27%	486	345	831	(2033)	-	(2033)	-	(126)	(126)	-
Disposed												
4Seasons Feeds Limited	50%	20%	-	-	-	-	-	-	45,846	(42,484)	3,363	1,682
Di Santi y Romualdo LTDA	20%	8%	-	-	-	-	-	-	-	-	-	-
Gramina Pty Limited	50%	20%	-	-	-	-	-	-	-	-	-	-
			<u>12,709</u>	<u>348</u>	<u>13,056</u>	<u>(11,982)</u>	<u>-</u>	<u>(11,982)</u>	<u>66,831</u>	<u>(62,771)</u>	<u>4,061</u>	<u>2,094</u>

June 30, 2013

Company name	% held by subsidiaries	Effective % held	Current assets (US\$'000)	Non-current assets (US\$'000)	Total assets (US\$'000)	Current liabilities (US\$'000)	Non-current liabilities (US\$'000)	Total liabilities (US\$'000)	Revenue (US\$'000)	Expenses (US\$'000)	Profit / (loss) after tax (US\$'000)	The Company share (US\$'000)
Continuing												
Forage Innovations Limited	51%	21%	980	-	980	(674)	-	(674)	845	(769)	77	39
Gramina Pty Limited	50%	20%	26	-	26	(115)	-	(115)	7	(143)	(136)	-
Canterbury Sale Yards (1996) Limited	50%	20%	107	4	111	(12)	-	(12)	468	(417)	51	25
4Seasons Feeds Limited	50%	20%	5,626	1,532	7,159	(1,101)	(2,822)	(3,924)	28,685	(26,905)	1,781	890
Lounay S.A.	50%	20%	9,154	105	9,259	(8,183)	-	(8,183)	17,724	(17,092)	632	563
Di Santi y Romualdo LTDA	20%	8%	6,021	89	6,109	(3,656)	-	(3,656)	22,241	(20,929)	1,312	(348)
Beijing Zhongnong Seeds Industry Co., Ltd.	27%	27%	512	356	868	(1,926)	-	(1,926)	-	(536)	(536)	(144)
Disposed												
Agritranz Limited	50%	20%	-	-	-	-	-	-	2,883	(2,806)	77	38
Kelso Wrightson (2004) Limited	50%	20%	-	-	-	-	-	-	-	-	-	-
			<u>22,426</u>	<u>2,086</u>	<u>24,512</u>	<u>(15,667)</u>	<u>(2,822)</u>	<u>(18,490)</u>	<u>72,853</u>	<u>(69,597)</u>	<u>3,258</u>	<u>1,063</u>

For the year ended June 30, 2013, impairment loss for provision of investment in Beijing Zhongnong Seeds Industry Co., Ltd. of \$1.2 million was recognized in profit or loss.

Movement in carrying value of equity accounted investees

	2014 (US\$'000)	2013 (US\$'000)
Opening balance	4,665	10,009
New investments	-	2,091
Reclassification	(1,517)	-
Currency translation	243	(47)
Divestment of associates	(1,381)	(3,367)
Provision for impairment	-	(1,175)
Share of profit/(loss)	2,094	1,063
Dividends received	(2,910)	(3,909)
Closing balance	1,194	4,665

There is no goodwill included in the carrying value of equity accounted investees (2013: Nil and July 1, 2012: Nil)

For the year ended June 30, 2013, in line with the Company's strategy to focus on its proprietary corn seed products, the Company decided to discontinue the commercial arrangement with Ganxin. Accordingly, in December 2012, the Company entered into an equity transfer agreement to dispose of its 49% equity interest in Ganxin at a consideration of approximately \$6.5 million. The transaction was completed in May 2013, resulted in a loss on disposal of approximately \$2.1 million.

In relation to the investment in Beijing Zhongnong Seed Industry Co., Ltd. ("Zhongnong"), the operation has ceased and no future cash flow is expected from the investment after the restructuring of our research and development function from Zhongnong. Accordingly, impairment provision of \$1.2 million was made to write down the full carrying value of the investment in Zhongnong as of June 30, 2013.

In May 2014, the Group sold its 50% investment in the 4Seasons Feeds Limited joint venture company to its partner International Nutritionals Limited. A gain on sale of the investment of \$3.9 million has been included in non-operating items in the Statement of Profit or Loss. Associated with the investment sale was the sale of certain intellectual property and fixed assets to 4Seasons Feeds Limited. A gain on sale of these items of \$0.2 million has also been included in non-operating items in the Statement of Profit or Loss.

12. Non-Operating Items

		2014	2013
	Note	(US\$'000)	(US\$'000)
Capital gains/(losses) on sale of businesses, property, plant and equipment		3,809	(1,565)
Bargain gain on acquisition of business		1,033	-
Onerous property lease		-	(1,437)
Defined benefit superannuation plan	31	1,806	(679)
Others		(1,898)	(737)
		<u>4,750</u>	<u>(4,418)</u>

13. Fair Value Adjustments

		2014	2013
	Note	(US\$'000)	(US\$'000)
Assets held for sale		(65)	(114)
Biological assets	20	1,154	(1,417)
		<u>1,089</u>	<u>(1,531)</u>

14. Interest – Finance Income and Expenses

		2014	2013
		(US\$'000)	(US\$'000)
Finance income contains the following items:			
Other interest income		1,591	2,213
Finance income		<u>1,591</u>	<u>2,213</u>
Interest funding expense			
Interest on interest rate swaps		(49)	(228)
Interest on bank loans and overdrafts		(6,052)	(10,004)
Interest on shareholder loan		(214)	(285)
Bank facilities fees		(3,383)	(3,454)
Unwinding discount of financial liability		(1,095)	(1,754)
Others		(368)	(453)
Interest funding expense		<u>(11,161)</u>	<u>(16,178)</u>
Foreign exchange			
Net gain/(loss) on foreign denominated items		(2,395)	4,245
Derivatives not in qualifying hedge relationships		2,680	(2,665)
Foreign exchange income, net		<u>285</u>	<u>1,580</u>
Net interest and finance costs		<u>(9,285)</u>	<u>(12,385)</u>

15. Income Tax and Deferred Tax

Under the laws of the Cayman Islands and BVI, the Company, Agria Group Ltd. and Agria Asia Investments are not subject to tax on its income or capital gains. In addition, no withholding tax on dividends or other distributions will be payable by an exempted company on its operations.

China Victory, Agria Overseas, Agria International and Agria Hong Kong are subject to an applicable profits tax rate of 16.5% in Hong Kong.

Shenzhen Zhongguan Group, Agria Brother, Shenzhen NKY, Shenzhen PGW Seeds, Beiao, Zhuhai NKY are subject to PRC income tax at a statutory rate of 25% on their respective taxable income.

In April 2012, NKY obtained the approval of full exempt enterprise income tax on profit from seeds breeding and crop planting starting from 2011. The tax paid for 2011 profit was refunded. The "High New Technology Business" certificate (where the holder of certificate is entitled to a preferential enterprise income tax rate of 15%) obtained on December 14, 2009 has expired since December 2012. As a result, its income from business other than seeds breeding and crop planting is subject to the normal rate of 25%.

New Zealand resident companies are subject to tax on their taxable income at the rate of 28%. There is no capital gains tax in New Zealand. However certain gains arising from the disposal of personal property purchased with the intention of resale are taxable. Certain gains on the sale or transfer of land may be taxable. There are open statutes of limitations for taxing authorities to audit the Company's tax returns from 2009 to the current year. Where a non-resident company in New Zealand has voting interest in a company in New Zealand of 10% or greater, any fully imputed dividend is not liable for withholding tax. For the year ended June 30, 2013 and 2014, dividend from PGW was not subject to withholding tax. The Group has \$4.5 million imputation credits as at June 30, 2014 (2013: \$1.0 million). This balance includes the third provisional tax instalment made on July 28, 2014 in respect of the year ended June 30, 2014.

Australian resident companies are taxable on their taxable income at the rate of 30%. Net capital gains derived by Australian resident companies are taxed at the 30% corporate rate. There are open statutes of limitations for taxing authorities to audit the Company's tax returns from 2009 to the current year.

Uruguayan businesses are taxed on taxable income sourced in Uruguay. Capital gains derived by Uruguayan companies are taxed at the standard rate of corporate tax. The corporate tax rate in Uruguay is 25%. A capital duty at the rate of 1.5% is levied on the net worth of the entity. There are open statutes of limitations for taxing authorities to audit the Company's tax returns from 2008 to the current year.

Deferred tax liabilities arising from undistributed earnings

The EIT Law also imposes a 10% withholding income tax for dividends distributed by a foreign invested enterprise in PRC to its immediate holding company outside China, such distributions were exempted under the previous income tax law and regulations. A lower withholding tax rate will be applied if there is a tax treaty arrangement between mainland China and the jurisdiction of the foreign holding company. The foreign invested enterprise became subject to the withholding tax starting from January 1, 2008. Given that the undistributed profits of the Company's subsidiaries in China are intended to be retained in China for business development and expansion purposes, no withholding tax accrual has been made.

	2014	2013
	(US\$'000)	(US\$'000)
Current tax expense		
Current year	13,361	4,130
Adjustment for prior years	(3,676)	(2,509)
	<u>9,685</u>	<u>1,621</u>
Deferred tax expense		
Origination and reversal of temporary differences	(1,453)	3,647
Effect of change in tax rates	-	229
Adjustments for prior years	(1,079)	(977)
	<u>(2,532)</u>	<u>2,899</u>
Income tax expense	<u>7,153</u>	<u>4,520</u>

The tax on the group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	2014	2013
	(US\$'000)	(US\$'000)
Profit/(loss) before tax	<u>33,300</u>	<u>(194,874)</u>
Tax calculated at domestic tax rates applicable to profits in the respective countries	12,098	(28,306)
(Income)/expense not (recoverable)/deductible for tax	(1,319)	35,817
Effect of tax exemptions	(1,846)	(3,266)
Effect of tax law changes and recognition of outside basis differences	68	112
Changes in valuation allowance	2,412	5,203
Off-set of cumulative loss brought forward	(19)	(1,275)
Under/(over) provision in prior years	(4,755)	(3,101)
Others	514	(664)
	<u>7,153</u>	<u>4,520</u>

The weighted average applicable tax rate was 36.3% (2013: 14.5%). The increase was caused by impairment losses charged for the year ended June 30, 2013 from group's subsidiaries in the respective countries with lower tax rate.

	2014	2013
	(US\$'000)	(US\$'000)
Income tax recognized directly in equity		
Income tax on changes in fair value of cash flow hedges	(223)	-
Deferred tax on movement of actuarial gain/(loss) on employee benefit plans	(1,190)	(1,432)
	<u>(1,413)</u>	<u>(1,432)</u>

Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets			Liabilities			Net		
	As at June 30,	As at July 1,		As at June 30,	As at July 1,		As at June 30,	As at July 1,	
	2014	2013	2012	2014	2013	2012	2014	2013	2012
	(US\$'000)	(US\$'000)	(US\$'000)	(US\$'000)	(US\$'000)	(US\$'000)	(US\$'000)	(US\$'000)	(US\$'000)
Property, plant and equipment	-	-	-	(6,129)	(6,108)	(2,821)	(6,129)	(6,108)	(2,821)
Intangible assets	-	-	-	(98)	(1,241)	(1,247)	(98)	(1,241)	(1,247)
Employee benefits	8,319	8,107	6,195	-	-	-	8,319	8,107	6,195
Provisions	7,550	5,824	5,959	-	-	-	7,550	5,824	5,959
Other items	419	701	3,458	(403)	-	-	16	701	3,458
Tax (assets) / liabilities	16,288	14,632	15,612	(6,630)	(7,349)	(4,068)	9,658	7,283	11,544

Movement in deferred tax on temporary differences during the year

	Property, plant and equipment	Intangible assets	Employee benefits	Provisions	Other items	Total
	(US\$'000)	(US\$'000)	(US\$'000)	(US\$'000)	(US\$'000)	(US\$'000)
Balance as at July 1, 2012	(2,821)	(1,247)	6,195	5,959	3,458	11,544
Recognized in profit or loss	(3,535)	62	3,601	10	(3,037)	(2,899)
Recognized in other comprehensive income	-	-	(1,432)	-	-	(1,432)
Exchange difference	248	(56)	(257)	(145)	280	70
Balance as at June 30, 2013 and July 1, 2013	(6,108)	(1,241)	8,107	5,824	701	7,283
Recognized in profit or loss	746	1,240	376	908	(738)	2,532
Recognized in other comprehensive income	-	-	(1,190)	-	-	(1,190)
Exchange difference	(767)	(97)	1,026	818	53	1,033
Balance as at June 30, 2014	(6,129)	(98)	8,319	7,550	16	9,658

Unrecognized tax losses/Unrecognized temporary differences

The Group has unrecognized deferred tax assets of \$10.2 million as at June 30, 2014 (2013: \$8.1 million and July 1, 2012: \$3.2 million) and does not have any unrecognized temporary differences (2013: nil and July 1, 2012: nil). These unrecognized tax assets largely relate to carried forward and current year losses in Australian and China operations of the Group. As at June 30, 2014, the accumulated tax losses amounting to \$11.8 million (2013: \$13.5 million) will be expired in five years. There is no expiry period for the other tax losses.

16. Earnings/(Loss) Per Share

The calculation of the basic earnings per share is based on profit attributable to equity holders of \$5.9 million (2013: loss of \$137.2 million) and the weighted average number of 110,766,600 shares in issue (2013: 110,766,600 shares) during the year.

The calculation of the diluted earnings per share for the year ended June 30, 2014 was based on profit attributable to equity holders of \$5.9 million and 110,891,096 shares which is the weighted average number of 110,766,600 shares in issue during the year, plus the weighted average number of 124,496 shares deemed to be issued at no consideration if all outstanding employee share options have been exercised.

For the year ended June 30, 2013, all of the ordinary shares issuable upon exercising employee share options were not included in the calculation of dilutive earnings/(loss) per share because the effect of inclusion would be anti-dilutive.

Options to purchase 6,852,333 and 3,210,667 ordinary shares were exercisable as at June 30, 2013 and 2014, respectively.

17. Cash and Cash Equivalents, Restricted Cash and Bank Facilities

	As at June 30,		As at July 1,
	2014	2013	2012
	(US\$'000)	(US\$'000)	(US\$'000)
Cash and cash equivalents	13,958	43,342	26,070
Restricted cash	-	37,457	63,038
	13,958	80,799	89,108
Short-term facilities:			
Bank overdraft	-	(9,633)	-
Short-term facilities	(32,502)	(65,678)	(85,787)
Long-term facilities – current portion	(6,362)	(17,732)	(7,916)
	(38,864)	(93,043)	(93,703)
Long-term facilities			
Long-term portion	(79,142)	(76,724)	(108,058)
Net debt	(104,048)	(88,968)	(112,653)

Bank facilities

The Group's subsidiary, PGW, entered into a new syndicated facility agreement on December 20, 2013. This agreement currently provides bank facilities of up to \$154.0 million. PGW has granted a general security deed and mortgage over all its wholly-owned New Zealand and Australian assets to a security trust. These assets include the shares held in South American subsidiaries and associates. ANZ Bank New Zealand Limited acts as security trustee for the banking syndicate (ANZ Bank New Zealand Limited, Bank of New Zealand Limited and Westpac New Zealand Limited).

PGW bank facilities include:

- Term debt facilities of \$101.5 million maturing on August 1, 2016.
- A working capital facility of up to \$52.5 million maturing on August 1, 2016.

The syndicated facility agreement also allows the Group, subject to certain conditions, to enter into additional facilities outside of the Company syndicated facility. The additional facilities are guaranteed by the security trust. These facilities amounted to approximately \$22.1 million as at June 30, 2014 including:

- Overdraft facilities of approximately \$8.4 million
- Guarantee and trade finance facilities of approximately \$5.7 million
- Standby letters of credit of \$8.0 million to secure the current Uruguayan bank facilities outlined below.

PGW also had current Uruguayan bank facilities amounting to approximately \$26.1 million as at June 30, 2014 which were secured in part by the standby letters of credit outlined above.

The Group's subsidiary, Agria Group Limited, obtained a loan facility of approximately \$28.6 million which will mature on May 29, 2018 provided by a bank.

The Group's subsidiary, Agria NKY Seeds Co., Ltd., obtained a trade facility of approximately \$12.2 million provided by a bank.

The weighted average interest rates on short-term and long-term borrowings outstanding as of each balance sheet date were as follows.

	As at June 30,		As at July 1,
	2014	2013	2012
Short-term facilities	4.6%	4.1%	4.7%
Long-term facilities	3.2%	4.3%	4.3%

Restricted cash balances of \$63.0million and \$37.5 million as at July 1, 2012 and June 30, 2013 respectively, were pledged against short-term facilities.

18. Accounts Receivables, Prepayments and Other Current Assets

	As at June 30,		As at July 1,
	2014	2013	2012
	(US\$'000)	(US\$'000)	(US\$'000)
Accounts receivable	198,795	170,400	160,425
Less provision for doubtful debts	(5,649)	(4,790)	(6,930)
Net accounts receivables	193,146	165,610	153,495
Other receivables and prepayments	21,254	18,248	21,260
Other receivables from associate	2,500	2,474	-
	<u>216,900</u>	<u>186,332</u>	<u>174,755</u>

Analysis of movements in provision for doubtful debts

	2014	2013
	(US\$'000)	(US\$'000)
Balance at beginning of year	(4,790)	(6,930)
Provision for doubtful collection	(981)	(368)
Write-offs	515	2,475
Exchange differences	(393)	33
Balance at end of year	<u>(5,649)</u>	<u>(4,790)</u>

The aging status of the accounts receivable at the reporting date

	June 30, 2014		June 30, 2013		July 1, 2012	
	Not impaired	Impaired	Not impaired	Impaired	Not impaired	Impaired
	(US\$'000)	(US\$'000)	(US\$'000)	(US\$'000)	(US\$'000)	(US\$'000)
Not past due	166,219	-	135,400	-	133,432	-
Past due 1-30 days	18,209	392	20,307	276	12,070	118
Past due 31-60 days	3,641	476	5,064	1,075	2,548	237
Past due 61-90 days	3,615	1,306	2,729	2,692	4,928	215
Past due 90 plus days	1,462	3,475	2,110	747	517	6,360
Impairment	-	(5,649)	-	(4,790)	-	(6,930)
	<u>193,146</u>	<u>-</u>	<u>165,610</u>	<u>-</u>	<u>153,495</u>	<u>-</u>

19. Inventories

	As at June 30,		As at July 1,
	2014	2013	2012
	(US\$'000)	(US\$'000)	(US\$'000)
Merchandise / finished goods	204,073	192,484	191,963
Raw materials and work in progress	13,799	8,152	5,830
Less provision for inventory write down	(5,689)	(5,185)	(5,015)
	<u>212,183</u>	<u>195,451</u>	<u>192,778</u>

During the year ended June 30, 2014, finished goods, work in progress, raw materials and consumables included in cost of sales in the Statement of Profit or Loss amounted to \$704.9 million (2013: \$650.5 million) (see note 8).

During the year ended June 30, 2014, inventories written down to net realizable value amounted to \$4.5 million (2013: \$4.0 million). The write-downs are included in cost of sales in the Statement of Profit or Loss. Consideration is given to factors such as age, germination levels and quality when assessing the net realizable value of seeds inventory.

20. Biological Assets

		2014	2013
	Note	(US\$'000)	(US\$'000)
Livestock			
Opening balance		3,386	16,512
Increase due to acquisitions		10,817	12,536
Decrease due to sales		(10,337)	(24,498)
Net decrease due to births, deaths and category changes		(2)	(43)
Changes in fair value	13	1,154	(1,417)
Exchange difference		534	295
Closing balance		<u>5,552</u>	<u>3,385</u>
Current		5,424	3,272
Non-current breeding stock		<u>128</u>	<u>113</u>
		<u>5,552</u>	<u>3,385</u>

A fair value movement of \$1.2 million was recorded in the Statement of Profit or Loss in respect of biological assets (2013: fair value movement of \$1.4 million). Biological assets are classified as level 2 in the fair value hierarchy.

As at June 30, 2014, livestock held for sale comprised 4,235 cattle, 16,332 sheep and 151 other (consisting of bulls) (2013: 3,099 cattle, 9,453 sheep and 165 other (consisting of bulls and deer) and July 1, 2012: 11,677 cattle, 54,983 sheep and 256 other (consisting of bulls and deer)). During the year, the Group sold 6,281 cattle, 46,619 sheep and 78 other (2013: 14,560 cattle, 106,330 sheep and 91 other).

21. Finance Receivables

As part of the sale of the Group's finance subsidiary, PGG Wrightson Finance Limited ("PWF"), to Heartland Building Society (Heartland), certain excluded loans were acquired by the Group's wholly owned subsidiary, PGW Rural Capital Limited. In addition certain PWF loans sold to Heartland were guaranteed by the Group. Loans put to or called by the Group under the guarantee had been transferred to PGW Rural Capital Limited and are included within this note. As at June 30, 2014, there were no remaining guaranteed loans held by Heartland. All past due finance receivables were impaired.

	As at June 30,	As at July 1,
	2014	2012
	(US\$'000)	(US\$'000)
Finance receivables - less than one year	13,310	17,274
Finance receivables - more than one year	-	-
Allowance for doubtful debts	(10,194)	(14,444)
	<u>3,116</u>	<u>23,154</u>

	As at June 30,	2013
	2014	(US\$'000)
	(US\$'000)	
Impairment		
Balance at the beginning of the year	(8,403)	(14,444)
Impairment (losses)/recoveries recognized in the income statement	248	(3,342)
Interest charged on impaired accounts	(1,033)	(1,862)
Amounts written off to the income statement	139	11,211
Amounts written off not previously provided for	-	-
Exchange differences	(1,145)	34
Movement in specific provision and bad debts written off	<u>(10,194)</u>	<u>(8,403)</u>

	As at June 30,		As at July 1,
	2014	2013	2012
	(US\$'000)	(US\$'000)	(US\$'000)
Impaired			
The status of the receivables at the reporting date			
Past due more than 1 year	13,310	17,274	37,598
Impairment	(10,194)	(8,403)	(14,444)
	<u>3,116</u>	<u>8,871</u>	<u>23,154</u>

	As at June 30,		As at July 1,
	2014	2013	2012
	(US\$'000)	(US\$'000)	(US\$'000)
Asset Quality - Finance receivables			
Neither past due or impaired	-	-	-
Individually impaired loans	13,310	17,274	37,598
Past due loans	-	-	-
Provision for credit impairment	(10,194)	(8,403)	(14,444)
Total carrying amount	<u>3,116</u>	<u>8,871</u>	<u>23,154</u>

**Past due over 90 days assets
(includes impaired assets)**

	2014	2013
	(US\$'000)	(US\$'000)
Balance at the beginning of the year	17,274	37,598
Additions	1,942	12,680
Reduction	(7,871)	(33,162)
Exchange difference	1,965	158
Balance at the end of the year	<u>13,310</u>	<u>17,274</u>

Impaired assets

	2014	2013
	(US\$'000)	(US\$'000)
Balance at the beginning of the year	17,274	37,598
Acquired impaired assets	-	8,943
Additions to individually impaired assets	1,942	3,737
Amounts written off	(139)	(11,211)
Repayments	(7,732)	(21,951)
Exchange difference	1,965	158
Balance at the end of the year	<u>13,310</u>	<u>17,274</u>
Provision for credit impairment	<u>(10,194)</u>	<u>(8,403)</u>
Net carrying amount of impaired assets	<u>3,116</u>	<u>8,871</u>

22. Derivative Financial Instruments

	As at June 30,		As at July 1,
	2014	2013	2012
	(US\$'000)	(US\$'000)	(US\$'000)
Derivative assets held for risk management			
Current	2,236	512	2,336
Non-current	323	3	395
	<u>2,559</u>	<u>515</u>	<u>2,731</u>
Derivative liabilities held for risk management			
Current	(776)	(1,895)	(1,156)
Non-current	(4)	(481)	(232)
	<u>(780)</u>	<u>(2,376)</u>	<u>(1,388)</u>
Net derivatives held for risk management	<u>1,779</u>	<u>(1,861)</u>	<u>1,343</u>

Cash flow hedges of interest rate risk

The Group uses interest rate swaps to hedge its exposure to changes in the market rates of variable and fixed interest rates.

Other derivatives held for risk management

The Group also uses forward foreign exchange contracts, spot foreign exchange contracts and foreign exchange options to manage its exposure to foreign currency fluctuations.

23. Assets Held For Sale

Properties

The Group currently has eight properties classed as held for sale. The properties are on the market and are held at market value (see note 13).

A total impairment loss of \$0.1 million (2013: \$0.1 million) on the re-measurement of the disposal groups to the lower of their carrying amount and fair value less costs to sell has been recognized in fair value adjustments in the Statement of Profit or Loss.

	As at June 30,		As at July 1,
	2014	2013	2012
	(US\$'000)	(US\$'000)	(US\$'000)
Assets classified as held for sale			
Property, plant and equipment	1,022	619	4,394
	<u>1,022</u>	<u>619</u>	<u>4,394</u>

24. Financial Instruments

Financial instruments by category

The table below set out the Group's classification of each class of financial assets and liabilities, and their fair values.

	Designated at fair value	Other amortized cost	Total carrying amount	Fair value
	(US\$'000)	(US\$'000)	(US\$'000)	(US\$'000)
As at June 30, 2014				
Assets				
Cash and cash equivalents	-	13,958	13,958	13,958
Derivative financial instruments	2,559	-	2,559	2,559
Trade and other receivables	-	196,900	196,900	196,900
Other investments	8,122	1,194	9,316	9,316
Finance receivables	-	3,116	3,116	3,116
	<u>10,681</u>	<u>215,168</u>	<u>225,849</u>	<u>225,849</u>
Liabilities				
Derivative financial instruments	780	-	780	780
Trade and other payables	-	245,673	245,673	245,673
Amount due to related parties	-	2,241	2,241	2,241
Bank facilities	-	118,006	118,006	118,006
	<u>780</u>	<u>365,920</u>	<u>366,700</u>	<u>366,700</u>
As at June 30, 2013				
Assets				
Cash and cash equivalents	-	43,342	43,342	43,342
Restricted cash	-	37,457	37,457	37,457
Derivative financial instruments	515	-	515	515
Trade and other receivables	-	161,498	161,498	161,498
Other investments	16,274	862	17,136	17,136
Finance receivables	-	8,871	8,871	8,871
	<u>16,789</u>	<u>252,030</u>	<u>268,819</u>	<u>268,819</u>
Liabilities				
Bank overdraft	-	9,633	9,633	9,633
Derivative financial instruments	2,376	-	2,376	2,376
Trade and other payables	-	216,689	216,689	216,689
Amount due to related parties	-	2,058	2,058	2,058
Bank facilities	-	160,134	160,134	160,134
	<u>2,376</u>	<u>388,514</u>	<u>390,890</u>	<u>390,890</u>
As at July 1, 2012				
Assets				
Cash and cash equivalents	-	26,070	26,070	26,070
Restricted cash	-	63,038	63,038	63,038
Derivative financial instruments	2,731	-	2,731	2,731
Trade and other receivables	-	153,298	153,298	153,298
Other investments	12,529	4,319	16,848	16,848
Finance receivables	-	23,154	23,154	23,154
	<u>15,260</u>	<u>269,879</u>	<u>285,139</u>	<u>285,139</u>
Liabilities				
Derivative financial instruments	1,388	-	1,388	1,388
Trade and other payables	-	207,043	207,043	207,043
Amount due to related parties	-	715	715	715

Bank facilities	-	201,761	201,761	201,761
	<u>1,388</u>	<u>409,519</u>	<u>410,907</u>	<u>410,907</u>

The Group's banking facilities are based on floating interest rates. Therefore, the fair value of the banking facilities equals the carrying value.

25. Property, Plant and Equipment

	Land	Buildings	Plant and equipment	Capital works projects	Total
	(US\$'000)	(US\$'000)	(US\$'000)	(US\$'000)	(US\$'000)
Cost					
Balance at July 1, 2012	10,975	18,363	72,892	1,084	103,314
Additions	-	1,338	5,586	885	7,809
Disposal and transfers to other asset classes	333	4,272	(3,237)	-	1,368
Exchange difference	(306)	(767)	(2,924)	(74)	(4,071)
Balance at June 30, 2013 and July 1, 2013	11,002	23,206	72,317	1,895	108,420
Additions	10,628	17,701	6,232	(1,267)	33,294
Added as part of a business combination	-	-	142	-	142
Disposals and transfers to other asset classes	(202)	(1,457)	(1,961)	-	(3,620)
Exchange difference	1,946	3,226	7,187	183	12,542
Balance at June 30, 2014	23,374	42,676	83,917	811	150,778
Accumulated depreciation and impairment losses					
Balance at July 1, 2012	-	2,943	29,835	-	32,778
Depreciation for the year	-	555	5,016	-	5,571
Depreciation recovered to cost of sales	-	-	1,044	-	1,044
Disposals and transfers to other asset classes	-	(266)	(542)	-	(808)
Exchange difference	-	(103)	(1,308)	-	(1,411)
Balance at June 30, 2013 and July 1, 2013	-	3,129	34,045	-	37,174
Depreciation for the year	-	631	4,912	-	5,543
Depreciation recovered to cost of sales	-	-	1,028	-	1,028
Additions	-	145	555	-	700
Disposals and transfers to other asset classes	-	(171)	(2,109)	-	(2,280)
Exchange difference	-	317	3,693	-	4,010
Balance at June 30, 2014	-	4,051	42,124	-	46,175
Carrying amounts					
At July 1, 2012	10,975	15,420	43,057	1,084	70,536
At June 30, 2013 and July 1, 2013	11,002	20,077	38,272	1,895	71,246
At June 30, 2014	23,374	38,625	41,793	811	104,603

Property, plant and equipment under construction

During the year ended June 30, 2014, the Group completed property projects in Ashburton, Culverden and Rangiora in New Zealand.

26. Other Investments

	As at June 30,		As at July 1,
	2014	2013	2012
	(US\$'000)	(US\$'000)	(US\$'000)
BioPacific Ventures Limited	8,122	7,720	6,935
Heartland New Zealand Limited	-	8,554	5,594
Sundry	1,194	862	4,319
	<u>9,316</u>	<u>17,136</u>	<u>16,848</u>

The Group sold its investment in Heartland New Zealand Limited on August 29, 2013. A fair value movement of \$0.1 million was recorded in other comprehensive income in the period from July 1, 2013 until sale. The cumulative fair value gain of \$1.2 million, held in the fair value reserve in equity in respect of this investment, has been reclassified to retained earnings following the sale of this investment. Investment disposal costs of \$0.02 million have been recognized in respect to the sale. Prior to its sale the investment was classified as level 1 in the financial instruments (note 4).

A fair value loss of \$0.8 million was recorded in other comprehensive income for the BioPacific Ventures Limited investment in the year ended June 30, 2014 (2013: fair value loss of \$0.9 million). The investment is classified as level 3 in the financial instruments (note 4). During the year ended June 30, 2014, the Group invested an additional \$0.2 million as part of its investment commitment.

Sundry consists of sale yards investments, which do not have a market price in an active market and whose fair value cannot be reliably determined, are carried at cost.

27. Intangible Assets

	Land use rights (US\$'000)	Acquired technology (US\$'000)	Software (US\$'000)	Total (US\$'000)
Cost				
Balance at July 1, 2012	58,335	5,169	11,870	75,374
Additions	75	442	806	1,323
Disposals and reclassifications	-	(7)	(10)	(17)
Exchange difference	1,381	92	(381)	1,092
Balance at June 30, 2013 and July 1, 2013	59,791	5,696	12,285	77,772
Additions	42	909	3,523	4,474
Disposals and reclassifications	-	-	(1,637)	(1,637)
Exchange difference	6	125	1,686	1,817
Balance at June 30, 2014	<u>59,839</u>	<u>6,730</u>	<u>15,857</u>	<u>82,426</u>
Accumulated amortization and impairment				
Balance at July 1, 2012	6,864	3,225	6,498	16,587
Amortization for the year	1,328	255	1,166	2,749
Provision for impairment loss (note)	50,589	-	-	50,589
Disposals and reclassifications	-	-	(15)	(15)
Exchange difference	938	59	(212)	785
Balance at June 30, 2013 and July 1, 2013	59,719	3,539	7,437	70,695
Amortization for the year	14	444	4,322	4,780
Disposals and reclassifications	-	-	(1,586)	(1,586)
Exchange difference	5	72	1,112	1,189
Balance at June 30, 2014	<u>59,738</u>	<u>4,055</u>	<u>11,285</u>	<u>75,078</u>
Carrying amounts				
At July 1, 2012	51,471	1,944	5,372	58,787
At June 30, 2013 and July 1, 2013	<u>72</u>	<u>2,157</u>	<u>4,848</u>	<u>7,077</u>
At June 30, 2014	<u>101</u>	<u>2,675</u>	<u>4,572</u>	<u>7,348</u>

Note:

The relevant land parcels were acquired in the time when the Group was engaged in sheep breeding business, which has since ceased after disposal of P3A. Since then, we have explored, apart from finding third-party tenants, long-term viable alternative commercial use of the land parcels, especially with respect to trial plantation of grass varieties. Extensive trial plantation of grass was conducted over the last several years. These trial plantations and their latest results and evaluations completed in late 2012 indicated that it would not be economically viable to carry out large scale commercial plantation on this land. After completion of the trial plantations, the Company engaged a separate and independent professional valuer to evaluate the value of the land. The independent valuation indicated a substantial impairment on the land. The valuation has taken into consideration the results of the trial plantations, as well as other possible alternatives that these land parcels could be used. Without clear visibility as to its cash flow generating capacity in the foreseeable future, the Company determined that it was appropriate to record a full impairment provision of land use rights of approximately \$50.6 million and related non-current prepayments of approximately \$6.4 million (note 29), totaling amounted to approximately \$57.0 million for the year ended June 30, 2013.

28. Goodwill

	2014	2013
	(US\$'000)	(US\$'000)
Opening balance	3,264	141,189
Business combination	-	1,650
Impairment loss	-	(140,837)
Exchange difference	14	1,262
Closing balance	<u>3,278</u>	<u>3,264</u>

Goodwill is allocated to the Group's cash-generating units ("CGUs") identified according to business segment. A segment-level, the goodwill is allocated to the Seed and Grain segment.

The recoverable amounts of CGUs are determined based on value-in-use calculations. The calculations use budget for the first year and cash flow projections based on financial forecast prepared by the management covering the remaining 4-year operating period. The key assumptions include revenue, cost of sales and operating expenses which were determined by management based on the past performance and its expectations on market development. The growth rate of revenue for the CGUs was 115% for the next year, 6% to 15% for the second to fifth year and 2% for terminal growth rate. The present value of cash flow projections for the CGUs are calculated by using pre-tax discount rate of 13.8%.

Based on the assessment test of goodwill, in the opinion of the Directors, no impairment against the Group's goodwill as at June 30, 2014 is considered necessary.

For the year ended June 30, 2013, the Group recognized an impairment loss on goodwill of US\$140.8 million. A number of factors, including the overall financial performance and the share price of PGW, recognition of goodwill impairment loss in the consolidated financial statements of PGW, the slower than expected recovery in the Australian market following poor weather and trading conditions were considered. These conditions were reflected in the Group's operating results and cash flow for the quarter ended June 30, 2013. As a result, the Group has reconsidered the above factors and re-evaluated growth and trend estimate in its future cash flow and value-in-use models. The goodwill impairment assessment process was conducted at the CGUs. The Group determined the fair value based on value-in-use calculations. The calculations use budget for the first year and cash flow projections based on financial forecast prepared by the management covering the remaining 4-year operating period. The key assumptions include revenue, cost of sales and operating expenses which were determined by management based on the past performance and its expectations on market development. The growth rate of revenue for the CGUs was minus 1% for the next year, 5% to 8% for the second to fifth year and 2% for terminal growth rate. The present value of cash flow projections for the CGUs is calculated by using pre-tax discount rate of 13.8%. Based on the assessment test of goodwill, the recoverable amount was lower than the carrying amount of the goodwill and it was concluded that carrying amount of goodwill of approximately \$140.8 million was impaired.

29. Non-current Prepayment

Prepayments and other current assets consist of the following:

	As at June 30,	As at July 1,
	2014	2012
	(US\$'000)	(US\$'000)
Non-current prepayments	<u>414</u>	<u>6,350</u>

For the year ended June 30, 2013, the Group recognized a provision for impairment loss of non-current prepayments of approximately \$6.4 million. The non-current prepayment relates to a prepaid land lease for an extended lease term of land from December 31, 2028 to December 31, 2038 in respect of a parcel of land with land use right expiring on December 31, 2028. A detailed explanation of the provision for impairment loss is set out in note 27.

30. Accounts and Other Payables

	As at June 30,		As at July 1,
	2014	2013	2012
	(US\$'000)	(US\$'000)	(US\$'000)
Accounts payable	131,817	117,247	133,600
Loyalty reward programme (note)	1,336	969	1,112
Deposits received in advance	3,703	4,639	7,073
Provisions (note)	27,043	25,933	22,954
Accruals and other liabilities	68,514	59,848	35,287
Employee entitlements	19,263	12,692	14,090
	<u>251,676</u>	<u>221,328</u>	<u>214,116</u>
Payable within 12 months	221,150	192,204	188,003
Payable beyond 12 months	30,526	29,124	26,113
	<u>251,676</u>	<u>221,328</u>	<u>214,116</u>

Note:

Provisions

Silver Fern Farms supply contract

In 2009, the Group entered into a supply contract with Silver Fern Farms Limited. The contract term expires in September 2019. The Company booked a provision in June 2011 which represented the anticipated excess of costs to be borne under the contract over anticipated returns. The management has reconsidered this provision as at June 30, 2014 in respect of the level of supply and current livestock market trends and considered that it is appropriate to hold a provision of approximately \$0.9 million. This provision represents the management best estimate of the expected excess of costs over returns for the remaining term of the contract. See also contingent liabilities commentary in note 36.

	2014	2013
	(US\$'000)	(US\$'000)
Balance as at July 1	921	1,060
Payment made under contract	-	-
Assessment of provision	(133)	(120)
Exchange difference	115	(19)
Balance as at June 30	<u>903</u>	<u>921</u>

Onerous lease

The Group exited a property, in respect of the Wool business, on June 30, 2013 with a lease that expires in August 2018. This lease is considered onerous and the provision represents the management best estimate of the expected excess of costs over returns for the remaining term of the lease contract.

	2014	2013
	(US\$'000)	(US\$'000)
Balance as at July 1	1,363	-
Assessment of provision	(139)	1,437
Exchange difference	173	(74)
Balance as at June 30	<u>1,397</u>	<u>1,363</u>

Loyalty reward programme

The PGG Wrightson Loyalty Reward Programme is run in conjunction with the co-branded ASB Visa reward card. A provision was retained for the expected level of points redemption.

	2014	2013
	(US\$'000)	(US\$'000)
Balance as at July 1	969	1,112
Additional provision made	948	784
Amount utilized	(720)	(907)
Exchange difference	139	(20)
Balance as at June 30	<u>1,336</u>	<u>969</u>

31. Defined Benefit Liability

Defined Benefit Asset / Liability in PGW

	As at June 30,		As at July 1,
	2014	2013	2012
	(US\$'000)	(US\$'000)	(US\$'000)
Present value of funded obligations	(59,789)	(56,244)	(59,764)
Fair value of plan assets	47,952	40,152	38,973
Total defined benefit asset/(liability)	(11,837)	(16,092)	(20,791)

The Group makes contributions to two defined benefit plans that provide a range of superannuation and insurance benefits for employees and former employees. The two defined benefit plans are open by invitation, however the Group has not invited new members to the schemes since June 1995 and November 2000 respectively. The Group does not intend to invite new members to the scheme. The plan's retired employees are entitled to receive an annual pension payment payable on their life and in some cases on the life of a surviving spouse.

PGW Employment Benefits Plan assets consist of:	PGG Wrightson Employment Benefits Plan		Wrightson Retirement Plan	
	2014	2013	2014	2013
Equities	72%	65%	72%	67%
Fixed interest	24%	32%	24%	31%
Cash	4%	3%	4%	2%
	100%	100%	100%	100%

Plan assets included exposure to PGW's ordinary shares of approximately \$1.4 million (2013: \$0.9 million).

Actuarial Assumptions:	PGG Wrightson Employment Benefits Plan		Wrightson Retirement Plan	
	2014	2013	2014	2013
Principal actuarial assumptions at the reporting date (expressed as weighted averages):				
Discount rate used (10 year New Zealand Government Bond rate)	4.42%	4.03%	4.42%	4.03%
Future salary increases	3.00%	3.00%	0.00%	3.00%
Future pension increases	2.00%	2.50%	1.40%	2.50%

The IFRS Interpretations Committee has provided clarification with regards to IAS 19 as to whether the discount rate used to calculate a defined benefit liability should be pre-tax or post tax. The Committee observed that a pre-tax discount rate should be applied. Historically, the Group's actuarial calculations used a post-tax discount rate. In calculating the Group's defined benefit liability as at June 30, 2014 a pre-tax rate has been used. The impact of this change was a reduction in the net liability of \$2.7 million. No change had been made to the comparative period.

Assumptions regarding future mortality are based on published statistics and mortality tables. The current longevities underlying the values of the defined benefit obligation at the reporting date were as follows:

	PGG Wrightson Employment Benefits Plan (Years)		Wrightson Retirement Plan (Years)	
	2014	2013	2014	2013
Longevity at age 65 for current pensioners				
Males	21	21	21	21
Females	24	24	24	24
Longevity at age 65 for current members aged 45				
Males	24	24	24	24
Females	27	27	27	27

As at June 30, 2014, the weighted average duration of the defined benefit obligation was 9.2 years for the PGG Wrightson Employment Benefits Plan and 11.5 years for the Wrightson Retirement Plan.

Sensitivity Analysis

The sensitivity of the defined benefit obligation (DBO) to changes in the weighted principal assumption is:

	2014	
	Impact on DBO with increase in assumption (US\$'000)	Impact on DBO with decrease in assumption (US\$'000)
Change in assumption		
Discount rate (0.50% movement)	1,449	(1,582)
Salary growth rate (0.50% movement)	(212)	319
Pension growth rate (0.25% movement)	(572)	559
Life expectancy (1 year movement)	(958)	1,024

	2014 (US\$'000)	2013 (US\$'000)	2012 (US\$'000)	2011 (US\$'000)	2010 (US\$'000)
Historical information					
Present value of the defined benefit obligation	59,789	56,244	59,764	57,128	45,270
Fair value of plan assets	(47,952)	(40,152)	(38,973)	(43,107)	(32,790)
Deficit in the plan	11,837	16,092	20,791	14,021	12,480

The Group expects to pay approximately \$1.0 million (2014: \$2.4 million) in contributions to defined benefit plans in 2015. Member contributions are expected to be approximately \$1.0 million (2014: \$0.9 million).

Movement in the liability for defined benefit obligations:

	2014 (US\$'000)	2013 (US\$'000)
Movement in the liability for defined benefit obligations:		
Liability for defined benefit obligation at July 1	56,244	59,764
Benefits paid by the plan	(3,912)	(5,223)
Current service costs	1,013	1,256
Interest costs	2,354	1,923
Member contributions	1,111	1,111
<i>Actuarial (gains)/losses recognized in other comprehensive income arising from:</i>		
Gains from changes in financial assumptions	(4,118)	(4,371)
Experience (gains)/losses	(132)	3,080
Exchange difference	7,229	(1,296)
Liability for defined benefit obligation at June 30	59,789	56,244

Movement in plan assets:

Fair value of plan assets at July 1	40,152	38,973
Contributions paid into the plan	1,185	1,142
Member contributions	1,111	1,111
Benefits paid by the plan	(3,912)	(5,223)
Current service costs and interest	1,749	-
Actuarial gains/(losses) recognized in equity	-	4,233
Expected return on plan assets	2,239	948
Exchange difference	5,428	(1,032)
Fair value of plan assets at June 30	47,952	40,152

Expense recognized in profit or loss:

Current service costs	1,013	1,293
Interest	606	1,475
Expected return on plan assets	(2,239)	(948)
	(620)	1,820
Recognized in non-operating items - (gain)/loss (note 12)	(1,806)	679
Recognized in Employee benefit expense	1,186	1,141
	(620)	1,820

Gains and losses recognized in equity:

Cumulative gains/(losses) at July 1	(21,299)	(25,014)
Net profit and loss impact from current period costs	620	(1,820)
Recognized during the year	4,251	5,114
Exchange difference	(2,552)	421
Cumulative gains/(losses) at June 30	(18,980)	(21,299)

Defined Contribution Plan in PRC

Chinese labor regulations require companies in the PRC to participate in a government mandated defined contribution plan pursuant to which certain pension benefits, medical care, unemployment insurance, employee housing fund and other welfare benefits are provided to employees, and to make contributions to the government for these benefits based on a certain percentage of the employees' salaries. The companies in China are required to make contributions to the government mandated defined contribution plan for these benefits based on 12% - 20% of the employees' salaries. The Company has no legal obligation for the benefits beyond the contributions made. The total amounts for such employee benefits, which were expensed as incurred, were \$0.5 million and \$0.3 million for the year ended June 30, 2013 and the year ended June 30, 2014 respectively.

32. Share Capital and Share Premium

	<u>Number of shares issued</u>	<u>Share Capital (US\$'000)</u>	<u>Share Premium (US\$'000)</u>
At July 1, 2012 and June 30, 2013	110,766,600	-	160,971
At July 1, 2013 and June 30, 2014	110,766,600	-	160,971

The authorized share capital of the Company is US\$50,000 divided into 450,000,000,000 ordinary and 50,000,000,000 preferred shares with par value of US\$0.0000001 per share.

On August 7, 2008, the Company's Board of Directors approved a repurchase of up to \$10 million over the following 24 months by the Company's American Depositary Shares ("ADSs") (the "stock repurchase program"). The timing and amount of repurchase ADSs were determined by the Company's management based on market conditions, ADS price and other factors, and were subject to the restrictions relating to volume, price and timing under applicable law, including Rule 10b-18 under the Securities Exchange Act of 1934. The approval of Company's Board of Directors for the stock repurchase program expired on August 6, 2010.

On July 16, 2010, the Company entered into definitive agreements to divest Taiyuan Primalight III Agriculture Development Co., Ltd., or P3A, to Mr. Frank Xue, the president and a director of P3A. As a result of the transaction, Agria acquired from Mr. Xue and cancelled 14,393,400 shares representing 11.5% of its issued and outstanding share capital immediately prior to the transaction.

On March 22, 2013, the Company's Board of Directors has approved a share buyback program under which the Company may spend up to \$10 million to repurchase ordinary shares, either in the form of ordinary shares or American Depositary Shares (ADS) in the open market or in privately negotiated transactions by December 31, 2013, subject to further extension thereof with approval of the Transition Committee. No shares were being repurchased under the program.

33. Statutory Reserves and Other Reserves

According to the Company Law of the PRC and the Articles of Association of individual subsidiaries in China, each of them in China is required each year to transfer 10% of the profit after tax as reported in its PRC statutory financial statements to the statutory common reserve fund, except where the fund has reached 50% of the registered capital of the company. This fund can be used to make up any losses incurred or be converted into paid-in capital, provided that the fund does not fall below 25% of the registered capital. As of June 30, 2014, the balance of statutory reserves is provided from the profit after tax of NKY.

The statutory common reserve fund is not distributable except upon liquidation.

Other reserves consist of realized capital reserve, revaluation reserve, hedging reserve, defined benefit plan reserve and fair value reserve.

34. Share-based Payment Reserves

Share Incentive Plan

In July 2007, the Company adopted the 2007 Share Incentive Plan (the "Plan"). The Plan provides for the granting of share options and restricted ordinary shares to employees and consultants of the Company. Options granted under the Plan may be either incentive share options or nonqualified share options. The Company reserved 15,000,000 ordinary shares for issuance under the Plan. Under the Plan, options granted generally vest 30% after the first year of service, 30% after the second year of service, 20% after the third year of service and 20% after the fourth year of service. Certain options granted vest 50% after the first year of service and 50% after the second year of service. Certain options granted vest 33.4% after first year of service and 33.3% each after the second and the third year of service. Options may be granted for a term not exceeding 10 years from the date of grant. The option award provides for accelerated vesting if there is a change in control (as defined in the Plan).

For certain options granted with a four year graded vesting term as described above, in the event of termination of employment or service for any reason after one year of employment or service, the grantee's right to vest in the option under the Plan will terminate twelve months after the written notice of termination. The Company concluded that the termination clause represents a non-substantive vesting term since it allows the grantee to continue to vest options for a twelve month period after termination. For accounting purposes, 60% of these options granted are vested after the first year of service, 20% after the second year of service and 20% after the third year of service.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	June 30, 2014		June 30, 2013	
	Average exercise price in \$ per share option	Options (thousands)	Average exercise price in \$ per share option	Options (thousands)
At 1 July	1.68	6,919	1.63	9,767
Granted	-	-	-	-
Forfeited	-	-	1.00	(680)
Exercised	-	-	-	-
Expired	1.91	(3,575)	1.69	(2,168)
At June 30	1.38	3,344	1.68	6,919

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant-vest	Expiry date - 1 July	Exercise price in \$ per share option	Share options (thousands)	
			2014	2013
2007-2010	2017	2.40	-	800
2007-2010	2017	4.80	204	204
2007-2009	2017	3.80	-	35
2007-2011	2017	4.80	200	200
2008-2012	2017	3.83	-	600
2008-2010	2017	3.15	-	200
2008-2012	2017	1.00	400	400
2009-2011	2017	0.92	200	1,240
2010-2013	2020	1.00	1,240	2,140
2010-2013	2020	1.00	700	700
2011-2014	2021	0.34	400	400
			3,344	6,919

35. Commitments

(1) Operating lease commitments

The Group leases a fleet of vehicles for use by employees, agents and representatives. Leases are typically for a period of three years.

The Group leases office and computer equipment. Leases are typically for a period of three years.

The Group also leases and subleases land and buildings from which it conducts operations. These leases range in length from 1 to 15 years with various rights of renewal. Where surplus properties are unable to be exited, sublease revenue is obtained where possible on a short-term temporary basis. During the year ended June 30, 2014, sublease revenue totaling approximately \$0.8 million (2013:\$1.2 million) was received.

Non-cancellable operating lease rentals are payable as follows:

	2014 (US\$'000)	2013 (US\$'000)
Within one year	18,904	19,477
Between one and five years	33,387	43,436
Beyond five years	9,592	17,540
	61,883	80,453

(2) Commitments

	2014 (US\$'000)	2013 (US\$'000)
Capital expenditure not provided for	1,369	1,034
Commitments of investments (note (i))	4,276	4,428
Contributions to Primary Growth Partnership (note (ii))	2,640	2,815
Purchase of land – Corson Maize	-	1,391
Purchase commitment (note (iii))	2,522	5,191
	10,807	14,859

Notes:

(i) Commitment of investment

Investment in BioPacific Ventures

The Group has committed approximately \$12.3 million to an international fund established for investment in food and agriculture life sciences. The Group's investment in BioPacific Ventures began in June 2005. The investment has an anticipated total lifespan of 12 years. At June 30, 2014, approximately \$11.9 million has been drawn on the committed level of investment (2013: \$10.3 million), which is included in other investments.

Investment in Beijing Zhongnong Seed Industry Co., Ltd.

In October 2009, the Company entered into a strategic co-operation framework agreement with the China National Academy of Agricultural Sciences ("CNAAS"), one of the largest agricultural research organization in the PRC, providing for future co-operation across the spectrum of agricultural research. The Company also entered into an investment agreement with CNAAS and its affiliates, under which the Company is to invest approximately \$5.7 million (RMB35 million) (of which approximately \$1.8 million (RMB11 million) has been paid as of June 30, 2014) for a 53.84% equity interest of Zhongnong, a company wholly owned by CNAAS and its affiliates. Since the restructuring of our research and development function and where the operation of Zhongnong has ceased, the Company did not make further investment in 2014.

(ii) Contributions to Primary Growth Partnership

The Group announced on February 18, 2013 that it had completed the contracting process for the Primary Growth Partnership (PGP) programme with the Ministry of Primary Industries. The PGP programme is a Seed and Nutritional Technology Development Programme that aims to deliver innovative forages for New Zealand farms. As a result of entering into the partnership the Group is committed to contributions to the partnership of approximately \$3.4 million over the six year life of the programme which ends on December 31, 2018. As at June 30, 2014, total contributions of approximately \$0.8 million (2013: \$0.2 million) have been made to the programme.

(iii) Purchase commitments mainly consist of service agreements entered into with corn seed companies to purchase corn seeds. The terms of the agreements are for a period of one year. Future minimum purchase payments for the year ending June 30, 2015, under all non-cancelable agreements are approximately \$2.5 million (2013: \$5.2 million).

Save as disclosed, there are no material commitments.

36. Contingent liabilities

	2014 (US\$'000)	2013 (US\$'000)
Guarantees	-	13,017
Loyalty reward programme (note)	116	242
	116	13,259

Notes:

Loyalty Reward Programme

The PGG Wrightson Loyalty Reward Programme is run in conjunction with the co-branded ASB Visa reward card. A provision is retained for the expected level of points redemption. The contingent liability represents the balance of live points that are not provided for.

Silver Fern Farm Supply Contract

In June 2011, a provision was booked in respect of the Silver Fern Farms supply contract. This provision was determined by the management to be the anticipated excess of costs to be borne under the contract over anticipated returns from the contract. Beyond the provision estimated in Note 30, the management consider that an additional liability is not probable based on the current level of livestock supply and livestock supply levels over the past three years.

No losses are expected to arise from these contingent liabilities. There are no contingent liabilities relating to investments in associates.

37. Related Party Transactions

(1) The Company had the following related party transactions during the periods presented:

	2014 (US\$'000)	2013 (US\$'000)
Purchase of corn seeds from:		
Associate	-	580
Purchase of retail goods, sale of seed under production contracts and livestock transaction		
Key management personnel	4,593	3,293
Collection of amounts due from:		
Associate	1	351
Payment of amounts due to:		
Associate	-	377
Loan to associate	77	742
Loan from shareholder	-	4,638
Repayment of loan from shareholder	-	2,922
Interest on loan from shareholder (note (ii))	214	285

A number of Directors, senior executives or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities. A number of these entities transacted with the Company during the reporting period. The terms and conditions of these transactions with key management personnel and their related parties were determined to be no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

(2) The Company had the following related party balances at the end of the following periods:

	June 30, 2014 (US\$'000)	June 30, 2013 (US\$'000)	July 1, 2012 (US\$'000)
Amounts due from / prepayment to related parties:			
Associates (note (i))	2,500	2,474	2,210
Other (non-controlling interest)	11,939	500	-
	<u>14,439</u>	<u>2,974</u>	<u>2,210</u>
Amounts due to related parties:			
Associate	-	-	651
Shareholder (note (ii))	2,241	2,027	-
Officers and directors of PGW	-	31	64
	<u>2,241</u>	<u>2,058</u>	<u>715</u>

Notes:

- (i) Provision for doubtful debt of \$1.2 million was provided as at June 30, 2014 (2013: \$1.2 million; July 1, 2012: \$0.5 million) for the amounts due from associates. Bad debt expenses related to amounts due from associates recognized for the year ended June 30, 2014 was nil (2013: \$2.6 million).
- (ii) Loan from shareholder is unsecured and bears interest at 1% per month.
- (3) Key management compensation during the periods presented:

	2014 (US\$'000)	2013 (US\$'000)
Short-term employee benefits	3,977	3,437
Post-employment benefits	-	-
Termination benefits	-	-
Other long-term benefits	-	-
Share-based payments	96	137
	<u>4,073</u>	<u>3,574</u>

Directors fees of \$0.2 million incurred during the year (2013: \$0.2 million) were included in employee benefits expense.

38. Principal Subsidiaries and Transactions with non-controlling interests

As of June 30, 2014, the Company's principal subsidiaries consisted of the following entities:

Name	Place of Incorporation	% of effective ownership interest held by the Group	% of ownership interests directly held by	
			Subsidiary	Non-controlling interests
<i>Subsidiary directly held by the Company</i>				
Agria Group Limited (Formerly Aero-Biotech Group Limited)	BVI	100%	-	-
<i>Subsidiary indirectly held by the Company</i>				
China Victory International Holdings Limited (“China Victory”)	Hong Kong	100%	100.00%	-
Aero Biotech Science & Technology Co., Ltd. (“Agria China”)	PRC	100%	100.00%	-
Agria Brother Biotech (Shenzhen) Co., Ltd. (“Agria Brother”)	PRC	100%	100.00%	-
Agria Biotech Overseas Limited ("Agria Overseas")	Hong Kong	100%	100.00%	-
Agria Asia International Limited ("Agria International")	Hong Kong	100%	100.00%	-
Agria Hong Kong Limited ("Agria Hong Kong")	Hong Kong	100%	100.00%	-
Agria Asia Investments Ltd. (“Agria Asia Investments”) (Formerly known as Southrich Limited)	BVI	80.81%	80.81%	19.19%
Agria (Singapore) Pte. Ltd ("Agria Singapore")	Singapore	80.81%	100.00%	-
Agria Corporation (New Zealand) Ltd ("Agria New Zealand")	New Zealand	80.81%	100.00%	-
PGG Wrightson Limited ("PGW")	New Zealand	40.58%	50.22%	49.78%
PGW AgriTech Holdings Limited	New Zealand	40.58%	100.00%	-
PGW Rural Capital Limited	New Zealand	40.58%	100.00%	-
PGG Wrightson Employee Benefits Plan Trustee Limited	New Zealand	40.58%	100.00%	-
PGG Wrightson Real Estate Limited	New Zealand	40.58%	100.00%	-
Agriculture New Zealand Limited	New Zealand	40.58%	100.00%	-
PGG Wrightson Trustee Limited	New Zealand	40.58%	100.00%	-
PGW Corporate Trustee Limited	New Zealand	40.58%	100.00%	-
AgriServices South America Limited	New Zealand	40.58%	100.00%	-
PGW AgriServices Australia Pty Limited	Australia	40.58%	100.00%	-
PGG Wrightson Investments Limited	New Zealand	40.58%	100.00%	-
Bloch & Behrens Wool (NZ) Limited	New Zealand	40.58%	100.00%	-
PGW Agritrade Limited (formerly Agri-feeds Limited)	New Zealand	40.58%	100.00%	-
Ag Property Holdings Limited	New Zealand	40.58%	100.00%	-
PGW AgriTech New Zealand Limited	New Zealand	40.58%	100.00%	-
AgriTech South America Limited	New Zealand	40.58%	100.00%	-
PGW AgriTech Australia Pty Limited	Australia	40.58%	100.00%	-
PGG Wrightson Seeds Limited	New Zealand	40.58%	100.00%	-
PGG Wrightson Consortia Research Limited	New Zealand	40.58%	100.00%	-
Grasslands Innovation Limited	New Zealand	28.41%	70.00%	30.00%
Agricom Limited	New Zealand	40.58%	100.00%	-
PGG Wrightson Genomics Limited	New Zealand	40.58%	100.00%	-
Wrightson Seeds Limited	New Zealand	40.58%	100.00%	-
PGG Wrightson Employee Benefits Plan Limited	New Zealand	40.58%	100.00%	-
PGG Wrightson Seeds (Australia) Pty Limited	Australia	40.58%	100.00%	-
Agricom Australia Seeds Pty Limited	Australia	40.58%	100.00%	-
AGR Seeds Pty Limited (formerly Agricom Australia Pty Limited)	Australia	40.58%	100.00%	-
AW Seeds Pty Limited (formerly AusWest Seeds Pty Limited)	Australia	40.58%	100.00%	-
SP Seeds Pty Limited (formerly Stephen Pasture Seeds Pty Limited)	Australia	40.58%	100.00%	-
PGW AgriTech South America S.A.	Uruguay	40.58%	100.00%	-
Wrightson Pas S.A.	Uruguay	40.58%	100.00%	-
Juzay S.A.	Uruguay	40.58%	100.00%	-
Agrosan S.A.	Uruguay	40.58%	100.00%	-
Alfalfares S.R.L.	Argentina	40.58%	100.00%	-
NZ RuralcoParticipacoesLtda	Brazil	40.58%	100.00%	-
PGG Wrightson Uruguay Limited	Uruguay	40.58%	100.00%	-
Hunker S.A. (t/a Rural Centre)	Uruguay	40.58%	100.00%	-
Lanelle S.A. (t/a Riegoriental)	Uruguay	40.58%	100.00%	-
Afinlux S.A. (t/a Romualdo Rodriguez)	Uruguay	20.70%	51.00%	49.00%
Kroslyn S.A. Limited	Uruguay	40.58%	100.00%	-
EscritorioRomualdo Rodriguez Ltda	Uruguay	40.58%	100.00%	-

As of June 30, 2014, the Company consolidates the following structured entities and their subsidiaries:

Name	Place of Incorporation	% of ownership interest indirectly held by Subsidiary	% of effective ownership interest held by the Company
Shenzhen Zhongguan Agriculture Group Co., Ltd. ("Zhongguan") (Formerly known as Shenzhen Guanli Agricultural Technology Co., Ltd.)	PRC	100%(note)	100%
Agria NKY Seeds Co., Ltd. ("NKY") (Formerly known as Beijing NKY Seeding Development Co., Ltd.)	PRC	100%(note)	100%
Shenzhen NKY Seeds Co., Ltd. ("Shenzhen NKY") (Formerly known as Shenzhen Agria Agricultural Co., Ltd.)	PRC	100%(note)	100%
Shenzhen PGW Seeds Co., Ltd. ("Shenzhen PGW Seeds") (Formerly known as Shenzhen Zhongyuan Agriculture Co., Ltd.)	PRC	100%(note)	100%
Tianjin Beiao Seeds Technology Development Co., Ltd. ("Beiao")	PRC	100%(note)	100%
Wuwei NKY Seeds Co., Ltd.	PRC	100%(note)	100%
Shanxi Jufeng Seeds Co., Ltd.	PRC	100%(note)	100%
Zhuhai NKY Seeds Co., Ltd. ("Zhuhai NKY")	PRC	100%(note)	100%

Note: As described in Note 1, the Company does not have legal ownership in equity of these subsidiaries. Nevertheless, under certain contractual agreements entered into with the registered owners of these subsidiaries, the Company and its other legally owned subsidiaries control these companies by way of controlling the voting rights, governing their financial and operating policies of their controlling authorities, and casting the majority of votes at meetings of such authorities. In addition, such contractual agreements also transfer the risks and rewards of these companies to the Company and/or its other legally owned subsidiaries. As a result, they are presented as consolidated structured entities of the Company.

The Company has not provided any financial or other support that it was not previously contractually required to provide during the periods presented to consolidated structured entities.

Material Non-controlling Interests

Set out below is summarized financial information for a subsidiary that has non-controlling interests that is material to the Group. The amounts disclosed are before inter-company eliminations.

	PGW		
	As at June 30,		As at July 1
	2014 (US\$'000)	2013 (US\$'000)	2012 (US\$'000)
Summarized financial position			
Current assets	429,517	382,533	419,351
Current liabilities	(244,935)	(216,163)	(207,772)
Current net assets	184,582	166,370	211,579
Non-current assets	125,728	101,202	360,379
Non-current liabilities	(74,499)	(69,973)	(113,510)
Non-current net assets	51,229	31,229	246,869
Net assets	235,811	197,599	458,448

	PGW	
	For the year ended June, 30	
	2014 (US\$'000)	2013 (US\$'000)
Summarized statement of profit or loss		
Revenue	1,013,690	923,549
Profit for the year	35,322	(251,135)
Other comprehensive income	23,510	6,189
Total comprehensive income	58,832	(244,946)
Dividends paid to non-controlling interests	10,407	7,432
Summarized cash flows		
Cash flows from operating activities	45,585	31,963
Cash flows from investing activities	(15,359)	2,115
Cash flows from financing activities	(25,614)	(42,302)
Net increase / (decrease) in cash and cash equivalents	4,612	(8,224)

LOAN CONTRACT

Party A (Lender): Agria Brother Biotech (Shenzhen) Co., Ltd.

Party B (Borrower): Lai Fulin with ID card number: [Redacted]

Party A and Party B have reached the following agreement in respect of the provision of a loan by Party A to Party B after friendly consultation:

1. Loan Amount: Party A shall lend to Party B a loan of Renminbi One Million And Five Hundred Thousand (¥1,500,000).
2. Term: The loan shall be for a term of three years from the date hereof, and may be extended upon its expiry after mutual consultation.
3. Use of the Loan: Party B undertakes that the loan will be used for investment in Shenzhen PGW Seeds Co., Ltd. and shall be in compliance with the relevant laws and regulations. Otherwise, Party A shall have the right to discharge this Loan Contract unilaterally and request Party B to assume the liabilities for breach of contract.
4. Equity Pledge: All equity interests owned by Party B in Shenzhen PGW Seeds Co., Ltd. shall be pledged as security.
5. Liabilities for Breach of Contract: If a party violates this Contract, the other party shall have the right to discharge it and request the defaulting party to make compensation for any loss arising therefrom.
6. Termination of this Contract: After the termination or discharge of this Contract, Party B shall return the loan to Party A within five working days. In the event of any late return, Party B shall pay to Party A any interest accrued thereon at a loan interest rate stipulated by banks for the corresponding period.
7. Dispute Resolution: Any disputes arisen during the performance of this Contract shall be resolved by the parties through consultation. In the event that no agreement can be reached through consultation, such dispute shall be referred to China International Economic and Trade Arbitration Commission for arbitration. The seat of arbitration shall be Shenzhen. The arbitral award shall be final and binding upon the parties.
8. If any provision of this Contract becomes invalid, it shall not affect the validity of the other provisions hereof.
9. This Contract is executed in two originals and each of the parties shall keep one original. All of them shall have the same legal effect.
10. This Contract shall become effective after it is signed and sealed by Party A and signed by Party B.

Party A: Agria Brother Biotech (Shenzhen) Co., Ltd.

[Chop of Agria Brother Biotech (Shenzhen) Co., Ltd. is affixed]

/s/

Party B: Lai Fulin

/s/ Lai Fulin

Date of execution: March 13, 2013

EQUITY TRANSFER AGREEMENT

Transferor: Chen Jiezhen, with ID card number: [redacted]. (hereinafter referred to as “**Party A**”)

Transferee: Lai Fulin, with ID card number: [redacted]. (hereinafter referred to as “**Party B**”)

Shenzhen PGW Seeds Co., Ltd. (hereinafter referred to as the “**Joint Venture**”) was established in Shenzhen on September 16, 2009 with a registered and contributed capital of RMB30 million, in which Party A owns 5% equity interest. Party A agrees to transfer its 5% equity interest in the Joint Venture to Party B and Party B agrees to accept such transfer. Party A and Party B have unanimously reached the following agreement in respect of the equity transfer after mutual consultation subject to the approval of the shareholders meeting of the Joint Venture:

I. Equity Transfer Price, and its Payment Period and Method:

1. Party A owns 5% equity interest in the Joint Venture. In accordance with the requirements of the original articles of association of the Joint Venture, Party A shall contribute RMB1.5 million and has actually contributed RMB1.5 million. Party A hereby transfers its 5% equity interest in the Joint Venture to Party B at a price of RMB1.5 million.

2. Party B shall pay to Party A the equity transfer price in a lump sum in such currency and amount as prescribed in the preceding paragraph within 30 days from the date on which this Agreement becomes effective.

II. Party A guarantees that it has the full right to dispose of such equity interest proposed to be transferred to Party B. It also guarantees that no pledge has been created over such equity interest and that the equity interest has not been seized and is free from any third party claims. Otherwise, Party A shall bear all economic and legal liabilities arising therefrom.

III. Sharing of Profits and Losses of the Joint Venture (Including Liabilities and Debts):

1. Party B shall be entitled to profits of the Joint Venture and undertake its risks and losses (including those debts and liabilities before the equity transfer) according to the equity ratio after this Agreement becomes effective.

2. If, at the time of signing this Agreement, Party A fails to notify Party B accurately of any liabilities undertaken by the Joint Venture prior to the equity transfer, and, as a result, Party B suffers losses after Party B becomes the shareholders of the Joint Venture, Party B shall have the right to make claims against Party A in respect of such losses.

IV. Liabilities for Breach:

1. The parties shall perform this Agreement on a voluntary basis once it becomes effective. Any party who fails to fully perform its/his/her obligations as required by this Agreement shall bear all liabilities according to law and the provisions hereof.

2. Should Party B fail to settle the equity transfer price as scheduled, Party B shall pay a default penalty that is equivalent to 0.03% of the portion of the equity transfer price that has been overdue for each day overdue. If Party A suffers any loss due to the breach of this Agreement by Party B, and the default penalty paid by Party B is lower than the actual amount of the loss, Party B shall make compensation in respect thereof.

3. If, due to the fault of Party A, Party B is unable to change the registration as scheduled, Party A shall pay to Party B a default penalty that is equivalent to 0.03% of the portion of the equity transfer price that has been paid by Party B for each day overdue. If Party B suffers any loss due to the breach of this Agreement by Party A, and the default penalty paid by Party A is lower than the actual amount of the loss, Party A shall make compensation in respect thereof.

V. Ways of Dispute Resolution:

Any dispute arising out of or in connection with this Agreement shall be resolved by Party A and Party B through friendly consultation. In the event that no agreement can be made, such dispute shall be resolved in the following ways (please select any one of the options listed below and only one option can be chosen. Please put a “✓” in the box next to the option you select): ☒ instituting a legal action in a people's court with competent jurisdiction; ☐ making an application to Shenzhen Arbitration Commission for arbitration.

VI. Modification or Discharge of this Agreement:

Under any of the circumstances below, Party A and Party B may modify or discharge this Agreement. If the two parties enter into a separate agreement to modify or discharge this Agreement, such agreement will become effective after it is notarized by Shenzhen Notary Public Office (in case the company is a foreign-owned enterprise, it shall be submitted to related authorities for approval first).

1. Due to the force majeure, the company is unable to perform this agreement.
2. Due to the change in circumstance, both parties have reached an agreement after mutual consultation.

VII. Undertaking of Relevant Costs:

All costs incurred during the equity transfer (such as the costs in connection with notarization, appraisal or audit, and any change of registration with the administrative department for industry and commerce) shall be borne by Party A.

VIII. Conditions for this Agreement to Become Effective

This Agreement shall become effective once it is signed and sealed by Party A and Party B, respectively, and notarized by Shenzhen Notary Public Office (in case the company is a foreign-owned enterprise, this Agreement will become effective after it is approved by the related authorities). Each party shall complete the formalities in relation to the change of registration with Market Supervision Administration of Shenzhen Municipality according to law after this Agreement becomes effective.

IX. This Agreement is executed in 5 originals. Party A and Party B shall each keep one original, the Joint Venture and Notary Public Office shall each keep one original and the remaining original shall be provided to the relevant government departments.

Transferor: Chen Jiezheng

Signature: /s/ Chen Jiezheng

Transferee: Lai Fulin

Signature: /s/ Lai Fulin

Made in Shenzhen on March 13, 2013

NOTARIAL CERTIFICATE

(2013) Shen Zheng Zi No. 40389

Applicants:

Transferor (Party A): Chen Jiezhen, with ID card number: [redacted]

Transferee (Party B): Lai Fulin, with ID card number: [redacted]

Matter for Notarization: Equity Transfer Agreement

Party A and Party B made an application to us on March 13, 2013 for notarizing the *Equity Transfer Agreement* set forth in front of this Certificate.

It is found after investigation that the parties entered into the *Equity Transfer Agreement* set forth in front of this Certificate after unanimous agreement is made through mutual consultation. The parties had the civil right and civil capacity as required by law at the time of signing the Agreement.

Shenzhen PGW Seeds Co., Ltd. was established on September 16, 2009 with a registered capital of RMB30 million. Party A owns 5% equity interest in such company. Party A hereby transfers its 5% equity interest in such company to Party B at a price of RMB1.5 million. Party B agrees to accept the above equity interests at the prices mentioned above. This equity transfer transaction has been approved by other shareholders of this Company.

By signing the *Equity Transfer Agreement*, the parties express their real intention to make the equity transfer. The terms of this Agreement, such as the price for the equity transfer, its payment method and breach of liabilities, are specifically and clearly defined.

Based on the above facts, it is hereby certified that Chen Jiezhen (as Transferor) and Lai Fulin (as Transferee) entered into the *Equity Transfer Agreement* set forth in front of this Certificate in Shenzhen on March 13, 2013. The execution of the Agreement by the parties are in compliance with Article 55 of the *General Principles of the Civil Law of the People's Republic of China*, and the contents of the Agreement are in compliance with the relevant requirements of the *Company Law of the People's Republic of China* and the *Contract Law of the People's Republic of China*. The signatures of the respective parties to the Agreement are real.

Shenzhen Notary Public Office, Guangdong Province,
the People's Republic of China

Notary: /s/ Liu Demei
[Chop of Shenzhen Notary Public Office is affixed]

March 14, 2013

SUPPLEMENTAL AGREEMENT TO LOAN CONTRACT

Party A: Agria Brother Biotech (Shenzhen) Co., Ltd.

Party B: Chen Jiezheng, with ID card number: [Redacted]

Party C: Lai Fulin, with ID card number: [Redacted]

WHEREAS:

1. Party A and Party B entered into a Loan Contract on November 3, 2009 for an amount of RMB1,500,000;
2. Party A and Party C entered into a Loan Contract on March 13, 2013 for an amount of RMB1,500,000;
3. Party B and Party C entered into an Equity Transfer Agreement on March 13, 2013 for transferring 5% equity interest in Shenzhen PGW Seeds Co., Ltd. (formerly known as Shenzhen Zhongyuan Agriculture Co., Ltd.)

Party A, Party B and Party C have reached the following agreement in respect of the provision of a loan by Party A to Party B after friendly consultation:

1. Party B agrees that Party C shall not be required to pay the equity transfer prices to Party B in accordance with the Equity Transfer Agreement dated March 13, 2013;

Party C agrees that Party A shall not be required to provide the loan under the Loan Contract dated March 13, 2013 to Party C;

Upon completion of the equity transfer, Party A will waive any repayment obligations of Party B under the Loan Contract dated November 3, 2009.
 2. Upon completion of the equity transfer, the Exclusive Call Option Contract and the Equity Pledge Contract entered into between Party B and Party A on November 3, 2009 will be terminated.
 3. This Contract is executed in three originals and each of the parties shall keep one original. All of them shall have the same legal effect.
 4. This Contract shall become effective after it is signed and sealed by Party A and signed by Party B and Party C.
-

(This is the signature page)

Party A: Agria Brother Biotech (Shenzhen) Co., Ltd.

[Chop of Agria Brother Biotech (Shenzhen) Co., Ltd. is affixed]

/s/

Party B: Chen Jiezheng

/s/ Chen Jiezheng

Party C: Lai Fulin

/s/ Lai Fulin

Date of execution: March 13, 2013

EQUITY PLEDGE CONTRACT

This Equity Pledge Contract (hereinafter referred to as “**this Contract**”) is made on March 13, 2013 in Shenzhen:

BETWEEN:

Party A: Agria Brother Biotech (Shenzhen) Co., Ltd. (hereinafter also referred to as the “**Pledgee**”)

Party B: Lai Fulin, a citizen of the PRC with ID card number: [Redacted] (hereinafter also referred to as the “**Pledgor**”)

Party C: Shenzhen PGW Seeds Co., Ltd. (formerly known as Shenzhen Zhongyuan Agriculture Co., Ltd.)

Address: Room 705, Building No. 9, Costal Plaza, Hai Fu Community, Xin An Street, No. 49 Bao An District, Shenzhen.

WHEREAS:

- (1) The Pledgor is the legal and valid shareholder of Shenzhen PGW Seeds Co., Ltd. (“PGW Seeds”), who holds 5% equity interest of PGW Seeds according to laws;
- (2) The Pledgee is a wholly foreign-owned enterprise incorporated in Shenzhen under the laws of the People’s Republic of China (hereinafter referred to as the “**PRC**”, and for the purpose of this Contract, excluding the Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan);
- (3) PGW Seeds is a limited liability company established in Shenzhen under the laws of the PRC;
- (4) The Pledgee and PGW Seeds entered into the *Exclusive Technology Development, Technology Support and Technology Services Contract* on November 7, 2008. The Pledgor agrees to pledge all of his equity interest in PGW Seeds as security for the performance by PGW Seeds of all of its obligations under the above contract;
- (5) The Pledgee, the Pledgor and PGW Seeds entered into the *Exclusive Call Option Contract* on March 13, 2013, and the Pledgee and the Pledgor entered into the *Loan Contract* on March 13, 2013. The Pledgor agrees to pledge all of his equity interest in PGW Seeds as security for the performance by the Pledgor and PGW Seeds of all of their respective obligations under the above four contracts.

NOW, THEREFORE, IT IS AGREED as follows after friendly consultation:

1. Definitions

Unless otherwise required herein, the following terms shall have the meaning as follows:

- 1.1 “**Pledge Right**” refers to the full content of Article 2 hereof.
- 1.2 “**Equity Interest**” means the equity interest legally held by the Pledgor in PGW Seeds.
- 1.3 “**Master Contract**” means the *Exclusive Technology Development, Technology Support and Technology Services Contract*, the *Exclusive Call Option Contract*, the *Loan Contract* and any amendment and supplement thereto.
- 1.4 “**Secured Party**” means any contractual party of each Master Contract other than the Pledgee.
- 1.5 “**Secured Debt**” means all contractual obligations of a Secured Party under each Master Contract, including (but not limited to) interest, default penalty, compensation, expenses incurred by the Pledgee in realizing debt.
- 1.6 “**Event of Default**” means any circumstances stated in Article 7.1 hereof.
- 1.7 “**Notice of Default**” means the notice of default issued by the Pledgee pursuant to this Contract, declaring the occurrence of an Event of Default.

2. Pledge Right

The Pledgor hereby pledges all of his Equity Interest in PGW Seeds to the Pledgee as security for the performance by the Pledgor and PGW Seeds of all of their respective obligations under the Master Contract. Therefore, the Pledgee is entitled to the Pledge Right in respect of all the Equity Interest of the Pledgor in PGW Seeds. The “Pledge Right” means the right of priority to claim for any money converted from the Equity Interest pledged by the Pledgor to the Pledgee, or any proceeds from the auction or sale of such Equity Interest that is enjoyed by the Pledgee.

3. Registration of Pledge

- 3.1 Within one (1) week from the date hereof, PGW Seeds shall, and the Pledgor shall procure PGW Seeds to record the Pledge Right specified in Article 2 above on the register of members of PGW Seeds, and deliver a copy of the register of members of PGW Seeds with its common chop affixed thereon and the original of the equity contribution certificate to the Pledgee for custody.
- 3.2 After the execution hereof, the Pledgor shall, at the written request of the Pledgee at any time, complete the notarization jointly with the Pledgee in respect of this Contract, as well as the Pledge Right of the Pledgee recorded on the register of members and the equity contribution certificate as set forth in Article 3.1 at a notary public office of the place where PGW Seeds is located.

- 3.3 The parties agree that they will make their best effort to register, and cause the pledge hereunder to be registered with an industrial and commercial administrative department of the place where PGW Seeds is registered. The parties also confirm that, unless the registration of the pledge hereunder with the industrial and commercial administrative department is mandatory in law, the validity of this Contract and the Pledge Right specified in Article 2 above shall not be affected even if the parties fail to register the pledge hereunder with the industrial and commercial administrative department of the place where PGW Seeds is registered after the execution of this Contract.

4. Rights of the Pledgee

- 4.1 When a Secured Party does not perform any of its obligations under the Master Contract, the Pledgee shall have the right of priority to claim for any money converted from PGW Seeds' Equity Interest pledged by the Pledgor, or any proceeds from the auction or sale of such Equity Interest.
- 4.2 The Pledgee shall be entitled to receive any dividends (including bonuses) and other property distributions arising from the Equity Interest that is pledged.

5. Representations and Warranties of the Pledgor

- 5.1 The Pledgor is the legitimate owner of the Equity Interest;
- 5.2 The Pledgor fully understands the contents of the Master Contract. The Pledgor signs and performs this Contract on a voluntary basis and all his actual meaning is truly expressed herein. The Pledgor is legally authorized to execute this Contract;
- 5.3 All documents, information, statements and evidence provided by the Pledgor to the Pledgee are accurate, true, complete and valid;
- 5.4 The Pledgor acknowledges that the Pledgee shall have the right to dispose of and transfer the Pledge Right in a manner stipulated herein and within the scope restricted by the PRC laws;
- 5.5 Except for the interest of the Pledgee, the Pledgor has not created other pledges, any other kinds of rights or any third party rights over the Equity Interest;
- 5.6 The Pledgor has obtained the consent of other shareholders of PGW Seeds to pledge the Equity Interest, and the other shareholders have unanimously agreed that they will not interfere by any means and will give up the exercise of their pre-emptive right when the Pledgee actually exercises the Pledge Right.

6. Undertakings of the Pledgor

In addition to the obligations specified in the other provisions hereof, the Pledgor undertakes as follows:

- 6.1 During the term hereof, the Pledgor undertakes to the Pledgee for its benefit that:
- 6.1.1 save for the transfer of the Equity Interest to the Pledgee, the Pledgor shall not, without the prior written consent of the Pledgee, transfer the Equity Interest, nor create or permit the existence of any pledge which might affect the rights and interests of the Pledgee, nor procure any resolution in relation to the sale/transfer/pledge or disposal by other means of the legal and beneficial interest in any Equity Interest of PGW Seeds or permitting the creation of any other security interests over it to be passed at a shareholders' meeting of the company; unless with the prior written consent of the Pledgee, the Pledgor shall vote at a shareholders' meeting of PGW Seeds or procure any director of PGW Seeds nominated by the Pledgor to vote at a board meeting of PGW Seeds and/or by other means to object PGW Seeds to sell/transfer/pledge or otherwise dispose of any of its major assets, including (but not limited to) any intellectual property rights.
 - 6.1.2 if the Equity Interest pledged hereunder is subject to any compulsory measures imposed by courts or other departments for any reasons, the Pledgor shall use all the efforts, including (without limitation) the provision of other security to courts or adoption of other measures, to remove the compulsory measures taken by courts or other departments in respect of the Equity Interest pledged.
 - 6.1.3 the Pledgor shall comply with and implement all laws and regulations relevant to the pledge of rights. The Pledgor shall, within five (5) days of the receipt of any notices, orders or recommendations given or made by the competent authority with respect to the Pledge Right, present the above notices, orders or recommendations to the Pledgee, and shall comply with the same or raise objections and make representations in respect of the above matters as reasonably required by or with the consent of the Pledgee.
 - 6.1.4 the Pledgor shall promptly notify the Pledgee of any event which might have effects on the Equity Interest of the Pledgor or any part of the Pledgor's right or any notice received in connection therewith, as well as any event which might change any warranty and obligation of the Pledgor as created by this Contract or might have effects on it or any notice received in connection therewith.
- 6.2 The Pledgor agrees that the Pledgee shall not be interrupted nor impeded by any legal proceedings instituted by the Pledgor or any successors of the Pledgor or any person authorized by the Pledgor or any other persons when it exercises its rights on the pledge pursuant to the provisions hereof and within the scope permitted by the PRC laws.
- 6.3 The Pledgor undertakes to the Pledgee that, in order to protect or improve the security for the repayment of the Secured Debt herein, the Pledgor will honestly execute and procure other parties who have an interest in the Pledge Right to execute all title certificates and contracts required by the Pledgee, and/or perform and procure other interested parties to perform all acts required by the Pledgee, and facilitate the exercise of any right and authorization conferred to the Pledgee by this Contract.

- 6.4 The Pledgor undertakes to the Pledgee that the Pledgor will execute all documents in relation to the change of share certificates (if applicable and necessary) with the Pledgee or any person designated by it (natural person/legal person), and shall provide the Pledgee with all notices, orders and decisions in relation to the Pledge Right which it thinks necessary within a reasonable time.
- 6.5 The Pledgor undertakes to the Pledgee that the Pledgor will, for the interest of the Pledgee, observe and perform all warranties, undertakings, contracts, representations and conditions. If the Pledgor does not perform or fully perform his warranties, undertakings, contracts, representations and conditions, the Pledgor will indemnify the Pledgee all losses suffered by it arising therefrom.

7. Event of Default

- 7.1 The following events shall be deemed as Events of Default:
- 7.1.1 the Secured Party fails to fully perform any of its Secured Debts under the Master Contract as scheduled;
 - 7.1.2 any representation or warranty made by the Pledgor in Article 5 hereof contains misleading or false information that is material, and/or the Pledgor violates the warranties set forth in Article 5 hereof;
 - 7.1.3 the Pledgor violates the undertakings set forth in Article 6 hereof;
 - 7.1.4 the Pledgor violates any other provisions of this Contract;
 - 7.1.5 the Pledgor gives up the pledged Equity Interest or transfers the pledged Equity Interest without the written consent of the Pledgee;
 - 7.1.6 any external loan, guarantee, compensation, undertaking or other debt liability of the Pledgor (1) is required to be repaid or performed prior to the scheduled date due to any breach of this Contract; (2) has been due but cannot be repaid or performed as scheduled, which in the opinion of the Pledgee, would have affected the ability of the Pledgor in performing his obligations hereunder;
 - 7.1.7 PGW Seeds is incapable to repay the general debts or other debts;
 - 7.1.8 this Contract becomes illegal or the Pledgor fails to continue to perform his obligations hereunder due to any reasons other than “force majeure”;
 - 7.1.9 there has been any adverse change in the properties of the Pledgor, which, in the opinion of the Pledgee, would have affected the ability of the Pledgor in performing his obligations hereunder;

- 7.1.10 there occurs any material adverse change in the assets, operating result or financial situation of PGW Seeds;
- 7.1.11 the successors or heirs of PGW Seeds can only perform part of, or refuse to perform, the Master Contract;
- 7.1.12 the Pledgor violates any other provisions of this Contract through any act or omission to act.
- 7.2 If the Pledgor is aware or discovers that any event described in this Article 7.1 or any event which may possibly result in the aforesaid events has happened, the Pledgor shall immediately notify the Pledgee in writing.
- 7.3 Unless the events of default listed in this Article 7.1 has been resolved to the satisfactory of the Pledgee, the Pledgee may serve a written Notice of Default to the Pledgor at any time when the Pledgor is in default or thereafter and require the Pledgor to pay any debts and other payables under the Master Contract or to dispose of the Pledge Right pursuant to Article 8 hereof.

8. Exercise of the Pledge Right

- 8.1 Subject to the requirement in Article 6.1.1 hereof, the Pledgor shall not transfer the pledged Equity Interest before the obligations of the Secured Party under the Master Contract have been fully performed and without the written consent of the Pledgee.
- 8.2 The Pledgee shall serve Notice of Default to the Pledgor when exercising its Pledge Right.
- 8.3 Subject to the requirement in Article 7.3 hereof, the Pledgee may exercise the right to dispose of the Pledge Right at the time when the Notice of Default is given pursuant to Article 7.3 or at any time after such notice is given.
- 8.4 The Pledgee shall have the right of priority to claim for any money converted from all or part of the Equity Interest hereunder, or any proceeds from the auction or sale of such Equity Interest according to statutory procedures until the outstanding debts and all other payables of the Secured Party under the Master Contract are repaid.
- 8.5 When the Pledgee disposes of the Pledge Right in accordance with this Contract, the Pledgor shall not pose any obstacles, and shall offer necessary assistance in this regard so that the Pledgee can realize its Pledge Right.

9. Assignment of this Contract

- 9.1 Unless with the prior consent of the Pledgee, the Pledgor or PGW Seeds shall have no right to transfer any of his/its rights or obligations hereunder.
- 9.2 This Contract shall be binding upon the Pledgor and the Pledgor's successors or heirs, and shall be valid and binding upon the Pledgee and each of its successors, heirs or permitted assignees.

9.3 The Pledgee may, at any time and to the extent permitted by laws, transfer all or any of its rights and obligations under the Master Contract to any person designated by it (natural person/legal person), in which case, the assignee shall be entitled to and undertake all rights and obligations of the Pledgee hereunder as if it should have been entitled to and undertaken such rights and obligations as a party to this Contract. When the Pledgee transfers its rights and obligations under the Master Contract, only a written notice shall be given by the Pledgee to the Pledgor, and the Pledgor shall, at the request of the Pledgee, execute and transfer the relevant contracts and/or documents in this regard.

9.4 A new pledge contract shall be signed between the new parties to the pledge after the change of the pledgee as a result of the transfer.

10. Effectiveness

This Contract is signed and shall become effective on the date first written above.

11. Termination

This Contract shall be terminated after the Secured Debt under the Master Contract has been fully repaid and the Pledgor has no longer undertaken any obligation under the Master Contract, and the Pledgee shall, within the earliest reasonable and practicable time, offer assistance to complete necessary formalities so as to release the pledge of the Equity Interest.

12. Handling Fees and Other Costs

12.1 All costs and actual expenses in connection with this Contract, including without limitation, legal fee, cost of production, stamp duty and any other taxes and charges, shall be borne by the Pledgee. If the relevant taxes are required by law to be paid by the Pledgor, the Pledgee shall fully indemnify the Pledgor such taxes paid by the Pledgor.

12.2 If the Pledgee fails to pay any taxes or charges payable in accordance with this Contract or the Pledgor recovers such taxes or charges by any means or ways due to any other reasons, the Pledgee shall bear all costs arising therefrom (including without limitation, all taxes, handling fees, management fees, litigation cost, attorney's fees and various insurance premiums in connection with the handling of the Pledge Right).

13. Force Majeure

13.1 "Force Majeure" means any event that is beyond the reasonable control of a party and that is unavoidable even though the party so affected gives reasonable attention to it, including but not limited to act of government, act of nature, fire, explosion, typhoon, flood, earthquake, tidal, lightning or war. However, the shortage of credit, capital or financing shall not be deemed as events beyond the reasonable control of a party. Any party who is affected by "Force Majeure" shall notify the other party as soon as possible of the event, in respect of which the exemption from such obligations is sought.

- 13.2 When the performance of this Contract is delayed or prevented due to the “Force Majeure” defined above, the party so affected shall not be required to assume any liabilities hereunder to the extent that it is within the scope of the delay or prevention. It shall take appropriate measures to minimize or eliminate the impact of “Force Majeure” and shall make effort to resume the performance of any obligations that are delayed or prevented by the “Force Majeure”. Once the “Force Majeure” is removed, the parties agree to resume the performance of their respective obligations hereunder with their greatest efforts.

14. Confidentiality Obligation

The parties hereto acknowledge and confirm that any oral or written information exchanged between them in connection with this Contract shall be confidential information. The parties shall keep all such information confidential and shall not disclose any of the information to any third parties without the written consent of the other parties, except for the following: (a) the information that are or will be known to the public (provided that they are not disclosed to the public without authorization by the information receiving party); (b) the information required to be disclosed by applicable laws, or the rules or regulations of securities exchanges; or (c) the information required to be disclosed by a party to its legal or financial advisors with respect to the transaction mentioned herein, for which such legal or financial advisors shall also comply with the confidentiality obligation as similar as that described in this Article. Any divulgence of Confidential Information by the employees of either party or any organization engaged by it shall be deemed as the divulgence of Confidential Information by such party, and such party shall be liable for the breach pursuant to this Contract.

15. Dispute Resolution

- 15.1 This Contract shall be governed by and construed in accordance with the laws of the PRC;
- 15.2 Any disputes between the parties arising from the interpretation and performance of any provisions hereof shall be resolved in good faith by them through consultation. If no agreement can be reached in respect of a dispute, either party may submit such dispute to China International Economic and Trade Arbitration Commission for arbitration in accordance with its arbitration rules then in force. The seat of arbitration shall be Shenzhen. The arbitration shall be conducted in Chinese. The arbitral award shall be final and binding upon the parties.

16. Integrity of this Contract

Notwithstanding the requirement in Article 10 hereof, the parties confirm that, once this Contract becomes effective, it shall constitute the entire agreement and understanding between the parties hereto with respect to the contents of this Contract, and shall completely supersede all previous oral or/and written discussions, communications, understanding, agreements and arrangements between the parties hereto in connection with the contents of this Contract.

17. Severability of this Contract

If any provision of this Contract is invalid or unenforceable due to its inconsistency with the relevant laws, such provision shall be deemed to be invalid only to the extent within the scope of the related jurisdiction, and shall not affect the legal effect of the other provisions hereof.

18. Amendment and Supplement to this Contract

- 18.1 All amendments and supplements to this Contract shall be made by the parties in writing. Any amendment contracts and supplemental contracts hereto duly signed by the parties shall be an integral part of this Contract, and shall have the same legal effect as this Contract.
- 18.2 This Contract and any of its amendments, supplements or modification shall be made in writing and shall become effective once they are signed and sealed by the parties.

19. Counterpart

This Contract is executed in Chinese in six originals and each of them shall have the same legal effect. The Pledgee, the Pledgor and PGW Seeds shall each keep one original and the remaining three originals shall be provided to the relevant government departments.

IN WITNESS WHEREOF, the parties hereto have executed this Contract on the day first above written.

[No text in this page]

Party A: Agria Brother Biotech (Shenzhen) Co., Ltd.

Legal Representative/Authorized Representative: /s/

Common Chop: *[Chop of Agria Brother Biotech (Shenzhen) Co., Ltd. is affixed]*

Party B: Lai Fulin

Signature: /s/ Lai Fulin

Party C: Shenzhen PGW Seeds Co., Ltd.

Legal Representative/Authorized Representative: /s/

Common Chop: *[Chop of Shenzhen PGW Seeds Co., Ltd. is affixed]*

Exhibit 4.33*English Translation for Reference***EXCLUSIVE CALL OPTION CONTRACT**

This *Exclusive Call Option Contract* (hereinafter referred to as “**this Contract**”) is made on March 13, 2013 in Shenzhen:

BY AND AMONG:

Party A: Agria Brother Biotech (Shenzhen) Co., Ltd.

Address: Unit 201, 2/F, Longyuan Building, Clear Water River Road, Luohu District, Shenzhen

Party B: Lai Fulin, a citizen of the PRC with ID card number: [Redacted]

Party C: Shenzhen PGW Seeds Co., Ltd. (formerly known as Shenzhen Zhongyuan Agriculture Co., Ltd).

Address: Room 705, Building No. 9, Costal Plaza, Hai Fu Community, Xin An Street, No. 49 Bao An District, Shenzhen.

WHEREAS:

1. Party A is a wholly foreign-owned enterprise incorporated in Shenzhen under the laws of the People’s Republic of China (hereinafter referred to as the “**PRC**”, and for the purpose of this Contract, excluding the Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan);
2. Party B is a citizen of the PRC, who holds 5% equity interest of Shenzhen PGW Seeds Co., Ltd. (“PGW Seeds”);
3. PGW Seeds is a limited liability company established in Shenzhen under the laws of the PRC;
4. Party B intends to grant to Party A an exclusive call option so that Party A may request Party B to sell Party B’s equity interest to Party A upon certain conditions are satisfied.

NOW, THEREFORE, IT IS AGREED as follows after mutual consultation:

CHAPTER 1 SALE AND PURCHASE OF EQUITY INTEREST**1.1 Grant of Option**

Party B hereby irrevocably grants to Party A an option to purchase or designate any person or persons (hereinafter referred to as the “**Designated Person**”) to purchase from Party B all or part of Party B’s equity interest in PGW Seeds at any time according to the steps for exercise of the call option as determined by Party A at its sole discretion to the extent permitted by the PRC laws and at the price specified in Article 1.3 hereof (hereinafter referred to as the “**Call Option**”). Except for Party A and/or the Designated Person, Party B shall not sell, offer to sell, transfer, offer as gift nor pledge any equity interest of PGW Seeds to any other third parties. PGW Seeds hereby agrees to the grant of the Call Option by Party B to Party A and/or the Designated Person. The term “person” specified in this Article and this Contract shall include individuals, corporations, joint ventures, partnerships, enterprises, trusts or non-corporate bodies.

1.2 Steps for Exercise of the Call Option

Subject to the provisions of the PRC laws and regulations, Party A and/or the Designated Person may exercise the Call Option by giving written notice to Party B (hereinafter referred to as the “**Equity Purchase Notice**”) and specifying the portion of equity interest to be purchased from Party B (hereinafter referred to as the “**Purchased Equity**”) and the manner in which the purchase is made.

1.3 Purchase Price

- 1.3.1 When Party A exercises its Call Option, unless an appraisal is required to be made in respect of the equity interest by applicable PRC laws and regulations then in effect or there are other restrictions imposed by such PRC laws and regulations on the price of equity interest, the purchase price payable by Party A to Party B in respect of all of the equity interest (hereinafter referred to as the “**Purchase Price**”) shall be RMB One (1). Party A shall also release the obligation of Party B to make repayment under the *Loan Contract* dated March 13, 2013 between Party A and Party B.
- 1.3.2 If an appraisal is required to be made in respect of the equity interest by the PRC laws and regulations that are applicable at the time when Party A exercises its Call Option or there are other restrictions imposed by such PRC laws and regulations on the price of equity interest, the parties agree that the Purchase Price shall be the minimum price permitted by applicable laws.
- 1.3.3 If Party A chooses to purchase part of the equity interest, the exercise price of the Call Option shall be adjusted according to the ratio of the Purchased Equity to the whole equity interests of PGW Seeds.

1.4 Transfer of the Purchased Equity

For each exercise of the Call Option:

- 1.4.1 Party B shall cause PGW Seeds to hold a shareholders’ meeting in a timely manner, during which a resolution approving the transfer of equity interest by Party B to Party A and/or the Designated Person shall be passed and Party B shall procure other shareholders to give up their right of first refusal in respect of the Purchased Equity in writing;
- 1.4.2 Party B shall sign an equity transfer contract in relation to each transfer with Party A and/or the Designated Person (as applicable) in accordance with the requirements of this Contract and the Equity Purchase Notice in connection with the Purchased Equity;
- 1.4.3 The relevant parties shall execute all other necessary contracts, agreements or documents, obtain all necessary government approvals and consents, and take all necessary actions to grant the valid ownership of the Purchased Equity to Party A and/or the Designated Person without any security interest being attached thereto and procure Party A and/or the Designated Person to become the legal owner of the Purchased Equity. For the purpose of this Article and this Contract, “security interest” shall include guarantees, mortgages, pledges, third parties’ rights or interests, any share options, acquisition rights, right of first refusal, right to offset, ownership retention or other security arrangements but exclude any security interest arising from the *Equity Pledge Contract* dated March 13, 2013 by and among Party A, Party B and PGW Seeds (hereinafter referred to as the “**Equity Pledge Contract**”).

1.5 Payment

The payment method of the Purchase Price or the exercise price of the Call Option shall be determined by Party A and/or the Designated Person and Party B through negotiation in accordance with the laws applicable at the time when the Call Option is exercised.

CHAPTER 2 UNDERTAKINGS RELATING TO EQUITY INTEREST

2.1 Joint undertakings relating to PGW Seeds

Party B and Party C hereby jointly undertake as follows:

- 2.1.1 Without the prior written consent of Party A, they shall not in any manner supplement, change or amend the articles of association of PGW Seeds, increase or decrease its registered capital, or otherwise change the structure of its registered capital;
- 2.1.2 PGW Seeds shall maintain its corporate existence in accordance with good financial and business standards and practices by operating its business and handling its affairs in a prudent and efficient manner; it shall make its best endeavour to ensure that PGW Seeds continues to own all permits, licenses and approvals that are necessary for its operation and that such permits, licenses and approvals will not be cancelled; it shall make its best endeavour to keep the current organizational structure and the senior management of the company unchanged, and to maintain the relationship with its customers so as to guarantee that there will not be any material adverse effect on the goodwill and operation of PGW Seeds after the delivery of equity interest as agreed;
- 2.1.3 Without the prior written consent of Party A, PGW Seeds shall not, at any time after the date hereof, sell, transfer, mortgage or otherwise dispose of the legal or beneficial interest in any assets, businesses or revenues of PGW Seeds, nor allow any other security interest to be created thereon;
- 2.1.4 Without the prior written consent of Party A, PGW Seeds shall not incur, inherit, guarantee or allow the existence of any debt, except for (i) debts incurred in the normal or ordinary course of business other than through loans; and (ii) debts disclosed to Party A for which Party A's written consent has been obtained;
- 2.1.5 PGW Seeds shall always operate all of its businesses during the ordinary course of business to maintain its asset value, and shall refrain from any action/omission that may affect its business operation and asset value;
- 2.1.6 Without the prior written consent of Party A, PGW Seeds shall not enter into any material contract, except for those contracts that are entered into in the ordinary course of business (for the purpose of this paragraph, a contract with a value exceeding RMB One Million (1,000,000) shall be deemed as a material contract);
- 2.1.7 Without the prior written consent of Party A, PGW Seeds shall not provide any loan or credit to any person;
- 2.1.8 PGW Seeds shall, at the request of Party A, provide it with information relating to the business operation and financial condition of PGW Seeds;

- 2.1.9 PGW Seeds shall purchase and maintain insurance from an insurance company recognized by Party A. The coverage and type of insurance shall be the same as those of the insurance typically purchased by other companies that operate businesses similar to PGW Seeds in the same region and possess property or assets similar to PGW Seeds;
- 2.1.10 Without the prior written consent of Party A, PGW Seeds shall not merge or consolidate with, or acquire or invest in any person;
- 2.1.11 PGW Seeds shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to PGW Seeds' assets, businesses and revenues;
- 2.1.12 To maintain the ownership by PGW Seeds of all of its assets, it shall execute all necessary or appropriate documents, take all necessary or appropriate actions and make all necessary or appropriate claims or raise necessary and appropriate defenses against all claims;
- 2.1.13 Without the prior written consent of Party A, PGW Seeds shall not in any manner distribute dividends to its shareholders, provided that upon Party A's request, it shall immediately distribute all or part of its distributable profits to its shareholders;
- 2.1.14 Within the term hereof, PGW Seeds shall operate its business in compliance with all applicable laws, regulations, administrative rules and regulations of the PRC, and there will not be any material adverse effect on the business operation or assets of PGW Seeds due to any breach of the above requirements;
- 2.1.15 If Party A exercises the Call Option according to the conditions of this Contract, PGW Seeds shall make its best endeavour to obtain all government approvals and other consents (if applicable) that are necessary for the completion of the equity transfer as soon as possible;
- 2.1.16 At the request of Party A, they shall appoint any persons designated by Party A as directors of PGW Seeds.

2.2 Undertakings relating to Party B

Party B hereby undertakes that:

- 2.2.1 Without the prior written consent of Party A, Party B will not, at any time after the date hereof, sell, transfer, mortgage or otherwise dispose of any legal or beneficial interest in the equity interest, nor allow any other security interest to be created thereon, except for the pledge right under the *Equity Pledge Contract*;
- 2.2.2 Without the prior written consent of Party A, Party B will not vote in favour of or support or execute any shareholders' resolution at a shareholders' meeting of PGW Seeds to approve the sale, transfer, mortgage or disposal in any other manner of any legal or beneficial interest in the equity interest, nor allow any security interest to be created thereon, except for the same is made to Party A or any person designated by it;
- 2.2.3 Without the prior written consent of Party A, Party B will not vote in favour of or support or execute any shareholders' resolution at a shareholders' meeting of PGW Seeds to approve the merger or consolidation of PGW Seeds with any person, or the acquisition of or investment in any person;

- 2.2.4 Party B will immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to the equity interest held by Party B;
- 2.2.5 Party B will procure the shareholders' meeting of the company to vote in favour of the transfer of the Purchased Equity as set forth in this Contract;
- 2.2.6 To maintain his ownership in the equity interest, Party B will execute all necessary or appropriate documents, take all necessary or appropriate actions and make all necessary or appropriate claims or raise necessary and appropriate defenses against all claims;
- 2.2.7 At the request of Party A, Party B will appoint any persons designated by Party A as directors of PGW Seeds;
- 2.2.8 At the request of Party A at any time, Party B will unconditionally and promptly transfer his equity interest to Party A and/or the Designated Person at any time, and give up his right of first refusal in respect of other equity interests to be transferred;
- 2.2.9 Party B will strictly observe the provisions of this Contract and other contracts jointly or separately executed by and among Party B, PGW Seeds and Party A, perform his obligations hereunder and thereunder, and refrain from action/omission that may affect the effectiveness and enforceability thereof.

CHAPTER 3 REPRESENTATIONS AND WARRANTIES

Party B and PGW Seeds hereby represent and warrant to Party A as of the date hereof and each date of transfer:

- 3.1 They have the right to execute and deliver this Contract and any equity transfer contracts to which they are a party and which are entered into in respect of each transfer of the Purchased Equity hereunder (each, a "**Transfer Contract**"), and to perform their respective obligations under this Contract and any Transfer Contracts. This Contract and the Transfer Contracts to which they are a party, once executed, will constitute their legal, valid and binding obligations and shall be enforceable against them in accordance with the provisions thereof;
- 3.2 The execution and delivery of this Contract or any Transfer Contracts and the performance of their respective obligations under this Contract or any Transfer Contracts shall not: (i) result in any violation of any applicable PRC laws and regulations; (ii) be in conflict with their articles of association or other constituent documents; (iii) result in the violation of any contracts or documents to which they are a party or which are binding upon them, or constitute any breach under any contracts or documents to which they are a party or which are binding upon them; (iv) result in the violation of any conditions for the grant and/or continued effectiveness of any licenses or permits issued to either of them; or (v) result in the suspension or revocation of or imposition of additional conditions to any licenses or permits issued to either of them;
- 3.3 PGW Seeds has a good and merchantable title to all of its assets. PGW Seeds has not created any security interest on its assets;
- 3.4 PGW Seeds does not have any outstanding debts, except for (i) debts incurred in the ordinary course of its business, and (ii) debts disclosed to Party A for which Party A's written consent has been obtained;
- 3.5 PGW Seeds has complied with all PRC laws and regulations applicable to the acquisition of assets;

- 3.6 There are no ongoing, pending or threatened litigation, arbitration or administrative proceedings relating to PGW Seeds or the equity interest in or assets of PGW Seeds ; and
- 3.7 Party B has a good and merchantable title and a complete and valid disposal right to all of his equity interests (except for the restrictions under the PRC laws and regulations). Save for the security interests under the *Equity Pledge Contract*, Party B has not created any security interest on his equity interest and is free from any third party claims.

CHAPTER 4 ASSIGNMENT OF THIS CONTRACT

- 4.1 Unless with the prior written consent of Party A, Party B and PGW Seeds shall not transfer their respective rights and obligations hereunder to any third parties.
- 4.2 Party B and PGW Seeds hereby agree that Party A shall have the right to transfer its rights and obligations hereunder to any third parties when necessary. Party A shall only be required to serve a written notice to Party B and PGW Seeds when such transfer is made, and no consent shall be further required from Party B or PGW Seeds in respect of such transfer.

CHAPTER 5 EFFECTIVENESS AND TERM

- 5.1 This Contract shall become effective as of the date first written above.
- 5.2 This Contract shall be automatically terminated only after Party A exercises its option to purchase all of the equity interests in PGW Seeds pursuant to the requirements of this Contract, except for the early termination by this Contract or pursuant to the provisions of the relevant agreements separately signed by the parties hereto.
- 5.3 If, during the period stipulated in Article 5.2, the operation term of Party A or PGW Seeds (including any extended term) expires or either party terminates due to other reasons, this Contract shall be terminated at the time of the termination of such party, except for the circumstances where Party A has transferred its rights and obligations pursuant to Article 4.2 hereof.

CHAPTER 6 APPLICABLE LAWS, DISPUTE RESOLUTION AND LIABILITIES FOR BREACH

6.1 Applicable Laws

The formation of this Contract, its effectiveness, interpretation and performance, as well as the dispute resolution hereunder shall be protected and governed by the laws of the PRC.

6.2 Dispute Resolution

Any disputes between the parties arising from the interpretation and performance of any provisions hereof shall be resolved in good faith by them through consultation. If no agreement can be reached within thirty (30) days after a Party proposes to resolve a dispute through consultation, either party may submit such dispute to China International Economic and Trade Arbitration Commission for arbitration in accordance with its arbitration rules then in force. The seat of arbitration shall be Shenzhen. The arbitration shall be conducted in Chinese. The arbitral award shall be final and binding upon the parties.

6.3 Liabilities for Breach

A breach of this Contract shall be constituted if any party hereto violates the agreements of this Contract by failing to fully perform this Contract, or making any false information, or withholding or omitting significant facts in any undertaking, representation and warranty made by him/it in this Contract, or refusing to perform any of his/its undertakings, representations and warranties. The defaulting party shall bear the corresponding liabilities for the breach according to laws.

CHAPTER 7 TAXES AND FEES

Party A shall bear any and all transfer and registration tax and fees incurred by or levied on the parties in accordance with the laws of the PRC in connection with the preparation and execution of this Contract and the Transfer Contracts, as well as the consummation of the transactions contemplated under this Contract and the Transfer Contracts.

CHAPTER 8 CONFIDENTIALITY OBLIGATION

The parties hereto acknowledge and confirm that any oral or written information exchanged between them in connection with this Contract shall be confidential information. The parties shall keep all such information confidential and shall not disclose any of the information to any third parties without the written consent of the other parties, except for the following:

- a. the information that are or will be known to the public (provided that they are not disclosed to the public without authorization by the information receiving party);
- b. the information required to be disclosed by applicable laws, or the rules or regulations of securities exchanges; or
- c. the information required to be disclosed by a party to its legal or financial advisors with respect to the transaction mentioned herein, for which such legal or financial advisors shall also comply with the confidentiality obligation as similar as that described in this Article. Any divulgence of confidential information by the employees of either party or any organization engaged by it shall be deemed as the divulgence of confidential information by such party, and such party shall be liable for the breach pursuant to this Contract. This article shall survive regardless of whether this Contract is invalid, discharged, terminated or cannot be operated due to any reason.

CHAPTER 9 FURTHER ASSURANCE

The parties agree to promptly execute such documents and take such further action as are reasonably required for or are conducive to the implementation of the provisions and purpose of this Contract.

CHAPTER 10 MISCELLANEOUS

10.1 Modification, Amendment and Supplement

All amendments and supplements to this Contract shall be made by the parties in writing. Any amendment contracts and supplemental contracts hereto duly signed by the parties shall be an integral part of this Contract, and shall have the same legal effect as this Contract.

10.2 Integrity of this Contract

The parties confirm that, once this Contract becomes effective, it shall constitute the entire agreement and understanding between the parties hereto with respect to the contents of this Contract, and shall completely supersede all previous oral or/and written agreement and understanding between the parties hereto in connection with the contents of this Contract.

10.3 Severability of this Contract

If any provision or provisions of this Contract is/are held to be invalid, illegal or unenforceable in any respect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Contract shall not be affected or impaired in any respect. The parties shall, through amicable negotiations, strive to replace those invalid, illegal or unenforceable provision or provisions with valid provision or provisions, and the economic effect of such valid provision or provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provision or provisions.

10.4 Headings

The headings of this Contract are for convenience only, and shall not be used to interpret, explain or otherwise affect the meanings of the provisions of this Contract.

10.5 Language and Counterpart

This Contract is executed in Chinese in six originals and each of them shall have the same legal effect. Each party shall keep one original and the remaining three originals shall be provided to the relevant government departments.

10.6 Successors

This Contract shall be binding on and shall inure to the interest of the respective successors or heirs of the parties and the permitted assignees of such parties.

10.7 Survival

Any obligations that occur or are due as a result of this Contract prior to the expiration or early termination of this Contract shall survive the expiration or early termination hereof. The provisions of Chapters 6 and 8 and this Article 10.7 hereof shall survive the termination of this Contract.

10.8 Waivers

Any party may waive the terms and conditions of this Contract, provided that such a waiver must be provided in writing and shall require the signatures of the parties. No waiver by any party in certain circumstances with respect to a breach by other parties shall operate as a waiver by such a party with respect to any similar breach by other parties in other circumstances.

[No text in this page]

IN WITNESS WHEREOF, the parties hereto have executed this Contract on the day first above written.

Party A: Agria Brother Biotech (Shenzhen) Co., Ltd.

Legal Representative/Authorized Representative: /s/

Common Chop: *[Chop of Agria Brother Biotech (Shenzhen) Co., Ltd. is affixed]*

Party B: Lai Fulin

Signature: /s/ Lai Fulin

Party C: Shenzhen PGW Seeds Co., Ltd.

Legal Representative/Authorized Representative: /s/

Common Chop: *[Chop of Shenzhen PGW Seeds Co., Ltd. is affixed]*

LETTER OF UNDERTAKING

IT IS HEREBY UNDERTAKEN THAT:

Lai Fulin, a citizen of the People's Republic of China (hereinafter referred to as "**China**"), with the Chinese ID card number: [Redacted], holds 5% equity interest of Shenzhen PGW Seeds Co., Ltd. (hereinafter referred to as "PGW Seeds");

The above shareholder hereby irrevocably undertakes to Agria Brother Biotech (Shenzhen) Co., Ltd. (hereinafter referred to as "**Agria Brother**") as follows:

Once I, as a shareholder of PGW Seeds, receive any dividends, bonuses or other distributions from PGW Seeds, I shall transfer all such incomes remaining after the deduction of any taxes payable thereon, without compensation, to Agria Brother and/or any person designated by it unless this is restricted by laws, regulations or judicial proceedings.

Undertaken by (Signature):

/s/ Lai Fulin

March 13, 2013

POWER OF ATTORNEY

I, Lai Fulin, a citizen of the People's Republic of China (hereinafter referred to as "**China**"), with the Chinese ID card number: [Redacted], am a shareholder of Shenzhen PGW Seeds Co., Ltd. (hereinafter referred to as "**PGW Seeds**"), holding 5% equity interest of PGW Seeds. I hereby irrevocably authorize Mr. GUANGLIN LAI to exercise the following rights within the term of this Power of Attorney:

I authorize Mr. GUANGLIN LAI (passport number: [Redacted]) to represent me with full power to exercise any shareholder's rights, including voting rights, to which I shall be entitled under the laws of China and the Articles of Association of PGW Seeds at shareholders' meetings of PGW Seeds, including but without limited to execute legal documents in relation to the sale or transfer of all or part of my equity interest in PGW Seeds, and to act as my authorized representative at shareholders' meetings of PGW Seeds to designate and appoint a general manager of PGW Seeds.

The above authorization and designation are conditional upon Mr. GUANGLIN LAI being a director of Agria Brother Biotech (Shenzhen) Co., Ltd. (hereinafter referred to as "**Agria Brother**") and Agria Brother granting its consent to the above authorization and designation. Once Mr. GUANGLIN LAI leaves Agria Brother or Agria Brother notifies me of the termination of the above authorization and designation, I will immediately withdraw the authorization and designation made herein, and will designate and authorize any other personnel nominated by Agria Brother to exercise all my shareholder's rights, including voting rights, to which I shall be entitled at shareholders' meetings of PGW Seeds.

During the validly existing period of PGW Seeds, except for the early termination of the Exclusive Call Option Contract jointly signed by me, Agria Brother and PGW Seeds for any reasons, this Power of Attorney shall remain effective throughout the operating period of PGW Seeds from the date hereof.

/s/ Lai Fulin

March 13, 2013

STATEMENT OF SPOUSE

Name: Jiang Liling
ID Card Number: [Redacted]

This is to confirm that I, as the spouse of Lai Fulin, hereby unconditionally and irrevocably represent to Shenzhen PGW Seeds Co., Ltd. and Agria Brother Biotech (Shenzhen) Co., Ltd. that:

the equity interest held by Lai Fulin in Shenzhen PGW Seeds Co., Ltd. and any dividends, bonuses or other distributions received by him in respect of the equity interest are the personal property of Lai Fulin, and shall not be the husband-and-wife common property of Lai Fulin and myself at any time.

Signature: /s/ Jiang Liling

Date: March 13, 2013

List of Subsidiaries
As of June 30, 2014

Subsidiaries of the Registrant:

Name	Place of Incorporation
Agria Group Limited (Formerly Aero-Biotech Group Limited)	BVI
China Victory International Holdings Limited	Hong Kong
Aero Biotech Science & Technology Co., Ltd.	PRC
Agria Brother Biotech (Shenzhen) Co., Ltd.	PRC
Agria Biotech Overseas Limited	Hong Kong
Agria Asia International Limited	Hong Kong
Agria Hong Kong Limited	Hong Kong
Agria Asia Investments Ltd. (Formerly known as Southrich Limited)	BVI
Agria (Singapore) Pte. Ltd	Singapore
Agria Corporation (New Zealand) Limited	New Zealand
PGG Wrightson Limited	New Zealand
PGW AgriTech Holdings Limited	New Zealand
PGW Rural Capital Limited	New Zealand
PGG Wrightson Employee Benefits Plan Trustee Limited	New Zealand
PGG Wrightson Real Estate Limited	New Zealand
Agriculture New Zealand Limited	New Zealand
PGG Wrightson Trustee Limited	New Zealand
PGW Corporate Trustee Limited	New Zealand
AgriServices South America Limited	New Zealand
PGW AgriServices Australia Pty Limited	Australia
PGG Wrightson Investments Limited	New Zealand
Bloch & Behrens Wool (NZ) Limited	New Zealand
PGW Agritrade Limited (formerly Agri-feeds Limited)	New Zealand
Ag Property Holdings Limited	New Zealand
PGW AgriTech New Zealand Limited	New Zealand
AgriTech South America Limited	New Zealand
PGW AgriTech Australia Pty Limited	Australia
PGG Wrightson Seeds Limited	New Zealand
PGG Wrightson Consortia Research Limited	New Zealand
Grasslands Innovation Limited	New Zealand
Agricom Limited	New Zealand

Subsidiaries of the Registrant:

Name	Place of Incorporation
PGG Wrightson Genomics Limited	New Zealand
Wrightson Seeds Limited	New Zealand
PGG Wrightson Employee Benefits Plan Limited	New Zealand
PGG Wrightson Seeds (Australia) Pty Limited	Australia
Agricom Australia Seeds Pty Limited	Australia
AGR Seeds Pty Limited (formerly Agricom Australia Pty Limited)	Australia
AW Seeds Pty Limited (formerly AusWest Seeds Pty Limited)	Australia
SP Seeds Pty Limited (formerly Stephen Pasture Seeds Pty Limited)	Australia
PGW AgriTech South America S.A.	Uruguay
Wrightson Pas S.A.	Uruguay
Juzay S.A.	Uruguay
Agrosan S.A.	Uruguay
Alfalfares S.R.L.	Argentina
NZ RuralcoParticipacoesLtda	Brazil
PGG Wrightson Uruguay Limited	Uruguay
Hunker S.A. (t/a Rural Centre)	Uruguay
Lanelle S.A. (t/a Riegoriental)	Uruguay
Afinlux S.A. (t/a Romualdo Rodriguez)	Uruguay
Kroslyn S.A. Limited	Uruguay
EscritorioRomualdo Rodriguez Ltda	Uruguay

Consolidated Structured Entities of the Registrant and their Subsidiaries:

Name	Place of Incorporation
Shenzhen Zhongguan Agriculture Group Co., Ltd. (Formerly known as Shenzhen Guanli Agricultural Technology Co., Ltd.)	PRC
Agria NKY Seeds Co., Ltd. (Formerly known as Beijing NKY Seeding Development Co., Ltd.)	PRC
Shenzhen NKY Seeds Co., Ltd. (Formerly known as Shenzhen Agria Agricultural Co., Ltd.)	PRC
Shenzhen PGW Seeds Co., Ltd. (Formerly known as Shenzhen Zhongyuan Agriculture Co., Ltd.)	PRC
Tianjin Beiao Seeds Technology Development Co., Ltd.	PRC
Wuwei NKY Seeds Co., Ltd.	PRC
Shanxi Jufeng Seeds Co., Ltd.	PRC
Zhuhai NKY Seeds Co., Ltd.	PRC

**Certification by the Executive Chairman of the Board of Directors
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Guanglin Lai, certify that:

1. I have reviewed this annual report on Form 20-F of Agria Corporation (the "Company");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: October 23, 2014

By: /s/ Guanglin Lai

Name: Guanglin Lai

Title: Executive Chairman of the Board of Directors

**Certification by the Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Patrick Wai Yip Tsang, certify that:

1. I have reviewed this annual report on Form 20-F of Agria Corporation (the "Company");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: October 23, 2014

By: /s/ Patrick Wai Yip Tsang

Name: Patrick Wai Yip Tsang

Title: Chief Financial Officer

**Certification by the Executive Chairman of the Board of Directors
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Agria Corporation (the "Company") on Form 20-F for the year ended June 30, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Guanglin Lai, executive chairman of the board of directors of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 23, 2014

By: /s/ Guanglin Lai
Name: Guanglin Lai
Title: Executive Chairman of the Board of Directors

**Certification by the Chief Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Agria Corporation (the "Company") on Form 20-F for the year ended June 30, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Patrick Wai Yip Tsang, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 23, 2014

By: /s/ Patrick Wai Yip Tsang

Name: Patrick Wai Yip Tsang

Title: Chief Financial Officer

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-153058) pertaining to the 2007 Share Incentive Plan of Agria Corporation of our report dated October 23, 2014, on the consolidated financial statements of Agria Corporation and subsidiaries ("Agria Corporation"), which expresses an unqualified opinion and includes an emphasis of matter paragraph stating that Agria Corporation adopted International Financial Reporting Standards, as issued by the International Accounting Standards Board, and changed its reporting currency to the U.S. dollar during the year ended June 30, 2014, and which report appears in this Annual Report on Form 20-F for the year ended June 30, 2014.

/s/ GHP Horwath, P.C.

GHP Horwath, P.C.

Denver, Colorado

October 23, 2014
