ASIAN CITRUS HOLDINGS LIMITED
亞洲果業控股有限公司*

(incorporated in Bermuda with limited liability)
(Stock Code: HKSE: 73; AIM: ACHL)

INTERIM REPORT
2012/13

* For identification purposes only

CONTENTS

Financial Highlights

RESULTS OF OPERATIONS (RMB MILLION)

	For the six months ended 31 December 2012	2011 (restated)	% change
Reported financial information			
Revenue	**892.0**	1,043.4	-14.5%
Gross profit	**289.5**	406.3	-28.7%
EBITDA	**272.0**	478.0	-43.1%
Profit before tax	**218.1**	405.5	-46.2%
Profit attributable to shareholders	**212.4**	397.5	-46.6%
Basic earnings per share (RMB)	**0.17**	0.33	-48.5%
Interim dividend per share (RMB)	**0.03**	0.03	–
Special dividend per share (RMB)	**0.02**	0.02	–
Total dividend per share (RMB)	**0.05**	0.05	–
Core net profit#			
EBITDA	**309.1**	403.2	-23.3%
Profit before tax	**255.1**	330.7	-22.9%
Profit attributable to shareholders	**249.5**	322.7	-22.7%
Basic earnings per share (RMB)	**0.20**	0.27	-25.9%
FINANCIAL RATIOS			
Gross profit margin (%)	**32.5**	38.9	
Return on assets (%)	**2.5**	4.9	
Return on equity (%)	**2.6**	5.1	
Asset turnover (x)	**0.11**	0.13	

Core net profit refers to profit for the period excluding net gain/loss on change in fair value of biological assets and share-based payment.

FINANCIAL POSITION (RMB MILLION)

	31 December 2012	30 June 2012
Total assets	**8,432.3**	8,310.1
Net current assets	**2,521.7**	2,645.6
Cash and cash equivalents	**2,374.4**	2,388.1
Shareholders' fund	**8,237.4**	8,150.1
Current ratio (x)	**30.27**	47.49

Chairman's Statement

In my Chairman's Statement of last year's annual report, I indicated that our prospects for the remainder of calendar 2012 would continue to be challenging. As expected, our financial results for the period ended 31 December 2012 were indeed disappointing.

I am confident, however, that this is a temporary setback. Our fundamentals remain strong, our oranges continue to be well received by customers, and our plans for a third juice processing plant in Guangxi and a third plantation in Hunan are still on track to commence operation in 2013 and 2014 respectively.

FINANCIAL HIGHLIGHTS

For the six-month period ended 31 December 2012, the Group's total revenues decreased by 14.5% to RMB892.0 million from RMB1,043.4 million during the same period last year. Core net profit during the period, before net gains on change in fair value of biological assets and share based payments, fell by 22.7% to RMB249.5 million from RMB322.7 million, primarily reflecting higher direct production costs, which were partially offset by a slight increase in the market price of winter oranges.

The Group recorded a loss of RMB23.0 million from a net loss on change in fair value of biological assets for the six months ended 31 December 2012, compared with a gain of RMB100.6 million for the last six months of 2011. The Board of Directors would like to emphasise that the loss on change in fair value of biological assets does not reflect the quality of our biological assets and has no effect on the cash flow of the Group for the six months ended 31 December 2012.

After net change in fair value of biological assets and share based payments, net profit was 46.6% lower at RMB212.4 million against RMB397.5 million for the corresponding period last year.

OPERATIONS REVIEW

Plantation Business

Our two operating plantations – Hepu Plantation in Guangxi Zhuang Autonomous Region and Xinfeng Plantation in Jiangxi Province – experienced a decrease in total production volume of approximately 6.0% to 161,233 tonnes during the review period. Turnover from the sale of oranges also decreased, by 6.8% to RMB600.2 million.

The decline in production volume was most pronounced at Hepu Plantation where as expected production dropped by 26.9% to 32,838 tonnes for the six months ended 31 December 2012 as compared with 44,906 tonnes for the same period in the previous year. This was due to the on-going replanting programme with the removal and replacement of 66,449 winter orange trees with the same number of summer orange trees in the last year. There are currently approximately 48,000 winter trees at the Hepu Plantation which are due to be replaced by June 2013. By that time, the replanting programme which started in 2007 will be completed. The first and second batch of 55,185 and 76,135 orange trees replanted in 2007 and 2008 respectively have begun to produce oranges already. The third batch of 81,261 orange trees replanted in 2009 is expected to commence its first crop in the summer of 2013. We expect the later batches of replanted trees to commence their production in the coming few years. As a result, the Hepu Plantation will soon be producing increasing tonnage of summer oranges benefiting from both the commencement of production from the replanting programme and increasing maturity of the replanted summer orange trees.

The drop in production volume at the Hepu Plantation was offset slightly by the rise in production volume of winter oranges at the Xinfeng Plantation, where the orange trees continue to mature. During the review period, the Xinfeng Plantation recorded an increase in production volume of 1.3% to approximately 128,395 tonnes from 126,702 tonnes. Given that the 1.2 million winter orange trees in Xinfeng Plantation have not reached full maturity, we anticipate that the production volume from the Xinfeng Plantation will further increase as these trees approach their full yield potential.

The gross margin from the sales of oranges was 35.1% at the end of December 2012, down from 44.8% at the end of December 2011, as a result of the higher unit cost of production at both the Hepu and Xinfeng plantations. The unit cost of production was RMB2.31 per kilogramme at the Hepu Plantation and RMB2.44 per kilogramme at the Xinfeng Plantation for the six months ended 31 December 2012, as compared with RMB1.76 per kilogramme and RMB2.18 per kilogramme for the same period last year.

There were a number of factors contributing to the higher production costs, most notably the unstable weather and persistent heavy rainfall from April to August in 2012. During periods of heavy rain, fertilisers and pesticides – the two main costs associated with orange production – are washed away and must therefore be applied in greater quantities to ensure healthy growth.

Another major factor was the trend of general wage inflation in China. At both plantations, labour costs rose from RMB32.5 million to RMB41.9 million for the review period, a rise of 28.9%.

Development of our third plantation in Hunan province, which was developed in 2007, continued with the planting of more than 129,000 summer orange trees during the period. A total of nearly 1.2 million trees have now been planted at this new location and a further 600,000 summer orange trees will be planted in 2013. It is expected that the first harvest from this plantation will take place in 2014.

Juice processing business

Turnover from the sale of processed fruit by Beihai Perfuming Garden Juice Company Limited decreased by 26.9% to RMB290.2 million for the six months ended 31 December 2012. This decline was due mainly to the lower average selling price of pineapple juice concentrate, the Group's main juice product. Also, the unstable weather and persistent heavy rainfall in 2012 limited the supply of several types of fruit for juice processing during the period.

As highlighted in our last annual report, the price of pineapple juice concentrate started to decrease in January 2012 driven by destocking among producers in Thailand and the Philippines, the world's two largest producers of pineapple concentrate. As I predicted then, the destocking ended in August and prices began to rise slightly from September 2012. While the overall average selling price for 2012 was therefore lower than the corresponding period in 2011, we have seen the price recovery continue into 2013.

I also mentioned in our annual report that we were building a third plant in Baise City, Guangxi, to increase our total annual output capacity by approximately 40,000 tonnes. This facility has now been substantially completed, and trial production began in December 2012 as expected. We are still on schedule to commence formal production by April 2013. The Board intends to increase utilisation at this new plant prudently and expects it to be fully utilized in the medium term.

We are also considering diversification into processing other agriculture products such as corn and red beans to maximise the utilisation of our plants at times when fruit supply is limited or adversely affected by weather.

Sales to supermarkets

Our sales to supermarkets in China dropped from 48,447 tonnes to 37,425 tonnes during the review period. This was as expected as we had renewed our supermarket contracts earlier in the year when the economic outlook was less optimistic. Sales of graded premium oranges under our Royal Star brand also fell for the period ended 31 December 2012.

Our contract with an international supermarket chain and a national supermarket chain has been proceeding as anticipated. We started by selling our summer oranges to these chains in Guangxi only, and we are now also selling our branded winter oranges to its outlets in Guangdong, Zhejiang and Shanghai. This is a tremendous vote of confidence for our Royal Star brand, and we look forward to selling our graded oranges in more markets across China in the future.

DIVIDEND

The Board declared the payment of an interim dividend of RMB0.03 and a special dividend of RMB0.02 per share for the six months ended 31 December 2012.

The interim and special dividends will be paid in sterling or HK Dollars on or before 12 April 2013, to shareholders on the register at the close of business on the record date of 15 March 2013, with an ex-dividend date of 14 March 2013 and 13 March 2013 on The Stock Exchange of Hong Kong Limited and London Stock Exchange PLC, respectively. The actual translation rate for the purpose of dividend payment in sterling or HK Dollars will be determined by reference to the exchange rate on 15 March 2013.

In order to qualify for receiving the interim and special dividends, shareholders registered on the Hong Kong branch register of the Company are reminded to ensure that all transfers of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30p.m. on 15 March 2013.

ENHANCING SHAREHOLDER VALUE

During the six months ended 31 December 2012, the Company repurchased and cancelled 10,649,000 ordinary shares of HK$0.01 at an aggregate consideration of HK$38,387,280 before expenses. The repurchases were effected by the Board for the enhancement of shareholder value in the long term.

OUTLOOK FOR 2013

Our performance during the six months period was disappointing, primarily due to the higher costs incurred as a result of unstable weather in 2012 and general wage inflation in the PRC.

The Group's second half performance will reflect the price achieved for the Group's summer orange crop, the selling price of pineapple juice concentrates and the impact of weather on the volume of fertilisers and pesticides used by the Group. In this respect, we expect that orange prices will rise, albeit slightly, responding to the inflationary environment and the forecasts for China's economy which the World Bank has predicted will expand by 8.4% in 2013 and we are also optimistic that juice prices will continue to increase throughout the balance of the year. While we cannot predict the weather, a repeat of the unhelpful conditions in 2012 would be both highly unusual and unexpected.

For the longer term, we are well positioned to deliver much improved results. We are exploring markets outside of China and have been selling oranges to Vietnam from our Hepu Plantation in neighbouring Guangxi. If successful, we will also consider entering other ASEAN markets. The volume of oranges we produce will increase as our trees continue to mature to fruit bearing age, the benefits of our planting programme come through and as our third plantation in Hunan province, begins its first harvest in 2014, in addition to the nearly 1.2 million summer orange trees already there, this plantation will be planted with another 600,000 summer orange trees in 2013. Our juicing business is also making good progress with its third plant and its markets are very attractive.

I would like to thank all the members of our management team and staff on behalf of the Board. They have demonstrated great commitment to our Company during this challenging period, and I remain confident in their ability to enhance our performance in the months and years ahead.

I would also like to take this opportunity to thank our shareholders, business partners and investors for their patience and on-going support.

TONY TONG
Chairman
26 February 2013

Management Discussion and Analysis

OPERATING PERFORMANCE

Turnover

The breakdown of turnover by types is as follows:

	For the six months ended 31 December			
	2012		2011	
	RMB'000	**% of total turnover**	RMB'000	% of total turnover
Hepu Plantation	**129,441**	**14.5%**	180,405	17.3%
Xinfeng Plantation	**470,753**	**52.8%**	463,873	44.5%
Sales of oranges	**600,194**	**67.3%**	644,278	61.8%
Sales of processed fruits	**290,243**	**32.5%**	396,903	38.0%
Sales of self-bred saplings	**1,608**	**0.2%**	2,235	0.2%
Total turnover	**892,045**	**100.0%**	1,043,416	100.0%

The Group's turnover decreased by approximately 14.5% from RMB1,043.4 million to RMB892.0 million for the six months ended 31 December 2012.

Sale of oranges

Turnover from sale of oranges decreased by 6.8% to RMB600.2 million for the six months ended 31 December 2012. This was mainly due to a decrease of approximately 6.0% in the Group's production to 161,233 tonnes.

As anticipated, the production yield from Hepu Plantation decreased by 26.9% from 44,906 tonnes to 32,838 tonnes for the six months ended 31 December 2012 due to the ongoing replanting programme. In the previous year, 66,449 winter orange trees were removed and replanted with the same number of the summer orange trees. As the orange trees continue to mature, the production yield from the Xinfeng Plantation increased by 1.3% to 128,395 tonnes for the six months ended 31 December 2012 from 126,701 tonnes in the comparable period last year. The unstable weather and persistent heavy rainfall in 2012 limited the growth of this year's winter orange crop in the Xinfeng Plantation.

The following table set out the average selling prices of winter oranges in different plantations.

	Six months ended 31 December	
	2012	2011
	RMB (per tonne)	RMB (per tonne)
Hepu Plantation	**4,013**	4,085
Xinfeng Plantation	**3,776**	3,770

The average selling prices of winter oranges were relatively stable for the six months ended 31 December 2012.

All of the Group's oranges were sold domestically. The Group's customers from the sales of oranges can be divided into three categories, namely corporate customers, wholesale customers, and supermarket chains. The breakdown of types of customers is as follows:

	For the six months ended 31 December	
	2012	2011
	% of sale of oranges	
Corporate customers	49.9%	42.9%
Supermarket chains	26.1%	32.0%
Wholesale customers	23.6%	24.6%
Other	0.4%	0.5%
Total	100.0%	100.0%

For the six months ended 31 December 2012, the production volume and turnover to supermarket chains represented approximately 23.2% and 26.1% respectively of the Group, compared to approximately 28.2% and 32.0% for the six months ended 31 December 2011. As the Xinfeng Plantation has not yet achieved full maturity, the oranges were mainly sold to corporate and wholesale customers, thereby reducing the percentage of sales to supermarket chains.

For the Hepu Plantation and Xinfeng Plantation, the production volume sold to supermarkets was 10,524 tonnes and 26,901 tonnes for the six months ended 31 December 2012, compared to 16,100 tonnes and 32,347 tonnes for the six months ended 31 December 2011 respectively. The decrease in Hepu Plantation was mainly due to the lower production yield of winter oranges for the six months ended 31 December 2012. Also, starting from this year, the Group has supplied several major domestic and international supermarket chains with graded oranges through sizeable distributors instead of through direct sales.

The Company is selling two types of oranges to customers, namely ungraded oranges and graded oranges. Ungraded oranges are neither packaged nor branded and the customers arrange for the transportation of the oranges at their own cost. Usually, the ungraded oranges are sold to wholesale and corporate customers. Graded oranges are oranges that the Company grades, packages and delivers to the customers at its cost, usually to supermarket customers. The graded oranges are sold under the "Royal Star" brand at a premium price compared to the selling price of ungraded oranges without brand. The breakdown of types of oranges is as follows:

	For the six months ended 31 December	
	2012	2011
	% of sale of oranges	
Ungraded oranges	88.7%	84.7%
Graded oranges	11.3%	15.3%
Total	100.0%	100.0%

As the Xinfeng Plantation was still at the early stage, the oranges were mainly sold to corporate and wholesale customers without grading, thereby reducing the percentage of sales of graded oranges.

Management Discussion and Analysis

Sale of processed fruits

The table sets out the volume and turnover from the sale of processed fruits:

	Six months ended 31 December			
	2012		2011	
	Volume (Tonnes)	Turnover RMB'000	Volume (Tonnes)	Turnover RMB'000
Pineapple juice concentrates	6,954	73,344	9,421	114,129
Lychee juice concentrates	2,179	30,653	2,957	35,271
Other fruit juice concentrates	2,939	51,173	2,226	44,397
Mango purees	6,401	39,127	7,966	57,187
Other fruit purees	3,125	23,114	7,110	52,536
Frozen and dried fruits and vegetables	7,626	59,984	8,738	62,970
	29,224	277,395	38,418	366,490
Fruit juice trading	N/A	12,848	N/A	30,413
	29,224	290,243	38,418	396,903

BPG processes over 22 different types of tropical fruits, including pineapples, passion fruit, lychees, mangoes and papayas. Only single product accounting for over 10% of the turnover from the sale of processed fruits is shown separately in the table above.

Turnover from the sale of processed fruit decreased by 26.9% to RMB290.2 million for the six months ended 31 December 2012. This is mainly due to the lower average selling price of pineapple juice concentrates, the Group's main juice concentrates product, for the six months ended 31 December 2012 compared to corresponding period in 2011 as a result of the previously highlighted destocking by Thai and Philippine producers. The price of pineapple juice concentrates started to decrease in January 2012, reached a low in August 2012 and has since improved. Also, the unstable weather and persistent heavy rainfall in 2012 limited the supply of several types of fruit for juice processing during the period.

The utilisation rate of two existing processing plants in Beihai and Hepu is approximately 80.9% and 90.1% for the six months ended 31 December 2012.

BPG currently generates most of its sales from the PRC market, with key customers being beverage mixers supplying major beverage groups.

Sale of self-bred saplings

For the six months ended 31 December 2012, RMB1.6 million was recognised from the sales of the approximately 134,000 self-bred saplings developed from the nursery centre at the Hepu Plantation to local farmers.

Cost of sales

The breakdown of cost of sales is as follows:

	For the six months ended 31 December			
	2012		2011	
	RMB'000	**% of cost of sales of respective segment**	RMB'000	% of cost of sales of respective segment
Inventories used				
Fertilisers	**217,164**	**55.8%**	204,504	57.5%
Packaging materials	**13,659**	**3.5%**	14,405	4.1%
Pesticides	**37,804**	**9.7%**	34,427	9.7%
	268,627	**69.0%**	253,336	71.3%
Production overheads				
Direct labour	**41,866**	**10.8%**	32,487	9.1%
Depreciation	**47,199**	**12.1%**	44,114	12.4%
Others	**31,722**	**8.1%**	25,502	7.2%
Cost of sales of oranges	**389,414**	**100%**	355,439	100%
Fruit	**141,398**	**66.7%**	217,593	77.4%
Packaging material	**17,447**	**8.2%**	18,870	6.7%
Direct labour	**13,196**	**6.2%**	11,115	4.0%
Other production overheads	**40,079**	**18.9%**	33,336	11.9%
Cost of sales of processed fruits	**212,120**	**100%**	280,914	100%
Cost of sales of self-bred saplings	**1,018**		789	
Total	**602,552**		637,142	

Cost of sales of oranges principally consists of the costs of raw materials such as fertilisers, packaging materials, pesticides, and other direct costs such as direct labour, depreciation and production overheads. The production cost of sales of oranges increased 9.6% to RMB389.4 million (12/2011: RMB355.4 million). The increase in production costs was principally due to the increase in fertilisers and pesticides consumed as a result of the unstable weather and persistent heavy rainfall in 2012 and higher labour costs incurred due to general wage inflation in the PRC during the period. As a results, the unit cost of production in the Hepu Plantation and Xinfeng Plantation increased to approximately RMB2.31 per kg and RMB2.44 per kg respectively for the six months ended 31 December 2012 (12/2011: RMB1.76 per kg and RMB2.18 per kg respectively).

The combined unit cost of production increased by 16.9% to RMB2.42 per kg from RMB2.07 per kg in the comparable period due to higher contribution from Xinfeng Plantation with relatively higher unit cost.

Cost of sale of processed fruit mainly includes the costs of fruit and packaging materials and other direct costs such as direct labour, depreciation and production overheads. For the six months ended 31 December 2012, the cost of processed fruit decreased by 24.5% from RMB280.9 million to RMB212.1 million. The decrease was mainly due to decrease in the fruit cost by 35.0% from RMB217.6 million to RMB141.4 million.

Gross profit

The Group's overall gross profit decreased by 28.7% to approximately RMB289.5 million for the six months ended 31 December 2012 (12/2011: RMB406.3 million). The overall gross profit margin decreased from to 38.9% to 32.5% for the six months ended 31 December 2012.

The following table sets forth a breakdown of the Group's gross profit margin by plantation:

	For the six months ended 31 December	
	2012	2011
Hepu Plantation	**41.5%**	56.2%
Xinfeng Plantation	**33.4%**	40.4%

The gross profit margin of the Hepu Plantation and Xinfeng Plantation decreased to 41.5% and 33.4% respectively for the six months ended 31 December 2012 (12/2011: 56.2% and 40.4% respectively). The decrease was mainly due to the higher volume of fertilisers and pesticides consumed as a result of the unstable weather and persistent heavy rainfall in 2012 and higher labour costs incurred as a result of the general wage inflation in the PRC.

The following table sets out a breakdown of the Group's gross profit margin by business:

	For the six months ended 31 December	
	2012	2011
Sales of oranges	**35.1%**	44.8%
Sales of processed fruits	**26.9%**	29.2%
Sales of self-bred saplings	**36.8%**	64.7%
Overall gross profit margin	**32.5%**	38.9%

Due to higher contribution from Xinfeng Plantation with lower gross profit margin and the decrease of the gross profit margin in both Hepu Plantation and Xinfeng Plantation, the overall gross profit margin from sales of oranges dropped to approximately 35.1% (12/2011: 44.8%) for the six months ended 31 December 2012.

BPG processes over 22 different types of fruit with different gross profit margin. The normalised gross profit margin of BPG for the six months ended 31 December 2012 decreased to 26.9% (12/2011: 29.2%). It was mainly due to the higher direct labour cost and other production overheads resulted from the general inflation in the PRC.

Loss on change in fair value of biological assets

The Group recorded a loss of RMB23.0 million from the change in fair value of biological assets for the six months ended 31 December 2012, compared to a gain of RMB100.6 million for the last corresponding period in 2011. There is no movement of the orange trees during the period. The Board wishes to emphasise that the loss on change in fair value of biological assets is non-operational and does not have any effect on the cash flow of the Group for the six months ended 31 December 2012.

Other income

The increase in other income was mainly due to the higher interest income arising from the bank balance during the period as more money has been placed in the fixed deposits with higher interest rate. The effective interest rate for bank deposits during the six months ended 31 December 2012 is approximately 2.53% (12/2011: 0.56%) per annum.

Selling and distribution expenses

Selling and distribution expenses mainly comprise sales commissions, advertising, salaries and welfare of sales personnel, traveling and transportation expenses. The selling and distribution expenses of the Group decreased from approximately RMB29.0 million for the six months ended 31 December 2011 to approximately RMB20.8 million for the six months ended 31 December 2012, representing a decrease of 28.3%, mainly due to the reduction of the transportation costs in Hepu Plantation resulting from less graded oranges sold during the period.

Selling and distribution expenses represented 2.3% of the Group's turnover, a decrease of 0.5 percentage points as compared to 2.8% in last corresponding period, demonstrating the Group's ability to control costs effectively.

General and administrative expenses

General and administrative expenses comprise mainly salary, office administration expenses, depreciation, amortization and research costs. The general and administrative expenses of the Group were approximately RMB59.0 million for the six months ended 31 December 2012 (12/2011: RMB80.4 million). The decrease was mainly due to lower share based payment in relation to the employee share options.

General and administrative expenses represented 6.6% of the Group's turnover, a decrease of 1.1 percentage points as compared to 7.7% in last corresponding period, demonstrating the Group was able to control the cost effectively.

Profit

The profit attributable to shareholders for the six months ended 31 December 2012 decreased to approximately RMB212.4 million, compared to approximately RMB397.5 million for last corresponding period, representing a decrease of approximately 46.6%.

The core net profit excluding net change in fair value of biological assets and share-based payments for the six months ended 31 December 2012 was approximately RMB249.5 million, compared to approximately RMB322.7 million for last corresponding period, representing a decrease of approximately 22.7%.

INTERIM AND SPECIAL DIVIDENDS

The Directors are pleased to declare an interim dividend of RMB0.03 (12/2011: RMB0.03) and a special dividend of RMB0.02 (12/2011: RMB0.02) per share.

PRODUCTIVITY

The production volume of winter oranges decreased to 161,233 tonnes for the six months ended 31 December 2012, representing a decrease of 6.0%.

The production volume of winter oranges in Hepu Plantation dropped from approximately 44,906 tonnes last year to approximately 32,838 tonnes in the current year, representing a decrease of approximately 26.9%, which was due to the ongoing replanting programme. In the year to 30 June 2012, 66,449 winter orange trees were removed and replanted with the same number of the summer orange trees.

In addition, the production volume of winter oranges from the Xinfeng Plantation increased from approximately 126,701 tonnes last year to approximately 128,395 tonnes in the current year, representing an increase of approximately 1.3% due to increased maturity during the period. The unstable weather and persistent heavy rainfall in 2012 limited the growth of this year's winter orange crop in the Xinfeng Plantation.

CAPITAL STRUCTURE

As at 31 December 2012, there were 1,227,721,555 shares in issue. Based on the closing price of HKD3.68, the market capitalisation of the Company was approximately HKD4,518 million as at 31 December 2012 (GBP361.4 million).

HUMAN RESOURCES

There were a total of 1,748 employees of the Group as at 31 December 2012. The Group aims to attract, retain and motivate high calibre individuals with a competitive remuneration package. Remuneration packages are performance-linked and business performance, market practices and competitive market conditions are all taken into consideration. The Group reviews the employees' remuneration packages on an annual basis. The Group also places heavy emphasis on staff training and development so that employees can reach their maximum potential.

FINANCIAL PERFORMANCE

	31 December 2012	30 June 2012
Current ratio (x)	**30.27**	47.49
Quick ratio (x)	**29.00**	43.49
Net debt to equity (%)	**Net cash**	Net cash

	For the six months ended	
	31 December 2012	31 December 2011
Asset turnover (x)	**0.11**	0.13
Core net profit per share (RMB)	**0.20**	0.27
Basic earnings per share (RMB)	**0.17**	0.33

Liquidity

The current ratio and quick ratio was 30.27 and 29.00 respectively. The liquidity of the Group is healthy with sufficient reserves for both operation and development.

Profitability

The asset turnover of the Group dropped to 0.11 (12/2011: 0.13) for the six months ended 31 December 2012. The lower of the ratio was mainly due to decrease of the turnover for the period as mentioned above.

The basic earnings per share for the six months ended 31 December 2012 was RMB0.17 (12/2011: RMB0.33). This was driven by the 48.5% decrease in profit attributable to shareholders for the period.

The core net profit per share for the six months ended 31 December 2012 decreased to RMB0.20 (12/2011: RMB0.27), representing a decrease of 25.9%.

Debt ratio

The net cash positions of the Group were RMB2,374.4 million and RMB2,388.1 million at 31 December 2012 and 30 June 2012 respectively.

Internal cash resource

The Group's major internal cash resource is its cash and bank balances. The Group did not have any outstanding bank borrowings as at 31 December 2012.

Charge on assets and contingent liabilities

None of the Group's assets were pledged and the Group did not have any material contingent liabilities as at 31 December 2012.

Capital commitment

As at 31 December 2012, the Group had a capital commitment of approximately RMB141.4 million mainly in relation to the construction of the farmland infrastructure in the Hunan Plantation and the new juicing plant in Basie city.

Foreign exchange risk

The Group is exposed to currency risk primarily through its cash and cash equivalents that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily Hong Kong dollars, United States dollars and British pounds.

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuation arise. The Group currently does not use any derivative contracts to hedge against its exposure to currency risk. Management manages its currency risk by closely monitoring the movement of the foreign currency rate and considers hedging significant foreign currency exposure should the need arise.

PLANTATIONS

The Group has three orange plantations in the PRC occupying in total approximately 155,000 mu (equivalent to approximately 103.3 sq.km.) of land, with approximately 46,000 mu (equivalent to approximately 30.7 sq.km.) located in the Hepu county of the Guangxi Zhuang Autonomous Region, the Hepu Plantation, approximately 56,000 mu (equivalent to approximately 37.3 sq.km.) in the Xinfeng county of the Jiangxi province, the Xinfeng Plantation and approximately 53,000mu (equivalent to approximately 35.3 sq.km) in the Dao county of the Hunan province, the Hunan Plantation.

Hepu Plantation

The Hepu Plantation is fully planted and comprises approximately 1.3 million orange trees of which approximately 1.0 million trees were producing oranges.

Xinfeng Plantation

The Xinfeng Plantation is fully planted and comprises 1.6 million winter orange trees, all of which are now producing oranges.

Hunan Plantation

The Hunan Plantation is still under development and comprises approximately 1.2 million summer orange trees as at 31 December 2012. During the period, 129,177 summer orange trees were planted with a further approximately 600,000 summer orange trees to be planted in 2013. The construction of Hunan Plantation is expected to be completed in 2013.

The below table sets out the age profile as at 31 December 2012 and the production volume of the plantations for the six months ended 31 December 2012:

Summer orange trees

Age	Hepu Plantation No of trees	Hepu Plantation Yield (tonnes)	Hunan Plantation No of trees	Hunan Plantation Yield (tonnes)	Total No of trees	Total Yield (tonnes)
0	–	–	129,177	–	129,177	–
1	66,449	–	622,475	–	688,924	–
2	63,584	–	427,400	–	490,984	–
3	64,194	–	–	–	64,194	–
4	81,261	–	–	–	81,261	–
5	76,135	–	–	–	76,135	–
6	55,185	–	–	–	55,185	–
16	29,996	–	–	–	29,996	–
17	128,966	–	–	–	128,966	–
18	186,003	–	–	–	186,003	–
19	223,741	–	–	–	223,741	–
	975,514	–	1,179,052	–	2,154,566	–

Winter orange trees

Age	Hepu Plantation No of trees	Hepu Plantation Yield (tonnes)	Xinfeng Plantation No of trees	Xinfeng Plantation Yield (tonnes)	Total No of trees	Total Yield (tonnes)
6	–	–	400,000	27,860	400,000	27,860
7	–	–	400,000	28,907	400,000	28,907
8	46,077	3,963	400,000	31,052	446,077	35,015
10	180,180	18,341	400,000	40,576	580,180	58,917
11	42,300	4,574	–	–	42,300	4,574
16	24,937	3,142	–	–	24,937	3,142
17	10,133	1,246	–	–	10,133	1,246
18	12,988	1,572	–	–	12,988	1,572
	316,615	32,838	1,600,000	128,395	1,916,615	161,233
Grand total					4,071,181	161,233

The below table sets out the age profile as at 31 December 2011 and the production volume of the plantations for the six months ended 31 December 2011:

Summer orange trees

Age	Hepu Plantation No of trees	Hepu Plantation Yield (tonnes)	Hunan Plantation No of trees	Hunan Plantation Yield (tonnes)	Total No of trees	Total Yield (tonnes)
0	–	–	280,000	–	280,000	–
1	63,584	–	427,400	–	490,984	–
2	64,194	–	–	–	64,194	–
3	81,261	–	–	–	81,261	–
4	76,135	–	–	–	76,135	–
5	55,185	–	–	–	55,185	–
15	29,996	–	–	–	29,996	–
16	128,966	–	–	–	128,966	–
17	186,003	–	–	–	186,003	–
18	223,741	–	–	–	223,741	–
	909,065	–	707,400	–	1,616,465	–

Winter orange trees

Age	Hepu Plantation No of trees	Hepu Plantation Yield (tonnes)	Xinfeng Plantation No of trees	Xinfeng Plantation Yield (tonnes)	Total No of trees	Total Yield (tonnes)
5	–	–	400,000	23,243	400,000	23,243
6	–	–	400,000	28,023	400,000	28,023
7	46,077	3,364	400,000	33,604	446,077	36,968
9	180,180	19,597	400,000	41,831	580,180	61,428
10	42,300	4,974	–	–	42,300	4,974
15	91,386	13,469	–	–	91,386	13,469
16	10,133	1,524	–	–	10,133	1,524
17	12,988	1,978	–	–	12,988	1,978
	383,064	44,906	1,600,000	126,701	1,983,064	171,607
Grand total					3,599,529	171,607

VALUATION OF BIOLOGICAL ASSETS

The Group has engaged an independent valuer to perform a desktop valuation on the fair value of the orange trees less costs to sell as at 31 December 2012.

The valuations of the Group's orange trees were conducted on the basis of discounted cash flow. The discount rate being applied to the discounted cash flow model is based on Capital Asset Pricing Model. The independent valuer begins with the appraised value of the Group's orange trees by discounting the future income streams attributable to the Group's orange trees to arrive at a present value and deducts the tangible assets (including plantation related machinery and equipment and land improvements) from the appraised value which are employed in the operation of the Group's plantations.

Major assumptions

The discounted cash flow method adopted a number of key assumptions, which include the discount rate, market prices of oranges, production yield per tree, related production costs, etc. The values of such variables are determined by the independent valuer using information supplied by the Group, as well as proprietary and third-party data, as follows:

1) The discount rate applied for the six months ended 31 December 2012 was 18.0% (12/2011: 20.0%). The discount rate reflected the expected market return on the asset and can be affected by the interest rate, market sentiments and risk of the asset versus the general market risk.

2) The yield per tree variables represent the harvest level of the orange trees. The yield of orange trees is affected by the age, species and health of the orange trees, the climate, location, soil conditions, topography and infrastructure. In general, yield per tree increases from age 3 to 10, remains stable for about 22 years, and then decreases until age 35.

3) The market prices variables represent the assumed market price for the summer oranges and winter oranges produced by the Group. The independent valuer adopted the market sales prices prevailing as of the relevant balance sheet date for each type of orange produced by the Group as the sales price estimate. The selling prices of winter oranges and summer oranges from the Hepu Plantation and winter oranges from the Xinfeng Plantation adopted were RMB3,320 per tonne, RMB5,200 per tonne and RMB3,740 per tonne, respectively, for the six months ended 31 December 2012 and RMB3,310 per tonne, RMB5,300 per tonne and RMB3,730 per tonne, respectively, for the six months ended 31 December 2011.

4) The direct production cost variables represent the direct costs necessary to bring the oranges to their sales form, which mainly include raw material costs and direct labour costs. The direct production cost variables are determined by reference to actual costs incurred for areas that have been previously harvested and cost information for comparable areas with regards to areas that have not been harvested previously.

Sensitive analysis

1) Changes in the discount rate applied result in significant fluctuations in the Group's loss from changes in fair value of orange trees less costs to sell. The following table illustrates the sensitivity of the Group's loss from changes in fair value of orange tree less costs to sell to increases or decreases by 100 basis points in the discount rate of 18.0% applied for the six months ended 31 December 2012:

	100 basis points Decrease	Base Case	100 basis points Increase
Discount rate	17.0%	18.0%	19.0%
Net gain/(loss) on change in fair value of biological assets (RMB'000)	131,000	(23,000)	(163,000)

2) Changes in the yield per orange tree can also result in significant fluctuations in loss from changes in fair value of orange trees less costs to sell. The following table illustrates that sensitivity of the Group's loss from changes in fair value of orange trees less costs to sell to a 5.0% increase or decrease in the yield per tree applied for the six months ended 31 December 2012:

	5.0% Decrease	Base Case	5.0% Increase
Net (loss)/gain on change in fair value of biological assets (RMB'000)	(217,000)	(23,000)	172,000

3) Changes in assumed market prices of the oranges can also result in significant fluctuations in loss from changes in fair value of orange trees less costs to sell. The following table illustrates the sensitivity of the Group's loss from changes in fair value of orange trees less costs to sell to a 5.0% increase or decrease in the assumed market prices of oranges as at 31 December 2012 used to calculate gain from changes in fair value of orange trees less costs to sell for the six months ended 31 December 2012:

	5.0% Decrease	Base Case	5.0% Increase
Net (loss)/gain on change in fair value of biological assets (RMB'000)	(391,000)	(23,000)	346,000

4) Changes in the assumed direct production costs can also result in significant fluctuations in loss from changes in fair value of orange trees less costs to sell. The following table illustrates the sensitivity of the Group's loss from changes in fair value of orange trees less costs to sell to 5.0% increase or decrease in the Group's assumed direct production costs used to calculate gain from changes in fair value of orange trees less costs to sell for the six months ended 31 December 2012:

	5.0% Decrease	Base Case	5.0% Increase
Net gain/(loss) on change in fair value of biological assets (RMB'000)	165,000	(23,000)	(209,000)

The above sensitivity analyses are intended for illustrative purposes only, and any variation could exceed the amounts shown above.

Valuation

According to the valuation report of the independent valuer, the aggregate value of the orange trees in the Hepu Plantation and Xinfeng Plantation as at 31 December 2012 was estimated to be approximately RMB2,203 million.

Independent Review Report

BAKER TILLY
HONG KONG LIMITED
CERTIFIED PUBLIC ACCOUNTANTS
天職香港會計師事務所有限公司

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INDEPENDENT REVIEW REPORT
TO THE BOARD OF DIRECTORS OF ASIAN CITRUS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the interim financial information of Asian Citrus Holdings Limited and its subsidiaries set out on pages 20 to 62 which comprise the condensed consolidated statement of financial position as at 31 December 2012 and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended and explanatory notes. The directors are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34, Interim financial reporting, issued by the International Accounting Standards Board. Our responsibility is to express a conclusion, based on our review, on this interim financial information. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of interim financial information performed by the independent auditor of the entity, issued by the International Auditing and Assurance Standards Board. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information for the six-month period ended 31 December 2012 is not prepared, in all material respects, in accordance with International Accounting Standard 34, Interim financial reporting.

Baker Tilly Hong Kong Limited
Certified Public Accountants
Hong Kong, 26 February 2013

Chan Kwan Ho, Edmond
Practising Certificate Number P02092

Condensed Consolidated Income Statement

For the six months ended 31 December 2012

	Note	Six months ended 31 December 2012 (unaudited) RMB'000	Six months ended 31 December 2011 (unaudited) (restated) RMB'000	Year ended 30 June 2012 (audited) RMB'000
Turnover	6	892,045	1,043,416	1,776,144
Cost of sales		(602,552)	(637,142)	(983,743)
Gross profit		289,493	406,274	792,401
Other income	7	31,368	8,008	24,089
Net (loss)/gain on change in fair value of biological assets	16	(23,000)	100,608	166,900
Selling and distribution expenses		(20,804)	(29,016)	(60,579)
General and administrative expenses		(58,981)	(80,356)	(157,607)
Profit from operations		218,076	405,518	765,204
Finance costs	8(a)	(24)	(39)	(146)
Profit before income tax	8	218,052	405,479	765,058
Income tax expense	9	–	–	–
Profit for the period/year		218,052	405,479	765,058
Attributable to				
Equity shareholders of the Company		212,380	397,542	750,200
Non-controlling interest		5,672	7,937	14,858
		218,052	405,479	765,058
		RMB	RMB	RMB
Earnings per share	12			
– Basic		0.174	0.327	0.615
– Diluted		0.173	0.326	0.613

Details of dividends payable to equity shareholders of the Company for the period/year are set out in note 24(b).

The accompanying notes form part of this interim financial information.

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 31 December 2012

	Six months ended 31 December		Year ended 30 June
	2012 (unaudited)	2011 (unaudited) (restated)	2012 (audited)
	RMB'000	*RMB'000*	*RMB'000*
Profit for the period/year	**218,052**	405,479	765,058
Other comprehensive expense for the period/year			
Item that may be reclassified subsequent to profit or loss:			
Exchange differences on translation of financial statements of foreign operations, net of nil tax	**–**	(658)	(636)
Total comprehensive income for the period/year	**218,052**	404,821	764,422
Attributable to			
Equity shareholders of the Company	**212,380**	396,884	749,564
Non-controlling interest	**5,672**	7,937	14,858
	218,052	404,821	764,422

The accompanying notes form part of this interim financial information.

Condensed Consolidated Statement of Financial Position

At 31 December 2012

	Note	31 December 2012 (unaudited) RMB'000	31 December 2011 (unaudited) (restated) RMB'000	30 June 2012 (audited) RMB'000
ASSETS				
Non-current assets				
Property, plant and equipment	13	1,909,966	1,787,784	1,835,518
Land use rights	14	73,474	69,208	68,527
Construction-in-progress	15	251,750	59,966	178,302
Biological assets	16	2,333,193	2,203,307	2,305,224
Intangible assets	17	70,677	56,102	58,506
Deposits	18	28,161	18,132	4,251
Goodwill	19	1,157,261	1,157,261	1,157,261
		5,824,482	5,351,760	5,607,589
Current assets				
Biological assets	16	52,532	33,833	158,636
Properties for sale	20	5,830	5,830	5,830
Inventories	21	50,688	67,926	63,094
Trade and other receivables	22	124,365	162,762	86,865
Cash and cash equivalents	23	2,374,441	2,413,626	2,388,114
		2,607,856	2,683,977	2,702,539
Total assets		8,432,338	8,035,737	8,310,128
EQUITY AND LIABILITIES				
Equity				
Share capital	24(a)	12,142	12,145	12,083
Reserves		8,225,256	7,857,611	8,138,036
Total equity attributable to equity shareholders of the Company		8,237,398	7,869,756	8,150,119
Non-controlling interest		107,840	95,247	102,168
		8,345,238	7,965,003	8,252,287

The accompanying notes form part of this interim financial information.

Condensed Consolidated Statement of Financial Position
At 31 December 2012

	Note	31 December 2012 (unaudited) RMB'000	31 December 2011 (unaudited) (restated) RMB'000	30 June 2012 (audited) RMB'000
Non-current liability				
Obligation under finance lease	25	**937**	1,034	937
Current liabilities				
Trade and other payables	26	**86,066**	69,610	56,807
Obligation under finance lease	25	**97**	90	97
		86,163	69,700	56,904
Total liabilities		**87,100**	70,734	57,841
Total equity and liabilities		**8,432,338**	8,035,737	8,310,128
Net current assets		**2,521,693**	2,614,277	2,645,635
Total assets less current liabilities		**8,346,175**	7,966,037	8,253,224

Approved and authorised to issue by the Board of Directors on 26 February 2013.

Tong Wang Chow
Director

Cheung Wai Sun
Director

The accompanying notes form part of this interim financial information.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 December 2012

		Attributable to equity shareholders of the Company											
	Note	Share capital RMB'000	Treasury shares RMB'000 (Note (a))	Share premium RMB'000 (Note (b))	Merger reserve RMB'000 (Note (c))	Share option reserve RMB'000 (Note (d))	Capital reserve RMB'000 (Note (e))	Statutory reserve RMB'000 (Note (f))	Exchange reserve RMB'000 (Note (g))	Retained profits RMB'000	Total RMB'000	Non-controlling interest RMB'000	Total equity RMB'000
At 1 July 2012 (audited)		**12,083**	**(4)**	**3,635,414**	**(4,473)**	**97,021**	**482,519**	**179,831**	**265**	**3,747,463**	**8,150,119**	**102,168**	**8,252,287**
Changes in equity for the six months ended 31 December 2012:													
Profit and total comprehensive income for the period		–	–	–	–	–	–	–	–	212,380	212,380	5,672	218,052
Transfer to statutory reserve		–	–	–	–	–	–	14,775	–	(14,775)	–	–	–
		–	–	–	–	–	–	14,775	–	197,605	212,380	5,672	218,052
Share-based payments	8(b)	–	–	–	–	14,072	–	–	–	–	14,072	–	14,072
Issue of shares to shareholders participating in the scrip dividend	24(a)(i)	159	–	53,747	–	–	–	–	–	–	53,906	–	53,906
Shares repurchased and cancelled	24(a)(ii)	(100)	4	(34,452)	–	–	–	–	–	–	(34,548)	–	(34,548)
2011/12 final dividend	24(b)	–	–	–	–	–	–	–	–	(158,531)	(158,531)	–	(158,531)
		59	4	19,295	–	14,072	–	14,775	–	39,074	87,279	5,672	92,951
At 31 December 2012 (unaudited)		**12,142**	**–**	**3,654,709**	**(4,473)**	**111,093**	**482,519**	**194,606**	**265**	**3,786,537**	**8,237,398**	**107,840**	**8,345,238**

The accompanying notes form part of this interim financial information.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 December 2012

	Attributable to equity shareholders of the Company										
	Share capital *RMB'000*	Share premium *RMB'000* *(Note (b))*	Merger reserve *RMB'000* *(Note (c))*	Share option reserve *RMB'000* *(Note (d))*	Capital reserve *RMB'000* *(Note (e))*	Statutory reserve *RMB'000* *(Note (f))*	Exchange reserve *RMB'000* *(Note (g))*	Retained profits *RMB'000*	Total *RMB'000*	Non-controlling interest *RMB'000*	Total equity *RMB'000*
At 1 July 2011, as restated (audited)	**12,030**	**3,623,938**	**(4,473)**	**55,944**	**482,519**	**99,075**	**901**	**3,297,059**	**7,566,993**	**87,310**	**7,654,303**
Changes in equity for the six months ended 31 December 2011:											
Profit for the period, as restated	–	–	–	–	–	–	–	397,542	397,542	7,937	405,479
Exchange differences on translation of financial statements of foreign operations	–	–	–	–	–	–	(658)	–	(658)	–	(658)
Total comprehensive income for the period, as restated	–	–	–	–	–	–	(658)	397,542	396,884	7,937	404,821
Transfer to statutory reserve	–	–	–	–	–	78,593	–	(78,593)	–	–	–
	–	–	–	–	–	78,593	(658)	318,949	396,884	7,937	404,821
Share-based payments	–	–	–	25,811	–	–	–	–	25,811	–	25,811
Issue of shares to shareholders participating in the scrip dividend	85	41,107	–	–	–	–	–	–	41,192	–	41,192
Issue of shares upon exercises of share options	62	17,130	–	(4,735)	–	–	–	–	12,457	–	12,457
Shares repurchased and cancelled	(32)	(15,839)	–	–	–	–	–	–	(15,871)	–	(15,871)
2010/11 final and special dividends	–	–	–	–	–	–	–	(157,710)	(157,710)	–	(157,710)
	115	42,398	–	21,076	–	78,593	(658)	161,239	302,763	7,937	310,700
At 31 December 2011, as restated (unaudited)	**12,145**	**3,666,336**	**(4,473)**	**77,020**	**482,519**	**177,668**	**243**	**3,458,298**	**7,869,756**	**95,247**	**7,965,003**

The accompanying notes form part of this interim financial information.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 December 2012

	Attributable to equity shareholders of the Company											
	Share capital RMB'000	Treasury shares RMB'000 (Note (a))	Share premium RMB'000 (Note (b))	Merger reserve RMB'000 (Note (c))	Share option reserve RMB'000 (Note (d))	Capital reserve RMB'000 (Note (e))	Statutory reserve RMB'000 (Note (f))	Exchange reserve RMB'000 (Note (g))	Retained profits RMB'000	Total RMB'000	Non-controlling interest RMB'000	Total equity RMB'000
At 1 July 2011, as restated (audited)	**12,030**	**–**	**3,623,938**	**(4,473)**	**55,944**	**482,519**	**99,075**	**901**	**3,297,059**	**7,566,993**	**87,310**	**7,654,303**
Changes in equity for the year ended 30 June 2012:												
Profit for the year	–	–	–	–	–	–	–	–	750,200	750,200	14,858	765,058
Exchange differences on translation of financial statements of foreign operations	–	–	–	–	–	–	–	(636)	–	(636)	–	(636)
Total comprehensive income for the year	–	–	–	–	–	–	–	(636)	750,200	749,564	14,858	764,422
Transfer to statutory reserve	–	–	–	–	–	–	80,756	–	(80,756)	–	–	–
	–	–	–	–	–	–	80,756	(636)	669,444	749,564	14,858	764,422
Share-based payments	–	–	–	–	45,812	–	–	–	–	45,812	–	45,812
Issue of shares to shareholders participating in the scrip dividend	85	–	41,107	–	–	–	–	–	–	41,192	–	41,192
Issue of shares upon exercises of share options	62	–	17,130	–	(4,735)	–	–	–	–	12,457	–	12,457
Shares repurchased	(94)	(4)	(46,761)	–	–	–	–	–	–	(46,859)	–	(46,859)
2010/11 final and special dividends	–	–	–	–	–	–	–	–	(157,710)	(157,710)	–	(157,710)
2011/12 interim dividend	–	–	–	–	–	–	–	–	(61,330)	(61,330)	–	(61,330)
	53	(4)	11,476	–	41,077	–	80,756	(636)	450,404	583,126	14,858	597,984
At 30 June 2012 (audited)	**12,083**	**(4)**	**3,635,414**	**(4,473)**	**97,021**	**482,519**	**179,831**	**265**	**3,747,463**	**8,150,119**	**102,168**	**8,252,287**

The accompanying notes form part of this interim financial information.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 December 2012

Notes:

a) 495,000 repurchased shares remained uncancelled and were held as treasury shares at 30 June 2012. These repurchased shares were subsequently cancelled in July 2012.

b) The application of the share premium account is governed by the Companies Act of Bermuda.

c) The merger reserve represents the excess of the value of the net assets of the subsidiaries acquired over the nominal value of the share capital of the Company issued in exchange pursuant to the group reorganisation on 29 June 2005 in preparation for the admission of the Company's shares to AIM of the London Stock Exchange (the "Reorganisation").

d) The share option reserve represents the fair value of unexercised share options recognised in accordance with the accounting policy adopted for share-based payments.

e) The capital reserve represents amounts due to shareholders capitalised upon the Reorganisation.

f) The statutory reserve represents the appropriation of 10% of profit after taxation (after offsetting prior year losses) determined based on the regulations of the People's Republic of China (the "PRC") as required by the relevant PRC rules and regulations and the Articles of Association of the Company's PRC subsidiaries. The appropriation may cease to apply if the balance of the statutory reserve has reached 50% of that PRC subsidiary's registered capital.

g) The exchange reserve comprises all foreign exchange differences on translation of the financial statements of foreign operations.

The accompanying notes form part of this interim financial information.

Condensed Consolidated Cash Flow Statement

For the six months ended 31 December 2012

	Note	Six months ended 31 December 2012 (unaudited) RMB'000	Six months ended 31 December 2011 (unaudited) (restated) RMB'000	Year ended 30 June 2012 (audited) RMB'000
Cash flows from operating activities				
Profit before income tax		218,052	405,479	765,058
Adjustments for:				
Interest income	7	(30,152)	(6,451)	(21,559)
Finance costs	8(a)	24	39	146
Share-based payments	8(b)	14,072	25,811	45,812
Amortisation of land use rights	8(c)	587	681	1,362
Amortisation of intangible assets	8(c)	6,509	4,805	9,781
Depreciation	8(c)	69,426	61,478	126,044
Loss on disposal of property, plant and equipment	8(c)	85	259	4,828
Loss on disposal of land use right	8(c)	4,902	–	–
Net loss/(gain) on change in fair value of biological assets	16	23,000	(100,608)	(166,900)
Operating profit before working capital changes		306,505	391,493	764,572
Movements in working capital elements:				
Inventories		12,406	(21,519)	(16,687)
Biological assets		106,104	111,728	(13,075)
Trade and other receivables		(37,500)	(57,087)	25,150
Trade and other payables		29,259	10,491	(2,290)
Due to a related party		–	(3,000)	(3,000)
Net cash generated from operating activities		416,774	432,106	754,670

The accompanying notes form part of this interim financial information.

Condensed Consolidated Cash Flow Statement

For the six months ended 31 December 2012

	Note	Six months ended 31 December 2012 (unaudited) RMB'000	2011 (unaudited) (restated) RMB'000	Year ended 30 June 2012 (audited) RMB'000
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment		–	27	6,258
Proceed from disposal of land use right		3,565	–	–
Purchase of property, plant and equipment		(16,373)	(6,440)	(38,098)
Purchase of land use right		(14,001)	–	–
Additions to construction-in-progress		(196,783)	(106,928)	(305,115)
Deposits paid for acquisition of property, plant and equipment		(28,161)	–	(4,050)
Net additions to biological assets		(50,969)	(16,202)	(51,827)
Additions to intangible assets		(18,680)	(7,620)	(15,000)
Decrease/(increase) in time deposits with terms over three months		19,341	(82,094)	103,040
Interest received		30,152	6,451	21,559
Net cash used in investing activities		(271,909)	(212,806)	(283,233)
Cash flows from financing activities				
Proceeds from issue of new shares upon exercises of share options		–	12,457	12,457
Repurchase of shares		(34,548)	(15,871)	(46,859)
Obligation under finance lease		–	–	(90)
Dividends paid		(104,625)	(116,518)	(177,848)
Finance costs paid		(24)	(39)	(146)
Net cash used in financing activities		(139,197)	(119,971)	(212,486)
Net increase in cash and cash equivalents		5,668	99,329	258,951
Cash and cash equivalents at beginning of period/year		2,325,154	2,066,203	2,066,203
Cash and cash equivalents at end of period/year	23	2,330,822	2,165,532	2,325,154

Major non-cash transactions

During the six months ended 31 December 2012, purchase of property, plant and equipment included an amount of RMB4,251,000 (six months ended 31 December 2011: RMB87,196,000, year ended 30 June 2012: RMB98,787,000) transferred from non-current deposits.

The accompanying notes form part of this interim financial information.

Notes to the Interim Financial Information

1 GENERAL INFORMATION

Asian Citrus Holdings Limited (the "Company") was incorporated in Bermuda on 4 June 2003 as an exempted company with limited liability under the Companies Act of Bermuda and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "HKEx"), AIM of the London Stock Exchange and PLUS Markets plc.

The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda. The principal place of business of the Company is located at Rooms 1109–1112, Wayson Commercial Building, 28 Connaught Road West, Hong Kong.

The principal activities of the Company and its subsidiaries (together the "Group") are planting, cultivation and sale of agricultural produce, manufacture and sale of fruit juice concentrates, fruit purees, frozen fruits and vegetables, and developing and sale of property units in an agricultural wholesale market and orange processing centre.

Details of subsidiaries as at 31 December 2012 are as follows:

Name	Place of incorporation/ establishment	Percentage of equity interest attributable to the Group	Principal activities
Directly held:			
Access Fortune Investments Limited	British Virgin Islands ("BVI")	100%	Investment holding
A-One Success Limited	BVI	100%	Investment holding
Newasia Global Limited	BVI	100%	Investment holding
Raised Energy Investments Limited	BVI	100%	Investment holding
Indirectly held:			
Asian Citrus Management Company Limited	BVI	100%	Proprietor and licensor of the Group's intellectual property rights
Asian Citrus (H.K.) Company Limited	Hong Kong	100%	General commercial and leasing of properties
Beihai Perfuming Garden Juice Co., Ltd.	PRC	92.94%	Trading of fruit juice concentrates, manufacture and sale of frozen fruits and vegetables
BPG Food & Beverage Holdings Ltd.	Cayman Islands	100%	Investment holding
Chance Lead Holdings Limited	Hong Kong	100%	Investment holding
Fame Zone Limited	BVI	100%	Investment holding

1 GENERAL INFORMATION *(Continued)*

Details of subsidiaries as at 31 December 2012 are as follows: *(Continued)*

Name	Place of incorporation/ establishment	Percentage of equity interest attributable to the Group	Principal activities
Indirectly held: (continued)			
Guilin Perfuming Garden Agricultural Technology Co., Ltd.	PRC	92.94%	Not commenced business yet
Hepu Perfuming Garden Food Co., Ltd.	PRC	92.94%	Manufacture and sale of fruit juice concentrates, fruit purees and others
Litian Biological Sciences & Technology Development (Xinfeng) Company Limited	PRC	100%	Planting, cultivation and sale of oranges
Lucky Team Biotech Development Yongzhou Limited	PRC	100%	Planting, cultivation and sale of oranges
Lucky Team Biotech Development (Hepu) Limited	PRC	100%	Planting, cultivation and sale of oranges
Lucky Team Biotech Development (Zigui) Limited	PRC	100%	Dormant
Lucky Team Industrial (Ganzhou) Company Limited	PRC	100%	Development of orange processing centre
Lucky Team Logistics (Yi Chang) Limited	PRC	100%	Dormant
Lucky Team (Hepu) Agriculture Development Limited	PRC	100%	Development of nursery
Tianyang Perfuming Garden Food Industrial Co., Ltd.	PRC	100%	Not commenced business yet
Top Honest Holdings Limited	BVI	100%	Investment holding
Wealth Elite Investments Limited	Hong Kong	100%	Investment holding
Zhanjiang Perfuming Garden Food Co., Ltd.	PRC	92.94%	Not commenced business yet

2 BASIS OF PREPARATION

This interim financial information has been prepared in accordance with International Accounting Standard ("IAS") 34, Interim financial reporting, issued by the International Accounting Standards Board ("IASB"), the applicable disclosure provisions of the Rules Governing the Listing of Securities on the HKEx and the AIM Rules issued by the London Stock Exchange. The interim financial information is presented in Renminbi ("RMB"), rounded to the nearest thousand, unless otherwise stated.

The interim financial information has been prepared under the historical cost convention, as modified by the revaluation of certain biological assets which are carried at their fair values. The principal accounting policies adopted in the preparation of this interim financial information are consistent with those followed in the Group's annual financial statements for the year ended 30 June 2012, except for the accounting policy changes that are expected to be reflected in the Group's annual financial statements for the year ending 30 June 2013. Details of the applications of new and revised IFRSs are set out in note 3.

The preparation of interim financial information in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial information contains condensed consolidated financial statements and explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2012 annual financial statements. The condensed consolidated financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs").

The interim financial information is unaudited, but has been reviewed by the Company's Audit Committee. This interim financial information has also been reviewed by the Company's auditor in accordance with International Standard on Review Engagements 2410, Review of interim financial information performed by the independent auditor of the entity.

3 APPLICATIONS OF NEW AND REVISED IFRSs

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

- IAS 1 (Amendments), Presentation of financial statements – Presentation of items of other comprehensive income

- IAS 12 (Amendments), Income taxes – Deferred tax: Recovery of underlying assets

The above amendments to IFRSs have had no material impact on the Group's results of operations and financial position, or do not contain any additional disclosure requirements specifically applicable to the interim financial information.

3 APPLICATIONS OF NEW AND REVISED IFRSS *(Continued)*

Up to the date of issue of this interim financial information, the IASB has issued a number of amendments, new standards and interpretations which are not yet effective for the year ending 30 June 2013 and which have not been adopted in the interim financial information. Of these developments, the following relates to matters that may be relevant to the Group's operations and financial statements:

Improvements to IFRSs	Annual improvements to IFRSs 2009 –2011 cycle[1]
Amendments to IFRS 9 and IFRS 7	Mandatory effective date of IFRS 9 and transition disclosures[2]
Amendments to IFRS 10, IFRS 11 and IFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: transition guidance[1]
Amendments to IFRS 7	Disclosures – Offsetting financial assets and financial liabilities[1]
Amendments to IAS 32	Offsetting financial assets and financial liabilities[2]
IFRS 9	Financial instruments[3]
IFRS 10	Consolidated financial statements[1]
IFRS 12	Disclosure of interests in other entities[1]
IFRS 13	Fair value measurement[1]
IAS 27 (2011)	Separate financial statements[1]

1 Effective for annual periods beginning on or after 1 January 2013.
2 Effective for annual periods beginning on or after 1 January 2014.
3 Effective for annual periods beginning on or after 1 January 2015.

The Group is in the process of making an assessment of what the potential impact of these amendments is expected to be in the period of initial application but is not yet in a position to determine whether their adoption will have a significant impact on the Group's results of operations and financial position.

4 CHANGE IN ACCOUNTING POLICY

In the year ended 30 June 2012, the Group changed its accounting policy with respect to the costing of infant trees. Cost of fertilisers and pesticides, the principal directly attributable costs incurred during the period of biological growth to the stage the trees start bearing fruits (i.e. normally from age 0 to 3), are now capitalised as additions to the relevant biological assets. In prior periods, these costs were expensed as incurred and included in the general and administrative expenses in profit or loss. The management believes the new policy is preferable as it more fairly reflects the financial results of the Group's agricultural activities.

The change in accounting policy has been applied retrospectively. The effects of the change in the condensed consolidated income statement for the six months ended 31 December 2011 and in the condensed consolidated statement of financial position at 31 December 2011 are set out below.

4 CHANGE IN ACCOUNTING POLICY *(Continued)*

Condensed consolidated income statement for the six months ended 31 December 2011

	As previously reported *RMB'000*	Effect of change in accounting policy *RMB'000*	As restated *RMB'000*
Turnover	1,043,416	–	1,043,416
Cost of sales	(637,142)	–	(637,142)
Gross profit	406,274	–	406,274
Other income	8,008	–	8,008
Net gain on change in fair value of biological assets	100,608	–	100,608
Selling and distribution expenses	(29,016)	–	(29,016)
General and administrative expenses	(94,346)	13,990	(80,356)
Profit from operations	391,528	13,990	405,518
Finance costs	(39)	–	(39)
Profit before income tax	391,489	13,990	405,479
Income tax expense	–	–	–
Profit for the period	391,489	13,990	405,479
Attributable to			
Equity shareholders of the Company	383,552	13,990	397,542
Non-controlling interest	7,937	–	7,937
	391,489	13,990	405,479
	RMB	*RMB*	*RMB*
Earnings per share			
– Basic	0.316	0.011	0.327
– Diluted	0.314	0.012	0.326

4 CHANGE IN ACCOUNTING POLICY *(Continued)*

Condensed consolidated statement of financial position at 31 December 2011

	As previously reported *RMB'000*	Effect of change in accounting policy *RMB'000*	As restated *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment	1,787,784	–	1,787,784
Land use rights	69,208	–	69,208
Construction-in-progress	59,966	–	59,966
Biological assets	2,158,118	45,189	2,203,307
Intangible assets	56,102	–	56,102
Deposits	18,132	–	18,132
Goodwill	1,157,261	–	1,157,261
	5,306,571	45,189	5,351,760
Current assets			
Biological assets	33,833	–	33,833
Properties for sale	5,830	–	5,830
Inventories	67,926	–	67,926
Trade and other receivables	162,762	–	162,762
Cash and cash equivalents	2,413,626	–	2,413,626
	2,683,977	–	2,683,977
Total assets	7,990,548	45,189	8,035,737
EQUITY AND LIABILITIES			
Equity			
Share capital	12,145	–	12,145
Reserves	7,812,422	45,189	7,857,611
Total equity attributable to equity shareholders of the Company	7,824,567	45,189	7,869,756
Non-controlling interests	95,247	–	95,247
	7,919,814	45,189	7,965,003

4 CHANGE IN ACCOUNTING POLICY *(Continued)*

Condensed consolidated statement of financial position at 31 December 2011 *(Continued)*

	As previously reported *RMB'000*	Effect of change in accounting policy *RMB'000*	As restated *RMB'000*
Non-current liability			
Obligation under finance lease	1,034	–	1,034
Current liabilities			
Trade and other payables	69,610	–	69,610
Obligation under finance lease	90	–	90
	69,700	–	69,700
Total liabilities	70,734	–	70,734
Total equity and liabilities	7,990,548	45,189	8,035,737
Net current assets	2,614,277	–	2,614,277
Total assets less current liabilities	7,920,848	45,189	7,966,037

5 SEGMENT INFORMATION

The Group manages its businesses by lines of business. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resources allocation and performance assessment, the Group has three reportable segments. The segments are managed separately as each business offers different products and required different business strategies. The following summary describes the operations in each of the Group's reportable segments:

- Agricultural produce – planting, cultivation and sale of agricultural produce
- Processed fruits – manufacture and sale of fruit juice concentrates, fruit purees, frozen fruits and vegetables
- Others – developing and sale of property units in an agricultural wholesale market and orange processing centre

The directors assess the performance of the operating segments based on a measure of reportable segment results. This measurement basis excludes the central other income, expenses and finance costs.

Segment assets mainly exclude goodwill, certain property, plant and equipment, land use rights and other assets that are managed on a central basis. Segment liabilities mainly exclude liabilities that are managed on a central basis.

5 SEGMENT INFORMATION *(Continued)*

Segment results, assets and liabilities

Six months ended 31 December 2012:

	Agricultural produce (unaudited) *RMB'000*	Processed fruits (unaudited) *RMB'000*	Others (unaudited) *RMB'000*	Total (unaudited) *RMB'000*
RESULTS				
Reportable segment revenue and revenue from external customers	601,802	290,243	–	892,045
Reportable segment results	167,969	76,582	(2,198)	242,353
Unallocated corporate expenses				(27,175)
Unallocated corporate other revenue				2,874
Profit before income tax				218,052
Income tax expense				–
Profit for the period				218,052
ASSETS				
Segment assets	5,361,299	1,631,016	77,577	7,069,892
Unallocated corporate assets				1,362,446
Total assets				8,432,338
LIABILITIES				
Segment liabilities	(55,084)	(27,592)	(2,217)	(84,893)
Unallocated corporate liabilities				(2,207)
Total liabilities				(87,100)
OTHER INFORMATION				
Additions to segment non-current assets	130,095	121,553	–	251,648

5 SEGMENT INFORMATION *(Continued)*

Segment results, assets and liabilities *(Continued)*

Six months ended 31 December 2011:

	Agricultural produce (unaudited) (restated) *RMB'000*	Processed fruits (unaudited) *RMB'000*	Others (unaudited) *RMB'000*	Total (unaudited) (restated) *RMB'000*
RESULTS				
Reportable segment revenue and revenue from external customers	646,513	396,903	–	1,043,416
Reportable segment results	336,477	109,326	(1,615)	444,188
Unallocated corporate expenses				(41,539)
Unallocated corporate other revenue				2,830
Profit before income tax				405,479
Income tax expense				–
Profit for the period				405,479
ASSETS				
Segment assets	4,819,660	1,441,153	156,877	6,417,690
Unallocated corporate assets				1,618,047
Total assets				8,035,737
LIABILITIES				
Segment liabilities	(57,728)	(8,719)	(2,216)	(68,663)
Unallocated corporate liabilities				(2,071)
Total liabilities				(70,734)
OTHER INFORMATION				
Additions to segment non-current assets	97,106	111,000	–	208,106

5 SEGMENT INFORMATION *(Continued)*

Segment results, assets and liabilities *(Continued)*

Year ended 30 June 2012:

	Agricultural produce (audited) *RMB'000*	Processed fruits (audited) *RMB'000*	Others (audited) *RMB'000*	Total (audited) *RMB'000*
RESULTS				
Reportable segment revenue and revenue from external customers	1,060,671	715,473	–	1,776,144
Reportable segment results	621,600	203,714	(3,125)	822,189
Unallocated corporate expenses				(64,065)
Unallocated corporate other revenue				6,934
Profit before income tax				765,058
Income tax expense				–
Profit for the year				765,058
ASSETS				
Segment assets	5,173,015	1,544,498	79,164	6,796,677
Unallocated corporate assets				1,513,451
Total assets				8,310,128
LIABILITIES				
Segment liabilities	(34,047)	(17,655)	(2,217)	(53,919)
Unallocated corporate liabilities				(3,922)
Total liabilities				(57,841)
OTHER INFORMATION				
Additions to segment non-current assets	213,099	149,881	–	362,980

6 TURNOVER

Turnover represented the total invoiced value of goods supplied to customers. The amount of each significant category of revenue recognised in turnover is as follows:

	Six months ended 31 December 2012 (unaudited) RMB'000	2011 (unaudited) RMB'000	Year ended 30 June 2012 (audited) RMB'000
Sales of oranges	**600,194**	644,278	1,057,327
Sales of self-bred saplings	**1,608**	2,235	3,344
Sales of processed fruits	**290,243**	396,903	715,473
	892,045	1,043,416	1,776,144

7 OTHER INCOME

	Six months ended 31 December 2012 (unaudited) RMB'000	2011 (unaudited) RMB'000	Year ended 30 June 2012 (audited) RMB'000
Interest income	**30,152**	6,451	21,559
Government grants	**1,209**	1,450	2,326
Sundry income	**7**	107	204
	31,368	8,008	24,089

8 PROFIT BEFORE INCOME TAX

Profit before income tax is stated after charging/(crediting) the following:

	Note	Six months ended 31 December 2012 (unaudited) RMB'000	Six months ended 31 December 2011 (unaudited) RMB'000	Year ended 30 June 2012 (audited) RMB'000
(a) Finance costs				
Bank charges		24	39	56
Finance charges on obligation under finance lease		–	–	90
		24	39	146
(b) Staff costs (including directors' emoluments)				
– salaries, wages and other benefits		69,433	56,039	97,880
– share-based payments		14,072	25,811	45,812
– contributions to defined contribution retirement plans		1,214	1,150	2,635
		84,719	83,000	146,327
(c) Other items				
Amortisation of land use rights	14	587	681	1,362
Amortisation of intangible assets	17	6,509	4,805	9,781
Auditor's remuneration		1,217	1,200	2,390
Cost of agricultural produce sold#		390,432	356,228	488,993
Cost of inventories of processed fruits recognised as expenses##		212,120	280,914	494,750
Depreciation of property, plant and equipment	13	69,426	61,478	126,044
Add: Realisation of depreciation previously capitalised as biological assets		23,423	21,821	21,822
Less: Amount capitalised as biological assets		(15,865)	(9,879)	(25,955)
		76,984	73,420	121,911
Construction-in-progress written off	15	1,560	–	3,351
Exchange (gain)/losses, net		(3,548)	6,551	6,435
Operating lease expenses				
– plantation base		6,416	6,365	9,394
– properties		610	630	1,115
Research and development costs		2,344	3,888	9,255
Loss on disposal of property, plant and equipment		85	259	4,828
Loss on disposal of land use right		4,902	–	–

8 PROFIT BEFORE INCOME TAX *(Continued)*

Cost of agricultural produce sold includes RMB96,189,000 (six months ended 31 December 2011: RMB81,689,000, year ended 30 June 2012: RMB113,974,000) relating to staff costs, depreciation and operating lease expenses, which amount is also included in the respective total amount disclosed separately above for each of these types of expenses.

Cost of inventories of processed fruits recognised as expenses includes RMB40,170,000 (six months ended 31 December 2011: RMB30,097,000, year ended 30 June 2012: RMB67,667,000) relating to staff costs, amortisation of land use rights, amortisation of intangible assets and depreciation, which amount is also included in the respective total amount disclosed separately above for each of these types of expenses.

9 INCOME TAX EXPENSE

(a) On the basis stated below, no income tax has been provided by the Group:

(i) Pursuant to the rules and regulations of Bermuda, Cayman Islands and the BVI, the Group is not subject to any income tax in respective tax jurisdictions.

(ii) No Hong Kong profits tax has been provided as the Group did not have assessable profits arising in or derived from Hong Kong.

(iii) No PRC enterprise income tax has been provided for the current period as the Group did not have assessable profit in the PRC during the period. The provision for PRC enterprise income tax is based on the respective applicable rates on the estimated assessable income of the Group's subsidiaries in the PRC as determined in accordance with the relevant income tax laws, rules and regulations of the PRC.

According to the PRC tax law, its rules and regulations, enterprises that engage in certain qualifying agricultural business are eligible for certain tax benefits, including full enterprise income tax exemption on profits derived from such business. Certain operating subsidiaries of the Group in the PRC engaged in qualifying agricultural business are entitled to full exemption of enterprise income tax.

The applicable enterprise income tax rate of the Group's other operating subsidiaries in the PRC is 25%.

9 INCOME TAX EXPENSE *(Continued)*

(a) *(Continued)*

(iv) PRC withholding income tax

Under the PRC tax law, profits of the Group's subsidiaries in the PRC derived since 1 January 2008 is subject to withholding income tax at rates of 5% or 10% upon the distribution of such profits to foreign investors or companies incorporated in Hong Kong, or for other foreign investors, respectively. Pursuant to the grandfathering arrangements of the PRC tax law, dividends receivable by the Group from its PRC subsidiaries in respect of the undistributed profits derived prior to 31 December 2007 are exempt from the withholding income tax. At 31 December 2012, no deferred tax liabilities have been recognised in respect of the tax that would be payable on the unremitted profits of the PRC subsidiaries derived since 1 January 2008 as the Company is in a position to control the dividend policies of the PRC subsidiaries and no distribution of such profits is expected to be declared from the PRC subsidiaries in the foreseeable future.

(b) Reconciliation between income tax expense and profit before income tax in the condensed consolidated income statement at applicable rates:

	Six months ended 31 December		Year ended 30 June
	2012 (unaudited)	2011 (unaudited) (restated)	2012 (audited)
	RMB'000	*RMB'000*	*RMB'000*
Profit before income tax	**218,052**	405,479	765,058
Notional tax at the rates applicable to profits in the jurisdictions concerned	**59,428**	110,976	205,298
Tax effect of non-deductible expenses	**624**	333	1,046
Tax effect of tax exemptions	**(62,082)**	(114,057)	(207,824)
Tax effect of temporary differences not recognised for deferred tax purpose	**699**	2,016	406
Others	**1,331**	732	1,074
Actual tax expense	**–**	–	–

10 DIRECTORS' REMUNERATION

	Directors' fees (unaudited) RMB'000	Salaries, allowances and benefits in kind (unaudited) RMB'000	Share-based payments (unaudited) RMB'000	Retirement scheme contribution (unaudited) RMB'000	Six months ended 31 December 2012 (unaudited) RMB'000	Six months ended 31 December 2011 (unaudited) RMB'000	Year ended 30 June 2012 (audited) RMB'000
Directors' emoluments							
Executive Directors							
Tong Wang Chow	–	810	149	–	959	1,252	2,326
Tong Hung Wai, Tommy	–	429	116	7	552	741	1,387
Cheung Wai Sun	–	324	116	7	447	621	1,163
Pang Yi	–	540	510	3	1,053	1,675	3,157
Sung Chi Keung	–	648	315	7	970	1,275	2,465
Non-executive Directors							
Ip Chi Ming *(Note i)*	187	–	68	–	255	411	811
Ma Chiu Cheung, Andrew	169	–	68	–	237	305	610
Lui Ming Wah	108	–	68	–	176	249	487
Yang Zhen Han	108	–	68	–	176	249	487
Nicholas Smith	169	–	68	–	237	305	610
Peregrine Moncreiffe	108	–	68	–	176	249	487
	849	2,751	1,614	24	5,238	7,332	13,990

There were no arrangements under which a director waived or agreed to waive any remuneration during the period (six months ended 31 December 2011: RMBNil, year ended 30 June 2012: RMBNil).

Note:

(i) Retired on 6 November 2012.

11 INDIVIDUALS WITH HIGHEST EMOLUMENTS

The five highest paid individuals of the Group during the period/year included four directors, details of whose emoluments are set out in note 10 above. The emoluments in respect of the remaining highest paid individual are as follows:

	Six months ended 31 December		Year ended 30 June
	2012 (unaudited) *RMB'000*	2011 (unaudited) *RMB'000*	2012 (audited) *RMB'000*
Salaries, wages and other benefits	**448**	524	155
Share-based payments	**86**	177	2,035
Retirement scheme contribution	**7**	5	6
	541	706	2,196

No emoluments were paid by the Group to the directors or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (six months ended 31 December 2011: RMBNil, year ended 30 June 2012: RMBNil).

12 EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the following:

	Six months ended 31 December		Year ended 30 June
	2012 (unaudited) *RMB'000*	2011 (unaudited) (restated) *RMB'000*	2012 (audited) *RMB'000*
Earnings			
Profit attributable to equity shareholders of the Company used in basic and diluted earnings per share calculation	**212,380**	397,542	750,200
Weighted average number of shares	***'000***	*'000*	*'000*
Issued ordinary shares at beginning of period/year	**1,221,097**	1,215,157	1,215,157
Effect of shares issued to shareholders participating in the scrip dividend	**–**	51	4,741
Effect of shares issued upon exercises of share options	**–**	1,433	4,182
Effect of shares repurchased and cancelled	**(3,393)**	(1,114)	(3,640)
Weighted average number of ordinary shares used in basic earnings per share calculation	**1,217,704**	1,215,527	1,220,440
Effect of dilutive potential shares in respect of share options	**11,490**	4,401	4,188
Weighted average number of ordinary shares used in diluted earnings per share calculation	**1,229,194**	1,219,928	1,224,628

13 PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Leasehold improvements RMB'000	Plant and machinery RMB'000	Furniture, fixtures and equipment RMB'000	Motor vehicles RMB'000	Farmland infrastructure and machinery RMB'000	Total RMB'000
Cost							
At 1 July 2011 (audited)	171,952	3,668	196,979	10,583	10,912	1,610,745	2,004,839
Additions	7,051	–	116,117	849	756	12,112	136,885
Transfer from construction-in-progress *(note 15)*	9,059	–	13,604	660	–	174,101	197,424
Disposals	(2,284)	–	(18,435)	(194)	(46)	(402)	(21,361)
At 30 June 2012 (audited)	185,778	3,668	308,265	11,898	11,622	1,796,556	2,317,787
Additions	1,172	–	3,230	1,057	75	15,090	20,624
Transfer from construction-in-progress *(note 15)*	19,828	–	23,274	–	–	80,233	123,335
Disposals	–	–	(107)	(3)	–	–	(110)
At 31 December 2012 (unaudited)	206,778	3,668	334,662	12,952	11,697	1,891,879	2,461,636
Accumulated depreciation							
At 1 July 2011 (audited)	9,278	861	15,926	3,714	3,254	333,467	366,500
Charge for the year	9,784	115	33,460	1,320	1,582	79,783	126,044
Written back on disposals	(122)	–	(9,596)	(147)	(8)	(402)	(10,275)
At 30 June 2012 (audited)	18,940	976	39,790	4,887	4,828	412,848	482,269
Charge for the period	5,753	63	19,837	698	759	42,316	69,426
Written back on disposals	–	–	(22)	(3)	–	–	(25)
At 31 December 2012 (unaudited)	24,693	1,039	59,605	5,582	5,587	455,164	551,670
Carrying amount							
At 31 December 2012 (unaudited)	**182,085**	**2,629**	**275,057**	**7,370**	**6,110**	**1,436,715**	**1,909,966**
At 31 December 2011 (unaudited)	158,037	2,744	273,325	6,652	6,846	1,340,180	1,787,784
At 30 June 2012 (audited)	166,838	2,692	268,475	7,011	6,794	1,383,708	1,835,518

At 31 December 2012, the carrying amount of farmland infrastructure and machinery held under finance lease was RMB1,027,000 (31 December 2011: RMB1,137,000, 30 June 2012: RMB1,077,000).

14 LAND USE RIGHTS

	31 December 2012 (unaudited) RMB'000	31 December 2011 (unaudited) RMB'000	30 June 2012 (audited) RMB'000
Cost			
At beginning of period/year	78,013	78,013	78,013
Addition	14,001	–	–
Disposal	(9,142)	–	–
At end of period/year	82,872	78,013	78,013
Accumulated amortisation			
At beginning of period/year	9,486	8,124	8,124
Charge for the period/year	587	681	1,362
Written back on disposal	(675)	–	–
At end of period/year	9,398	8,805	9,486
Carrying amount	73,474	69,208	68,527

Land use rights, representing the rights to use certain pieces of land located in the PRC, are valid for a period of 50 years from respective dates of grant and will be expiring in the years 2053 to 2062.

15 CONSTRUCTION-IN-PROGRESS

	31 December 2012 (unaudited) RMB'000	31 December 2011 (unaudited) RMB'000	30 June 2012 (audited) RMB'000
At beginning of period/year	178,302	70,611	70,611
Additions	198,343	106,928	308,466
Written off	(1,560)	–	(3,351)
Transfer to property, plant and equipment *(note 13)*	(123,335)	(117,573)	(197,424)
At end of period/year	251,750	59,966	178,302

16 BIOLOGICAL ASSETS

Biological assets represent orange trees, infant trees and self-bred saplings. The role of the orange trees is to supply oranges through the processes of growth in each production cycle. The infant trees and self-bred saplings are held for transforming into orange trees. Biological assets are analysed as follows:

	Self-bred saplings RMB'000	Infant trees RMB'000	Orange trees RMB'000	Total RMB'000
At 1 July 2011, as restated (audited)	5,527	35,970	2,190,561	2,232,058
Net additions	6,082	–	–	6,082
Sales of self-bred saplings	(850)	–	–	(850)
Intra transfer to infant trees	(5,168)	5,168	–	–
Intra transfer to orange trees	–	(14,100)	14,100	–
Net increase due to cultivation	–	46,595	13,075	59,670
Net change in fair value				
– Gain due to price, yield, maturity and cost changes	–	–	237,113	237,113
– Decrease due to replanting programme	–	–	(70,213)	(70,213)
	–	–	166,900	166,900
At 30 June 2012 (audited)	5,591	73,633	2,384,636	2,463,860
Net additions	1,857	–	–	1,857
Sales of self-bred saplings	(1,017)	–	–	(1,017)
Intra transfer to infant trees	(983)	983	–	–
Net increase/(decrease) due to cultivation/(harvest)	–	50,129	(106,104)	(55,975)
Net loss on change in fair value due to price, yield, maturity and cost changes	–	–	(23,000)	(23,000)
At 31 December 2012 (unaudited)	**5,448**	**124,745**	**2,255,532**	**2,385,725**
At 31 December 2011, as restated (unaudited)	6,010	51,689	2,179,441	2,237,140
At 30 June 2012 (audited)	5,591	73,633	2,384,636	2,463,860

16 BIOLOGICAL ASSETS *(Continued)*

Represented by:

	Self-bred saplings (unaudited) RMB'000	Infant trees (unaudited) RMB'000	Orange trees (unaudited) RMB'000	31 December 2012 Total (unaudited) RMB'000	31 December 2011 Total (unaudited) (restated) RMB'000	30 June 2012 Total (audited) RMB'000
Non-current	5,448	124,745	2,203,000	**2,333,193**	2,203,307	2,305,224
Current	–	–	52,532	**52,532**	33,833	158,636
	5,448	124,745	2,255,532	**2,385,725**	2,237,140	2,463,860

The movements in biological assets can be summarised as follows:

	Self-bred saplings *Number*	Infant trees *Number*	Orange trees *Number*
At 1 July 2011	1,500,247	712,574	2,606,955
Net additions	513,237	–	–
Sales of self-bred saplings	(283,866)	–	–
Intra transfer to infant trees	(688,924)	688,924	–
Intra transfer to orange trees	–	(76,135)	76,135
Decrease due to replanting programme	–	–	(66,449)
At 30 June 2012	1,040,694	1,325,363	2,616,641
Net disposals	(3,116)	–	–
Sales of self-bred saplings	(134,000)	–	–
Intra transfer to infant trees	(129,177)	129,177	–
At 31 December 2012	774,401	1,454,540	2,616,641

The replanting programme replaces existing species with more advanced and better quality species that have greater resistance to disease and produce a higher yield. In the year ended 30 June 2012, 66,449 winter orange trees were removed and the corresponding land area was replanted with the same amount of new species.

The infant trees and self-bred saplings are undergoing biological transformation leading to them being able to produce oranges. Once the infant trees and self-bred saplings become mature and productive, they will be transferred to the category of orange trees.

16 BIOLOGICAL ASSETS *(Continued)*

The Group has engaged an independent valuer to perform a desktop valuation on the fair value of orange trees less costs to sell as at 31 December 2012. The valuation methodology used to determine the fair value of orange trees less costs to sell is in compliance with both IAS 41, Agriculture, and the International Valuation Standards issued by the International Valuation Standards Council which aims to determine the fair value of a biological asset in its present location and condition.

The fair value of orange trees less costs to sell is calculated by deducting the fair value of plantation-related machinery and equipment and land improvements from the fair value of the orange trees operation. In estimating the fair value of the orange trees, the following key assumptions were applied:

a) The market price variables, which represent the assumed market price for summer oranges and winter oranges produced by the Group. The valuation adopted the market sales prices prevailing as of the end of the reporting period for each type of oranges produced by the Group as the sales price estimation. The market prices are assumed to be increased by 2% per annum, which is similar to the projected long term inflation rate.

b) The yield per tree variables, which represent the harvest level of the orange trees. The yield of orange trees is affected by the age, species and health of the orange trees, as well as the climate, location, soil condition, topography and infrastructure. In general, yield per tree increases from age 3 to 10, remains stable for about 22 years, and then decreases until age 32.

c) The direct production cost variables, which represent the direct costs necessary to bring the oranges to their sale form. These mainly include raw material costs and direct labour costs. The direct production cost variables are determined by reference to actual costs incurred for areas that have been previously harvested, and have taken into account the projected long term inflation rate of 2% per annum.

d) The Capital Asset Pricing Model has been used to determine a discount rate of 18% (six months ended 31 December 2011: 20%, year ended 30 June 2012: 18%) to be applied to the orange trees operations.

e) Other key assumptions which have taken into account in valuing the Group's biological assets includes, among other things,

   i) cash flows are calculated from the current rotation of orange trees only, without taking into account the projected revenue or costs related to the re-establishment of new orange trees;

   ii) projected cash flows have taken into account the projected long term inflation rate of 2% per annum and excluded financial costs and taxation;

   iii) as discounted cash flows are based on current orange prices, planned future business activities that may impact the future prices of oranges harvested from the Group's plantations are not considered; and

   iv) no allowance is made for cost improvements in future operations.

16 BIOLOGICAL ASSETS *(Continued)*

The land currently occupied by the Group is leased from third parties, and has no commercial value. With reference to the value of machinery and equipment and other assets (represented by improvements in structures and buildings, wind breakers, etc.), the total values of the assets involved as at 31 December 2012 for Hepu plantation and Xinfeng plantation are approximately RMB422 million (31 December 2011: RMB281 million, 30 June 2012: RMB430 million) and RMB644 million (31 December 2011: RMB494 million, 30 June 2012: RMB658 million), respectively.

The quantity and value of agricultural produce harvested measured at fair value less costs to sell during the period/year were as follows:

	Six months ended 31 December				Year ended 30 June	
	2012		2011		2012	
	Quantity	**Value**	Quantity	Value	Quantity	Value
	Tonnes	***RMB'000***	*Tonnes*	*RMB'000*	*Tonnes*	*RMB'000*
Oranges	**161,233**	**600,194**	171,607	644,278	243,421	1,057,327

The Group is exposed to a number of risks relating to its orange plantations:

1) Regulatory and environmental risks

   The Group is subject to laws and regulations in the jurisdiction in which it operates. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws. Management performs regular reviews to identify environmental risks and to ensure that the systems in place are adequate to manage those risks.

2) Supply and demand risks

   The Group is exposed to risks arising from fluctuations in the price and sales volume of oranges. Where possible the Group manages these risks by aligning its harvest volume to market supply and demand. Management performs regular industry trend analyses to ensure that the Group's pricing structure is in line with the market and to ensure that projected harvest volumes are consistent with the expected demand.

3) Climate and other risks

   The Group's orange plantations are exposed to the risk of damage from climatic changes, diseases, forest fires and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating those risks, including regular forest health inspections and industry pest and disease surveys. The Group also insures itself against natural disasters such as floods and tropical storms.

17 INTANGIBLE ASSETS

	Capitalised development costs *RMB'000*	Trademark *RMB'000*	Total *RMB'000*
Cost			
At 1 July 2011 (audited)	74,046	3	74,049
Additions	15,000	–	15,000
At 30 June 2012 (audited)	89,046	3	89,049
Additions	18,680	–	18,680
At 31 December 2012 (unaudited)	107,726	3	107,729
Accumulated amortisation			
At 1 July 2011 (audited)	20,761	1	20,762
Charge for the year	9,780	1	9,781
At 30 June 2012 (audited)	30,541	2	30,543
Charge for the period	6,509	–	6,509
At 31 December 2012 (unaudited)	37,050	2	37,052
Carrying amount			
At 31 December 2012 (unaudited)	**70,676**	**1**	**70,677**
At 31 December 2011 (unaudited)	56,100	2	56,102
At 30 June 2012 (audited)	58,505	1	58,506

17 INTANGIBLE ASSETS *(Continued)*

The amortisation charge for the period included RMB2,629,000 (six months ended 31 December 2011: RMB925,000, year ended 30 June 2012: RMB2,021,000) and RMB3,880,000 (six months ended 31 December 2011: RMB3,880,000, year ended 30 June 2012: RMB7,760,000) in cost of sales and general and administrative expenses, respectively, in the condensed consolidated income statement.

Capitalised development costs are represented by:

	31 December 2012 (unaudited) RMB'000	31 December 2011 (unaudited) RMB'000	30 June 2012 (audited) RMB'000
Incomplete development projects	–	7,620	15,000
Completed development projects	70,676	48,480	43,505
	70,676	56,100	58,505
	Years	Years	Years
Average remaining amortisation period for completed development projects	7.3	6.6	6.5

Capitalised development costs represent expenditure incurred in developing techniques relating to the cultivation of orange trees and processing of fruits, which will increase the productivity of the relevant operations in the future periods.

18 DEPOSITS

	31 December 2012 (unaudited) RMB'000	31 December 2011 (unaudited) RMB'000	30 June 2012 (audited) RMB'000
Deposits paid for acquisition of property, plant and equipment	28,161	18,132	4,251

19 GOODWILL

Goodwill related to the acquisition of BPG Food & Beverage Holdings Ltd. and its subsidiaries in November 2010. For the purposes of impairment testing, goodwill has been allocated to the cash generating unit ("CGU") in relation to the Group's processed fruits segment in the PRC.

The recoverable amount of the CGU has been determined based on a value in use calculation which uses cash flow projections from financial budgets approved by management covering a 3-year period and a discount rate of 13%. The cash flows beyond the 3-year period are extrapolated using a steady 10% growth rate. This growth rate does not exceed the average long-term growth rate for the business in which the CGU operates. Other key assumptions for the value in use calculations relate to the estimation of cash flows which include budgeted sales and gross margin, and such estimations are based on the CGU's past performance and management's expectations based on market developments. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of the CGU to exceed the aggregate recoverable amount of the CGU.

20 PROPERTIES FOR SALE

	31 December		30 June
	2012	2011	2012
	(unaudited)	(unaudited)	(audited)
	RMB'000	*RMB'000*	*RMB'000*
Properties under development for sale	**5,081**	5,081	5,081
Completed properties for sale	**749**	749	749
	5,830	5,830	5,830

The analysis of carrying value of land use rights included in the properties for sale is as follows:

	31 December		30 June
	2012	2011	2012
	(unaudited)	(unaudited)	(audited)
	RMB'000	*RMB'000*	*RMB'000*
In the PRC, held on leases between 10 to 50 years	**134**	134	134

The amount of properties for sale expected to be recovered after more than one year is RMB5,081,000 (31 December 2011: RMB5,081,000, 30 June 2012: RMB5,081,000). The remaining properties for sale are expected to be recovered within one year.

21 INVENTORIES

	31 December 2012 (unaudited) RMB'000	31 December 2011 (unaudited) RMB'000	30 June 2012 (audited) RMB'000
Raw materials	**7,077**	10,565	9,601
Work in progress	**1,588**	1,417	483
Finished goods	**42,023**	55,944	53,010
	50,688	67,926	63,094

22 TRADE AND OTHER RECEIVABLES

	31 December 2012 (unaudited) RMB'000	31 December 2011 (unaudited) RMB'000	30 June 2012 (audited) RMB'000
Trade receivables	**99,794**	97,226	28,831
Other receivables, deposits and prepayments	**24,571**	65,536	58,034
	124,365	162,762	86,865

The amount of the Group's other receivables, deposits and prepayments expected to be recovered or recognised as expenses in normal operating cycle after one year is RMB11,595,000 (31 December 2011: RMB14,745,000, 30 June 2012: RMB8,919,000). The remaining balance of trade and other receivables is expected to be recovered within one year.

The ageing analysis of trade receivables based on invoice date is as follows:

	31 December 2012 (unaudited) RMB'000	31 December 2011 (unaudited) RMB'000	30 June 2012 (audited) RMB'000
Less than 1 month	**92,883**	76,798	28,352
1 to 3 months	**6,798**	20,309	84
3 to 6 months	**–**	26	291
6 to 12 months	**9**	18	–
Over 1 year	**104**	75	104
	99,794	97,226	28,831

Trade receivables from sales of goods are normally due for settlement within 30 to 45 days from the date of billing, while that from sales of property units are due for settlement in accordance with the terms of the related sale and purchase agreements.

22 TRADE AND OTHER RECEIVABLES *(Continued)*

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired is as follows:

	31 December 2012 (unaudited) RMB'000	31 December 2011 (unaudited) RMB'000	30 June 2012 (audited) RMB'000
Neither past due nor impaired	**97,457**	88,022	27,529
Less than 1 month past due	**2,267**	8,451	944
1 to 3 months past due	**–**	645	6
3 to 6 months past due	**9**	10	291
6 to 12 months past due	**–**	66	–
Over 1 year past due	**61**	32	61
Amounts past due but not impaired	**2,337**	9,204	1,302
	99,794	97,226	28,831

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

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are considered fully recoverable.

23 CASH AND CASH EQUIVALENTS

	31 December 2012 (unaudited) RMB'000	31 December 2011 (unaudited) RMB'000	30 June 2012 (audited) RMB'000
Bank deposits	**1,449,149**	509,771	1,699,323
Cash at banks and on hand	**925,292**	1,903,855	688,791
Cash and cash equivalents in the condensed consolidated statement of financial position	**2,374,441**	2,413,626	2,388,114
Time deposits with terms over three months	**(43,619)**	(248,094)	(62,960)
Cash and cash equivalents in the condensed consolidated cash flow statement	**2,330,822**	2,165,532	2,325,154

23 CASH AND CASH EQUIVALENTS *(Continued)*

Included in the cash and cash equivalents of the Group at 31 December 2012 is an amount of approximately RMB2,097,939,000 (31 December 2011: RMB1,836,490,000, 30 June 2012: RMB1,873,839,000) denominated in RMB. Conversion of RMB into foreign currencies is subject to the PRC Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations. The Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Bank deposits are made for terms ranging from one month to half year (31 December 2011: ranging from one month to one year, 30 June 2012: ranging from one month to one year) depending on the immediate cash requirements of the Group.

24 CAPITAL, RESERVES AND DIVIDENDS

(a) Share capital

	Note	*Number of shares*	*HKD'000*	*RMB'000*
Authorised:				
Ordinary shares of HKD0.01 each				
At 1 July 2011, 31 December 2011, 30 June 2012 and 31 December 2012		2,000,000,000	20,000	20,900
Issued and fully paid:				
At 1 July 2011 (audited)		1,215,156,963	12,151	12,030
Issue of shares to shareholders participating in the scrip dividend		9,456,219	95	85
Issue of shares upon exercises of share options		6,939,000	69	62
Shares repurchased and cancelled		(10,455,000)	(105)	(94)
At 30 June 2012 (audited)		1,221,097,182	12,210	12,083
Issue of shares to shareholders participating in the scrip dividend	(i)	17,768,373	178	159
Shares repurchased and cancelled	(ii)	(11,144,000)	(111)	(100)
At 31 December 2012 (unaudited)		**1,227,721,555**	**12,277**	**12,142**
At 31 December 2011 (unaudited)		1,228,052,182	12,280	12,145
At 30 June 2012 (audited)		1,221,097,182	12,210	12,083

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally in regard to the Company's residual assets.

24 CAPITAL, RESERVES AND DIVIDENDS *(Continued)*

(a) Share capital *(Continued)*

Notes:

(i) On 31 December 2012, 17,768,373 new ordinary shares of HKD0.01 each were issued at the price of HKD3.774 per share to shareholders participating in the scrip dividend in respect of the 2011/12 final dividend.

(ii) During the period, the Company repurchased 10,649,000 its own shares on the HKEx. The premium paid on repurchases of shares of RMB34,452,000 was charged to share premium. In addition, 495,000 repurchased shares remained uncancelled and were held as treasury shares at 30 June 2012 were subsequently cancelled in July 2012.

(b) Dividends

An interim dividend of RMB0.03 (six months ended 31 December 2011: RMB0.03) and a special dividend of RMB0.02 (six months ended 31 December 2011: RMB0.02) per ordinary share in respect of the six months ended 31 December 2012 was declared after the end of the reporting period. The interim and special dividends have not been recognised as liabilities at the end of the reporting period.

Final dividend of RMB0.13 per ordinary share in respect of the year ended 30 June 2012 was approved on 6 November 2012 and paid on 31 December 2012.

(c) Capital management

The Group manages its capital to ensure that the Group has sufficient liquidity to support the operations and development while maximising the value of shareholders. The Group's overall strategy remains unchanged from the prior year.

The Group regards total equity presented on the face of the condensed consolidated statement of financial position as capital for capital management purpose.

Management of the Group reviews its capital structure periodically by assessing budgets of major projects taking into account the provision of funding. The Group is not subject to externally imposed capital requirements.

25 OBLIGATION UNDER FINANCE LEASE

At 31 December 2012, the Group had obligation under finance lease repayable as follows:

	31 December				30 June	
	2012 (unaudited)		2011 (unaudited)		2012 (audited)	
	Present value of the minimum lease payments	**Total minimum lease payments**	Present value of the minimum lease payments	Total minimum lease payments	Present value of the minimum lease payments	Total minimum lease payments
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	**97**	**180**	90	180	97	180
After 1 year but within 2 years	**105**	**180**	97	180	105	180
After 2 years but within 5 years	**368**	**540**	341	540	368	540
After 5 years	**464**	**540**	596	720	464	540
	937	**1,260**	1,034	1,440	937	1,260
	1,034	**1,440**	1,124	1,620	1,034	1,440
Less: Total future interest expenses		**(406)**		(496)		(406)
Present value of lease obligation		**1,034**		1,124		1,034

26 TRADE AND OTHER PAYABLES

	31 December 2012 (unaudited) *RMB'000*	31 December 2011 (unaudited) *RMB'000*	30 June 2012 (audited) *RMB'000*
Trade payables	**33,599**	20,574	21,977
Other payables and accruals	**52,467**	49,036	34,830
	86,066	69,610	56,807

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

The ageing analysis of trade payables by invoice date is as follows:

	31 December 2012 (unaudited) *RMB'000*	31 December 2011 (unaudited) *RMB'000*	30 June 2012 (audited) *RMB'000*
Due within 3 months or on demand	**32,904**	19,815	21,246
Due after 3 months but within 6 months	**286**	246	93
Due after 6 months but within 1 year	**314**	423	543
Due over 1 year	**95**	90	95
	33,599	20,574	21,977

27 COMMITMENTS

a) Operating lease commitments

At 31 December 2012, the Group's total future minimum lease payments under non-cancellable operating leases are payable as follows:

	31 December 2012 (unaudited) *RMB'000*	31 December 2011 (unaudited) *RMB'000*	30 June 2012 (audited) *RMB'000*
Within 1 year	**6,960**	7,056	6,636
After 1 year but within 5 years	**26,360**	25,893	27,336
After 5 years	**341,546**	351,633	346,965
	374,866	384,582	380,937

Operating lease payments represent rental payable by the Group in respect of certain properties premises and land on which the plantations are situated. The leases of properties typically run for an initial period of one to ten years, with options to renew the leases and renegotiate the terms at expiry dates or at dates mutually agreed with the respective lessors. The leases for the plantation bases are negotiated for a term of 50 years expiring from 2050 to 2060. None of the leases include contingent rentals.

b) Capital and other commitments

At 31 December 2012, the Group had the following capital and other commitments:

	31 December 2012 (unaudited) *RMB'000*	31 December 2011 (unaudited) *RMB'000*	30 June 2012 (audited) *RMB'000*
Contracted but not provided for:			
Construction-in-progress, property, plant and equipment and land use rights	**141,363**	62,335	87,725
Research and development projects	**–**	7,500	–
	141,363	69,835	87,725

28 RELATED PARTY TRANSACTIONS

a) In addition to those disclosed elsewhere in the interim financial information, the Group had the following significant related party transactions during the period/year:

	Six months ended 31 December 2012 (unaudited) RMB'000	2011 (unaudited) RMB'000	Year ended 30 June 2012 (audited) RMB'000
Purchases of organic fertilisers from:			
Fujian Zhangzhou Chaoda Microbe Organic Fertiliser Company Limited ("Zhangzhou Chaoda")	–	5,321	5,321
Operating lease expenses paid to:			
Alpha Best Limited	144	116	251
Pan Air and Sea Forwarders (HK) Limited	213	190	388
	357	306	639

Zhangzhou Chaoda is a related party of the Group by virtue of Mr. Kwok Ho's interest. The entire registered capital of Zhangzhou Chaoda is indirectly held by Mr. Kwok Ho, a director of Newasia Global Limited. Mr. Kwok Ho is a substantial shareholder in Chaoda Modern Agriculture (Holdings) Limited ("Chaoda"). Chaoda is in turn the holding company of Huge Market Investments Limited, a substantial shareholder of the Company until 25 November 2011. The purchases from Zhangzhou Chaoda were charged at prices and terms comparable with those charged to and contracted with independent third parties. Starting from October 2011, the Group ceased to purchase organic fertilizers from Zhangzhou Chaoda.

Alpha Best Limited and Pan Air and Sea Forwarders (HK) Limited are related to the Group by virtue of Mr. Tong Wang Chow's interest in these two companies.

b) Compensation of key management personnel

	Six months ended 31 December 2012 (unaudited) RMB'000	2011 (unaudited) RMB'000	Year ended 30 June 2012 (audited) RMB'000
Short-term employee benefits	4,760	5,082	10,121
Share-based payments	2,403	4,931	11,364
Post-employment benefits	49	35	85
	7,212	10,048	21,570

Total remuneration is included in staff costs (see note 8(b)).

29 EVENTS AFTER THE REPORTING PERIOD

Except as disclosed elsewhere in the interim financial information, there was no significant event after the end of the reporting period.

Purchase, Sale or Redemption of the Company's Listed Securities

During the six months ended 31 December 2012, the Company repurchased 10,649,000 ordinary shares of HK$0.01 on the HKEx at an aggregate consideration of HK$38,387,280 before expenses. The repurchased shares were subsequently cancelled. The repurchases were effected by the Board for the enhancement of shareholder value in the long term. Details of the repurchases are as follows:

Month of purchase in the six months ended 31 December 2012	No. of shares purchased	Purchase consideration per share Highest price paid HK$	Purchase consideration per share Lowest price paid HK$	Aggregate consideration paid HK$
July	1,131,000	4.40	3.99	4,741,450
November	9,518,000	3.67	3.21	33,645,830
Total	10,649,000			38,387,280

On 31 December 2012, 17,768,373 ordinary shares of HK$0.01 were issued at the price of HK$3.774 per share to shareholder participating in the scrip dividend.

Saved as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 31 December 2012.

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31 December 2012, the interests or short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong ("SFO")) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were notified to the Company and the HKEx, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code"), are set out below:

		Number of shares held					
Name	Class of shares	Personal interests	Family interests	Corporate interests	Number of underlying shares held under equity derivatives	Total	Approximate percentage of the Company's total issued share capital
Tong Wang Chow	Ordinary shares/ Share options	320,000	–	232,302,392 *(Note 1)*	3,850,000 *(Note 2)*	236,472,392	19.26%
Tong Hung Wai Tommy	Share options	–	–	–	1,900,000 *(Note 3)*	1,900,000	0.15%
Cheung Wai Sun	Share options	–	–	–	1,200,000 *(Note 4)*	1,200,000	0.10%
Pang Yi	Ordinary shares/ Share options	452,043	–	–	5,740,000 *(Note 5)*	6,192,043	0.50%
Sung Chi Keung	Ordinary shares/ Share options	520,000	–	–	4,560,000 *(Note 6)*	5,080,000	0.41%
Nicholas Smith	Ordinary shares/ Share options	1,024,603 *(Note 7)*	–	–	500,000 *(Note 8)*	1,524,603	0.12%
Peregrine Moncreiffe	Ordinary shares/ Share options	846,560 *(Note 9)*	128,000 *(Note 9)*	–	500,000 *(Note 10)*	1,474,560	0.12%
Lui Ming Wah	Share options	–	–	–	500,000 *(Note 11)*	500,000	0.04%
Yang Zhen Han	Share options	–	–	–	500,000 *(Note 12)*	500,000	0.04%
Ma Chiu Cheung Andrew	Share options	–	–	–	500,000 *(Note 13)*	500,000	0.04%

Notes:

(1) The 232,302,392 shares were held by Market Ahead Investments Limited ("Market Ahead"), the issued share capital of which is beneficially owned by the following persons:

Mr. Tong Wang Chow	76%
Mr. Tong Hung Wai, Tommy	6%
Mrs. Tong Lee Fung Kiu	6%
Ms. Tong Mei Lin	6%
Mr. Lee Kun Chung	6%

Mr. Tong Wang Chow is deemed to be interested in 232,302,392 shares held by Market Ahead by virtue of the SFO. Mr. Tong Wang Chow is also a director of Market Ahead.

(2) 1,500,000 shares would be allotted and issued to Mr. Tong Wang Chow upon the exercise in full of the share options granted to Mr. Tong Wang Chow under the share option scheme of the Company adopted by the Shareholders on 29 June 2005 and terminated upon the commencement of dealings of the shares on the Stock Exchange on 26 November 2009 (the "Share Option Scheme"). These share options, all of which remained exercisable as at the 31 December 2012, were exercisable at the subscription price of £0.2045 per share during the period from 27 July 2007 to 26 July 2014.

1,500,000 shares would be allotted and issued to Mr. Tong Wang Chow upon the exercise in full of the share options granted to Mr. Tong Wang Chow under the Share Option Scheme. These share options, all of which remained exercisable as at 31 December 2012, were exercisable at the subscription price of £0.139 per share during the period from 15 October 2009 to 2 August 2015.

850,000 shares would be allotted and issued to Mr. Tong Wang Chow upon the exercise in full of the share options to Mr. Tong Wang Chow under the share option scheme of the Company conditionally adopted by the Shareholders on 2 November 2009 and became effective upon the commencement of dealings of the shares on the Stock Exchange on 26 November 2009 (the "Post Listing Share Option Scheme"). These share options, all of which remained exercisable as at 31 December 2012, were exercisable at the subscription price of HK$5.68 per share during the period from 27 May 2011 to 26 May 2018.

(3) 550,000 shares would be allotted and issued to Mr. Tong Hung Wai, Tommy upon the exercise in full of the share options granted to Mr. Tong Hung Wai, Tommy under the Share Option Scheme. These share options, all of which remained exercisable as at 31 December 2012, were exercisable at the subscription price of £0.2045 per share during the period from 27 July 2007 to 26 July 2014.

600,000 shares would be allotted and issued to Mr. Tong Hung Wai, Tommy upon the exercise in full of the share options granted to Mr. Tong Hung Wai, Tommy under the Share Option Scheme. These share options, all of which remained exercisable as at 31 December 2012, were exercisable at the subscription price of £0.139 per share during the period from 15 October 2009 to 2 August 2015.

750,000 shares would be allotted and issued to Mr. Tong Hung Wai, Tommy upon the exercise in full of the share options to Mr. Tong Hung Wai, Tommy under the Post Listing Share Option Scheme. These share options, all of which remained exercisable as at 31 December 2012, were exercisable at the subscription price of HK$5.68 per share during the period from 27 May 2011 to 26 May 2018.

(4) 90,000 shares would be allotted and issued to Mr. Cheung Wai Sun upon the exercise in full of the share options granted to Mr. Cheung Wai Sun under the Share Option Scheme. These share options, all of which remained exercisable as at 31 December 2012, were exercisable at the subscription price of £0.2045 per share during the period from 27 July 2007 to 26 July 2014.

360,000 shares would be allotted and issued to Mr. Cheung Wai Sun upon the exercise in full of the share options granted to Mr. Cheung Wai Sun under the Share Option Scheme. These share options, all of which remained exercisable as at the 31 December 2012, were exercisable at the subscription price of £0.139 per share during the period from 15 October 2009 to 2 August 2015.

750,000 shares would be allotted and issued to Mr. Cheung Wai Sun upon the exercise in full of the share options to Mr. Cheung Wai Sun under the Post Listing Share Option Scheme. These share options, all of which remained exercisable as at 31 December 2012, were exercisable at the subscription price of HK$5.68 per share during the period from 27 May 2011 to 26 May 2018.

(5) 900,000 shares would be allotted and issued to Mr. Pang Yi upon the exercise in full of the share options granted to Mr. Pang Yi under the Share Option Scheme. These share options, all of which remained exercisable as at 31 December 2012, were exercisable at the subscription price of £0.112 per share during the period from 3 August 2006 to 2 August 2015.

480,000 shares would be allotted and issued to Mr. Pang Yi upon the exercise in full of the share options granted to Mr. Pang Yi under the Share Option Scheme. These share options, all of which remained exercisable as at 31 December 2012, were exercisable at the subscription price of £0.2045 per share during the period from 27 July 2007 to 26 July 2014.

960,000 shares would be allotted and issued to Mr. Pang Yi upon the exercise in full of the share options granted to Mr. Pang Yi under the Share Option Scheme. These Share options, all of which remained exercisable as at 31 December 2012, were exercisable at the subscription price of £0.139 per share during the period from 15 October 2009 to 2 August 2015.

3,400,000 shares would be allotted and issued to Mr. Pang Yi upon the exercise in full of the share options to Mr. Pang Yi under the Post Listing Share Option Scheme. These share options, all of which remained exercisable as at 31 December 2012, were exercisable at the subscription price of HK$5.68 per share during the period from 27 May 2011 to 26 May 2018.

(6) 600,000 shares would be allotted and issued to Mr. Sung Chi Keung upon the exercise in full of the share options granted to Mr. Sung Chi Keung under the Share Option Scheme. These share options, all of which remained exercisable as at 31 December 2012, were exercisable at the subscription price of £0.112 per share during the period from 3 August 2006 to 2 August 2015.

1,000,000 shares would be allotted and issued to Mr. Sung Chi Keung upon the exercise in full of the share options granted to Mr. Sung Chi Keung under the Share Option Scheme. These share options, all of which remained exercisable as at 31 December 2012, were exercisable at the subscription price of £0.2045 per share during the period from 27 July 2007 to 26 July 2014.

960,000 shares would be allotted and issued to Mr. Sung Chi Keung upon the exercise in full of the share options granted to Mr. Sung Chi Keung under the Share Option Scheme. These share options, all of which remained exercisable as at 31 December 2012, were exercisable at the subscription price of £0.139 per share during the period from 15 October 2009 to 2 August 2015.

2,000,000 shares would be allotted and issued to Mr. Sung Chi Keung upon the exercise in full of the share options to Mr. Sung Chi Keung under the Post Listing Share Option Scheme. These share options, all of which remained exercisable as at 31 December 2012, were exercisable at the subscription price of HK$5.68 per share during the period from 27 May 2011 to 26 May 2018.

(7) The 1,024,603 shares were held as to 348,404 shares by Carey Pensions & Benefits Limited as trustee of InterRetire – Smith Executive Retirement Plan (the "Plan") and as to 676,199 shares by Mr. Nicholas Smith in his own name. As at 31 December 2012, Mr. Nicholas Smith was a direct beneficiary of the Plan and is deemed to have an interest in the shares held by the Plan.

(8) 500,000 shares would be allotted and issued to Mr. Nicholas Smith upon the exercise in full of the share options to Mr. Nicholas Smith under the Post Listing Share Option Scheme. These share options, all of which remained exercisable as at 31 December 2012, were exercisable at the subscription price of HK$5.68 per share during the period from 27 May 2011 to 26 May 2018.

(9) The 974,560 shares were held as to 268,560 shares by Winterthur Pension Management Limited (the "Pension"), as to 578,000 shares by Hon Peregrine Moncreiffe in his own name and as to 128,000 shares by Miranda Mary Moncreiffe. As at 31 December 2012, Hon Peregrine Moncreiffe is a direct beneficiary of the Pension and is consequently taken as having an interest in all shares in the Pension. Miranda Mary Moncreiffe is the spouse of Hon Peregrine Moncreiffe.

(10) 500,000 shares would be allotted and issued to Mr. Peregrine Moncreiffe upon the exercise in full of the share options to Mr. Peregrine Moncreiffe under the Post Listing Share Option Scheme. These share options, all of which remained exercisable as at 31 December 2012, were exercisable at the subscription price of HK$5.68 per share during the period from 27 May 2011 to 26 May 2018.

(11) 500,000 shares would be allotted and issued to Dr. Lui Ming Wah upon the exercise in full of the share options to Dr. Lui Ming Wah under the Post Listing Share Option Scheme. These share options, all of which remained exercisable as at 31 December 2012, were exercisable at the subscription price of HK$5.68 per share during the period from 27 May 2011 to 26 May 2018.

(12) 500,000 shares would be allotted and issued to Mr. Yang Zhen Han upon the exercise in full of the share options to Mr. Yang Zhen Han under the Post Listing Share Option Scheme. These share options, all of which remained exercisable as at 31 December 2012, were exercisable at the subscription price of HK$5.68 per share during the period from 27 May 2011 to 26 May 2018.

(13) 500,000 shares would be allotted and issued to Mr. Ma Chiu Cheung, Andrew upon the exercise in full of the share options to Mr. Ma Chiu Cheung, Andrew under the Post Listing Share Option Scheme. These share options, all of which remained exercisable as at 31 December 2012, were exercisable at the subscription price of HK$5.68 per share during the period from 27 May 2011 to 26 May 2018.

Save as disclosed above, none of the Directors, the chief executive of the Company or their associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations as at 31 December 2012 as defined in Part XV of SFO as recorded in the register to be kept under section 352 of the SFO or as otherwise notified to the Company and the HKEx pursuant to the Model Code.

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at 31 December 2012, so far as is known to the Directors, the following persons or companies (other than the Directors and the chief executive) had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:

Name	Number of shares held	Nature of business	Approximate percentage of the Company's total issued share capital
Market Ahead *(Note 1)*	232,302,392	Beneficial owner	18.92%
Tong Lee Fung Kiu *(Note 1)*	232,302,392	Interest of spouse	18.92%
Sunshine Hero Limited ("Sunshine Hero") *(Note 2)*	116,692,681	Beneficial owner	9.50%
Xu Xuefeng *(Note 2)*	116,692,681	Interest of controlled corporation	9.50%
Huge Market Investments Limited ("Huge Market") *(Note 3)*	73,715,394	Beneficial owner	6.00%
Chaoda Modern Agriculture (Holdings) Limited ("Chaoda") *(Note 3)*	73,715,394	Interest of controlled corporation	6.00%
Wellington Management Company, LLP	73,086,925	Investment manager	5.95%
Value Partners Limited *(Note 4)*	72,735,000	Investment manager	5.92%
Value Partners Hong Kong Limited *(Note 4)*	72,735,000	Interest of controlled corporation	5.92%
Value Partners Group Limited *(Note 4)*	72,735,000	Interest of controlled corporation	5.92%
Cheah Capital Management Limited *(Note 4)*	72,735,000	Interest of controlled corporation	5.92%
Cheah Company Limited *(Note 4)*	72,735,000	Interest of controlled corporation	5.92%
Hang Seng Bank Trustee International Limited *(Note 4)*	72,735,000	Trustee	5.92%
To Hau Yin *(Note 4)*	72,735,000	Interest of spouse	5.92%
Cheah Cheng Hye *(Note 4)*	72,735,000	Founder of a discretionary trust	5.92%

Notes:

(1) Market Ahead is a company incorporated in the British Virgin Islands, the issued share capital of which is beneficially owned by the following persons:

Mr. Tong Wang Chow	76%
Mr. Tong Hung Wai, Tommy	6%
Mrs. Tong Lee Fung Kiu	6%
Ms. Tong Mei Lin	6%
Mr. Lee Kun Chung	6%

Mr. Tong Wang Chow is deemed to be interested in 232,302,392 Shares held by Market Ahead Investments Limited by virtue of the SFO.

Mrs. Tong Lee Fung Kiu is the spouse of Mr. Tong Wang Chow. By virtue of the SFO, Mrs. Tong Lee Fung Kiu is also deemed, as spouse, to be interested in all the Shares in which Mr. Tong Wang Chow is deemed to be interested.

Mr. Tong Wang Chow is also a director of Market Ahead.

(2) Ms. Xu Xuefeng is the sole owner of Sunshine Hero and is deemed to be interested in 116,692,681 shares held by Sunshine Hero by virtue of the SFO.

(3) The entire issued share capital of Huge Market is held by Chaoda. Chaoda is deemed to be interested in 73,715,394 shares held by Huge Market by virtue of the SFO.

(4) The 72,735,000 shares were held by Value Partners Limited in the capacity as investment manager. These shares were interests of a discretionary trust of which Mr. Cheah Cheng Hye is the founder. The trustee of the trust was Hang Seng Bank Trustee International Limited, which held the interests in the Company through its indirect control over Value Partners Limited. Value Partners Limited is 100% controlled by Value Partners Hong Kong Limited. Value Partners Hong Kong Limited is 100% controlled by Value Partners Group Limited, which in turn is 28.47% controlled by Cheah Capital Management Limited. Cheah Capital Management Limited is 100% controlled by Cheah Company Limited, which in turn is 100% controlled by Hang Seng Bank Trustee International Limited. Accordingly, Mr. Cheah Cheng Hye, Ms. To Hau Yin (spouse of Mr. Cheah Cheng Hye), Hang Seng Bank Trustee International Limited, Cheah Company Limited, Cheah Capital Management Limited, Value Partners Group Limited and Value Partners Hong Kong Limited are deemed to have interests in the 72,735,000 Shares in the Company by virtue of the SFO.

Save as disclosed above, the Directors are not aware of any other persons who have interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

Share Option Scheme and Post Listing Share Option Scheme

A summary of the principal terms of the Share Option Scheme and the Post Listing Share Option Scheme was included in the Company's Listing document dated 23 November 2009 under the section "Appendix IV Statutory and General Information – D. Other Information – 1. Share Option Scheme". Movements of the share options granted under the Share Option Scheme and Post Listing Share Option Scheme during the period ended 31 December 2012 are as follows:

	Number of Shares in respect of Options								
Name or Category of participant	Balance as at 1 July 2012	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding as at 31 December 2012	Date of grant	Exercisable period	Exercise price per share	Weighted average closing price
Directors									
Tong Wang Chow	1,500,000	–	–	–	1,500,000	27/7/2006	27/7/2007 – 26/7/2014	GBP0.2045	–
	1,500,000	–	–	–	1,500,000	15/10/2008	15/10/2009 – 2/8/2015	GBP0.139	–
	850,000	–	–	–	850,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	–
Tong Hung Wai, Tommy	550,000	–	–	–	550,000	27/7/2006	27/7/2007 – 26/7/2014	GBP0.2045	–
	600,000	–	–	–	600,000	15/10/2008	15/10/2009 – 2/8/2015	GBP0.139	–
	750,000	–	–	–	750,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	–
Cheung Wai Sun	90,000	–	–	–	90,000	27/7/2006	27/7/2007 – 26/7/2014	GBP0.2045	–
	360,000	–	–	–	360,000	15/10/2008	15/10/2009 – 2/8/2015	GBP0.139	–
	750,000	–	–	–	750,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	–
Pang Yi	900,000	–	–	–	900,000	3/8/2005	3/8/2006 – 2/8/2015	GBP0.112	–
	480,000	–	–	–	480,000	27/7/2006	27/7/2007 – 26/7/2014	GBP0.2045	–
	960,000	–	–	–	960,000	15/10/2008	15/10/2009 – 2/8/2015	GBP0.139	–
	3,400,000	–	–	–	3,400,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	–
Sung Chi Keung	600,000	–	–	–	600,000	3/8/2005	3/8/2006 – 2/8/2015	GBP0.112	–
	1,000,000	–	–	–	1,000,000	27/7/2006	27/7/2007 – 26/7/2014	GBP0.2045	–
	960,000	–	–	–	960,000	15/10/2008	15/10/2009 – 2/8/2015	GBP0.139	–
	2,000,000	–	–	–	2,000,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	–
Nicholas Smith	500,000	–	–	–	500,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	–
Peregrine Moncreiffe	500,000	–	–	–	500,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	–
Lui Ming Wah	500,000	–	–	–	500,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	–
Yang Zhen Han	500,000	–	–	–	500,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	–
Ma Chiu Cheung, Andrew	500,000	–	–	–	500,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	–
Employees:									
In aggregate	3,540,000	–	–	–	3,540,000	3/8/2005	3/8/2006 – 2/8/2015	GBP0.112	–
	270,000	–	–	–	270,000	27/7/2006	27/7/2007 – 26/7/2014	GBP0.2045	–
	890,000	–	–	–	890,000	14/9/2007	14/9/2008 – 2/8/2015	GBP0.2425	–
	8,564,000	–	–	–	8,564,000	15/10/2008	15/10/2009 – 2/8/2015	GBP0.139	–
	19,384,000	–	–	–	19,384,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	– *(Note i)*
	20,000,000	–	–	–	20,000,000	28/2/2011	28/2/2012 – 27/2/2019	HKD9.00	–
	72,398,000	–	–	–	72,398,000				

Other than as disclosed above, no other share option was granted, cancelled, lapsed or exercised pursuant to the Share Option Scheme and Post Listing Scheme of the Company during the period ended 31 December 2012.

Note:

(i) Included 500,000 share options granted to Mr. Ip Chi Ming who retired from the non-executive director on 6 November 2012.

Corporate Governance Code

During the six months ended 31 December 2012, the Directors, where practicable, for an organisation of the Group's size and nature sought to comply with the Combined Code. The Combined Code is the key source of corporate governance recommendations for UK listed companies. It consists of principles of good governance covering the following areas: (i) Leadership; (ii) Effectiveness; (iii) Accountability; (iv) Remuneration; and (v) Relations with shareholders.

On 23 February 2012, the Company also adopted the code provisions set out in Corporate Governance Code and Corporate Governance Report ("CG Code") contained in amended Appendix 14 to the Hong Kong Listing Rules which took effect on 1 April 2012 as its additional code on corporate governance practices. The Company has complied with the CG Code during the six months ended 31 December 2012 except the deviations set out below:

Code Provision A.2.1

The roles of Chairman and Chief Executive Officer are performed by the same individual, Mr. Tong Wang Chow, and are not separated. The Board meets regularly to consider issues related to corporate matters affecting operations of the Group. The Board considers the structure will not impair the balance of power and authority of the Board and the Company's management and thus, the Board believes this structure will enable effective planning and implementation of corporate strategies and decisions.

Code Provision A.5.1

The Companies does not have the Nomination Committee. The Directors does not consider that, given the size of the Group and stage of its development, it is necessary to have a Nomination Committee, however, this will be kept under regular review by the Board. The Board as a whole regularly reviews the plans for orderly succession for appointments to the Board and its structure, size and composition. If the Board considers that it is necessary to appoint new Director(s), it will set down the relevant appointment criteria which may include, where applicable, the background, experience, professional skills, personal qualities, availability to commit to the affairs of the Company and, in case of Independent Non-Executive Director, the independence requirements set out in the Hong Kong Listing Rules from time to time. Nomination of new Director(s) will normally be made by the Executive Directors and subject to the Board's approval. External consultants may be engaged, if necessary, to access a wider range of potential candidate(s).

Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted a code for Directors' dealings appropriate for a company whose shares are admitted to trading on AIM and takes all reasonable steps to ensure compliance by the Directors and any relevant employees. The Company also adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Hong Kong Listing Rules. The Directors have confirmed, following a specific enquiry by the Company, that they have fully complied with the required standard as set out in the Model Code throughout the period ended 31 December 2012.

Changes in Directorship and Other Changes in Directors' Information

Changes in directorship during the six months ended 31 December 2012 are as follows:

Mr. Ip Chi Ming retired from the Non-executive Director of the Company with effect from the conclusion of the annual general meeting held on 6 November 2012.

Mr. Nicholas Smith will resign as an independent non-executive director of the Company and will cease to be the chairman of remuneration committee and a member of the audit committee of the Company with effect from 24 March 2013.

The Board would like to express its gratitude to Mr. Ip Chi Ming and Mr. Nicholas Smith for their contributions over the years.

There were no substantial changes to the information of Directors as disclosed on pages 23 to 25 of the 2012 Annual Report except for non-executive director Hon Peregrine Moncreiffe.

Mr. Moncreiffe was appointed to the Board on 1 February 2006. Mr. Moncreiffe is on the board of Metage Funds Limited and owns less than 2% interests. After graduating from Oxford University, Mr. Moncreiffe spent much of his career in investment management and banking in London, New York and East Asia. Mr. Moncreiffe has worked for Credit Suisse First Boston Group, and was a managing director of Lehman Brothers in New York before helping to found Buchanan Partners, a London based investment company of which he was chief executive. He currently serves as Chairman of North Atlantic Smaller Companies Investment Trust Plc and a director of EnergyO Solutions Russia AB.

REVIEW OF FINANCIAL STATEMENTS

The Audit Committee comprises three independent non-executive directors. Mr. Ma Chiu Cheung, Andrew acts as Chairman of the committee with Mr. Nicholas Smith and Mr. Yang Zhe Han act as members. The arrangement of Audit Committee is in compliance with Rule 3.21 of the Hong Kong Listing Rules.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group, and discussed auditing, internal control and financial reporting matters including the review of the Company's unaudited financial statements for the six months ended 31 December 2012.

PUBLICATION OF INTERIM REPORT

The interim report will be published on the respective websites of the Company (www.asian-citrus.com) under the investor relations section and the HKEx (www.hkex.com.hk).

By Order of the Board of
Asian Citrus Holdings Limited
Tong Wang Chow
Chairman

Hong Kong, 26 February 2013