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
2014/15

* *For identification purposes only*

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FINANCIAL HIGHLIGHTS

RESULTS OF OPERATIONS (RMB MILLION)

	For the six months ended 31 December 2014	2013	% change
Reported financial information			
Revenue	**584.4**	748.3	-21.9
Gross (loss)/profit	**-132.9**	98.8	-234.5
EBITDA	**-152.6**	-471.0	67.6
Loss before tax	**-235.3**	-543.7	56.7
Loss attributable to shareholders	**-236.4**	-548.0	56.9
Basic loss per share (RMB)	**-0.19**	-0.45	57.8
Adjusted core financial information#			
EBITDA	**-109.2**	118.0	-192.5
(Loss)/profit before tax	**-191.9**	45.3	-523.6
(Loss)/profit attributable to shareholders	**-193.0**	41.0	-570.7
Basic (loss)/earnings per share (RMB)	**-0.15**	0.03	-600.0
Gross (loss) profit margin (%)	**-22.7**	13.2	
Return on assets (%)	**N/A**	0.53	
Return on equity (%)	**N/A**	0.54	
Asset turnover (x)	**0.10**	0.10	

\# Adjusted core financial information refers to activities for the period excluding change in fair value of biological assets and share-based payments.

FINANCIAL POSITION (RMB MILLION)

	31 December 2014	30 June 2014
Total assets	**6,238.0**	6,455.6
Net current assets	**1,820.9**	2,130.1
Cash and cash equivalents	**1,528.2**	1,804.7
Shareholders' fund	**6,004.5**	6,237.5
Current ratio (x)	**16.61**	21.84

CHIEF EXECUTIVE OFFICER'S STATEMENT

As foreshadowed in my first annual statement six months ago, the first half of the year has seen Asian Citrus Holdings Limited (the "Company" or "Asian Citrus"), together with its subsidiaries (the "Group") face a number of challenges, with unfavourable weather conditions, which contributed to reducing harvest volumes and increasing our cost base, and a significant drop in the average selling price.

FINANCIAL HIGHLIGHTS

For the six months ended 31 December 2014, the Group's total revenue decreased by 21.9% to RMB584.4 million from RMB748.3 million in the same period last year. Adjusted core loss attributable to shareholders during the period, before the change in fair value of biological assets and share based payments, was RMB193.0 million, representing a decrease of 570.7% as compared to adjusted core profit attributable to shareholders of RMB41.0 million for the last corresponding period. This primarily reflected the reduction in production volume and average selling price of winter oranges, as well as higher direct costs, such as fertilisers and pesticides, as we sought to mitigate the impact of adverse weather conditions both on crops and on the leaching of nutrients from the soil.

The Group recorded a loss of RMB40.0 million from the change in fair value of biological assets for the six months ended 31 December 2014, compared with a loss of RMB583.0 million for the six months ended 31 December 2013; the board of directors of the Company (the "Directors" and the "Board", respectively) would like to highlight that the change in the fair value of biological assets is non-operational and does not have any impact on the Group's cash flow.

After taking into account the non-cash flow items of the change in fair value of biological assets and share-based payments, the net loss for the period was RMB236.4 million (six months ended 31 December 2013: RMB548.0 million).

OPERATIONAL REVIEW

The Group controls three plantations in mainland China occupying a total area of approximately 103.3 square kilometres with two currently in full operation: Hepu Plantation in Guangxi Zhuang Autonomous Region ("Guangxi") and Xinfeng Plantation in Jiangxi Province. As I mentioned in my first annual statement, operations at our third plantation in Hunan Province, Hunan Plantation, are delayed but it remains on schedule to begin production in 2016.

For the six months ended 31 December 2014, the production yield at Hepu Plantation decreased by 71.1% to 7,146 tonnes in comparison to 24,699 tonnes for the same period last year. This was mainly due to the extensive damage from the impact of Typhoon Rammasun. The gross loss margin for Hepu Plantation was 431.4% this period, compared to a gross profit margin of 25.3% for the same period last year, as a result of the poor appearance of oranges inflected by citrus canker leading to a 40.2% decrease in the average selling price compared with the same period last year and the additional direct costs incurred resulting from the inclement weather.

The production yield for the six months ended 31 December 2014 at Xinfeng Plantation was 103,847 tonnes compared with 123,228 tonnes for the same period last year, a decrease of 15.7%. The gross loss margin for Xinfeng Plantation was 28.8% this period, compared to a gross profit margin of 2.9% for the same period last year. The costs of maintaining the trees and plantation are fixed and when applied against a lower turnover this has severely impacted the gross profit margin. This has been further affected by the effect of cryogenic freezing rain and frosts in Xingfeng in early 2014 on the fruit blossom and the effect of high temperature and drought in Xinfeng area during the period from September to December 2014 causing water scarcity for irrigation, which impacted the size as well as production volume of the winter orange crop.

Through our 92.94% equity interest in Beihai BPG, the Group has three fruit processing plants. Two of them are located in Beihai City and Hepu County in Guangxi, covering a total site area of nearly 110,000 square metres, with an annual production capacity of around 60,000 tonnes and an average utilisation rate of 82.9% for the six months ended 31 December 2014. The third plant in Baise City, Guangxi remains in operation at a low level of capacity and will do so until more fruit processing business is attracted, at which stage further investment will be made into the business.

OUTLOOK AND STRATEGY

Over the last two years, the inclement weather and persistent heavy rainfall has caused significant leaching of nutrients from the soil in Xinfeng Plantation, and the impact of Typhoon Rammasun prolonged the susceptibility of the orange trees to both citrus canker infection and soil leaching in Hepu plantation. High levels of direct costs are expected to be incurred in the short term. Due to the weak condition of the orange trees it will take a number of years for harvests at Hepu Plantation and Xinfeng Plantation to fully recover to previous levels.

While it is still early in the financial year to fully judge the materiality of the challenges highlighted above to the Group's likely full year performance, we anticipate that conditions in the second half will continue to be demanding.

Given the result of the first half year, the Board has decided not to pay an interim dividend. Our existing dividend policy, which stipulates a dividend of not less than 30% of our adjusted core net profit, remains unchanged.

Since accepting the position of the Chief Executive Officer of the Group, almost a year ago, I have sought to strengthen and develop the Group's underlying business. In this regard we have explored new-market opportunities regarding the diversification and innovation of the product mix in order to improve margins. We also continue to focus our attention on research and development in relation to the pricing and quality of our products.

Finally, on behalf of the Board, I would like to express my appreciation to our management team and employees for their continued valuable contributions and support. It has been a privilege to work with every single individual within Asian Citrus. Although our challenges remain, I am confident of the positive performance the Group can deliver in the medium and long term.

Ng Ong Nee
Chief Executive Officer

26 February 2015

OPERATING PERFORMANCE

Revenue

The breakdown of revenue by type is as follows:

	For the six months ended 31 December			
	2014		2013	
	RMB'000	**% of total revenue**	RMB'000	% of total revenue
Hepu Plantation	**16,165**	**2.8%**	93,634	12.5%
Xinfeng Plantation	**324,834**	**55.6%**	375,273	50.1%
Sales of oranges	**340,999**	**58.4%**	468,907	62.6%
Sales of processed fruit	**243,398**	**41.6%**	279,426	37.4%
Total revenue	**584,397**	**100.0%**	748,333	100.0%

Sales of oranges

Revenue from sales of oranges decreased by approximately 27.3% to RMB341.0 million for the six months ended 31 December 2014. This was mainly due to a decrease of approximately 25.0% in the production yield to 110,993 tonnes (six months ended 31 December 2013: 147,927 tonnes) and an approximate decrease in average selling price of 2.9%.

The production yield from Hepu Plantation decreased by approximately 71.1% from 24,699 tonnes for the corresponding period of last year to 7,146 tonnes for the six months ended 31 December 2014. The decrease in production was mainly due to the extensive damage suffered from the impact of Typhoon Rammasun in July 2014, the strongest in the region for over 40 years, and Typhoon Seagull in September 2014 (the "Typhoons"). The Typhoons caused a significant drop in the volume of pre-mature fruit and leaves from the existing orange trees in Hepu Plantation. Furthermore, the impact of the Typhoons prolonged both the susceptibility of the orange trees to citrus canker infection and soil leaching in the plantation areas.

The production yield from Xinfeng Plantation decreased by approximately 15.7% from 123,228 tonnes for the corresponding period of last year to 103,847 tonnes for the six months ended 31 December 2014. This resulted from the effect of cryogenic freezing rain and frosts in Xinfeng in early 2014 on the fruit blossom and the effect of high temperature and drought in Xinfeng area during the period from September to December 2014 causing water scarcity for irrigation, which impacted the size as well as production volume of the winter orange crop.

The following table sets out the average selling prices of winter oranges in different plantations:

	For the six months ended 31 December	
	2014 (RMB/tonne)	2013 (RMB/tonne)
Hepu Plantation	**2,310**	3,863
Xinfeng Plantation	**3,221**	3,137

The average selling price of the winter orange crop in Xinfeng Plantation increased by approximately 2.7% for the six months ended 31 December 2014. However, the average selling price at Hepu Plantation was approximately 40.2% lower than the corresponding period of last year; this reduction reflects both extensive typhoon damage and the poor appearance of oranges inflected by citrus canker.

All of the Group's oranges were sold on the domestic market. The Group's customers can be divided into three categories, namely supermarket chains, corporate customers and wholesale customers. The breakdown of sales revenue by type of customer is as follows:

	For the six months ended 31 December	
	2014	2013
	% of sales of oranges	
Supermarket chains	**25.5%**	22.1%
Corporate customers	**44.9%**	48.0%
Wholesale customers	**29.2%**	29.4%
Other	**0.4%**	0.5%
Total	**100.0%**	100.0%

For the six months ended 31 December 2014, the volume and revenue from supermarket chains represented approximately 24.7% and 25.5% respectively of the total for the Group, compared to approximately 19.3% and 22.1% respectively for the corresponding period of last year; this percentage increase reflects more oranges sold to supermarket chains by Xinfeng Plantation.

For Hepu Plantation and Xinfeng Plantation, the volume sold to supermarkets was 2,169 tonnes and 25,218 tonnes respectively for the six months ended 31 December 2014 (six months ended 31 December 2013: 7,116 tonnes and 21,434 tonnes).

The Group sells two types of oranges to customers, namely ungraded oranges and graded oranges. Ungraded oranges are packaged and customers are required to arrange for the transportation at their own expense. Generally, ungraded oranges are sold to wholesale customers. Graded oranges are oranges that the Group grades, packages and delivers to the customers at the Group's cost, usually to supermarket chains and some corporate customers. The graded oranges are branded under our label "Royal Star", at a premium price compared to the ungraded oranges. The sales breakdown of the types of oranges is as follows:

	For the six months ended 31 December	
	2014	2013
	% of sales of oranges	
Graded oranges	3.0%	5.9%
Ungraded oranges	97.0%	94.1%
Total	100.0%	100.0%

Sales of processed fruit

The below table sets out the volume and revenue from the sales of processed fruit:

	For the six months ended 31 December			
	2014		2013	
	Volume (Tonnes)	Revenue RMB'000	Volume (Tonnes)	Revenue RMB'000
Pineapple juice concentrates	1,263	13,767	5,442	49,699
Lychee juice concentrates	2,054	25,901	2,282	38,984
Red dates and medlar concentrates	2,273	24,339	1,587	17,002
Other fruit juice concentrates	283	10,866	852	27,758
Mango purees	6,305	43,922	6,814	43,569
Other fruit purees	2,580	21,304	3,730	30,599
Dried fruit	568	26,106	378	14,433
Frozen mango	3,878	37,495	2,416	18,509
Frozen papaya	3,301	25,960	3,302	24,112
Other frozen fruit and vegetables	1,447	12,085	2,084	14,761
	23,952	241,745	28,887	279,426
Fruit juice trading	N/A	1,653	N/A	–
Total	23,952	243,398	28,887	279,426

The Group has three fruit processing plants in the People's Republic of China (the "PRC"), which are located in Beihai City, Hepu County and Baise City, Guangxi ("BPG"). BPG processes over 22 different types of tropical fruit, including pineapples, passion fruit, lychees, mangoes and papayas (only products that account for over 10% of the revenue from the sales of processed fruit are shown in the table above).

Revenue from the sales of processed fruit decreased by approximately 12.9% to approximately RMB243.4 million for the six months ended 31 December 2014, mainly due to the decrease in sales of pineapple juice concentrates owing to limited raw material supplies as Typhoon Rammasun destroyed a significant volume of fruit crop, especially pineapples.

The average utilisation rate of the BPG was approximately 82.9% for the six months ended 31 December 2014.

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

Cost of sales

The breakdown of the Group's cost of sales is as follows:

	For the six months ended 31 December			
	2014		2013	
	RMB'000	% of cost of sales of respective segment	RMB'000	% of cost of sales of respective segment
Inventories used				
Fertilisers	278,714	55.3%	242,849	55.9%
Packaging materials	3,752	0.7%	10,212	2.3%
Pesticides	77,681	15.4%	58,460	13.5%
	360,147	71.4%	311,521	71.7%
Production overheads				
Direct labour	48,606	9.6%	48,020	11.1%
Depreciation	55,457	11.0%	49,788	11.5%
Others	40,137	8.0%	24,838	5.7%
Cost of sales of oranges	504,347	100.0%	434,167	100.0%
Fruit	146,036	68.6%	142,438	66.1%
Packaging materials	13,290	6.2%	16,611	7.7%
Direct labour	17,920	8.4%	16,686	7.7%
Other production overheads	35,724	16.8%	39,676	18.5%
Cost of sales of processed fruit	212,970	100.0%	215,411	100.0%
Total	717,317		649,578	

Cost of sales of oranges consists of raw materials such as fertilisers, packaging materials, pesticides and other direct costs such as direct labour, depreciation and production overheads. The cost of sales of oranges increased by approximately 16.2% from approximately RMB434.2 million to RMB504.3 million. The increase in cost of sales was mainly due to (i) the increase in consumption of both fertilisers and pesticides, which minimise further damage from the Typhoons so as to prevent citrus canker infection and soil leaching in Hepu Plantation areas; (ii) the increase in production overheads including weed covering, drip irrigation system maintenance and orange trees pruning owing to unfavourable weather in 2014. Consequently, the unit cost of production in Hepu Plantation and Xinfeng Plantation increased to approximately RMB12.02 per kg and RMB4.03 per kg respectively for the six months ended 31 December 2014 (six months ended 31 December 2013: RMB2.83 per kg and RMB2.96 per kg respectively). It is expected that the high costs environment will continue in the short term.

Cost of sales of processed fruit mainly includes the costs of raw material fruit and packaging materials and other direct costs such as direct labour and production overheads. For the six months ended 31 December 2014, the cost of sales of processed fruit was broadly flat at approximately RMB213.0 million compared to the same period last year at approximately RMB215.4 million.

Gross loss

The Group's overall gross loss for the six months ended 31 December 2014 increased to approximately RMB132.9 million, compared to the gross profit of approximately RMB98.8 million for the last corresponding period. The overall gross loss margin increased to 22.7% for the six months ended 31 December 2014, compared to the gross profit margin of 13.2% for the last corresponding period.

The following table sets out a breakdown of the Group's gross (loss)/profit margin by plantation:

	For the six months ended 31 December	
	2014	2013
Hepu Plantation	**-431.4%**	25.3%
Xinfeng Plantation	**-28.8%**	2.9%

The increase in gross loss margin was mainly due to (i) the total production yield of the winter orange crop decreased by approximately 25.0%; (ii) the average selling price of the winter orange crop in Hepu Plantation dropped by approximately 40.2%; and (iii) the cost of sales of oranges increased by approximately 16.2%, reflecting the increase in consumption of both fertilisers and pesticides to minimise further damage from the Typhoons by preventing citrus canker infection and soil leaching in the Hepu Plantation areas.

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

	For the six months ended 31 December	
	2014	2013
Sales of oranges	**-47.9%**	7.4%
Sales of processed fruit	**12.5%**	22.9%

For BPG, the normalised gross profit margin for the six months ended 31 December 2014 decreased to approximately 12.5% compared to 22.9% in the same period last year. The decrease was mainly due to the increase in cost of raw materials owing to limited supplies.

Change in fair value of biological assets

The Group recognised a loss of approximately RMB40.0 million from an adjustment in the fair value of biological assets for the six months ended 31 December 2014, compared to a loss of RMB583.0 million for the corresponding period of last year. The loss was mainly due to the decrease in production yield, higher cost of sales and the decrease in the market prices of winter oranges. The Board wishes to emphasise that the 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 2014.

Selling and distribution expenses

Selling and distribution expenses comprise mainly advertising, staff commission, salaries and welfare of sales personnel, traveling and transportation expenses. The selling and distribution expenses of the Group decreased by 9.5% from approximately RMB21.8 million for the corresponding period of last year to approximately RMB19.7 million for the six months ended 31 December 2014, mainly due to a decrease in transportation costs resulting from a decrease in revenue from sales of graded oranges.

General and administrative expenses

General and administrative expenses comprise mainly of salaries, office administration expenses, depreciation, amortisation, and research costs. The general and administrative expenses of the Group were broadly in line with the same period last year at approximately RMB59.8 million for the six months ended 31 December 2014 (six months ended 31 December 2013: RMB59.5 million).

Other operating expenses

Other operating expenses were approximately RMB488,000 for the six months ended 31 December 2014 (six months ended 31 December 2013: Nil), and mainly included raw material written off as a result of the damage caused by Typhoon Rammasun.

Loss attributable to shareholders for the period

The loss attributable to shareholders for the six months ended 31 December 2014 was approximately RMB236.4 million, compared to a loss of approximately RMB548.0 million for last corresponding period, representing a decrease of approximately 56.9%.

The adjusted core loss attributable to shareholders, which refers to the loss for the period excluding the change in fair value of biological assets and share-based payments for the six months ended 31 December 2014 was approximately RMB193.0 million, compared to the adjusted core profit of approximately RMB41.0 million for the corresponding period of last year, representing a decrease of approximately 570.7%.

DIVIDENDS

In view of the Group's net loss for the period, the Board does not recommend the payment of any dividend for the six months ended 31 December 2014 (six months ended 31 December 2013: Nil). Our existing dividend policy, which stipulates a dividend of not less than 30% of our adjusted core net profit, remains unchanged.

CAPITAL STRUCTURE

As at 31 December 2014 there were 1,249,637,884 shares in issue. Based on the closing price of HK$0.88 as at 31 December 2014, the market capitalisation of the Company was approximately HK$1,099.7 million (approximately GBP91.3 million).

HUMAN RESOURCES

There were a total of 1,865 employees (excluding Directors) of the Group as at 31 December 2014 (31 December 2013: 1,329 employees) and staff costs for the six months ended 31 December 2014 were approximately RMB83.0 million (six months ended 31 December 2013: RMB83.8 million). The Group aims to attract, retain and motivate high calibre individuals with competitive remuneration packages. Remuneration packages are performance-linked and business performance, market practices and competitive market conditions are all taken into consideration in calculating remuneration. Remuneration packages, which are reviewed annually, include salaries/wages and other employee benefits, such as discretionary bonuses, mandatory provident fund contributions and share options.

FINANCIAL PERFORMANCE

	31 December 2014	30 June 2014
Current ratio (x)	**16.61**	21.84
Quick ratio (x)	**14.70**	19.18
Net debt to equity (%)	**Net Cash**	Net Cash

	31 December 2014	31 December 2013
Asset turnover (x)	**0.10**	0.10
Adjusted core net (loss)/profit per share (RMB)	**-0.15**	0.03
Basic loss per share (RMB)	**-0.19**	-0.45

Liquidity

The current ratio and quick ratio were 16.61 and 14.70 respectively. The liquidity of the Group remained healthy with sufficient reserves for both current operational and future development.

Profitability

The asset turnover of the Group was approximately 0.10 (six months ended 31 December 2013: 0.10) for the six months ended 31 December 2014.

The basic loss per share for the six months ended 31 December 2014 was approximately RMB0.19 (six months ended 31 December 2013: basic loss per share of RMB0.45).

The adjusted core net loss per share for the six months ended 31 December 2014 was approximately RMB0.15 (six months ended 31 December 2013: adjusted core net profit per share of RMB0.03), representing a decrease approximately 600.0%.

Debt ratio

The net cash position of the Group was approximately RMB1,528.2 million and RMB1,804.7 million at 31 December 2014 and 30 June 2014 respectively.

Internal cash resource

The Group's funding resource is internal cash and cash equivalents. The Group did not have any outstanding borrowings as at 31 December 2014.

Charge on assets and contingent liabilities

Except for certain farmland infrastructure and machinery of approximately RMB775,000 as disclosed in note 13 to the condensed consolidated financial statement, none of the Group's assets were pledged as security and the Group did not have any material contingent liabilities as at 31 December 2014.

Capital commitments

As at 31 December 2014, the Group had capital commitments of approximately RMB13.2 million, mainly in relation to the acquisition of plant and machinery in BPG.

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 operation to which they related. The currencies giving rise to this risk are primarily Hong Kong dollars, United States dollars and British pounds.

The Group has limited transactions denominated in foreign currencies, hence exposures to exchange rate fluctuation is minimal. 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.

PLANTATIONS

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

Hepu Plantation

Hepu Plantation is fully planted and comprises of approximately 1.2 million orange trees. A total of 221,769 banana trees were naturally re-seeded from the original banana trees in August 2014, following clearance of the damage caused by Typhoon Rammasun. The first harvest of banana trees is expected in September 2015.

Xinfeng Plantation

Xinfeng Plantation is fully planted and comprises 1.6 million winter orange trees.

Hunan Plantation

Hunan Plantation is fully planted and comprises approximately 1.05 million summer orange trees and approximately 750,320 grapefruit trees as at 31 December 2014. The first harvest of oranges trees is expected in 2016.

The below tables set out the age profile as at 31 December 2014 and the production yield of the plantations for the six months ended 31 December 2014:

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)
3	66,449	–	622,475	–	688,924	–
4	63,584	–	427,400	–	490,984	–
5	64,194	–	–	–	64,194	–
6	81,261	–	–	–	81,261	–
7	76,135	–	–	–	76,135	–
8	55,185	–	–	–	55,185	–
18	29,996	–	–	–	29,996	–
19	128,966	–	–	–	128,966	–
20	186,003	–	–	–	186,003	–
21	223,741	–	–	–	223,741	–
	975,514	–	1,049,875	–	2,025,389	–

Grapefruit 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	–	–	26,960	–	26,960	–
1	–	–	422,160	–	422,160	–
2	–	–	301,200	–	301,200	–
	–	–	750,320	–	750,320	–

Note: Grapefruit is a type of citrus fruit and is harvested during the winter period in the PRC.

Banana 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	221,769	–	–	–	221,769	–
	221,769	–	–	–	221,769	–

Note: The first harvest of banana trees is expected in September 2015.

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)
8	–	–	400,000	25,525	400,000	25,525
9	–	–	400,000	25,571	400,000	25,571
10	46,077	1,680	400,000	25,308	446,077	26,988
12	180,180	4,383	400,000	27,443	580,180	31,826
13	42,300	1,083	–	–	42,300	1,083
	268,557	7,146	1,600,000	103,847	1,868,557	110,993
Total					4,866,035	110,993

The below tables set out the age profile as at 31 December 2013 and the production volume of the plantations for the six months ended 31 December 2013:

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)
2	66,449	–	622,475	–	688,924	–
3	63,584	–	427,400	–	490,984	–
4	64,194	–	–	–	64,194	–
5	81,261	–	–	–	81,261	–
6	76,135	–	–	–	76,135	–
7	55,185	–	–	–	55,185	–
17	29,996	–	–	–	29,996	–
18	128,966	–	–	–	128,966	–
19	186,003	–	–	–	186,003	–
20	223,741	–	–	–	223,741	–
	975,514	–	1,049,875	–	2,025,389	–

Grapefruit 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	–	–	201,360	–	201,360	–
1	–	–	301,200	–	301,200	–
	–	–	502,560	–	502,560	–

Note: Grapefruit is a type of citrus fruit and is harvested during the winter period in the PRC.

Banana 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	221,769	–	–	–	221,769	–
	221,769	–	–	–	221,769	–

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)
7	–	–	400,000	27,757	400,000	27,757
8	–	–	400,000	27,503	400,000	27,503
9	46,077	4,061	400,000	29,644	446,077	33,705
11	180,180	16,462	400,000	38,324	580,180	54,786
12	42,300	4,176	–	–	42,300	4,176
	268,557	24,699	1,600,000	123,228	1,868,557	147,927
Total					4,618,275	147,927

VALUATION OF BIOLOGICAL ASSETS

The Group engaged an independent valuer to perform a valuation of the fair value of the orange trees less costs to sell as at 31 December 2014.

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 began 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 then deducted the value of machinery and equipment and other 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 to arrive at a fair value of the biological assets.

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 2014 was 18.0% (31 December 2013: 18.0%). 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 15, remains stable for about 10 years, and then starts to decline from age 25 to 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 at the relevant reporting date for each type of orange produced by the Group as the sales price estimate. For the six months ended 31 December 2014, the wholesale prices per tonne of winter and summer oranges from Hepu Plantation and winter oranges from Xinfeng Plantation adopted were RMB2,310, RMB5,150 and RMB3,180, respectively; the supermarket selling prices per tonne of winter and summer oranges from Hepu Plantation and winter oranges from Xinfeng Plantation adopted were RMB5,320, RMB7,030 and RMB5,320, respectively. For the six months ended 31 December 2013, the selling prices per tonne of winter and summer oranges from Hepu Plantation and winter oranges from Xinfeng Plantation adopted were RMB3,270, RMB5,210 and RMB3,110, respectively.

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 have taken into account the projected long-term inflation rate of 3.0% per annum.

Sensitivity analysis

1) Changes in the discount rate applied result in significant fluctuations in the changes in fair value of orange trees less costs to sell. The following table illustrates the sensitivity of the Group's change in fair value of orange trees less costs to sell to an increase or decrease of 1.0% in the discount rate of 18.0% applied by the independent valuer for the six months ended 31 December 2014:

	1.0% Decrease	Base Case	1.0% Increase
Discount rate	17.0%	18.0%	19.0%
Change in fair value of biological assets (RMB'000)	110,000	(40,000)	(170,000)

2) Changes in the yield per orange tree can also result in significant fluctuations in the changes in fair value of orange trees less costs to sell. The following table illustrates the sensitivity of the Group's change 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 2014:

	5.0% Decrease	Base Case	5.0% Increase
Change in fair value of biological assets (RMB'000)	(180,000)	(40,000)	100,000

3) Changes in assumed market prices of the oranges can also result in significant fluctuations in the changes in fair value of orange trees less costs to sell. The following table illustrates the sensitivity of the Group's change 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 2014 used to calculate the changes in fair value of orange trees less costs to sell for the six months ended 31 December 2014:

	5.0% Decrease	Base Case	5.0% Increase
Change in fair value of biological assets (RMB'000)	(270,000)	(40,000)	200,000

4) Changes in the assumed cost of sales can also result in significant fluctuations in the changes in fair value of orange trees less costs to sell. The following table illustrates the sensitivity of the Group's change in fair value of orange trees less costs to sell to a 5.0% increase or decrease in the Group's assumed cost of sales used to calculate the changes in fair value of orange trees less costs to sell for the year ended 31 December 2014:

	5.0% Decrease	Base Case	5.0% Increase
Change in fair value of biological assets (RMB'000)	70,000	(40,000)	(150,000)

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 Hepu Plantation and Xinfeng Plantation as at 31 December 2014 was estimated to be approximately RMB1,040 million (30 June 2014: RMB1,080 million).

BAKER TILLY
HONG KONG

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 21 to 60 which comprise the condensed consolidated statement of financial position as at 31 December 2014 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows 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 2014 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 2015

Tong Wai Hang
Practising Certificate Number P06231

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 31 December 2014

	Note	Six months ended 31 December 2014 (unaudited) RMB'000	2013 (unaudited) RMB'000	Year ended 30 June 2014 (audited) RMB'000
Turnover	5	**584,397**	748,333	1,271,171
Cost of sales		**(717,317)**	(649,578)	(1,137,241)
Gross (loss)/profit		**(132,920)**	98,755	133,930
Other income	6	**17,601**	21,862	37,604
Change in fair value of biological assets	16	**(40,000)**	(583,000)	(923,857)
Selling and distribution expenses		**(19,717)**	(21,777)	(45,339)
General and administrative expenses		**(59,771)**	(59,463)	(143,481)
Other operating expenses	7	**(488)**	–	(895,159)
Loss from operations		**(235,295)**	(543,623)	(1,836,302)
Finance costs	8(a)	**(33)**	(91)	(144)
Loss before income tax	8	**(235,328)**	(543,714)	(1,836,446)
Income tax expense	9	**–**	–	–
Loss for the period/year		**(235,328)**	(543,714)	(1,836,446)
Attributable to				
Equity shareholders of the Company		**(236,413)**	(547,971)	(1,839,179)
Non-controlling interest		**1,085**	4,257	2,733
		(235,328)	(543,714)	(1,836,446)
		RMB	RMB	RMB
Loss per share	12			
– Basic		**(0.189)**	(0.445)	(1.483)
– Diluted		**(0.189)**	(0.445)	(1.483)

Details of dividends are disclosed in note 24(b).

The accompanying notes form part of this interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2014

	Six months ended 31 December		Year ended 30 June
	2014	2013	2014
	(unaudited)	(unaudited)	(audited)
	RMB'000	RMB'000	RMB'000
Loss for the period/year	**(235,328)**	(543,714)	(1,836,446)
Other comprehensive loss for the period/year			
Item that may be reclassified subsequently to profit or loss:			
– Exchange differences on translation of financial statements of foreign operations, net of nil tax	**(4)**	(4)	(7)
Total comprehensive loss for the period/year	**(235,332)**	(543,718)	(1,836,453)
Attributable to			
Equity shareholders of the Company	**(236,417)**	(547,975)	(1,839,186)
Non-controlling interests	**1,085**	4,257	2,733
	(235,332)	(543,718)	(1,836,453)

The accompanying notes form part of this interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2014

	Note	31 December 2014 (unaudited) RMB'000	31 December 2013 (unaudited) RMB'000	30 June 2014 (audited) RMB'000
ASSETS				
Non-current assets				
Property, plant and equipment	13	**2,294,497**	2,346,121	2,305,246
Land use rights	14	**75,401**	76,955	76,178
Construction-in-progress	15	**43,610**	62,795	76,039
Biological assets	16	**1,527,411**	1,654,779	1,406,801
Intangible assets	17	**48,341**	59,089	53,715
Deposits	18	**7,302**	2,393	1,443
Goodwill	19	**303,883**	1,157,261	303,883
		4,300,445	5,359,393	4,223,305
Current assets				
Biological assets	16	**152,623**	73,906	214,971
Properties for sale	20	**–**	5,830	–
Inventories	21	**70,004**	55,001	57,387
Trade and other receivables	22	**186,730**	130,062	155,172
Cash and cash equivalents	23	**1,528,208**	2,108,021	1,804,742
		1,937,565	2,372,820	2,232,272
Total assets		**6,238,010**	7,732,213	6,455,577
EQUITY AND LIABILITIES				
Equity				
Share capital	24(a)	**12,340**	12,340	12,340
Reserves		**5,992,119**	7,512,259	6,225,165
Total equity attributable to equity shareholders of the Company		**6,004,459**	7,524,599	6,237,505
Non-controlling interests		**116,238**	116,677	115,153
		6,120,697	7,641,276	6,352,658

The accompanying notes form part of this interim financial information.

	Note	31 December 2014 (unaudited) RMB'000	31 December 2013 (unaudited) RMB'000	30 June 2014 (audited) RMB'000
Non-current liabilities				
Obligations under finance leases	25	**657**	775	719
Current liabilities				
Trade and other payables	26	**116,538**	90,053	102,087
Obligations under finance leases	25	**118**	109	113
		116,656	90,162	102,200
Total liabilities		**117,313**	90,937	102,919
Total equity and liabilities		**6,238,010**	7,732,213	6,455,577
Net current assets		**1,820,909**	2,282,658	2,130,072
Total assets less current liabilities		**6,121,354**	7,642,051	6,353,377

Approved and authorised to issue by the Board of Directors on 26 February 2015.

Ng Ong Nee
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 2014

		Attributable to equity shareholders of the Company									
	Note	Share capital RMB'000	Share premium RMB'000 (Note (a))	Merger reserve RMB'000 (Note (b))	Share option reserve RMB'000 (Note (c))	Statutory reserve RMB'000 (Note (d))	Exchange reserve RMB'000 (Note (e))	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total Equity RMB'000
At 1 July 2014 (audited)		**12,340**	**3,698,234**	**(4,473)**	**127,864**	**193,827**	**(94)**	**2,209,807**	**6,237,505**	**115,153**	**6,352,658**
Changes in equity for the six months ended 31 December 2014:											
Loss for the period		–	–	–	–	–	–	(236,413)	(236,413)	1,085	(235,328)
Exchange differences on translation of financial statements of foreign operations, net of nil tax		–	–	–	–	–	(4)	–	(4)	–	(4)
Total comprehensive loss for the period		–	–	–	–	–	(4)	(236,413)	(236,417)	1,085	(235,332)
Transfer from statutory reserve		–	–	–	–	(21,913)	–	21,913	–	–	–
		–	–	–	–	(21,913)	(4)	(214,500)	(236,417)	1,085	(235,332)
Share-based payments	8(b)	–	–	–	3,371	–	–	–	3,371	–	3,371
Share options lapsed		–	–	–	(3,193)	–	–	3,193	–	–	–
		–	–	–	178	(21,913)	(4)	(211,307)	(233,046)	1,085	(231,961)
At 31 December 2014 (unaudited)		**12,340**	**3,698,234**	**(4,473)**	**128,042**	**171,914**	**(98)**	**1,998,500**	**6,004,459**	**116,238**	**6,120,697**

The accompanying notes form part of this interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2014

	Attributable to equity shareholders of the Company									
	Share capital RMB'000	Share premium RMB'000 (Note (a))	Merger reserve RMB'000 (Note (b))	Share option reserve RMB'000 (Note (c))	Statutory reserve RMB'000 (Note (d))	Exchange reserve RMB'000 (Note (e))	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total Equity RMB'000
At 1 July 2013 (audited)	**12,159**	**3,658,257**	**(4,473)**	**120,900**	**193,955**	**(87)**	**4,110,336**	**8,091,047**	**112,420**	**8,203,467**
Changes in equity for the six months ended 31 December 2013:										
Loss for the period	–	–	–	–	–	–	(547,971)	(547,971)	4,257	(543,714)
Exchange differences on translation of financial statements of foreign operations, net of nil tax	–	–	–	–	–	(4)	–	(4)	–	(4)
Total comprehensive loss for the period	–	–	–	–	–	(4)	(547,971)	(547,975)	4,257	(543,718)
Transfer to statutory reserve	–	–	–	–	1,196	–	(1,196)	–	–	–
	–	–	–	–	1,196	(4)	(549,167)	(547,975)	4,257	(543,718)
Share-based payments	–	–	–	6,014	–	–	–	6,014	–	6,014
Issue of shares to shareholders participating in the scrip dividend	95	22,534	–	–	–	–	–	22,629	–	22,629
Issue of shares upon exercises of shares options	86	17,443	–	(3,167)	–	–	–	14,362	–	14,362
2012/13 final dividend	–	–	–	–	–	–	(61,478)	(61,478)	–	(61,478)
	181	39,977	–	2,847	1,196	(4)	(610,645)	(566,448)	4,257	(562,191)
At 31 December 2013 (unaudited)	**12,340**	**3,698,234**	**(4,473)**	**123,747**	**195,151**	**(91)**	**3,499,691**	**7,524,599**	**116,677**	**7,641,276**

The accompanying notes form part of this interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2014

	Attributable to equity shareholders of the Company									
	Share capital RMB'000	Share premium RMB'000 (Note (a))	Merger reserve RMB'000 (Note (b))	Share option reserve RMB'000 (Note (c))	Statutory reserve RMB'000 (Note (d))	Exchange reserve RMB'000 (Note (e))	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 July 2013 (audited)	**12,159**	**3,658,257**	**(4,473)**	**120,900**	**193,955**	**(87)**	**4,110,336**	**8,091,047**	**112,420**	**8,203,467**
Changes in equity for the year ended 30 June 2014:										
Loss for the year	–	–	–	–	–	–	(1,839,179)	(1,839,179)	2,733	(1,836,446)
Exchange differences on translation of financial statements of foreign operations, net of nil tax	–	–	–	–	–	(7)	–	(7)	–	(7)
Total comprehensive loss for the year	–	–	–	–	–	(7)	(1,839,179)	(1,839,186)	2,733	(1,836,453)
Transfer from statutory reserve	–	–	–	–	(128)	–	128	–	–	–
	–	–	–	–	(128)	(7)	(1,839,051)	(1,839,186)	2,733	(1,836,453)
Issue of shares to shareholders participating in the scrip dividend	95	22,534	–	–	–	–	–	22,629	–	22,629
Share-based payments	–	–	–	10,131	–	–	–	10,131	–	10,131
Issue of shares upon exercises of share options	86	17,443	–	(3,167)	–	–	–	14,362	–	14,362
2012/13 final dividend	–	–	–	–	–	–	(61,478)	(61,478)	–	(61,478)
	181	39,977	–	6,964	(128)	(7)	(1,900,529)	(1,853,542)	2,733	(1,850,809)
At 30 June 2014 (audited)	**12,340**	**3,698,234**	**(4,473)**	**127,864**	**193,827**	**(94)**	**2,209,807**	**6,237,505**	**115,153**	**6,352,658**

The accompanying notes from part of this interim financial information.

Notes:

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

b) 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.

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

d) The statutory reserve represents the appropriation of 10% of profit after taxation (after offsetting prior year losses) determined based on the accounting standards and 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.

e) 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 STATEMENT OF CASH FLOWS

For the six months ended 31 December 2014

	Note	**Six months ended 31 December 2014 (unaudited) RMB'000**	Six months ended 31 December 2013 (unaudited) RMB'000	Year ended 30 June 2014 (audited) RMB'000
Cash flows from operating activities				
Loss before income tax		**(235,328)**	(543,714)	(1,836,446)
Adjustments for:				
Interest income	6	**(17,552)**	(20,416)	(35,855)
Impairment of goodwill	7	**–**	–	853,378
Impairment of property, plant and equipment	7	**–**	–	15,690
Impairment of biological assets	7	**–**	–	11,802
Impairment of properties for sale	7	**–**	–	5,830
Finance costs	8(a)	**33**	91	144
Share-based payments	8(b)	**3,371**	6,014	10,131
Amortisation of land use rights	8(c)	**777**	744	1,521
Amortisation of intangible assets	8(c)	**5,374**	5,374	10,748
Depreciation of property, plant and equipment	8(c)	**98,955**	84,383	181,378
Written off of inventories	8(c)	**595**	–	22,577
Loss on disposal of property, plant and equipment	8(c)	**1,245**	2,251	12,192
Change in fair value of biological assets	16	**40,000**	583,000	923,857
Operating (loss)/profit before working capital changes		**(102,530)**	117,727	176,947
Movements in working capital elements:				
Biological assets		**62,348**	138,192	(14,675)
Inventories		**(13,212)**	(14,724)	(39,687)
Trade and other receivables		**(31,558)**	(61,747)	(86,857)
Trade and other payables		**14,447**	(14,341)	(2,310)
Net cash (used in)/generated from operating activities		**(70,505)**	165,107	33,418

The accompanying notes form part of this interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2014

	Note	Six months ended 31 December 2014 (unaudited) RMB'000	2013 (unaudited) RMB'000	Year ended 30 June 2014 (audited) RMB'000
Cash flows from investing activities				
Net additions to biological assets		**(160,610)**	(69,278)	(162,157)
Additions to construction-in-progress		**(31,501)**	(114,410)	(200,888)
Purchase of property, plant and equipment		**(24,078)**	(4,813)	(18,967)
Deposits paid for acquisition of property, plant and equipment		**(7,302)**	(2,393)	(1,443)
Interest received		**17,552**	20,416	35,855
Purchase of land use right		**–**	(4,998)	(4,998)
Proceeds from disposal of property, plant and equipment		**–**	1,797	7,434
Net cash used in investing activities		**(205,939)**	(173,679)	(345,164)
Cash flows from financing activities				
Repayments of obligations under finance leases		**(57)**	(53)	(105)
Finance costs paid		**(33)**	(91)	(144)
Dividends paid		**–**	(38,849)	(38,849)
Proceeds from issue of new shares upon exercises of share options		**–**	14,362	14,362
Net cash used in financing activities		**(90)**	(24,631)	(24,736)
Net decrease in cash and cash equivalents		**(276,534)**	(33,203)	(336,482)
Cash and cash equivalents at beginning of period/year		**1,804,742**	2,141,224	2,141,224
Cash and cash equivalents at end of period/year	23	**1,528,208**	2,108,021	1,804,742

Major non-cash transactions

During the six months ended 31 December 2014, purchases of property, plant and equipment included an amount of RMB1,443,000 (six months ended 31 December 2013: RMB84,303,000, year ended 30 June 2014: RMB84,303,000) 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") and AIM of the London Stock Exchange.

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 1109-1111, 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 fruit and vegetables.

Details of subsidiaries as at 31 December 2014 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
ACH Green Trees Holdings Limited	Hong Kong	100%	Not commenced business yet
Beihai Perfuming Garden Juice Co., Ltd.	PRC	92.94%	Trading of fruit juice concentrates, manufacture and sale of frozen fruit and vegetables

1 GENERAL INFORMATION *(Continued)*

Details of subsidiaries as at 31 December 2014 are as follows: *(continued)*

Name	Place of incorporation/ establishment	Percentage of equity interest attributable to the Group	Principal activities
Indirectly held: *(continued)*			
Beihai Super Fruit Co., Ltd	PRC	92.94%	Trading of condensed fruit juice
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
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 Industrial (Ganzhou) Company Limited	PRC	100%	Development of orange processing centre
Lucky Team (Hepu) Agriculture Development Limited	PRC	100%	Development of nursery
Tianyang Perfuming Garden Food Industrial Co., Ltd.	PRC	100%	Manufacture and sale of frozen fruit and others
Top Honest Holdings Limited	BVI	100%	Investment holding
Wealth Elite Investments Limited	Hong Kong	100%	Investment holding

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, except that certain biological assets 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 2014, 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 2015. 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 2014 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:

Improvements to IFRSs	Annual improvements to IFRSs 2010–2012 cycle
Improvements to IFRSs	Annual improvements to IFRSs 2011–2013 cycle
Amendments to IFRS 10, IFRS 12 and IAS 27	Investment entities
Amendments to IAS 32	Offsetting financial assets and financial liabilities
Amendments to IAS 36	Recoverable amount disclosures for non-financial assets
IFRIC 21	Levies

The above amendments to IFRSs have had no material impact on the Group's results of operations and financial position.

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 2015 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:

Amendments to IFRS 9 and IFRS 7	Mandatory effective date of IFRS 9 and transition disclosures[3]
Amendments to IAS 16 and IAS 38	The Classification of acceptable methods of depreciation and amortisation[1]
Amendments to IAS 16 and IAS 41	Bringing bearer plants into the scope of IAS 16[1]
IFRS 9	Financial instruments[3]
IFRS 15	Revenue from contracts with customers[2]

1 Effective for annual periods beginning on or after 1 January 2016.
2 Effective for annual periods beginning on or after 1 January 2017.
3 Effective for annual periods beginning on or after 1 January 2018.

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application, but is not yet in a position to state whether these amendments and new standards will have a significant impact on the Group's financial statements.

4 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 two 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 fruit – manufacture and sale of fruit juice concentrates, fruit purees, frozen fruit and vegetables

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.

4 SEGMENT INFORMATION *(Continued)*

Segment results, assets and liabilities

Six months ended 31 December 2014:

	Agricultural produce (unaudited) RMB'000	Processed fruit (unaudited) RMB'000	Total (unaudited) RMB'000
RESULTS			
Reportable segment revenue and revenue from external customers	340,999	243,398	584,397
Reportable segment results	(227,204)	4,531	(222,673)
Unallocated corporate expenses			(13,908)
Unallocated corporate other income			1,253
Loss before income tax			(235,328)
Income tax expense			–
Loss for the period			(235,328)
ASSETS			
Segment assets	4,090,087	1,695,885	5,785,972
Unallocated corporate assets			452,038
Total assets			6,238,010
LIABILITIES			
Segment liabilities	(99,556)	(13,276)	(112,832)
Unallocated corporate liabilities			(4,481)
Total liabilities			(117,313)
OTHER INFORMATION			
Additions to segment non-current assets	33,313	30,994	64,307

4 SEGMENT INFORMATION *(Continued)*

Segment results, assets and liabilities (Continued)

Six months ended 31 December 2013:

	Agricultural produce (unaudited) RMB'000	Processed fruit (unaudited) RMB'000	Total (unaudited) RMB'000
RESULTS			
Reportable segment revenue and revenue from external customers	468,907	279,426	748,333
Reportable segment results	(576,032)	47,771	(528,261)
Unallocated corporate expenses			(17,057)
Unallocated corporate other income			1,604
Loss before income tax			(543,714)
Income tax expense			–
Loss for the period			(543,714)
ASSETS			
Segment assets	4,654,751	1,746,155	6,400,906
Unallocated corporate assets			1,331,307
Total assets			7,732,213
LIABILITIES			
Segment liabilities	(53,208)	(33,200)	(86,408)
Unallocated corporate liabilities			(4,529)
Total liabilities			(90,937)
OTHER INFORMATION			
Additions to segment non-current assets	77,941	135,856	213,797

4 SEGMENT INFORMATION *(Continued)*

Segment results, assets and liabilities (Continued)

Year ended 30 June 2014:

	Agricultural produce (audited) RMB'000	Processed fruit (audited) RMB'000	Total (audited) RMB'000
RESULTS			
Reportable segment revenue and revenue from external customers	733,699	537,472	1,271,171
Reportable segment results	(960,043)	12,900	(947,143)
Unallocated corporate expenses			(892,115)
Unallocated corporate other income			2,812
Loss before income tax			(1,836,446)
Income tax expense			–
Loss for the year			(1,836,446)
ASSETS			
Segment assets	4,294,283	1,700,650	5,994,933
Unallocated corporate assets			460,644
Total assets			6,455,577
LIABILITIES			
Segment liabilities	(75,748)	(22,566)	(98,314)
Unallocated corporate liabilities			(4,605)
Total liabilities			(102,919)
OTHER INFORMATION			
Additions to segment non-current assets	159,390	149,493	308,883

5 TURNOVER

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

	Six months ended 31 December 2014 (unaudited) RMB'000	Six months ended 31 December 2013 (unaudited) RMB'000	Year ended 30 June 2014 (audited) RMB'000
Sales of oranges	**340,999**	468,907	732,807
Sales of self-bred saplings	**–**	–	892
Sales of processed fruit	**243,398**	279,426	537,472
	584,397	748,333	1,271,171

6 OTHER INCOME

	Six months ended 31 December 2014 (unaudited) RMB'000	Six months ended 31 December 2013 (unaudited) RMB'000	Year ended 30 June 2014 (audited) RMB'000
Interest income	**17,552**	20,416	35,855
Government grants	**30**	1,414	1,744
Sundry income	**19**	32	5
	17,601	21,862	37,604

7 OTHER OPERATING EXPENSES

	Six months ended 31 December 2014 (unaudited) RMB'000	Six months ended 31 December 2013 (unaudited) RMB'000	Year ended 30 June 2014 (audited) RMB'000
Impairment of goodwill	**–**	–	853,378
Written off of inventories#	**488**	–	8,459
Impairment of property, plant and equipment#	**–**	–	15,690
Impairment of biological assets#	**–**	–	11,802
Impairment of properties for sale	**–**	–	5,830
	488	–	895,159

\# These expenses resulted from the wide spread damage caused by Typhoon Rammasun in July 2014.

8 LOSS BEFORE INCOME TAX

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

	Note	Six months ended 31 December 2014 (unaudited) RMB'000	Six months ended 31 December 2013 (unaudited) RMB'000	Year ended 30 June 2014 (audited) RMB'000
(a) Finance costs				
Bank charges		–	54	69
Finance charges on obligations under finance leases		33	37	75
		33	91	144
(b) Staff costs (including directors' emoluments)				
– salaries, wages and other benefits		80,402	79,437	135,369
– share-based payments		3,371	6,014	10,131
– contributions to defined contribution retirement plans		1,848	1,178	3,322
		85,621	86,629	148,822
(c) Other items				
Amortisation of land use rights	14	777	744	1,521
Amortisation of intangible assets	17	5,374	5,374	10,748
Auditor's remuneration		1,113	1,397	2,522
Cost of agricultural produce sold#		504,347	434,167	678,839
Cost of inventories of processed fruit recognised as expenses##		212,970	215,411	458,402
Depreciation of property, plant and equipment	13	98,955	84,383	181,378
Add: Realisation of depreciation previously capitalised as biological assets		26,745	25,022	25,346
Less: Amount capitalised as biological assets		(31,575)	(22,425)	(54,974)
		94,125	86,980	151,750
Exchange gains, net		(1,202)	(67)	(14)
Operating lease expenses				
– plantation bases		5,420	6,394	9,163
– properties		540	580	1,184
Research and development costs		2,441	6,631	13,556
Written off of inventories###		595	–	22,577
Loss on disposals of property, plant and equipment		1,245	2,251	12,192

8 LOSS BEFORE INCOME TAX *(Continued)*

Cost of agricultural produce sold includes RMB108,490,000 (six months ended 31 December 2013: RMB104,989,000, year ended 30 June 2014: RMB151,422,000) relating to staff costs, depreciation and operating lease expenses, which amount was also included in the respective total amount disclosed separately above for each of these types of expenses.

Cost of inventories of processed fruit recognised as expenses includes RMB45,147,000 (six months ended 31 December 2013: RMB45,105,000, year ended 30 June 2014: RMB94,190,000) relating to staff costs, amortisation of land use rights, amortisation of intangible assets and depreciation, which amount was also included in the respective total amount disclosed separately above for each of these types of expenses.

The written off of inventories for the period of RMB107,000 (six months ended 31 December 2013: RMBNil, year ended 30 June 2014: RMB14,118,000) and RMB488,000 (six months ended 31 December 2013: RMBNil, year ended 30 June 2014: RMB8,459,000) was included in general and administrative expenses and other operating expenses, respectively, in the condensed consolidated statement of profit or loss.

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 the 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 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) On the basis stated below, no income tax has been provided by the Group: *(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 2014, 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 loss before income tax in the condensed consolidated statement of profit or loss at applicable rates:

	Six months ended 31 December		Year ended 30 June
	2014	2013	2014
	(unaudited)	(unaudited)	(audited)
	RMB'000	RMB'000	RMB'000
Loss before income tax	**(235,328)**	(543,714)	(1,836,446)
Notional tax at the rates applicable to losses in the jurisdictions concerned	**(55,951)**	(132,238)	(238,728)
Tax effect of non-deductible expenses	**59,581**	148,981	246,660
Tax effect of tax exemptions	**(3,871)**	(16,848)	(9,948)
Tax effect of temporary differences not recognised for deferred tax purpose	**231**	95	1,987
Others	**10**	10	29
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 2014 (unaudited) RMB'000	Six months ended 31 December 2013 (unaudited) RMB'000	Year ended 30 June 2014 (audited) RMB'000
Directors' emoluments							
Executive Directors							
Tong Wang Chow *(Note i)*	–	–	–	–	–	821	1,235
Ng Ong Nee *(Note ii)*	–	648	–	–	648	–	432
Tong Hung Wai, Tommy	–	459	–	8	467	494	1,062
Cheung Wai Sun	–	324	–	8	332	335	721
Pang Yi	–	540	7	4	551	561	1,209
Ng Cheuk Lun *(Note iii)*	–	100	–	2	102	–	–
Non-executive Directors							
Ng Hoi Yue	108	–	–	–	108	108	216
Lui Ming Wah	108	–	–	–	108	108	216
Yang Zhen Han	108	–	–	–	108	108	216
Chung Koon Yan *(Note iv)*	108	–	–	–	108	29	137
Ho Wai Leung *(Note iv)*	108	–	–	–	108	29	137
Ma Chiu Cheung, Andrew *(Note v)*	–	–	–	–	–	139	139
Peregrine Moncreiffe *(Note v)*	–	–	–	–	–	124	124
	540	2,071	7	22	2,640	2,856	5,844

There were no arrangements under which a director waived or agreed to waive any remuneration during the period (six months ended 31 December 2013: RMBNil, year ended 30 June 2014: RMBNil).

Notes:

(i) Resigned on 3 March 2014.
(ii) Appointed on 3 March 2014.
(iii) Appointed on 24 November 2014.
(iv) Appointed on 12 November 2013.
(v) Retired on 12 November 2013.

11 INDIVIDUALS WITH HIGHEST EMOLUMENTS

The five highest paid individuals of the Group during the period/year included three (six months ended 31 December 2013: four, year ended 30 June 2014: three) 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
	2014	2013	2014
	(unaudited)	(unaudited)	(audited)
	RMB'000	RMB'000	RMB'000
Salaries, wages and other benefits	**834**	64	1,887
Share-based payments	**–**	429	6
Retirement scheme contribution	**14**	3	28
	848	496	1,921

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 2013: RMBNil, year ended 30 June 2014: RMBNil).

12 LOSS PER SHARE

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

	Six months ended 31 December 2014 (unaudited) RMB'000	Six months ended 31 December 2013 (unaudited) RMB'000	Year ended 30 June 2014 (audited) RMB'000
Loss			
Loss attributable to equity shareholders of the Company used in basic and diluted loss per share calculation	**(236,413)**	(547,971)	(1,839,179)
Weighted average number of shares	**'000**	'000	'000
Issued ordinary shares at beginning of period/year	**1,249,638**	1,229,559	1,229,559
Effect of shares issued to shareholders participating in the scrip dividend	**–**	–	5,238
Effect of shares issued upon exercises of share options	**–**	1,293	5,371
Weighted average number of ordinary shares used in basic loss per share calculation	**1,249,638**	1,230,852	1,240,168
Effect of dilutive potential shares in respect of share options *(Note)*	**–**	–	–
Weighted average number of ordinary shares used in diluted loss per share calculation	**1,249,638**	1,230,852	1,240,168

Note:

The potential ordinary shares arising from the conversion of share options had an anti-dilutive effect on the basic loss per share hence they were ignored in the calculation of diluted loss per share.

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 2013 (audited)	231,453	3,668	352,740	12,064	11,760	1,994,933	2,606,618
Additions	3,644	–	92,975	1,938	1,898	2,815	103,270
Transfer from construction-in-progress	196,864	–	48,200	12	–	183,969	429,045
Disposals	–	–	(58,457)	(211)	(1,608)	(3,454)	(63,730)
At 30 June 2014 (audited)	431,961	3,668	435,458	13,803	12,050	2,178,263	3,075,203
Additions	2,743	–	7,929	155	60	14,634	25,521
Transfer from construction-in-progress *(note 15)*	298	–	7,297	–	–	56,335	63,930
Disposals	(809)	–	(6,811)	(39)	–	(11,085)	(18,744)
At 31 December 2014 (unaudited)	434,193	3,668	443,873	13,919	12,110	2,238,147	3,145,910
Accumulated depreciation and impairment							
At 1 July 2013 (audited)	30,717	1,101	70,061	6,166	6,300	502,648	616,993
Charge for the year	21,526	125	50,887	2,507	1,537	104,796	181,378
Impairment loss recognised for the year	3,691	–	–	–	–	11,999	15,690
Written back on disposals	–	–	(40,607)	(172)	(881)	(2,444)	(44,104)
At 30 June 2014 (audited)	55,934	1,226	80,341	8,501	6,956	616,999	769,957
Charge for the period	11,691	63	25,128	793	816	60,464	98,955
Written back on disposals	(269)	–	(6,132)	(39)	–	(11,059)	(17,499)
At 31 December 2014 (unaudited)	67,356	1,289	99,337	9,255	7,772	666,404	851,413
Carrying amount							
At 31 December 2014 (unaudited)	**366,837**	**2,379**	**344,536**	**4,664**	**4,338**	**1,571,743**	**2,294,497**
At 31 December 2013 (unaudited)	386,397	2,504	381,693	6,670	4,645	1,564,212	2,346,121
At 30 June 2014 (audited)	376,027	2,442	355,117	5,302	5,094	1,561,264	2,305,246

At 31 December 2014, the carrying amount of farmland infrastructure and machinery held under finance lease was RMB775,000 (31 December 2013: RMB896,000, 30 June 2014: RMB836,000).

14 LAND USE RIGHTS

	31 December 2014 (unaudited) RMB'000	31 December 2013 (unaudited) RMB'000	30 June 2014 (audited) RMB'000
Cost			
At beginning of period/year	87,870	82,872	82,872
Addition	–	4,998	4,998
At end of period/year	87,870	87,870	87,870
Accumulated amortisation			
At beginning of period/year	11,692	10,171	10,171
Charge for the period/year	777	744	1,521
At end of period/year	12,469	10,915	11,692
Carrying amount at end of period/year	75,401	76,955	76,178

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 2014 (unaudited) RMB'000	31 December 2013 (unaudited) RMB'000	30 June 2014 (audited) RMB'000
At beginning of period/year	76,039	304,196	304,196
Additions	31,501	114,410	200,888
Transfer to property, plant and equipment *(note 13)*	(63,930)	(355,811)	(429,045)
At end of period/year	43,610	62,795	76,039

16 BIOLOGICAL ASSETS

Biological assets represent self-bred saplings, infant trees, citrus trees and banana trees.

Self-bred saplings and infant trees are undergoing biological transformation leading to them being able to produce oranges and grapefruits. Once the self-bred saplings and infant trees become mature and productive, they will be transferred to the category of citrus trees. The role of citrus trees is to supply oranges and grapefruits through the processes of growth in each production cycle. As at 31 December 2013, 30 June 2014 and 31 December 2014, citrus trees comprised orange trees only.

16 BIOLOGICAL ASSETS *(Continued)*

For banana trees, the role of them is to supply bananas through the processes of growth in their production cycle. As at 31 December 2014 and 2013, banana trees are stated at cost as little biological transformation has taken place since initial cost incurrence as banana tree seedlings were planted towards the end of the reporting period. As at 30 June 2014, banana trees are fully impaired by RMB11,802,000 as all of the 221,769 banana trees were destroyed by Typhoon Rammasun in July 2014.

Biological assets are analysed as follows:

	Citrus			Others	
	Self-bred saplings RMB'000	Infant trees RMB'000	Citrus trees RMB'000	Banana trees RMB'000	Total RMB'000
At 1 July 2013 (audited)	5,463	180,038	2,195,098	–	2,380,599
Net additions	3,942	–	–	192	4,134
Sales of citrus self-bred saplings	(2,876)	–	–	–	(2,876)
Intra transfer to citrus infant trees	(3,697)	3,697	–	–	–
Intra transfer to citrus trees	–	(20,857)	20,857	–	–
Net increase due to cultivation	–	161,091	2,873	11,610	175,574
Impairment	–	–	–	(11,802)	(11,802)
Change in fair value due to price, yield, maturity and cost changes	–	–	(923,857)	–	(923,857)
At 30 June 2014 (audited)	2,832	323,969	1,294,971	–	1,621,772
Net additions	2,019	–	–	192	2,211
Intra transfer to citrus infant trees	(353)	353	–	–	–
Net increase/(decrease) due to cultivation/(harvest)	–	158,591	(66,573)	4,033	96,051
Change in fair value due to price, yield, maturity and cost changes	–	–	(40,000)	–	(40,000)
At 31 December 2014 (unaudited)	**4,498**	**482,913**	**1,188,398**	**4,225**	**1,680,034**
At 31 December 2013 (unaudited)	5,393	249,386	1,472,529	1,377	1,728,685
At 30 June 2014 (audited)	2,832	323,969	1,294,971	–	1,621,772

16 BIOLOGICAL ASSETS *(Continued)*

Represented by:

	Citrus			Others	31 December		30 June
	Self-bred saplings (unaudited) RMB'000	Infant trees (unaudited) RMB'000	Citrus trees (unaudited) RMB'000	Banana trees (unaudited) RMB'000	2014 Total (unaudited) RMB'000	2013 Total (unaudited) RMB'000	2014 Total (audited) RMB'000
Non-current	4,498	482,913	1,040,000	–	**1,527,411**	1,654,779	1,406,801
Current	–	–	148,398	4,225	**152,623**	73,906	214,971
	4,498	482,913	1,188,398	4,225	**1,680,034**	1,728,685	1,621,772

The movements in biological assets can be summarised as follows:

	Citrus			Others
	Self-bred saplings Number	Infant trees Number	Citrus trees Number	Banana trees Number
At 1 July 2013 (audited)	581,557	1,545,302	2,649,844	–
Net additions	180,539	–	–	221,769
Sales of self-bred saplings	(74,334)	–	–	–
Intra transfer to citrus infant trees	(422,160)	422,160	–	–
Intra transfer to citrus trees	–	(64,194)	64,194	–
Destroyed by Typhoon Rammasun	–	–	–	(221,769)
At 30 June 2014 (audited)	265,602	1,903,268	2,714,038	–
Net additions	121,190	–	–	221,769
Intra transfer to citrus infant trees	(26,960)	26,960	–	–
At 31 December 2014 (unaudited)	**359,832**	**1,930,228**	**2,714,038**	**221,769**

The Group has engaged an independent valuer to conduct an agreed upon procedures appraisal on the fair value of orange trees less costs to sell as at 31 December 2014. 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.

16 BIOLOGICAL ASSETS *(Continued)*

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. The fair value has been determined by expected future cash flows from the assets, discounted at a rate that reflect management's best estimation of the expected risk level. In estimating the future cash flows and discount rate, the following key assumptions were applied:

a) The market price variables, which represent the assumed market price for summer orange and winter orange produced by the Group. The valuation adopted the market sales prices prevailing as of the end of the reporting period for each type of orange produced by the Group as the sales price estimation. The market prices are assumed to be increased by 3% 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 15, remains stable for about 10 years, and then starts to decline from age 25 to 35.

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 3% per annum.

d) The Capital Asset Pricing Model has been used to determine a discount rate of 18% (six months ended 31 December 2013: 18%, year ended 30 June 2014: 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 3% 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.

The fair value measurement of the orange trees is categorised as level 3 fair value measurement within the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. Significant unobservable inputs are mainly the expected future cash flow and the discount rate. The higher the future cash flows or the lower the discount rate, the higher the fair value determined.

During the six months ended 31 December 2014, six months ended 31 December 2013 and year ended 30 June 2014, there was no transfer occurred between levels in the hierarchy.

16 BIOLOGICAL ASSETS *(Continued)*

The land currently occupied by the Group is leased from independent 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 as at 31 December 2014 for Hepu plantation and Xinfeng plantation are approximately RMB399 million (31 December 2013: RMB361 million, 30 June 2014: RMB389 million) and RMB612 million (31 December 2013: RMB642 million, 30 June 2014: RMB626 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	
	2014		2013		2014	
	Quantity Tonnes	**Value RMB'000**	Quantity Tonnes	Value RMB'000	Quantity Tonnes	Value RMB'000
Oranges	**110,993**	**340,999**	147,927	468,907	197,467	732,807

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 to minimise those risks, including regular forest health inspections and industry pest and disease surveys.

17 INTANGIBLE ASSETS

	Capitalised development costs RMB'000	Trademark RMB'000	Total RMB'000
Cost			
At 1 July 2013 (audited), 30 June 2014 (audited) and 31 December 2014 (unaudited)	107,726	3	107,729
Accumulated amortisation			
At 1 July 2013 (audited)	43,264	2	43,266
Charge for the year	10,748	–	10,748
At 30 June 2014 (audited)	54,012	2	54,014
Charge for the period	5,374	–	5,374
At 31 December 2014 (unaudited)	59,386	2	59,388
Carrying amount			
At 31 December 2014 (unaudited)	**48,340**	**1**	**48,341**
At 31 December 2013 (unaudited)	59,088	1	59,089
At 30 June 2014 (audited)	53,714	1	53,715

The amortisation charge for the period included RMB2,694,000 (six months ended 31 December 2013: RMB2,694,000, year ended 30 June 2014: RMB5,388,000) and RMB2,680,000 (six months ended 31 December 2013: RMB2,680,000, year ended 30 June 2014: RMB5,360,000) in cost of sales and general and administrative expenses, respectively, in the condensed consolidated statement of profit or loss.

Capitalised development costs are completed development projects. The average remaining amortisation period is 6.3 years (31 December 2013: 7 years, 30 June 2014: 6.7 years).

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

18 DEPOSITS

	31 December 2014 (unaudited) RMB'000	31 December 2013 (unaudited) RMB'000	30 June 2014 (audited) RMB'000
Deposits paid for acquisition of property, plant and equipment	**7,302**	2,393	1,443

19 GOODWILL

	RMB'000
Cost	
At 1 July 2013 (audited), 30 June 2014 (audited) and 31 December 2014 (unaudited)	1,157,261
Impairment	
At 1 July 2013 (audited)	–
Impairment loss recognised for the year	(853,378)
At 30 June 2014 (audited) and 31 December 2014 (unaudited)	(853,378)
Carrying amount	
At 31 December 2014 (unaudited)	303,883
At 31 December 2013 (unaudited)	1,157,261
At 30 June 2014 (audited)	303,883

Goodwill related to the acquisition of BPG Food & Beverage Holdings Ltd. and its subsidiaries (together the "Beihai BPG") 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 fruit segment in the PRC.

During the six months ended 31 December 2014 and 2013, the Group did not recognise any impairment loss for this CGU. For the year ended 30 June 2014, the Group recognised an impairment loss of RMB853,378,000 so as to reflect the reduced recoverable amount of this CGU as assessed by management based on the current business and operating environment of Beihai BPG.

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 5-year period, and a discount rate of 12%. The cash flows beyond the 5-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. As the aggregate carrying amount of the CGU has been reduced to its recoverable amount of RMB1,076,084,000, any adverse change in the assumptions used in the calculation of recoverable amount would result in further impairment losses.

20 PROPERTIES FOR SALE

	31 December 2014 (unaudited) RMB'000	31 December 2013 (unaudited) RMB'000	30 June 2014 (audited) 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
Less: Impairment	**(5,830)**	–	(5,830)
	–	5,830	–

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

	31 December 2014 (unaudited) RMB'000	31 December 2013 (unaudited) RMB'000	30 June 2014 (audited) RMB'000
In the PRC, held on leases between 10 to 50 years	**–**	134	–

21 INVENTORIES

	31 December 2014 (unaudited) RMB'000	31 December 2013 (unaudited) RMB'000	30 June 2014 (audited) RMB'000
Raw materials	**8,878**	8,739	10,953
Work in progress	**5,859**	3,325	–
Finished goods	**55,267**	42,937	46,434
	70,004	55,001	57,387

22 TRADE AND OTHER RECEIVABLES

	31 December 2014 (unaudited) RMB'000	31 December 2013 (unaudited) RMB'000	30 June 2014 (audited) RMB'000
Trade receivables	**102,269**	86,793	53,717
Other receivables, deposits and prepayments	**84,461**	43,269	101,455
	186,730	130,062	155,172

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 RMB4,694,000 (31 December 2013: RMB12,731,000, 30 June 2014: RMB6,269,000). The remaining balance of trade and other receivables are expected to be recovered or recognised as expenses within one year.

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

	31 December 2014 (unaudited) RMB'000	31 December 2013 (unaudited) RMB'000	30 June 2014 (audited) RMB'000
Less than 1 month	**68,243**	72,248	42,302
1 to 3 months	**33,970**	14,496	11,366
3 to 6 months	**7**	–	–
6 to 12 months	**–**	–	–
Over 1 year	**49**	49	49
	102,269	86,793	53,717

Trade receivables from sales of goods are normally due for settlement within 30 to 90 days from the date of billing, while that from the sale 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 2014 (unaudited) RMB'000	31 December 2013 (unaudited) RMB'000	30 June 2014 (audited) RMB'000
Neither past due nor impaired	**73,067**	72,519	53,253
Less than 1 month past due	**22,414**	12,516	–
1 to 3 months past due	**6,762**	1,732	438
3 to 6 months past due	**–**	–	–
6 to 12 months past due	**–**	–	–
Over 1 year past due	**26**	26	26
Amounts past due but not impaired	**29,202**	14,274	464
	102,269	86,793	53,717

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 2014 (unaudited) RMB'000	31 December 2013 (unaudited) RMB'000	30 June 2014 (audited) RMB'000
Bank fixed deposits	**974,784**	1,289,879	1,282,234
Cash at banks and on hand	**553,424**	818,142	522,508
Cash and cash equivalents in the condensed consolidated statement of cash flows	**1,528,208**	2,108,021	1,804,742

Included in the cash and cash equivalents of the Group at 31 December 2014 is an amount of approximately RMB1,445,792,000 (31 December 2013: RMB1,986,026,000, 30 June 2014: RMB1,713,068,000) 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.

23 CASH AND CASH EQUIVALENTS *(Continued)*

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 three months (31 December 2013: ranging from one month to three months, 30 June 2014: ranging from one month to three months) 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 31 December 2013, 30 June 2014 and 31 December 2014		2,000,000,000	20,000	20,900
Issued and fully paid:				
At 1 July 2013 (audited)		1,229,558,555	12,295	12,159
Issue of shares to shareholders participating in the scrip dividend		10,562,329	106	95
Issue of shares upon exercises of share options		9,517,000	95	86
At 30 June 2014 (audited) and 31 December 2014 (unaudited)		1,249,637,884	12,496	12,340
At 31 December 2013 (unaudited)		1,249,637,884	12,496	12,340

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.

(b) *Dividends*

The directors do not declare the payment of any interim dividend in respect of the six-month period ended 31 December 2014 and 2013.

24 CAPITAL, RESERVES AND DIVIDENDS *(Continued)*

(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 OBLIGATIONS UNDER FINANCE LEASES

At 31 December 2014, the Group had obligations under finance leases repayable as follows:

	31 December				30 June	
	2014 (unaudited)		2013 (unaudited)		2014 (audited)	
	Present value of the minimum lease payments RMB'000	**Total minimum lease payments RMB'000**	Present value of the minimum lease payments RMB'000	Total minimum lease payments RMB'000	Present value of the minimum lease payments RMB'000	Total minimum lease payments RMB'000
Within 1 year	**118**	**180**	109	180	113	180
After 1 year but within 2 years	**127**	**180**	118	180	123	180
After 2 years but within 5 years	**447**	**540**	414	540	430	540
After 5 years	**83**	**90**	243	270	166	180
	657	**810**	775	990	719	900
	775	**990**	884	1,170	832	1,080
Less: Total future interest expenses		**(215)**		(286)		(248)
Present value of lease obligations		**775**		884		832

26 TRADE AND OTHER PAYABLES

	31 December		30 June
	2014	2013	2014
	(unaudited)	(unaudited)	(audited)
	RMB'000	RMB'000	RMB'000
Trade payables	**69,337**	24,544	63,348
Other payables and accruals	**47,201**	65,509	38,739
	116,538	90,053	102,087

The amount of the Group's other payables and accruals expected to be settled after one year is RMB750,000 (31 December 2013: RMB750,000, 30 June 2014: RMB750,000). The remaining balance of trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

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

	31 December		30 June
	2014	2013	2014
	(unaudited)	(unaudited)	(audited)
	RMB'000	RMB'000	RMB'000
Less than 3 months	**68,410**	24,050	62,783
3 to 6 months	**260**	89	46
6 to 12 months	**658**	111	516
Over 1 year	**9**	294	3
	69,337	24,544	63,348

27 COMMITMENTS

a) Operating lease commitments

At 31 December 2014, the Group's total future minimum lease payments under non-cancellable operating leases are payable as follows:

	31 December 2014 (unaudited) RMB'000	31 December 2013 (unaudited) RMB'000	30 June 2014 (audited) RMB'000
Within 1 year	**7,042**	7,146	6,726
After 1 year but within 5 years	**31,714**	28,168	31,004
After 5 years	**325,394**	333,421	332,502
	364,150	368,735	370,232

Operating lease payments represent rental payable by the Group for 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 commitments

At 31 December 2014, the Group had the following capital commitments:

	31 December 2014 (unaudited) RMB'000	31 December 2013 (unaudited) RMB'000	30 June 2014 (audited) RMB'000
Contracted but not provided for:			
Construction-in-progress, property, plant and equipment	**13,172**	12,868	9,749

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 2014 (unaudited) RMB'000	Six months ended 31 December 2013 (unaudited) RMB'000	Year ended 30 June 2014 (audited) RMB'000
Operating lease expenses paid to:			
Alpha Best Limited	178	167	346
Pan Air and Sea Forwarders (HK) Limited	238	234	472
	416	401	818
Consultancy fee paid to:			
Mr. Tong Wang Chow	878	–	531

Mr. Tong Wang Chow resigned as an executive director of the Company on 3 March 2014, he is still considered as a related party of the Group as he is the father of Mr. Tong Hung Wai, Tommy, an executive director and a substantial shareholder of the Company.

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 2014 (unaudited) RMB'000	Six months ended 31 December 2013 (unaudited) RMB'000	Year ended 30 June 2014 (audited) RMB'000
Short-term employee benefits	3,830	4,418	9,123
Share-based payments	264	519	852
Post-employment benefits	52	47	97
	4,146	4,984	10,072

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

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2014, 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 its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong (the"SFO")) or which were required: (a) pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (b) to be notified to the Company and the HKEx pursuant to Divisions 7 and 8 of Part XV of the SFO, or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the HKEx (the "Hong Kong Listing Rules"), are set out below:

		Number of ordinary shares held					
Name of Directors/ Chief Executive	Class of shares	Personal interests	Family interests	Corporate interests	Number of underlying shares held under equity derivatives	Total	Approximate percentage of shareholding in the Company's total issued shares
Mr. Tong Hung Wai, Tommy	Share options	–	–	–	1,350,000 *(Note 1)*	1,350,000	0.11%
Mr. Cheung Wai Sun	Share options	–	–	–	1,110,000 *(Note 2)*	1,110,000	0.09%
Mr. Pang Yi	Ordinary shares/ Share options	452,043	–	–	5,260,000 *(Note 3)*	5,712,043	0.46%
Dr. Lui Ming Wah, SBS JP	Share options	–	–	–	500,000 *(Note 4)*	500,000	0.04%
Mr. Yang Zhen Han	Share options	–	–	–	500,000 *(Note 5)*	500,000	0.04%

Notes:

(1) 600,000 shares would be allotted and issued to Mr. Tong Hung Wai, Tommy, an Executive Director and Vice Chairman upon his exercise in full of the share options granted to him, under a share option scheme adopted by the Company on 29 June 2005 and terminated upon the commencement of dealings of the Company's shares on the HKEx on 26 November 2009 (the "Share Option Scheme"). These share options, all of which remained exercisable as at 31 December 2014, were exercisable at the subscription price of GBP0.139 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 his exercise in full of the share options granted to him under a post listing share option scheme adopted by the Company on 2 November 2009 and becoming effective upon the commencement of dealings of the shares on the HKEx on 26 November 2009 (the "Post Listing Share Option Scheme"). These share options, all of which remained exercisable as at 31 December 2014, were exercisable at the subscription price of HK$5.68 per share during the period from 27 May 2011 to 26 May 2018.

(2) 360,000 shares would be allotted and issued to Mr. Cheung Wai Sun, an Executive Director upon his exercise in full of the share options granted to him under the Share Option Scheme. These share options, all of which remained exercisable as at 31 December 2014, were exercisable at the subscription price of GBP0.139 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 his exercise in full of the share options granted to him under the Post Listing Share Option Scheme. These share options, all of which remained exercisable as at 31 December 2014, were exercisable at the subscription price of HK$5.68 per share during the period from 27 May 2011 to 26 May 2018.

(3) 900,000 shares would be allotted and issued to Mr. Pang Yi, an Executive Director upon his exercise in full of the share options granted to him under the Share Option Scheme. These share options, all of which remained exercisable as at 31 December 2014, were exercisable at the subscription price of GBP0.112 per share during the period from 3 August 2006 to 2 August 2015.

960,000 shares would be allotted and issued to Mr. Pang Yi upon his exercise in full of the share options granted to him under the Share Option Scheme. These share options, all of which remained exercisable as at 31 December 2014, were exercisable at the subscription price of GBP0.139 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 his exercise in full of the share options granted to him under the Post Listing Share Option Scheme. These share options, all of which remained exercisable as at 31 December 2014, were exercisable at the subscription price of HK$5.68 per share during the period from 27 May 2011 to 26 May 2018.

(4) 500,000 shares would be allotted and issued to Dr. Lui Ming Wah, SBS JP, an Independent Non-executive Director ("INED") upon his exercise in full of the share options granted to him under the Post Listing Share Option Scheme. These share options, all of which remained exercisable as at 31 December 2014, were exercisable at the subscription price of HK$5.68 per share during the period from 27 May 2011 to 26 May 2018.

(5) 500,000 shares would be allotted and issued to Mr. Yang Zhen Han, an INED upon his exercise in full of the share options granted to him under the Post Listing Share Option Scheme. These share options, all of which remained exercisable as at 31 December 2014, 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 respective associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (as defined in Part XV of SFO) as at 31 December 2014 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' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2014, so far as is known to the Directors, the persons or companies (other than the Directors and the chief executive of the Company) who/which had an interest or short position in the shares or underlying shares of the Company, which would fall to be disclosed under the provision of Division 2 and 3 of Part XV of the SFO, or which would be required, to be entered 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	Capacity/ Nature of interest	Approximate percentage of interest in the issued shares of the Company
Market Ahead Investments Limited ("Market Ahead") *(Note 1)*	237,695,367	Beneficial owner	19.02%
Mr. Tong Wang Chow *(Note 1)*	237,695,367	Interest of controlled corporation	19.02%
	2,670,000	Beneficial owner	0.21%
Mrs. Tong Lee Fung Kiu *(Note 1)*	237,695,367	Interest of spouse	19.02%
Genuine Enterprises Limited ("Genuine Enterprises") *(Note 2)*	74,128,948	Beneficial owner	5.93%
Mr. Huang Xin *(Note 2)*	74,129,948	Interest of controlled corporation	5.93%
Huge Market Investments Limited ("Huge Market") *(Note 3)*	73,715,394	Beneficial owner	5.90%
Chaoda Modern Agriculture (Holdings) Limited ("Chaoda") *(Note 3)*	73,715,394	Interest of controlled corporation	5.90%
Desmarais Andre *(Note 4)*	75,282,000	Trustee	6.02%
Desmarais Jacqueline *(Note 4)*	75,282,000	Trustee	6.02%
Desmarais Jr. Paul *(Note 4)*	75,282,000	Trustee	6.02%
Fortin Guy *(Note 4)*	75,282,000	Trustee	6.02%
Plessis-Belair Michel *(Note 4)*	75,282,000	Trustee	6.02%
Nordex Inc. *(Note 5)*	75,282,000	Interest of controlled corporation	6.02%
Gelco Enterprises Ltd. *(Note 5)*	75,282,000	Interest of controlled corporation	6.02%
Power Corporation of Canada *(Note 5)*	75,282,000	Interest of controlled corporation	6.02%
Power Financial Corporation *(Note 5)*	75,282,000	Interest of controlled corporation	6.02%
IGM Financial Inc. *(Note 5)*	75,256,000	Interest of controlled corporation	6.02%

Notes:

(1) Market Ahead is a company incorporated in the British Virgin Islands, the entire 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 (who is also a director of Market Ahead) is deemed to be interested in 237,695,367 shares held by Market Ahead 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 to be interested in all the shares in which Mr. Tong Wang Chow is deemed to be interested.

(2) Mr. Huang Xin is the sole owner of Genuine Enterprises and is deemed to be interested in 74,128,948 shares held by Genuine Enterprises by virtue of the SFO.

Mr. Huang Xin is also the sole owner of Sunshine Hero Limited ("Sunshine Hero") and is deemed to be interested in 1,000 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) Each of Desmarais Andre, Desmarais Jacqueline, Desmarais Jr. Paul, Fortin Guy and Plessis-Belair Michel are the trustees of the Desmarais Family Residuary Trust. Hence, by virtue of the SFO, all of them are deemed to be interested in the same 75,282,000 shares owned by the said trust.

(5) Mackenzie Financial Corporation whose entire issued share capital is owned by Mackenzie Inc. beneficially owned 75,256,000 shares. Mackenzie Inc. is wholly-owned by IGM Financial Inc. which in turn is owned as to 58.63% by Power Financial Corporation.

Power Financial Corporation is owned as to 65.78% by 171263 Canada Inc. which in turn is wholly-owned by Power Corporation of Canada. Power Corporation of Canada is owned as to 53.61% by Gelco Enterprises Ltd. which in turn is 94.95% owned by Nordex Inc.

Great-West Lifeco Inc. which is owned as to 67% by Power Financial Corporation owned an aggregate of 26,000 shares through two of its indirect wholly-owned subsidiaries.

Therefore, by virtue of the SFO,

a. each of Nordex Inc., Gelco Enterprises Ltd., Power Corporation of Canada, 171263 Canada Inc., Power Financial Corporation, IGM Financial Inc. and Mackenzie Inc. was deemed to be interested in the same 75,256,000 shares beneficially owned by Mackenzie Financial Corporation; and

b. each of Nordex Inc., Gelco Enterprises Ltd., Power Corporation of Canada, 171263 Canada Inc. and Power Financial Corporation was deemed to be interested in the same 26,000 shares owned by the two indirect wholly-owned subsidiaries of Great-West Lifeco Inc.

(6) The Company issued a total of 1,249,637,884 shares on 31 December 2014.

Save as disclosed above, the Directors are not aware of any other persons or companies (other than the Directors and the chief executive of the Company) who/which had interests or short positions in the shares or underlying shares of the Company, which would fall to be disclosed under the provision of Division 2 and 3 of Part XV of the SFO or were required to be entered in the register required to be kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEME AND POST LISTING SHARE OPTION SCHEME

A summary of each 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 – I. Share Option Scheme".

Movements of the respective share options granted under the Share Option Scheme and the Post Listing Share Option Scheme during the period ended 31 December 2014 are as follows:

	Number of Underlying Shares comprised in Options								
Name or Category of participants	Balance as at 1 July 2014	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding as at 31 December 2014	Date of grant	Exercisable period	Exercise price per share	Weighted average closing price
Directors/ chief executive									
Mr. 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	–
Mr. 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	–
Mr. 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	–
Dr. Lui Ming Wah, SBS JP	500,000	–	–	–	500,000	27/5/2010	27/5/2011 –26/5/2018	HKD5.68	–
Mr. Yang Zhen Han	500,000	–	–	–	500,000	27/5/2010	27/5/2011 –26/5/2018	HKD5.68	–
Employees and others									
In aggregate	2,010,000	–	–	–	2,010,000	3/8/2005	3/8/2006 –2/8/2015	GBP0.112	–
	2,770,000	–	–	2,770,000	–	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	–
	1,800,000	–	–	–	1,800,000	15/10/2008	15/10/2009–2/8/2015	GBP0.139	–
	23,734,000	–	–	–	23,734,000	27/5/2010	27/5/2011–26/5/2018	HKD5.68	–
	20,000,000	–	–	–	20,000,000	28/2/2011	28/2/2012–27/2/2019	HKD9.00	–
	61,044,000	–	–	3,890,000	57,154,000				

Other than as disclosed above, no other share option was granted, cancelled or exercised or lapsed pursuant to the Share Option Scheme and the Post Listing Share Option Scheme during the period ended 31 December 2014 and none of the Directors or chief executive of the Company or their respective spouses or children under 18 years of age were granted or exercised any right to subscribe for any equity or debt securities of the Company or any of its associated corporations within the meaning of the SFO.

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

The Company did not redeem any of its listed securities nor did the Company or any of its subsidiaries purchase or sell any of such securities during the six months ended 31 December 2014.

CORPORATE GOVERNANCE CODE

During the six months ended 31 December 2014, the Directors, where practicable, for an organisation of the Group's size and nature sought to adopt two corporate governance codes set out below:

1. The UK Corporate Governance Code which is the key source of corporate governance recommendations for listed companies in the United Kingdom and consists of principles of good governance. It consists of principles of good governance covering the following areas: (i) Leadership; (ii) Effectiveness; (iii) Accountability; (iv) Remuneration; and (v) Relations with shareholders; and

2. The Corporate Governance Code (the "Code") contained in the amended Appendix 14 to the Hong Kong Listing Rules, which took effect on 1 April 2012.

The Company has complied with all the code provisions as set out in the Code during the six months ended 31 December 2014 except the deviations set out below:

Code Provision A.5.1

The Company does not have a nomination committee. The Directors do not consider that, given the size of the Group and the 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 INEDs, 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).

Directors' securities transactions

The Company has adopted a code for Directors' dealings appropriate for a company whose shares are admitted to trading on AIM of the London Stock Exchange and takes all reasonable steps to ensure compliance by the Directors and any relevant employees. The Company also adopted the Model Code as its own code of conduct for dealings in the securities. Following a specific enquiry made of all Directors by the Company, each of them has confirmed that he had fully complied with the required standard as set out in the Model Code throughout the six months ended 31 December 2014.

Changes in directorship

Changes in directorship during the six months ended 31 December 2014 are as follows:

Mr. Ng Cheuk Lun, the Company Secretary, Chief Financial Officer and an Authorised Representative of the Company, was appointed as an Executive Director of the Company with effect from 24 November 2014.

REVIEW OF FINANCIAL STATEMENTS

The audit committee of the Board (the "Audit Committee") comprises three INEDs. Mr. Ng Hoi Yue acts as Chairman of the committee with Mr. Yang Zhen Han and Mr. Chung Koon Yan acting as members. The establishment of Audit Committee is in compliance with Rule 3.21 of the Hong Kong Listing Rules.

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and has discussed auditing, internal control and financial reporting matters, including the review of the Company's unaudited consolidated financial statements and the interim report for the six months ended 31 December 2014.

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
Asian Citrus Holdings Limited
Ng Hoi Yue
Non-executive Chairman

Hong Kong, 26 February 2015

COMPANY INFORMATION

DIRECTORS

Executive Directors

Mr. NG Ong Nee *(Chief Executive Officer)*
Mr. TONG Hung Wai, Tommy *(Vice Chairman)*
Mr. CHEUNG Wai Sun
Mr. PANG Yi
Mr. NG Cheuk Lun *(Chief Financial Officer)*

Independent Non-executive Directors

Mr. NG Hoi Yue *(Non-executive Chairman)*
Dr. LUI Ming Wah, SBS JP
Mr. YANG Zhen Han
Mr. CHUNG Koon Yan
Mr. HO Wai Leung

COMPANY SECRETARY

Mr. NG Cheuk Lun

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REGISTERED OFFICE

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United Kingdom

AUDITOR

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North Point
Hong Kong

BERMUDA AND BVI LEGAL ADVISER

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2901 One Exchange Centre
8 Connaught Place
Central, Hong Kong

JERSEY SHARE REGISTRAR

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Hilgrove Street, St Helier
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BERMUDA SHARE REGISTRAR

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STOCK CODE

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AIM: ACHL

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