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)

Annual Report
2014/15

For identification purposes only

CONTENTS

FINANCIAL HIGHLIGHTS

RESULTS OF OPERATIONS (RMB MILLION)

	For the year ended 30 June 2015	2014	% change
Reported financial information			
Revenue	962.7	1,271.2	-24.3
Gross (loss)/profit	-418.8	133.9	-412.7
EBITDA	-1,070.1	-1,708.2	37.4
Loss before tax	-1,224.0	-1,836.4	33.3
Loss attributable to shareholders	-1,222.4	-1,839.2	33.5
Basic loss per share (RMB)	-0.98	-1.48	33.8
Adjusted core financial information#			
EBITDA	-402.6	79.2	-608.3
Loss before tax	-556.5	-49.1	1,033.4
Loss attributable to shareholders	-554.9	-51.8	971.2
Basic loss per share (RMB)	-0.44	-0.04	1,000.0
Gross (loss)/profit margin (%)	-43.5	10.5	
Asset turnover (x)	0.18	0.20	
FINANCIAL POSITION (RMB million)			
Total assets	5,274.7	6,455.6	
Net current assets	1,363.8	2,130.1	
Cash and cash equivalents	937.6	1,804.7	
Shareholders' fund	5,021.8	6,237.5	
Current ratio (x)	10.83	21.84	

Adjusted core financial information refers to activities for the year excluding impairment of goodwill, write off of biological assets, change in fair value of biological assets and share-based payments.

It is my pleasure to present the annual results of Asian Citrus Holdings Limited (the "Company"), together with its subsidiaries (the "Group"). The Group has faced significant challenges in the year ended 30 June 2015 and has endeavoured to overcome setbacks resulting mainly from the adverse weather conditions which reduced harvest volumes and increased our cost base, in addition to a significant drop in the average selling price.

The aftermath of Typhoon Rammasun and Typhoon Seagull (the "Typhoons"), combined with the substantial impact of the Huanglongbing disease infection at the Group's Xinfeng Plantation, put significant downward pressure on both the production yield and selling price of the orange harvests and resulted in underutilisation of our processed fruit business plants as well.

FINANCIAL HIGHLIGHTS

For the year ended 30 June 2015, the Group's total revenue decreased by 24.3% to RMB962.7 million (2014: RMB1,271.2 million). Adjusted core loss attributable to shareholders for the year (before the impairment of goodwill, write off of biological assets, change in fair value of biological assets and share-based payments) was RMB554.9 million (2014: RMB51.8 million). This deterioration in the performance reflected the significant impact of the Huanglongbing disease infection at the Group's Xinfeng Plantation, which was announced by the Company on 15 April 2015 and 7 May 2015, and the damage sustained from the Typhoons which affected both production yield and selling price of the orange harvests as highlighted in the Company's announcement dated 9 September 2015.

The Group incurred impairment losses of RMB303.9 million and RMB242.8 million from the change in the carrying value of goodwill and change in fair value of biological assets respectively during the year ended 30 June 2015. Furthermore, the Group's Xinfeng Plantation removed 317,839 orange trees with aggregate value of RMB114.1 million in the second quarter of 2015 due to the infection of Huanglongbing disease. We would like to stress that the impairment of goodwill, change in fair value of biological assets and write off of biological assets are non-operational and have no effect on the cash flow for the Group.

After taking into account the non-cash items, including the impairment of goodwill, write off of biological assets, change in fair value of biological assets and share-based payments, the net loss attributable to shareholders for the year was RMB1,222.4 million (2014: RMB1,839.2 million).

OPERATIONAL REVIEW

The Group has three plantations in mainland China, occupying a total area of approximately 103 square kilometres, with two currently in operation: Hepu Plantation in Guangxi Zhuang Autonomous Region ("Guangxi") and Xinfeng Plantation in Jiangxi Province. Production at the third plantation in Hunan Province, Hunan Plantation, is scheduled to begin in 2016. For the year ended 30 June 2015, the production yield at Hepu Plantation decreased by 64.6% to 26,278 tonnes (2014: 74,239 tonnes). The decreased production was mainly due to the extensive damage suffered from the impact of the Typhoons. The gross profit margin for Hepu Plantation fell from 12.8% last year to gross loss margin of 402.6%, as a result of a further decrease in the average selling price by 33.6% as compared with last year, as well as increased direct costs incurred as a result of the adverse weather.

The production yield for the year ended 30 June 2015 at Xinfeng Plantation decreased by 15.7% to 103,847 tonnes (2014: 123,228 tonnes) owing to 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 the Xinfeng area during the fourth quarter of 2014 resulting in water scarcity for irrigation, which adversely affected the fruit size as well as production volume of the winter orange crop. The gross profit margin for Xinfeng Plantation decreased from 2.9% last year to a gross loss margin of 28.8%, which was due to increases in direct costs to prevent the spread of the Huanglongbing disease and to protect the unaffected orange trees. The costs of maintaining the trees and plantation are fixed, and when applied against a lower turnover, severely affected the gross profit margin.

Through our 92.94% equity interest in Beihai BPG, the Group operates two fruit processing plants 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.

The processed fruit business, which involves the manufacture and sale of fruit juice concentrates, purees and frozen fruit and vegetables, saw comparable sales tonnage decrease marginally compared to the prior year, while the loss was mainly due to increased cost of raw materials owing to limited supplies, increased material scrap and maintenance costs caused by low productivity of the production equipment, and increased labour costs.

The Group has decided to delay further investment in the third plant in Baise City, Guangxi, due to deteriorating market conditions. Although it normally takes three to five years for a new plant to achieve full capacity, the Group has decided to invest and improve the utilisation at the two current plants in Beihai City and Hepu County which are in full operation.

STRATEGIC OVERVIEW

We are currently formulating a number of strategies to improve the utilisation of all our assets. Further, we are still working on supply chain optimisation, which includes but is not limited to, methods to reduce costs of pesticides and fertilisers, exploring new export opportunities, and changing the product mix in order to improve margins. We are also combining our efforts in finding innovative ways to recover our products from citrus diseases, although trials and breakthroughs take a long time.

We still put a great deal of effort into exploring international networks in order to assess potential new market entries in premium growth regions, mainly aiming to charge premium prices for our quality products. New sales initiatives within our current markets will also be a cornerstone of our strategy for the upcoming years. This also included identifying attractive investment opportunities in line with our business abroad. In line with the aforesaid, the Group is conducting research on improving quality standards by means of size, i.e. larger citruses, and taste, which should lead to premium pricing of our products in both the current market as well as new potential export markets.

CORPORATE GOVERNANCE

At the forthcoming annual general meeting to be held at United Conference Centre, Level 10, United Centre, 95 Queensway, Admiralty, Hong Kong on Thursday, 12 November 2015 at 10:30 a.m. (Hong Kong time), there will be a number of changes in our management and the composition of the Company's board of directors (the "Board"). On behalf of the Board, I would like to express my appreciation to Mr. CHEUNG Wai Sun, Executive Director, Mr. PANG Yi, Executive Director and Mr. NG Cheuk Lun, Executive Director and Chief Financial Officer for their valuable contributions over the years as they will not offer themselves for re-election.

DIVIDENDS

In light of the results last year, the Board does not recommend a dividend in respect of the year ended 30 June 2015. Nevertheless, the Board will consider recommending dividend payments when the profits and general financial situation improve. The Group's existing dividend policy, which stipulates a dividend of not less than 30% of our adjusted core net profit, remains unchanged. As mentioned in my statement last year, the Group is taking a prudent approach in managing its capital and reserves to ensure sufficient funds are available to develop new products, investments, and growth opportunities.

Last but not least, on behalf of the Board, I would like to take this opportunity to thank all our colleagues, shareholders and other stakeholders for their hard work, commitment and support over the last year. Although the road is challenging, we will continue to strive for quality and building a prosperous future for the Group. The Board believes that the success of the Group will not be far away through the continuing hard work, passion and dedication of our people in delivering our strategy, despite the challenging market conditions.

Ng Ong Nee
Chairman

30 September 2015

OPERATING PERFORMANCE

Revenue

The breakdown of revenue by type is as follows:

	For the year ended 30 June			
	2015		2014	
	RMB'000	% of total revenue	RMB'000	% of total revenue
Hepu Plantation	84,100	8.7%	357,534	28.1%
Xinfeng Plantation	324,834	33.8%	375,273	29.5%
Sales of oranges	408,934	42.5%	732,807	57.6%
Sales of processed fruit	552,622	57.4%	537,472	42.3%
Sales of self-bred saplings	1,171	0.1%	892	0.1%
Total revenue	962,727	100.0%	1,271,171	100.0%

Sales of oranges

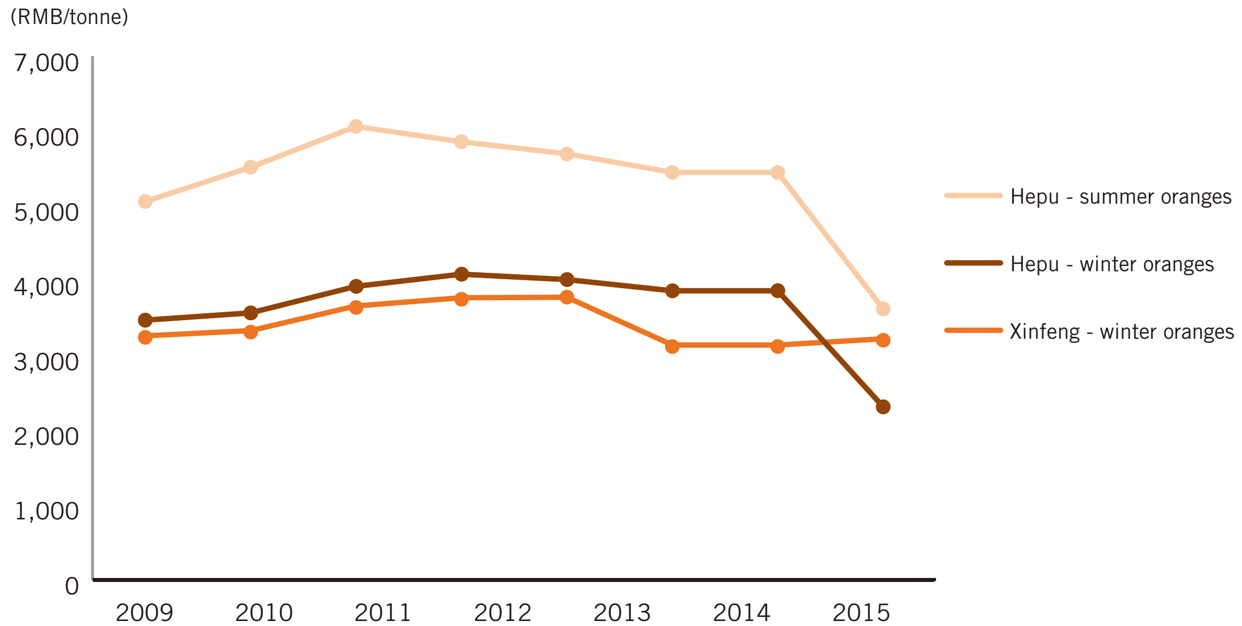
Revenue from sales of oranges decreased by approximately 44.2% to RMB408.9 million for the year ended 30 June 2015. This was mainly due to a decrease of approximately 34.1% in the production yield to 130,125 tonnes (2014: 197,467 tonnes) but also a decrease of approximately 15.2% in the average selling price.

The production yield from Hepu Plantation decreased by approximately 64.6% from 74,239 tonnes last year to 26,278 tonnes for the year ended 30 June 2015. This decrease was mainly due to the extensive damage suffered from the impact of Typhoon Rammasun in July 2014, the strongest in the region for over the past 40 years, and Typhoon Seagull in September 2014 (collectively, the "Typhoons"), and in particular the significant drop in the volume of pre-mature fruit and leaves from the existing orange trees. 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, which subsequently affected the plantation.

The production yield from Xinfeng Plantation decreased by approximately 15.7% from 123,228 tonnes last year to 103,847 tonnes for the year ended 30 June 2015. 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 the Xinfeng area during the period from September to December 2014 resulting in water scarcity for irrigation, which adversely affected the fruit size as well as production volume of the winter orange crop.

The following table and chart set out the average selling prices of oranges in Hepu Plantation and Xinfeng Plantation and illustrates the monetary effects of the above-mentioned adverse occurrences:

	Year ended 30 June						
	2009 (RMB/tonne)	2010 (RMB/tonne)	2011 (RMB/tonne)	2012 (RMB/tonne)	2013 (RMB/tonne)	2014 (RMB/tonne)	**2015 (RMB/tonne)**
Hepu Plantation							
– Summer Oranges	5,057	5,516	6,061	5,856	5,694	5,446	**3,620**
– Winter Oranges	3,470	3,567	3,922	4,085	4,013	3,863	**2,310**
Xinfeng Plantation							
– Winter Oranges	3,260	3,330	3,660	3,770	3,776	3,137	**3,221**



The average selling price of the winter orange crop at Xinfeng Plantation increased by approximately 2.7% for the year ended 30 June 2015. However, the average selling price of the winter orange crop and summer orange crop at Hepu Plantation decreased by approximately 40.2% and 33.5% respectively reflecting both the extensive typhoon damage and the poor appearance of oranges infected by citrus canker.

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

	For the year ended 30 June	
	2015	2014
	% of sales of oranges	
Supermarket chains	**27.2%**	24.2%
Corporate customers	**43.5%**	43.1%
Wholesale customers	**28.9%**	32.3%
Other	**0.4%**	0.4%
Total	**100.0%**	100.0%

For the year ended 30 June 2015, sales volume and revenue derived from sales in supermarket chains increased to approximately 26.3% and 27.2% respectively of the total sales for the Group (2014: 20.4% and 24.2% respectively) due to the increased sale of oranges to supermarket chains by Xinfeng Plantation.

For Hepu Plantation and Xinfeng Plantation, the sales volume to supermarket chains was 9,031 tonnes and 25,218 tonnes respectively for the year ended 30 June 2015 (2014: 18,860 tonnes and 21,434 tonnes respectively).

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 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 year ended 30 June	
	2015	2014
	% of sales of oranges	
Graded oranges	**2.5%**	13.4%
Ungraded oranges	**97.5%**	86.6%
Total	**100.0%**	100.0%

The decrease in sales of graded oranges was caused by the extensive typhoon damage and the poor appearance of oranges infected by citrus canker in Hepu Plantation.

Sales of processed fruit

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

	For the year ended 30 June			
	2015		2014	
	Volume (Tonnes)	Revenue RMB'000	Volume (Tonnes)	Revenue RMB'000
Pineapple juice concentrates	11,813	124,466	16,275	144,209
Other juice concentrates	9,449	144,270	8,585	141,741
Mango purees	8,299	57,959	8,603	55,954
Other fruit purees	2,338	17,361	4,646	33,799
Frozen mango	6,577	69,205	4,286	35,967
Frozen and dried fruit and vegetables	16,125	132,519	13,218	125,166
	54,601	545,780	55,613	536,836
Fruit juice trading	N/A	6,842	N/A	636
Total	54,601	552,622	55,613	537,472

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 derived from the sales of processed fruit increased slightly by approximately 2.8% to approximately RMB552.6 million for the year ended 30 June 2015, mainly due to increased sales of red dates and medlar juice concentrates, frozen mango and frozen tomato, largely offset by lower sales of pineapple juice concentrates owing to limited raw material supplies after Typhoon Rammasun.

The average utilisation rate of BPG was approximately 75.2% for the year ended 30 June 2015 (2014: 86.2%).

Sales of self-bred saplings

For the year ended 30 June 2015, approximately RMB1,171,000 was generated from the sales of 97,590 self-bred saplings to local farmers (2014: approximately RMB892,000 was generated from the sales of 74,334 self-bred saplings).

Cost of sales

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

	For the year ended 30 June			
	2015		2014	
	RMB'000	% of cost of sales of respective segment	RMB'000	% of cost of sales of respective segment
Inventories used				
Fertilisers	423,618	50.4%	351,279	52.0%
Packaging materials	11,266	1.3%	28,982	4.3%
Pesticides	183,501	21.8%	117,356	17.4%
	618,385	73.5%	497,617	73.7%
Production overheads				
Direct labour	68,128	8.1%	66,482	9.8%
Depreciation	90,599	10.8%	73,821	10.9%
Others	63,985	7.6%	38,044	5.6%
Cost of sales of oranges	841,097	100.0%	675,964	100.0%
Fruit	393,896	73.1%	316,476	69.0%
Packaging materials	26,387	4.9%	30,468	6.7%
Direct labour	42,006	7.8%	33,647	7.3%
Other production overheads	76,706	14.2%	77,811	17.0%
Cost of sales of processed fruit	538,995	100.0%	458,402	100.0%
Cost of sales of self-bred saplings	1,473		2,875	
Total	1,381,565		1,137,241	

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 24.4% from approximately RMB676.0 million to RMB841.1 million. The increase in cost of sales was mainly due to (i) the increase in consumption of both fertilisers and pesticides, to minimise damage from the Typhoons to prevent citrus canker infection and soil leaching in Hepu Plantation, prevent the spread of the Huanglongbing disease and protect the unaffected orange trees in Xinfeng Plantation; (ii) the increase in production overheads including weed covering, drip irrigation system maintenance and orange tree pruning owing to unfavourable weather in 2014. Consequently, the unit cost of production in Hepu Plantation and Xinfeng Plantation increased to approximately RMB16.08 per kg and RMB4.03 per kg respectively for the year ended 30 June 2015 (2014: RMB4.2 per kg and RMB2.96 per kg respectively). It is expected that this high cost 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 year ended 30 June 2015, the cost of sales of processed fruit increased by approximately 17.6% from approximately RMB458.4 million to RMB539.0 million. This was mainly due to the increase in the cost of raw materials as a result of limited supplies and higher labour costs incurred.

During the year ended 30 June 2015, a subsidiary of the Group purchased fertilisers from a supplier who did not possess a valid business licence (the amount of which represents approximately 7.7% of the total purchases for the year ended 30 June 2015) and the auditor's report issued by Baker Tilly Hong Kong Limited was modified in that respect.

Gross loss

The Group recorded an overall gross loss of approximately RMB418.8 million for the year ended 30 June 2015 compared to the gross profit of approximately RMB133.9 million last year. The overall gross loss margin was 43.5% for the year ended 30 June 2015 compared to the gross profit margin of 10.5% last year.

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

	For the year ended 30 June	
	2015	2014
Hepu Plantation	-402.6%	12.8%
Xinfeng Plantation	-28.8%	2.9%

The gross loss margin was mainly due to (i) the decrease in the total production yield of the orange crop by approximately 34.1%; (ii) the drop in the average selling prices of the winter orange crop and summer orange crop in Hepu Plantation by approximately 40.2% and 33.5% respectively; and (iii) the increase in the cost of sales of oranges by approximately 24.4%, reflecting the increase in consumption of both fertilisers and pesticides to minimise further damage from the Typhoons and to prevent citrus canker infection and soil leaching in Hepu Plantation; and also prevent the spread of Huanglongbing disease and protect the unaffected orange trees in Xinfeng Plantation.

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

	For the year ended 30 June	
	2015	2014
Sales of oranges	-105.7%	7.8%
Sales of processed fruit	2.5%	14.7%

For BPG, the gross profit margin for the year ended 30 June 2015 decreased to approximately 2.5% compared to 14.7% last year, mainly due to (i) increased cost of raw materials owing to limited supplies, such as the increase in average purchase costs of pineapple and mango by 39.6% and 23.6% to RMB1.28 per kg and RMB2.29 per kg respectively (2014: RMB0.91 per kg and RMB1.85 per kg respectively); (ii) increased material scrap and maintenance costs caused by low productivity of the production equipment of Beihai BPG, which has been in operation for more than eight years; and (iii) increased labour costs.

Change in fair value of biological assets

The Group recognised a loss of RMB242.8 million from an adjustment in the fair value of biological assets for the year ended 30 June 2015, compared to a loss of RMB923.9 million last year. The loss was mainly due to decreased production yield, increased cost of sales and reduced market prices of both winter and summer 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 year ended 30 June 2015. Further details regarding the valuation of biological assets are set out on pages 19 to 21.

Selling and distribution expenses

Selling and distribution expenses comprise mainly advertising expenses, staff commission, salaries and welfare of sales personnel, travelling and transportation expenses. The selling and distribution expenses of the Group decreased by 16.8% from approximately RMB45.3 million last year to approximately RMB37.7 million for the year ended 30 June 2015. The decrease in sales of graded oranges resulted in lower transportation costs.

General and administrative expenses

General and administrative expenses comprise primarily of salaries, office administration expenses, depreciation, amortisation and research costs. These costs decreased by 6.3% from approximately RMB143.5 million last year to approximately RMB134.4 million for the year ended 30 June 2015, mainly due to a decrease of share option expenses recognised in respect of share options granted in previous years.

Other operating expenses

Other operating expenses were approximately RMB418.4 million for the year ended 30 June 2015 (2014: RMB895.2 million), which included:

Write offs relating to damage caused by the Typhoon

Raw materials of approximately RMB488,000 were written off as a result of the damage caused by Typhoon Rammasun.

Write offs relating to the infection of Huanglongbing disease

In April 2015 Xinfeng Plantation identified the presence of Huanglongbing disease, also known as citrus greening disease, which is a bacterial plant disease not harmful to humans and spread by an insect called the Asian citrus psyllid, a tiny insect that feeds on the leaves and stems of citrus trees. Detection of Huanglongbing disease can be difficult, as symptoms may not show up for more than a year after the tree has become infected. The first symptoms are yellowed and mottled leaves, which are often just associated with nutritional deficiencies. Whilst the spread of the disease in a plantation can only be limited by the use of pesticides against the insect, the disease itself is fatal once the trees are infected. The disease destroys the production, appearance and economic value of citrus trees. Diseased trees produce bitter, hard, misshapen fruit and die within a few years of being infected.

In the Gannan region of the province where Xinfeng Plantation is located, plantations in the neighbouring counties have witnessed the infection with Huanglongbing disease. Thus management believes that the source of the infection came from insect transmission from the nearby regions.

317,839 orange trees with a value of approximately RMB114.1 million were removed during the period between May 2015 and June 2015 due to the infection of Huanglongbing disease, which indicated the infection rate of approximately 19.9% of the total number of orange trees planted in Xinfeng Plantation.

2,563 orange trees were replanted in June 2015.

Impairment of goodwill

Goodwill, arising from acquisition of BPG Food & Beverage Holdings Limited and its subsidiaries ("Beihai BPG") on 30 November 2010 for a consideration of approximately HK$2.31 billion (equivalent to approximately RMB1.97 billion), has been allocated to the cash-generating unit ("CGU") of the fruit processing business in the PRC.

In considering the impairment loss that may be required for certain assets of the CGU, the recoverable amount of the CGU needs to be determined. The recoverable amount is the greater of its fair value less costs of disposal and the value in use. It is not practicable to precisely estimate fair value less costs of disposal of the CGU of the fruit processing business, because quoted market prices for those assets allocated to that CGU may not be readily available, and therefore the recoverable amount of the CGU has been determined based on a value in use calculation. The value in use calculation uses cash flow projections from financial budgets approved by management covering a 5-year period (2014: 5-year period) and a discount rate of 12% (2014: 12%) per annum. The cash flows for the 5-year period are extrapolated using a steady 10% (2014: 10%) growth rate. The discount rate was determined by management with reference to other public companies which are engaged in processed fruits or similar business. 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 calculation relates to the estimation of cash flows which include budgeted sales and gross margin, such estimations are based on the CGU's past performance and management's expectations for the market development.

At 30 June 2015, the Directors of the Company have assessed the recoverable amount of the CGU of the fruit processing business and determined that an impairment loss of approximately RMB303.9 million (2014: RMB853.4 million) was allocated to reduce the carrying amount of goodwill, representing the difference between the aggregate carrying amount of assets allocated to the CGU of fruit processing business as at 30 June 2015 and the recoverable amount of the CGU, based on the current business and operating environment of Beihai BPG. As at 30 June 2015, the carrying amount of the CGU has been reduced to its recoverable amount of RMB763.2 million (2014: RMB1,076.1 million). The decrease was mainly contributed by the decrease in the budgeted gross profit margin by 2% resulting from the increase in production costs incurred for the year. The Board wishes to emphasize that the change in carrying value of goodwill is non-operational and does not have any effect on the cash flow of the Group for the year ended 30 June 2015.

Loss attributable to shareholders for the year

The loss attributable to shareholders for the year ended 30 June 2015 was approximately RMB1,222.4 million, compared to a loss of approximately RMB1,839.2 million last year, representing a decrease of approximately 33.5%.

The adjusted core loss attributable to shareholders, which refers to the loss for the year excluding the impairment of goodwill, write off of biological assets, change in fair value of biological assets and share-based payments for the year ended 30 June 2015 was approximately RMB554.9 million (2014: RMB51.8 million).

DIVIDENDS

In view of the Group's net loss for the year, the Board does not recommend the payment of any dividend for the year ended 30 June 2015 (2014: nil). Our existing dividend policy, which stipulates a dividend of not less than 30% of our adjusted core net profit, remains unchanged.

PRODUCTIVITY

	For the year ended 30 June			
	2015		2014	
Types of product	Tonnes	% of total output	Tonnes	% of total output
Winter oranges	110,993	85.3%	147,927	74.9%
Summer oranges	19,132	14.7%	49,540	25.1%
Total	130,125		197,467	

The production yield of winter oranges decreased by 25.0% to 110,993 tonnes for the year ended 30 June 2015. The production yield of winter oranges in Hepu Plantation decreased by 71.1% from 24,699 tonnes last year to 7,146 tonnes this year, due to the extensive damage suffered from the impact of the Typhoons.

The production yield of winter oranges in Xinfeng Plantation decreased by 15.7% from 123,228 tonnes last year to 103,847 tonnes this year, due to the effect of cryogenic freezing rain and frosts in Xinfeng in early 2014 on the fruit blossom and the effect of high temperatures and drought in Xinfeng area during the period from September to December 2014 resulting in water scarcity for irrigation, which affected the size of fruit as well as production volume of the winter orange crop.

The production yield of summer oranges in Hepu Plantation decreased by 61.4% from 49,540 tonnes last year to 19,132 tonnes this year, due to the previously stated reasons.

317,839 orange trees infected with Huanglongbing disease were removed in Xinfeng Plantation, which will result in decreased production yield, in particular for the upcoming harvest of winter oranges.

CAPITAL STRUCTURE

As at 30 June 2015, there were 1,249,637,884 shares in issue. Based on the closing price of HK$1.72 as at 30 June 2015, the market capitalisation of the Company was approximately HK$2,149.4 million (GBP176.7 million).

HUMAN RESOURCES

The Group had a total of 1,960 employees (excluding directors) as at 30 June 2015 (2014: 1,746 employees), and the staff costs for the year ended 30 June 2015 were approximately RMB149.2 million (2014: RMB143.0 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

	Year ended/As at	
	30 June 2015	30 June 2014
Current ratio (x)	**10.83**	21.84
Quick ratio (x)	**8.16**	19.18
Asset turnover (x)	**0.18**	0.20
Adjusted core net loss per share (RMB)	**-0.44**	-0.04
Basic loss per share (RMB)	**-0.98**	-1.48
Net debt to equity (%)	**Net cash**	Net cash

Liquidity

The current ratio and quick ratio were 10.83 and 8.16 respectively. Despite the fall in these ratios from the prior year, the liquidity of the Group remained healthy with sufficient reserves for both current operation and future development.

Profitability

The asset turnover of the Group was approximately 0.18 (2014: 0.20) for the year ended 30 June 2015.

The basic loss per share for the year ended 30 June 2015 was approximately RMB0.98 (2014: RMB1.48).

The adjusted core net loss per share for the year ended 30 June 2015 was approximately RMB0.44 (2014: RMB0.04).

Debt ratio

The net cash position of the Group was approximately RMB937.6 million as at 30 June 2015 (2014: RMB1,804.7 million).

Internal cash resource

The Group's funding resource comprises internal cash and cash equivalents. The Group did not have any outstanding borrowings as at 30 June 2015.

Charge on assets and contingent liabilities

Except for certain farmland infrastructure and machinery with aggregate value of approximately RMB719,000, none of the Group's assets were pledged and the Group did not have any material contingent liabilities as at 30 June 2015.

Capital commitments

As at 30 June 2015, the Group had capital commitments of approximately RMB43.5 million, mainly in relation to the construction of the farmland infrastructure in Hepu Plantation and 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 exposure 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 exchange 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 (i) approximately 46,000 mu (equivalent to approximately 30.7 sq.km.) located in the Hepu County of the Guangxi Zhuang Autonomous Region, Hepu Plantation, (ii) approximately 56,000 mu (equivalent to approximately 37.3 sq.km.) in the Xinfeng County of the Jiangxi province, Xinfeng Plantation, and (iii) 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 approximately 1.2 million orange trees as at 30 June 2015. 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 crop of banana trees was harvested during July 2015 to September 2015. The production volume and the average selling price of bananas are expected to be 5,930 tonnes and RMB3,146 per tonne respectively. The financial results of banana harvest will be recognised in the financial year of 2016.

Xinfeng Plantation

Xinfeng Plantation comprises approximately 1.3 million winter orange trees as at 30 June 2015. During the year, 317,839 winter orange trees suffering from Huanglongbing disease were removed and 2,563 orange trees were replanted.

Hunan Plantation

Hunan Plantation is fully planted and comprises approximately 1.05 million summer orange trees and approximately 750,320 grapefruit trees as at 30 June 2015. The first harvest of oranges trees is expected in 2016.

The tables below set out the age profile as at 30 June 2015 and the production yield of the plantations for the year ended 30 June 2015:

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	239	–	–	64,194	239
6	81,261	922	–	–	81,261	922
7	76,135	1,451	–	–	76,135	1,451
8	55,185	509	–	–	55,185	509
18	29,996	788	–	–	29,996	788
19	128,966	3,406	–	–	128,966	3,406
20	186,003	5,428	–	–	186,003	5,428
21	223,741	6,389	–	–	223,741	6,389
	975,514	19,132	1,049,875	–	2,025,389	19,132

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 crop of banana trees was harvested during July 2015 to 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)
0	–	–	2,563	–	2,563	–
8	–	–	390,124	25,525	390,124	25,525
9	–	–	283,287	25,571	283,287	25,571
10	46,077	1,680	314,272	25,308	360,349	26,988
12	180,180	4,383	294,478	27,443	474,658	31,826
13	42,300	1,083	–	–	42,300	1,083
	268,557	7,146	1,284,724	103,847	1,553,281	110,993
Total					4,550,759	130,125

The tables below set out the age profile as at 30 June 2014 and the production yield of the plantations for the year ended 30 June 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)
2	66,449	–	622,475	–	688,924	–
3	63,584	–	427,400	–	490,984	–
4	64,194	666	–	–	64,194	666
5	81,261	2,844	–	–	81,261	2,844
6	76,135	4,087	–	–	76,135	4,087
7	55,185	3,656	–	–	55,185	3,656
17	29,996	1,860	–	–	29,996	1,860
18	128,966	8,824	–	–	128,966	8,824
19	186,003	12,540	–	–	186,003	12,540
20	223,741	15,063	–	–	223,741	15,063
	975,514	49,540	1,049,875	–	2,025,389	49,540

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	–	–	422,160	–	422,160	–
1	–	–	301,200	–	301,200	–
	–	–	723,360	–	723,360	–

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

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					4,617,306	197,467

VALUATION OF BIOLOGICAL ASSETS

Qualification of valuer

The Group engaged LCH (Asia-Pacific) Surveyors Limited (the "Valuer"), an independent valuer, to perform a valuation on the fair value of the orange trees less costs to sell as at 30 June 2015.

The Valuer is a firm of qualified professional surveyors and international valuation consultants with over 20 years of valuation experience. The Valuer has staff who are members of the Hong Kong Institute of Surveyors ("HKIS") with recent experience in the valuation of biological assets. The project leader of the Valuer (the "Project Leader") in charge of this valuation exercise has been involved in the provision of similar services for over 8 years and is a member of the HKIS. The Project Leader is also a valuer on the "List of Property Valuers for Undertaking Valuation for Incorporation of Reference in Listing Particulars and Circular and Valuations in Connection with Takeovers and Mergers" published by the HKIS. After due consideration of the experience and credentials of the Valuer, the Directors of the Company are satisfied that the Valuer is competent to assess the valuation of the Group's biological assets. Further, after reasonable enquiry with the Directors of the Company, the Directors of the Company are satisfied that the Valuer is independent from the Directors of the Company.

Physical inspection of biological assets

The Valuer conducted physical field inspection at the respective sites in relation to the biological assets in May 2015 and July 2015 to verify the physical existence and quality of the biological assets. Random sampling on every subzone has been conducted to check the reasonableness of the quantities in the subzone. The Valuer measured the tree spacing and counted the tree numbers on an area of, on a when and where appropriate basis, 50m x 50m in the sampling points. In every subzone, 3 to 8 sampling points (depending on the area of the subzone) were selected while in each sampling point, 10 to 20 trees were selected for detailed tree study. A total of 675 sample trees in Hepu Plantation and Xinfeng Plantation have been studied.

Valuation methodology

The valuations of the Group's orange trees were calculated using discounted cash flow technique. The market-derived discount rate applied to the discounted cash flow model is based on Capital Asset Pricing Model. The 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 orange trees.

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 and related production costs. The values of such variables were determined by the Valuer using information supplied by the Group, as well as proprietary and third-party data, as follows:

1) The discount rate applied for the year ended 30 June 2015 was 18.0% (2014: 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. Comparable listed companies which engage in similar agricultural or fruit businesses have been referred to when determining the 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 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 year ended 30 June 2015, the wholesale prices per tonne of winter and summer oranges from Hepu Plantation and winter oranges from Xinfeng Plantation adopted were RMB2,310, RMB3,620 and RMB3,180 respectively (2014: RMB3,270, RMB5,150 and RMB3,110 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 (2014: RMB5,320, RMB7,030 and RMB5,180 respectively). The market prices are assumed to increase by 3.0% per annum, taking into account the historical inflation rate in the PRC.

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 Valuer for the year ended 30 June 2015:

	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)	(92,833)	(242,833)	(382,833)

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 year ended 30 June 2015:

	5.0% Decrease	Base Case	5.0% Increase
Change in fair value of biological assets (RMB'000)	(372,833)	(242,833)	(102,833)

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 30 June 2015 used to calculate the changes in fair value of orange trees less costs to sell for the year ended 30 June 2015:

	5.0% Decrease	Base Case	5.0% Increase
Change in fair value of biological assets (RMB'000)	(502,833)	(242,833)	17,167

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 30 June 2015:

	5.0% Decrease	Base Case	5.0% Increase
Change in fair value of biological assets (RMB'000)	(92,833)	(242,833)	(392,833)

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 Valuer, the aggregate value of the orange trees in Hepu Plantation and Xinfeng Plantation as at 30 June 2015 was estimated to be approximately RMB780 million (2014: RMB1,080 million).

DIRECTORS AND SENIOR MANAGEMENT PROFILE

EXECUTIVE DIRECTORS

Mr. NG Ong Nee, *Chairman, Chief Executive Officer and a member of the Remuneration Committee*

Mr. Ng Ong Nee, aged 62, joined the Board on 3 March 2014 as an Executive Director and was appointed as the Chairman of the Board on 4 August 2015. He is also a director of several subsidiaries of the Company. He is responsible for the overall strategic planning and direction of the Group. He has over 30 years of commercial and managerial experience in a variety of businesses and industries, including, in particular, strategic management, biological business and capital markets. Before joining the Company, he worked as the chief executive officer for a number of companies with multi-national businesses and investments. He has been responsible for leading, developing and executing the overall strategy and the day-to-day operations. He has been an Executive Committee member of the Chinese Enterprises Investment Association since 2013 and he was the vice president of the Hong Kong Australia Investment Association between 2007 and 2012. He was also a past president of the Shenzhen-Hong Kong Business Association between 2006 and 2009.

Mr. NG Hoi Yue, *Deputy Chief Executive Officer*

Mr. Ng Hoi Yue, aged 51, joined the Board on 15 March 2013 as an Independent Non-executive Director and was re-designated as an Executive Director on 4 August 2015. He is also a director of two subsidiaries of the Company. He is an associate member of The Institute of Chartered Accountants in England and Wales and a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants in England. He has been practising as a certified public accountant in Hong Kong since 1989. He is currently an independent non-executive director of See Corporation Limited (stock code: 491) and Imperial Pacific International Holdings Limited (stock code: 1076), the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "HKEx"). He was an independent non-executive director of Landing International Development Limited (stock code: 582), the shares of which are listed on the HKEx, between 26 November 2010 and 2 October 2013.

Mr. TONG Hung Wai, Tommy, *Vice Chairman, Sales and Marketing Director*

Mr. Tong Hung Wai, Tommy, aged 46, is the co-founder of the Group. He was appointed as an Executive Director and the Vice Chairman of the Company on 18 November 2003 and 3 March 2014, respectively. He is also a director of several subsidiaries of the Company. He is responsible for sales and marketing of the Group and has approximately 14 years of experience in marketing and business management with the Group. He obtained a bachelor of business degree in international business from Queensland University of Technology, Australia. He is the son of Mr. Tong Wang Chow, the Honorary Chairman and a shareholder of the Company.

Mr. CHEUNG Wai Sun, *Executive Director*

Mr. Cheung Wai Sun, aged 56, joined the Board on 18 November 2003. He is also a director of several subsidiaries of the Company. He has over 10 years of extensive knowledge and experience in agricultural business in the PRC. He was a member of the Chinese People's Political Consultative Conference Guangdong Province Meizhou Municipal Committee and a general committee member of the Hong Kong Federation of Guangdong Hakka Associations.

Mr. PANG Yi, *Deputy General Manager of the Hepu Plantation*

Mr. Pang Yi, aged 46, joined the Group in 2000 as the Deputy General Manager of the Hepu Plantation and was appointed as an Executive Director on 16 June 2005. He is also a director of several subsidiaries of the Company. He is responsible for the Group's overall operation and management in the PRC. He obtained a bachelor's degree in plantation economic management from the Northwest Sci-Tech University of Agriculture and Forestry in 1995. He had been appointed by the Guangxi Foreign Trade and Economic Cooperation Department as investment service supervisor of Guangxi Zhuang Autonomous Region from 2002 to 2005.

Mr. NG Cheuk Lun, *Chief Financial Officer*

Mr. Ng Cheuk Lun, aged 38, joined the Company in July 2011 as the financial controller of the Company and was appointed as the Chief Financial Officer and an Executive Director of the Company on 3 March 2014 and 24 November 2014, respectively. He was the Company Secretary of the Company between 1 July 2013 and 3 August 2015. He is responsible for overseeing accounting, finance and treasury functions of the Group as well as investor relations. He is a member of Hong Kong Institute of Certified Public Accountants and CPA Australia and he has extensive experiences in the areas of finance, accounting, auditing and risk management before joining the Group. He is also a director of MN CPA Limited and an independent non-executive director of Mayer Holdings Limited (stock code: 1116), the shares of which are listed at the Main Board of the HKEx.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. CHUNG Koon Yan, *Chairman of the Audit Committee and the Remuneration Committee*

Mr. Chung Koon Yan, aged 51, joined the Board on 12 November 2013. He obtained a master's degree in Professional Accounting from the Hong Kong Polytechnic University. He is a practising member of the Hong Kong Institute of Certified Public Accountants, a fellow member of both The Association of Chartered Certified Accountants and The Institute of Chartered Accountants in England and Wales. He is a director of Chiu, Choy & Chung C.P.A. Limited and has more than 20 years of experience in accounting, auditing and taxation. Currently, he is an independent non-executive director of Great World Company Holdings Limited (stock code: 8003) and Synergy Group Holdings Limited (Stock code: 8105), the shares of which are listed on the Growth Enterprise Market of the HKEx. He was an independent non-executive director of China Financial Leasing Group Limited (stock code: 2312), Landsea Green Properties Co., Limited (stock code: 106) and Well Way Group Limited (stock code: 8063), the shares of which are listed on the Main Board/ Growth Enterprise Market of the HKEx. He has the professional qualifications and accounting expertise as required under Rule 3.10(2) of the Rules Governing the Listing of Securities on the HKEx (the "Hong Kong Listing Rules").

Dr. LUI Ming Wah, *SBS JP, a member of the Audit Committee*

Dr. Lui Ming Wah, SBS JP, aged 77, joined the Board on 2 June 2004. He is an industrialist serving as the honorary chairman, the president and the honorary president of the Hong Kong Electronic Industries Association, Hong Kong Shandong Chamber of Commerce and The Chinese Manufacturers Association of Hong Kong, respectively. He was a member of the Chinese People's Political Consultative Conference. He was elected as a member of the Legislative Council of Hong Kong in May 1998 for a term of two years. In the 2000 and 2004 Legislative Council elections, he was re-elected for a term of four years each. He is an adviser professor of Shandong University. He obtained his master of science and doctor of philosophy degrees from the University of New South Wales in Australia and the University of Saskatchewan in Canada, respectively. He is currently the managing director of Keystone Electronics Co. Limited and an independent non-executive director of a number of other companies, the shares of which are listed on the Main Board/Growth Enterprise Market of the HKEx, including AV Concept Holdings Limited (stock code: 595), Gold Peak Industries (Holdings) Limited (stock code: 40), S.A.S. Dragon Holdings Limited (stock code: 1184), Glory Mark Hi-Tech (Holdings) Limited (stock code: 8159) and L.K. Technology Holdings Limited (stock code: 558).

Mr. YANG Zhen Han, *a member of the Audit Committee*

Mr. Yang Zhen Han, aged 83, joined the Board on 2 June 2004. He obtained a bachelor's degree in chemical engineering from Shanghai Jiao-Tong University in 1953. He is a machine-building specialist with over 30 years of experience. He was a director of the Foreign Economic Relations and Trade Commission of Shanghai Municipality, responsible for the international trade and foreign investment affairs of Shanghai from 1983 to 1985. In addition, He was a member of Guangzhou Chinese People's Political Consultative Conference from 2002 to 2007.

Mr. HO Wai Leung, *a member of the Remuneration Committee*

Mr. Ho Wai Leung, aged 44, joined the Board on 12 November 2013. He obtained a bachelor's degree in business accounting from the University of Lincolnshire and Humberside. He is a fellow member of the Association of Chartered Certified Accountants in England and an associate member of the Hong Kong Institute of Certified Public Accountants. He has extensive experience in accounting, auditing, risk management and financial reporting areas. He is the one of the founders and director of Softec Digital (Hong Kong) Limited, a software development company with business interests in South East Asia. In addition, he is also a director of Torch Consultants Limited and Chedington Properties Limited.

SENIOR MANAGEMENT

Mr. HUANG Xin, aged 60, is a director of BPG Food and Beverage Holdings Limited. He is also a director of several subsidiaries of the Company. He is responsible for the overall business management and operations of the Group's processed fruit business. He has over 10 years of experience in the processing of tropical fruit juice business and related products. He obtained a bachelor's degree in Arts from Guangxi University in 1982 and a master's degree in Laws from Minzu University of China in 1997. He is a vice president of the China Beverage Industry Association Juice Branch. He was appointed as the general manager of Beihai Perfuming Garden Juice Company Limited in 2000 and Hepu Perfuming Garden Food Company Limited in 2005, respectively.

Mr. MAN Guifu, aged 55, is a director of BPG Food and Beverage Holdings Limited, and was responsible for the daily operation and management of the Group's processed fruit business. He is also a director of several subsidiaries of the Company. He has over 10 years of experience in the processing of tropical fruit juice business and related products. He was appointed as the deputy general manager in Beihai Perfuming Garden Juice Company Limited in 2000 and Hepu Perfuming Garden Food Company Limited in 2005, respectively.

Madam ZHAO Li Na, aged 56, is the financial controller of the Hepu Plantation. She joined the Group in January 2003 and has over 20 years of experience in the financial management and accounting field in the PRC.

Mr. XIAN Jia Xu, aged 51, is the assistant general manager of the Hepu Plantation. He joined the Group in January 2000. He obtained his bachelor's degree in agriculture from the University of Guangxi in 1986 and has worked for Tropicana China Beihai Food Company Limited. He has over 15 years of experience in agricultural and cultivation management.

Mr. ZHONG Kun He, aged 51, joined the Group in March 2000 and is the executive controller of the Xinfeng Plantation. He graduated from the Zhanjiang Agriculture Professional School specializing in fruits tree management. He previously worked for Tropicana China Beihai Food Company Limited which was the original owner of the Hepu Plantation. He has over 20 years of experience in agricultural and cultivation management.

Mr. WU Feng, aged 46, joined the Group in August 2007 and is the deputy general manager of the Hunan Plantation. He graduated from Zhanjiang Agriculture Professional School specialising in fruits tree management. Prior to joining the Group, he has worked in various agricultural companies in the PRC responsible for plantation management. He has over 10 years of experience in agricultural and cultivation management.

Dr. WANG Shaoke, aged 63, joined the Group in April 2006 and is the chief scientist of the Group. He obtained the degree of Doctor of Philosophy (Agronomy) at Colorado State University in the United States of America (the "USA") in 1987. He is a Faculty Affiliate of the Department of Soil and Crop Sciences at Colorado State University in the USA. He was a Chief Scientist of China Agricultural Development (Hong Kong) Ltd from 1997 to 2006, which has developed a large-scale new citrus farm of grapefruits, limes, oranges and many new healthy crops in Southern China. He has been active in the international scientific activities. He was appointed by the International Barley Genetic Committee as an International Coordinator for the barley Chromosome 2 and served in that position from 1990 to 1992. He has also authored numerous papers in the scientific journals published in the USA, Germany, Canada, Japan, Italy and the PRC. He is an honorary professor of the Inner-Mongolian Academy of Agricultural Sciences and the Xinjiang Academy of Agricultural Sciences in the PRC. He has been invited to the PRC to give lecture and give scientific advices during the past 20 years.

Ms. NG Ling Ling, aged 43, joined the Company in December 2013 as the financial controller of the fruit processing business of the Company and was appointed as the Company Secretary on 3 August 2015. She is responsible for overseeing accounting and finance functions of the Group. She holds a Master's degree in Professional Accounting from the Hong Kong Polytechnic University. She is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants. She has many years of experience in accounting, financial reporting and company secretarial matters in companies listed on HKEx.

The directors of the Company (the "Directors") are pleased to present their report on the affairs of the Company, together with the audited consolidated financial statements of the Company and its subsidiaries (the "Group") and the independent auditor's report, for the year ended 30 June 2015.

PRINCIPAL ACTIVITIES

The Company is an exempted company incorporated under the laws of Bermuda with limited liability on 4 June 2003. The principal activities of the Group are planting, cultivation and sale of agricultural produce, manufacture and sale of fruit juice concentrates, fruit purees and frozen fruit and vegetables. The Group currently owns and operates three orange plantations and three processing plants in the PRC.

BUSINESS REVIEW

A review of the Group's performance, business activities and development is included in the Chairman's Statement and the Management Discussion and Analysis on pages 6 to 21 of this annual report.

RESULTS

The loss attributable to shareholders for the year is set out in the Consolidated Statement of Profit or Loss on page 52.

DIVIDENDS

The Directors do not recommend the payment of a final dividend for the year ended 30 June 2015 (2014: Nil).

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 107.

RESERVES

Details of the movements in the reserves of the Group and of the Company during the year are set out in the Consolidated Statement of Changes in Equity on page 57 and Note 26(a) to the Consolidated Financial Statements respectively. As at 30 June 2015, the Company's reserves available for distribution amounted to approximately RMB3,943,097,000 (2014: RMB3,955,632,000).

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment during the year are set out in Note 15 to the Consolidated Financial Statements.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Bye-laws of the Company, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

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 listed securities during the year ended 30 June 2015.

SHARE CAPITAL

Details of the share capital of the Company are set out in Note 26(b) to the Consolidated Financial Statements.

DIRECTORS

The Directors of the Company during the year and up to the date of this report are set out below:

Directors

Executive Directors
Mr. Ng Ong Nee *(Chairman and Chief Executive Officer)*
Mr. Ng Hoi Yue *(Deputy Chief Executive Officer)* (re-designated on 4 August 2015)
Mr. Tong Hung Wai, Tommy *(Vice Chairman)*
Mr. Cheung Wai Sun
Mr. Pang Yi
Mr. Ng Cheuk Lun *(Chief Financial Officer)* (appointed on 24 November 2014)

Independent Non-executive Directors ("INEDs")
Mr. Ng Hoi Yue (during the year and up to 3 August 2015)
Mr. Chung Koon Yan
Dr. Lui Ming Wah, SBS JP
Mr. Yang Zhen Han
Mr. Ho Wai Leung

Change in the Composition of the Board and other positions of Directors

Changes in the composition of the Board during the year ended 30 June 2015 and up to the date of this report are as follows:

Mr. Ng Cheuk Lun was appointed as an Executive Director of the Company with effect from 24 November 2014.

With effect from 4 August 2015:

(a) Mr. Ng Hoi Yue was re-designated from an INED to an Executive Director and resigned as the Non-executive Chairman of the Board; and

(b) Mr. Ng Ong Nee was appointed the Chairman of the Board.

Changes in other positions of the Directors during the year ended 30 June 2015 and up to the date of this report are as follows:

With effect from 3 August 2015:

(a) Mr. Ng Cheuk Lun resigned as the Secretary of the Company and an authorised representative of the Company under the Hong Kong Listing Rules (the "LR Representative"); and

(b) Mr. Ng Ong Nee was appointed as a LR Representative.

With effect from 4 August 2015:

(a) Mr. Tong Hung Wai, Tommy resigned as a LR Representative, and an authorised representative (the "CO Representative") of the Company for accepting service of process and notices in Hong Kong on behalf of the Company under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "Companies Ordinance");

(b) Mr. Ng Hoi Yue was appointed as the Deputy Chief Executive Officer of the Company, a LR Representative and a CO Representative and resigned as the chairman and a member of the Audit Committee and the Remuneration of the Company;

(c) Mr. Chung Koon Yan was appointed as the chairman of the Audit Committee and the Remuneration Committee; and

(d) Dr. Lui Ming Wah, SBS JP was appointed as a member of the Audit Committee.

Rotation

In accordance with bye-law 87(2) of the Company's Bye-laws (the "Bye-Laws"), any Director appointed by the Board to fill a casual vacancy or as an addition to the existing Board shall hold office until the first general meeting of shareholders after his appointment or until the next following AGM of the Company and be subject to re-election at such meeting. Accordingly, Mr. Ng Cheuk Lun will retire from office at the forthcoming AGM and will not offer himself for re-election.

In accordance with bye-Laws 88(1) and 88(2) of the Bye-laws, one-third of the Directors (other than those appointed pursuant to bye-law 87(2) of the Bye-Laws) shall retire from office by rotation and, being eligible, offer themselves for election. Accordingly, Mr. Cheung Wai Sun, Mr. Pang Yi and Mr. Yang Zhen Han will retire from office at the forthcoming AGM. Mr. Yang Zhen Han, being eligible, has offered himself for re-election. Mr. Cheung Wai Sun and Mr. Pang Yi will not offer themselves for re-election.

Accordingly, Mr. Cheung Wai Sun , Mr. Pang Yi and Mr. Ng Cheuk Lun will retire as Executive Directors with effect from the conclusion of the forthcoming AGM. The Board would like to express its gratitude to Mr. Cheung Wai Sun, Mr. Pang Yi and Mr. Ng Cheuk Lun for their contributions over the years.

Mr. Yang Zhen Han has served as an INED for more than 9 years. Pursuant to code provision A.4.3 of the Corporate Governance Code set out in Appendix 14 of the Hong Kong Listing Rules, his further re-election will be subject to a separate resolution to be approved by the shareholders.The Board, taking into account the fact that the Group has no financial, business, family nor other material relationship with Mr. Yang Zhen Han other than his directorship in the Company, considers that he is still independent and should be eligible for re-election.

Details of the Directors' service contracts and appointment letters are described in the "Corporate Governance Report" on page 40 of this annual report.

Save as disclosed above, none of the Directors proposed for re-election at the forthcoming AGM has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

The Company has received from each of the INEDs an annual confirmation of his independence in writing pursuant to Rule 3.13 of the Hong Kong Listing Rules and the Board considers them to be independent.

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

As at 30 June 2015, the interests or short positions of the Directors and the Chief Executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong (the "SFO")) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were notified to the Company and the HKEx, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), 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 the Company's total issued share capital
Mr. Ng Ong Nee	Share options	–	–	–	1,600,000 *(Note 1)*	1,600,000	0.13%
Mr. Tong Hung Wai, Tommy	Share options	–	–	–	2,150,000 *(Note 2)*	2,150,000	0.17%
Mr. Cheung Wai Sun	Share options	–	–	–	1,910,000 *(Note 3)*	1,910,000	0.15%
Mr. Pang Yi	Ordinary shares/ Share options	452,043	–	–	5,260,000 *(Note 4)*	5,712,043	0.46%
Mr. Ng Cheuk Lun	Share options	–	–	–	800,000 *(Note 5)*	800,000	0.06%
Dr. Lui Ming Wah, SBS JP	Share options	–	–	–	500,000 *(Note 6)*	500,000	0.04%
Mr. Yang Zhen Han	Share options	–	–	–	500,000 *(Note 7)*	500,000	0.04%

Notes:

(1) 1,600,000 shares would be allotted and issued to Mr. Ng Ong Nee, the Chairman, an Executive Director and Chief Executive Officer 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 30 June 2015, were exercisable at the subscription price of HK$1.47 per share during the period from 21 May 2016 to 20 May 2019.

On 13 July 2015, Changjiang Tyling Management Company Limited, a company in which Mr. Ng Ong Nee has 50% ownership, purchased 179,252,394 shares in the Company. Please refer to the paragraph headed "Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares" for more details.

(2) 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 dealing 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 30 June 2015, were exercisable at the subscription price of GBP0.139 per share during the period from 15 October 2009 to 2 August 2015. These share options were lapsed on 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 the Post Listing Share Option Scheme. These share options, all of which remained exercisable as at 30 June 2015, were exercisable at the subscription price of HK$5.68 per share during the period from 27 May 2011 to 26 May 2018.

800,000 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 the Post Listing Share Option Scheme. These share options, all of which remained exercisable as at 30 June 2015, were exercisable at the subscription price of HK$1.47 per share during the period from 21 May 2016 to 20 May 2019.

(3) 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 30 June 2015, were exercisable at the subscription price of GBP0.139 per share during the period from 15 October 2009 to 2 August 2015. These share options were lapsed on 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 30 June 2015, were exercisable at the subscription price of HK$5.68 per share during the period from 27 May 2011 to 26 May 2018.

800,000 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 30 June 2015, were exercisable at the subscription price of HK$1.47 per share during the period from 21 May 2016 to 20 May 2019.

(4) 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 30 June 2015, were exercisable at the subscription price of GBP0.112 per share during the period from 3 August 2006 to 2 August 2015. These share options were lapsed on 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 30 June 2015, were exercisable at the subscription price of GBP0.139 per share during the period from 15 October 2009 to 2 August 2015. These share options were lapsed on 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 30 June 2015, were exercisable at the subscription price of HK$5.68 per share during the period from 27 May 2011 to 26 May 2018.

(5) 800,000 shares would be allotted and issued to Mr. Ng Cheuk Lun, an Executive Director and Chief Financial Officer 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 30 June 2015, were exercisable at the subscription price of HK$1.47 per share during the period from 21 May 2016 to 20 May 2019.

(6) 500,000 shares would be allotted and issued to Dr. Lui Ming Wah, SBS JP, 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 30 June 2015, were exercisable at the subscription price of HK$5.68 per share during the period from 27 May 2011 to 26 May 2018.

(7) 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 30 June 2015, 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 30 June 2015 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 30 June 2015, 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%
Desmarais Andre *(Note 3)*	74,703,000	Trustee	5.98%
Desmarais Jacqueline *(Note 3)*	74,703,000	Trustee	5.98%
Desmarais Jr. Paul *(Note 3)*	74,703,000	Trustee	5.98%
Fortin Guy *(Note 3)*	74,703,000	Trustee	5.98%
Plessis-Belair Michel *(Note 3)*	74,703,000	Trustee	5.98%
Nordex Inc. *(Note 4)*	74,703,000	Interest of controlled corporation	5.98%
Gelco Enterprises Ltd. *(Note 4)*	74,703,000	Interest of controlled corporation	5.98%
Power Corporation of Canada *(Note 4)*	74,703,000	Interest of controlled corporation	5.98%
Power Financial Corporation *(Note 4)*	74,703,000	Interest of controlled corporation	5.98%
IGM Financial Inc. *(Note 4)*	74,677,000	Interest of controlled corporation	5.97%
The Bank of New York Mellon *(Note 5)*	72,837,374	Beneficial owner	5.83%
The Bank of New York Mellon Corporation *(Note 5)*	72,837,374	Interest of controlled corporation	5.83%

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.

On 13 July 2015, Changjiang Tyling Management Company Limited ("Changjiang Tyling") had completed the off-market purchase of 179,252,394 shares in the Company (the "Share Purchase"), representing approximately 14.34% of the total issued share capital of the Company, from Market Ahead. Immediately after the Share Purchase, Market Ahead held 58,442,973 shares of the Company, representing approximately 4.68% of the total issued share capital of the Company.

Changjiang Tyling is a company established under the laws of the British Virgin Islands and owned as to 50% by Mr. Ng Ong Nee, the Company's Chairman, Executive Director and Chief Executive Officer, and 50% by a third party independent to the Company and its connected persons.

(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) 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 74,703,000 shares owned by the said trust.

(4) Mackenzie Financial Corporation whose entire issued share capital is owned by Mackenzie Inc. beneficially owned 74,677,000 shares. Mackenzie Inc. is wholly-owned by IGM Financial Inc. which in turn is owned as to 59.54% by Power Financial Corporation.

Power Financial Corporation is owned as to 65.59% by 171263 Canada Inc. which in turn is wholly-owned by Power Corporation of Canada. Power Corporation of Canada is owned as to 53.44% by Gelco Enterprises Ltd. which in turn is 94.95% owned by Nordex Inc.

Great-West Lifeco Inc. which is owned as to 71.12% 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 74,677,000 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.

(5) The entire issued share capital of The Bank of New York Mellon is held by The Bank of New York Mellon Corporation. The Bank of New York Mellon Corporation is deemed to be interested in 72,837,374 shares held by The Bank of New York Mellon by virtue of the SFO.

(6) The Company had issued share capital of 1,249,637,884 shares on 30 June 2015.

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

Share Option Scheme

The Company adopted the Share Option Scheme on 29 June 2005 which enables the Company to grant options to such employees, including directors, who are required to devote substantially the whole of their working time to the Company or any of its participating subsidiaries as the relevant committee of the Board shall direct. No purpose of the Share Option Scheme has been specified therein.

In general, no option may be granted under the Share Option Scheme if, as a result, the aggregate number of the shares in the capital of the Company issued and issuable pursuant to options granted under the Share Option Scheme, or under any other employee's share plan adopted by the Company in general meeting would in any period of 10 years exceed 10% of the issued ordinary share capital of the Company from time to time. In any year an eligible employee may not be granted options under the Share Option Scheme and any other share option plans established by the Company over the shares in the capital of the Company worth more on the date of grant than a maximum of 200% of such employee's annual remuneration.

The exercise of options granted is restricted so that the grantee may, under the Share Option Scheme, only exercise 10% of the shares in the capital of the Company subject to the option for each year that the option is held. The option would therefore only be capable of exercised in full 10 years from the date of grant. An option will not normally be exercisable before the expiry of one year from the date of grant. No consideration is payable for the grant of an option.

The exercise price at which options may be exercised is determined by a committee of the Board (the "Committee") and will not be less than greater of (i) the nominal value of a share if the shares in the capital of the Company are to be subscribed; and (ii) at any time when the shares in the capital of the Company are admitted to trading on the AIM, the average middle-market quotations of a share in the capital of the Company as derived from the AIM Appendix to the Daily Official List on the dealing day immediately preceding the date of grant of an option (or if the Committee so determines, the average of such quotations for the three dealing days immediately preceding the date of grant of an option) provided that such dealing days must fall within the grant period.

The Share Option Scheme was terminated with effect from the listing on the Main Board of the HKEx on 26 November 2009. No further options may be granted under the Share Option Scheme after such termination but the provisions of the Share Option Scheme will continue to apply to options granted before such termination.

As at the date of this report, there are no share options outstanding under the Share Option Scheme since 7,520,000 options granted under the Share Option Scheme have been lapsed on 2 August 2015.

Post Listing Share Option Scheme

The Post Listing Share Option Scheme became effective on 26 November 2009. The purpose of the Post Listing Share Option Scheme is to reward participants who have contributed to the Group and to provide incentives to participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole.

The Board may, at its discretion and on such terms as it may think fit, grant option to any participant, including directors (including executive directors, non-executive directors and independent non-executive directors) and full time employees of the Group and any advisers, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters or service providers of any member of the Group who the Board considers, in its sole discretion, have contributed or will contribute to the development and growth of the Group.

The total number of Shares which may be issued upon exercise of all options to be granted under the Post Listing Share Option Scheme must not exceed 77,055,980 Shares, representing 10 per cent. of the Shares in issue upon listing of the Company on the Main Board of the HKEx. The total number of the Shares issued and to be issued upon exercise of the options granted to each grantee under the Post Listing Share Option Scheme (including both exercised and outstanding options) in any 12-month period shall not exceed 1 per cent. of the Shares in issue for the time being unless approval from the shareholders of the Company in general meeting is obtained with such grantee and his/her/its associates abstaining from voting.

The exercisable period of an option under the Post Listing Share Option Scheme will be notified by the Board to each participant which shall not exceed 10 years from the date upon which the option is deemed to be granted and accepted. The Board will determine the minimum period, which shall be no less than one year, for which an option must be held before it becomes exercisable. The grantee is not required to pay any consideration for acceptance of the options.

The subscription price for the Shares payable on the exercise of an option shall be a price determined by the Board at its absolute discretion and notified to a participant and shall be no less than the highest of (i) the closing price of the Shares as stated in the daily quotations sheet issued by the HKEx on the date of grant, which must be a business day; (ii) the average closing price of the Shares as stated in the daily quotation sheets issued by the HKEx for the five business days immediately preceding the date of grant; or (iii) the nominal value of the Shares.

The Post Listing Share Option Scheme will remain valid for a period of 10 years commencing from 26 November 2009.

As at the date of this report, the total number of Shares available for issue under the Post Listing Share Option Scheme shall be 76,634,000, representing approximately 6.13 per cent. of the entire issued share capital of the Company.

Further details regarding the principal terms of each 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 year ended 30 June 2015 are as follows:

Name or Category of participants	Balance as at 1 July 2014	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding as at 30 June 2015	Date of grant	Exercisable period	Exercise price per share	Weighted average closing price
	Number of Underlying Shares comprised in Options								
Directors/Chief Executive									
Mr. Ng Ong Nee	–	1,600,000	–	–	1,600,000	21/5/2015	21/5/2016–20/5/2019	HKD1.47	–
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	–
	–	800,000	–	–	800,000	21/5/2015	21/5/2016–20/5/2019	HKD1.47	–
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	–
	–	800,000	–	–	800,000	21/5/2015	21/5/2016–20/5/2019	HKD1.47	–
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	–
Mr. Ng Cheuk Lun	–	800,000	–	–	800,000	21/5/2015	21/5/2016–20/5/2019	HKD1.47	
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	–
	–	23,000,000	–	–	23,000,000	21/5/2015	21/5/2016–20/5/2019	HKD1.47	
	61,044,000	27,000,000	–	3,890,000	84,154,000				

* These share options were lapsed on 2 August 2015.

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 year ended 30 June 2015 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.

DIRECTORS' RIGHT TO ACQUIRE SHARES

Save as disclosed in this report, at no time during the year was the Company, or any of its holding companies, its subsidiaries or its fellow subsidiaries a party to any arrangement to enable the Directors and Chief Executive of the Company (including their spouses and children under 18 years of age) to hold any interest or short positions in the shares or underlying shares in, or debentures of, the Company or its associated corporation (with the meaning of Part XV of the SFO).

RETIREMENT BENEFIT SCHEMES

Information on the Group's retirement benefit schemes is set out in Notes 2(q)(i) and 10(b) to the Consolidated Financial Statements.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and within the knowledge of the Directors, at least 25% of the issued shares in the Company were held by the public (i.e. the prescribed public float applicable to the Company under Rule 8.08 of the Hong Kong Listing Rules) during the year and up to the date of this annual report.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTEREST IN CONTRACTS

Apart from the information disclosed under the section headed "Connected Transactions" below, there was no other contract of significance in relation to the Company's business, to which the Company or any of its subsidiaries was a party, subsisted at the end of the year or at any time during the year, and in which the Directors had direct or indirect material interest, nor was there any other contract of significance in relation to the Company's business between the Company or any of the Company's subsidiaries and a controlling shareholder or any of its subsidiaries.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the year ended 30 June 2015, none of the Directors were interested in any business which competed or was likely to compete directly or indirectly with the Company's business.

CONNECTED TRANSACTIONS

Details of the significant related party transactions undertaken in the ordinary course of business are provided under Note 31 to the Consolidated Financial Statements. The transaction stated below constitutes continuing connected transaction as defined in Chapter 14A of the Hong Kong Listing Rules.

On 3 March 2014, the Company entered into a business consultant contract (the "Business Consultant Contract") with Mr. Tong Wang Chow for a term of three years from 3 March 2014 to 2 March 2017 (both days inclusive) whereby Mr. Tong Wang Chow agreed to provide advisory services to the Group taking into account his knowledge and experience in the field of the plantation and food industry and his knowledge on the Group's business and affairs. Mr. Tong Wang Chow will be entitled to an annual consultancy fee of HK$1,950,000 payable on a monthly basis.

Mr. Tong Wang Chow was an Executive Director of the Company from 18 November 2003 to 3 March 2014. He was appointed as the Honorary Chairman of the Company on 3 March 2014 and was also deemed to be a substantial shareholder of the Company. As at 30 June 2015, Mr. Tong Wang Chow held 240,365,367 ordinary shares of the Company representing approximately 19.23% of the total issued shares in the Company, including (i) 320,000 shares of the Company; (ii) interest in certain options entitling him to subscribe for a total of 2,350,000 shares of the Company; and (iii) deemed interest in 237,695,367 shares of the Company held by Market Ahead, which is beneficially owned by Mr. Tong as to 76%. Accordingly, Mr. Tong Wang Chow is a connected person of the Company under the Hong Kong Listing Rules and the entering into of the Business Consultant Contract and the transactions contemplated thereunder (the "Transaction") constitute a continuing connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

During the year ended 30 June 2015, the annual total consultancy fee paid to Mr. Tong Wang Chow was HK$1,950,000 (2014: HK$590,000).

The Directors (including the Independent Non-executive Directors) have reviewed the continuing connected transaction of the Company and confirmed that it was (i) entered into in the ordinary and usual course of business of the Group; (ii) on normal commercial terms; and (iii) entered into in accordance with the relevant agreements regulating these transactions and on terms that are reasonable and fair and are in the interests of the shareholders of the Company as a whole.

The Company's independent auditor was engaged to report on the Company's continuing connected transaction in accordance with the Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by Hong Kong Institute of Certified Public Accountants. The independent auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transaction disclosed above by the Company in accordance with the Hong Kong Listing Rules 14A.56.

MAJOR CUSTOMERS AND SUPPLIERS

Sales to the Group's five largest customers accounted for approximately 10.9% of the Group's total sales for the year and sales to the Group's largest customer amounted to approximately 3.5%.

Purchases from the Group's five largest suppliers accounted for approximately 43.2% of the Group's total purchases for the year and purchases from the Group's largest supplier amounted to approximately 13.3%.

At any time during the year, none of the Directors, their associates or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had an interest in any of the Group's five largest customers or suppliers.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

COMMUNICATIONS WITH SHAREHOLDERS

The Board attaches great importance to maintaining good relationships with its shareholders. Extensive information about the Company's activities is included in the annual and interim reports, which will be sent to all shareholders. Inside information is regularly released to all shareholders and the market concurrently in accordance with the Hong Kong Listing Rules and the AIM Rules. The AGM will provide an opportunity for all shareholders to communicate with and to question the Board on any aspect of the Group's activities. All announcements will be posted to the corporate website (www.asian-citrus.com) where information on the Company is regularly updated.

The executives of the Company meet regularly with institutional investors, fund managers and analysts, as part of an active investor-relations program to discuss long-term issues and receive feedback.

CORPORATE GOVERNANCE

A report on the Company's corporate governance practices is set out on pages 40 to 49 of this annual report.

EMOLUMENT POLICY

As at 30 June 2015, the Group had 1,960 employees, compared to 1,746 employees in the previous financial year.

The Company has set up the Remuneration Committee and its functions and duties are, amongst other matters, to review and approve the overall remuneration policy of the Group as well as to recommend to the Board the remuneration packages for Executive Directors and senior management.

The remuneration policy and package of the Group's employees are structured by reference to market terms in all localities in which the Group operates, for the purpose of recruiting and retaining suitable talents. The Group also provides other employee benefits such as, discretionary bonuses, mandatory provident fund contributions and a share option scheme to the employees.

Details of the Directors' emoluments and individuals with the highest emoluments are set out in Notes 12 and 13 to the Consolidated Financial Statements and on pages 45 to 47 of the Corporate Governance Report.

EVENTS AFTER THE REPORTING PERIOD

Details of significant events after the reporting period are provided in Note 33 to the Consolidated Financial Statements.

REVIEW OF THE FINAL RESULTS BY AUDIT COMMITTEE

The Audit Committee has reviewed with the management and the Company's independent auditor the accounting principles and practices adopted by the Group and has discussed auditing, internal control and financial reporting matters, including the review of the audited consolidated financial statements of the Group for the year ended 30 June 2015.

INDEPENDENT AUDITOR

The financial statements were audited by Baker Tilly Hong Kong Limited which will retire at the forthcoming AGM. A resolution will be proposed at such meeting to re-appoint Baker Tilly Hong Kong Limited as independent auditor of the Company and authorise the Board to fix its remuneration.

By order of the Board

Ng Ong Nee
Executive Director

30 September 2015

Ng Cheuk Lun
Executive Director

30 September 2015

The information set out on pages 40 to 49 and the information incorporated by reference constitutes the Corporate Governance Report of the Company.

The Company is committed to the implementations of good corporate governance practices and procedures.

During the year ended 30 June 2015, the Directors, where practicable, for an organisation of the Group's size and nature sought to adopt the two corporate governance codes 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 and covers 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 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 for the year ended 30 June 2015 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 current 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 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 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 the 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 is 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 has also adopted the Model Code as its own code of conduct for dealings in its securities. Following a specific enquiry made to 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 year ended 30 June 2015.

BOARD OF DIRECTORS

The Board meets regularly during the year and the Directors receive information between meetings about the activities of the Group. All Directors have full and timely access to all relevant information of the Group. In addition to the meetings of the Board, the senior management also communicates frequently to review and discuss the daily operation of the Group.

Board Composition

The Board comprised of six Executive Directors and four INEDs. Each of the Executive Directors has a wealth of agricultural and managerial experience and all the INEDs have a wealth of experience in finance and corporate development. The Directors are satisfied that the composition of the Board meets the objective of ensuring the Company's management is effectively performed. This diversity of experiences enables the Board to enhance good corporate governance and performance standards and to bring in valuable contributions and objective advice for the development of the Group.

Responsibilities of the Board

The Board formulates the long term strategies of the Group and is responsible for leading the Group in the areas of management, research and innovation as well as financial performance. There is a clear division of responsibilities between the Board and management. Decisions delegated by the Board to the management include implementation of the policy and direction determined by the Board, monitoring the business operation, preparation of financial statements, corporate governance and compliance with applicable laws and regulations.

The Bye-Laws of the Company set out the responsibilities and proceedings of the Board. Significant operational policies have to be discussed and approved by the Board. To enable the Directors to meet their obligations, an appropriate organisational structure is in place with clearly defined responsibilities and limits of authority.

Board Diversity Policy

The Board has adopted the board diversity policy with effect from 1 September 2013 and discussed all measurable objectives set for implementing the policy.

The Company recognises and embraces the benefits of diversity of Board members. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.

Board Meetings

During the year ended 30 June 2015, 4 meetings of the Board and 1 general meeting had been held and the attendance records of the Directors are as follows:

	Number of meetings attended	
	Board meetings	General meeting
Executive Directors		
Mr. Ng Ong Nee *(Chairman) (Note 1)*	4 out of 4	1 out of 1
Mr. Ng Hoi Yue *(Note 2)*	4 out of 4	1 out of 1
Mr. Tong Hung Wai, Tommy	4 out of 4	0 out of 1
Mr. Cheung Wai Sun	4 out of 4	0 out of 1
Mr. Pang Yi	4 out of 4	0 out of 1
Mr. Ng Cheuk Lun *(Note 3)*	3 out of 3	N/A
INEDs		
Mr. Chung Koon Yan	4 out of 4	1 out of 1
Dr. Lui Ming Wah, SBS JP	4 out of 4	1 out of 1
Mr. Yang Zhen Han	4 out of 4	0 out of 1
Mr. Ho Wai Leung	4 out of 4	0 out of 1

Notes:

1. Mr. Ng Ong Nee was an Executive Director during the year ended 30 June 2015 and was subsequently appointed as the Chairman of the Board on 4 August 2015.

2. Mr. Ng Hoi Yue was the Non-executive Chairman of the Board during the year ended 30 June 2015 and was subsequently re-designated from an INED to an Executive Director on 4 August 2015.

3. Mr. Ng Cheuk Lun was appointed as an Executive Director on 24 November 2014 after the annual general meeting held on 21 November 2014.

The Board is scheduled to meet at least four times a year at approximately quarterly intervals with notice given to the Board of Directors at least 14 days in advance. For additional Board meetings which require discussion and resolution of significant issues arising during the operation of the Company, notice is given at a reasonable time in advance. Before each Board meeting, a draft agenda is sent out to all Directors at least three days or such other period as agreed in advance in order to allow the Directors to include any other matters in the agenda that is required for discussion and resolution at the meeting. To enable the Directors to make informed decisions, Board papers together with all appropriate and relevant information in relation to the matters of the meeting are sent to all Directors three days or such other period as agreed before each Board meeting. The Company Secretary is responsible for keeping the minutes of all Board meetings. Draft minutes are normally circulated to the Directors for comments within a reasonable time after each meeting and the final version is open for the Directors' inspection. Minutes of meetings of the Board and the Board committees record in detail the matters considered and the decisions reached, including any concerns raised by the Directors or dissenting views expressed. According to the Hong Kong Listing Rules, any Directors and their respective close associates (as defined in the Hong Kong Listing Rules) who have a conflict of interest or with a material interest in the transactions to be discussed at the physical Board meetings will abstain from voting on resolutions approving such transactions and will not be counted in the quorum of meetings.

Profiles of the Directors are set out on pages 22 to 25 of this annual report. Save as disclosed, none of the Directors has any relationship including financial, business, family or other material relationship with each other.

All Directors have access to the advice and services of the Company's legal advisors and the Company Secretary who is responsible for ensuring that all Board procedures are followed. Any Director may take independent professional advice at the Company's expense in the furtherance of his duties.

DIRECTORS' INDUCTION AND CONTINUING PROFESSIONAL DEVELOPMENT

Each newly appointed Director receives a formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure a proper understanding of the Company's operations and business and full awareness of the Director's responsibilities under the statues and common law, the Hong Kong Listing Rules, legal and other regulatory requirements and the Company's business and governance policies.

During the year under review, all Directors were provided with written materials to develop and refresh their professional skills and the latest development of applicable laws, rules and regulations for the directors to assist them in discharging their duties as well as monthly commentary on the Group's business, operations and financial matters.

Mr. Ng Hoi Yue, Mr. Ng Cheuk Lun, Mr. Chung Koon Yan and Mr. Ho Wai Leung also attended seminars during the year.

All Directors have confirmed that they have fulfilled the continuous professional development requirement during the year ended 30 June 2015. All Directors have provided a record of training they received during the year ended 30 June 2015 to the Company.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

During the year ended 30 June 2015, Mr. Ng Hoi Yue was the Non-executive Chairman of the Board and Mr. Ng Ong Nee was the Chief Executive Officer of the Company.

INEDs

In compliance with Rules 3.10(1) and 3.10A of the Hong Kong Listing Rules, there are four INEDs representing more than one-third of the Board. Among the four INEDs, at least one has appropriate professional qualification in accounting or related financial management expertise as required by Rule 3.10(2) of the Hong Kong Listing Rules.

Subsequent to 30 June 2015, Mr. Ng Hoi Yue was re-designated from an INED to an Executive Director and was appointed as the Deputy Chief Executive Officer of the Company on 4 August 2015. With effect from the same date, Mr. Ng Hoi Yue has also resigned as the Non-executive Chairman of the Board.

The Company has received from each of its INEDs a written confirmation of his independence pursuant to Rule 3.13 of the Hong Kong Listing Rules. The Company, based on such confirmations, considers Mr. Chung Koon Yan, Dr. Lui Ming Wah, SBS JP, Mr. Yang Zhen Han and Mr. Ho Wai Leung are independent.

All INEDs have entered into letters of appointment with the Company for a term of three years. Under the Bye-Laws of the Company, any director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting after his appointment and be subject to re-election at such meeting by the shareholders. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following AGM and shall then be eligible for re-election. Apart from this, one-third of the directors, including the non-executive directors, for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one third) are subject to retirement by rotation and re-election at each AGM in accordance with the Bye-Laws and prescribed by the Hong Kong Listing Rules provided that every Director shall be subject to retirement by rotation once every three years.

BOARD COMMITTEES

The Board was responsible for performing the corporate governance functions of the Company. The Board has established two committees, namely the Remuneration Committee and the Audit Committee, with specific responsibilities as set out in their respective terms of reference.

Corporate Governance Functions

The Board has adopted the terms of reference for corporate governance functions set out in the Code. The Board is responsible for performing the corporate governance functions and has reviewed the Company's policies and practices on corporate governance.

Remuneration Committee

The Remuneration Committee has adopted the approach under code provision B.1.2(c)(i) of the Code to determine and review the scale and structure of the Executive Directors' remuneration and terms of their service agreements. It also determines the entitlements of the Directors and the employees of the Group under the share option schemes of the Company. During the year ended 30 June 2015, the members of the Remuneration Committee comprised Mr. Ng Hoi Yue, Mr. Ng Ong Nee, Mr. Chung Koon Yan, and Mr. Ho Wai Leung and Mr. Ng Hoi Yue was the chairman.

The Group's remuneration policy provides competitive rewards for its Executive Directors and senior executives. The policy takes into account the Group's performance, the individual performance and the prevailing remuneration packages of the markets in which the Group operates. The Remuneration Committee aims to attract, retain and motivate high-caliber individuals with competitive remuneration packages.

The remuneration package provides a balance between fixed and variable rewards. Therefore, remuneration packages for Directors and senior executives normally include basic salary, discretionary bonuses, benefits and share options.

Salaries and benefits are reviewed annually and are set to reflect the responsibilities, knowledge, skill and experience of the individual.

During the year, the Remuneration Committee has duly discharged the responsibility mentioned above. 3 meetings had been held by the Remuneration Committee during the year ended 30 June 2015. The attendance records of each of the Remuneration Committee member are as follows:

Remuneration Committee members	Number of meetings attended
Mr. Chung Koon Yan *(Chairman) (Note 4)*	3 out of 3
Mr. Ng Hoi Yue *(Note 5)*	3 out of 3
Mr. Ng Ong Nee	3 out of 3
Mr. Ho Wai Leung	3 out of 3

Notes:

4. Mr. Chung Koon Yan was a member of the Remuneration Committee during the year ended 30 June 2015 and was subsequently appointed as the chairman on 4 August 2015.

5. Mr. Ng Hoi Yue was the chairman of the Remuneration Committee during the year ended 30 June 2015 and subsequently resigned as the chairman and a member on 4 August 2015.

SERVICE CONTRACTS

The following Executive Directors have entered into service agreements and supplements to service agreements with the Company, details of which are set out below:

Name of Executive Directors	Commencement date of service agreement/ supplement to service agreement	Remuneration per annum HKD
Mr. Ng Ong Nee	3 March 2014	1,560,000
Mr. Ng Hoi Yue *(re-designated from INED to Executive Director on 4 August 2015)*	4 August 2015	1,430,000
Mr. Tong Hung Wai, Tommy	17 November 2012	1,105,000
Mr. Cheung Wai Sun	17 November 2012	780,000
Mr. Pang Yi	17 November 2012	1,300,000
Mr. Ng Cheuk Lun	24 November 2014	1,170,000

The following INEDs have entered into letters of appointment and supplements to letter of appointment in connection with services to be provided to the Company, details of which are set out below:

Name of INEDs	Commencement date of appointment	Term (years)	Directors' fee per annum HKD
Mr. Ng Hoi Yue *(Note 6)*	15 March 2013	3	240,000
Mr. Chung Koon Yan	12 November 2013	3	240,000
Dr. Lui Ming Wah, SBS JP	17 November 2012	3	240,000
Mr. Yang Zhen Han	17 November 2012	3	240,000
Mr. Ho Wai Leung	12 November 2013	3	240,000

Note 6: The letter of appointment was terminated on 4 August 2015.

EMOLUMENTS OF DIRECTORS AND SENIOR MANAGEMENT

Directors	Salaries, bonus and benefits for the year ended 30 June 2015 RMB'000
Executive Directors	
Mr. Ng Ong Nee,	1,461
Mr. Tong Hung Wai, Tommy	1,048
Mr. Cheung Wai Sun	755
Mr. Pang Yi	1,190
Mr. Ng Cheuk Lun (appointed on 24 November 2014)	714
INEDs	
Mr. Ng Hoi Yue	216
Mr. Chung Koon Yan	216
Dr. Lui Ming Wah, SBS JP	216
Mr. Yang Zhen Han	216
Mr. Ho Wai Leung	216

Pursuant to code provision B.1.5 of the Code, the annual remuneration for the year ended 30 June 2015 of the members of the senior management (other than the above Directors) whose particulars are contained in the section headed "Director and Senior Management Profile" in this annual report by band is set out below:

Remuneration band*	Number of individuals
Less than RMB1 million *(Note 7)*	8
RMB1 million or more but not exceeding RMB2 million	1
	9

* rounding to the nearest RMB in million

Notes:

7. The 8 individuals include Mr. Ng Cheuk Lun and Mr. Liu Geng Feng. Mr. Ng Cheuk Lun was appointed as an Executive Director of the Company on 24 November 2014 and Mr. Liu Geng Feng was the head of the Group's research and development team and he retired in May 2015.

Share option scheme and Post Listing Share Option Scheme

Details of the share option scheme are shown on pages 34 to 36 of this annual report.

AUDIT COMMITTEE

The Audit Committee has the primary responsibility for monitoring the quality of internal control and ensuring that the financial performance of the Company is properly measured and reported on, receiving and reviewing reports from management and the external auditors relating to the annual and interim financial statements, and monitoring the accounting and internal control systems in use throughout the Group. During the year ended 30 June 2015, the members of the Audit Committee comprised Mr. Ng Hoi Yue, Mr. Chung Koon Yan and Mr. Yang Zheng Han and Mr. Ng Hoi Yue was the chairman.

During the year, the Audit Committee has duly discharged the responsibility mentioned above. There were 4 meetings held by the Audit Committee during the year ended 30 June 2015. The attendance records of each of the Audit Committee member are shown in the table below:

Audit Committee members	Number of meetings attended
Mr. Chung Koon Yan *(Chairman) (Note 8)*	4 out of 4
Mr. Ng Hoi Yue *(Note 9)*	4 out of 4
Mr. Yang Zhen Han	4 out of 4
Dr. Lui Ming Wah, SBS JP *(Note 10)*	0 out of 0

Notes:

8. Mr. Chung Koon Yan was a member of the Audit Committee during the year ended 30 June 2015 and was subsequently appointed as the chairman on 4 August 2015.

9. Mr. Ng Hoi Yue was the chairman of the Audit Committee during the year ended 30 June 2015 and subsequently resigned as the chairman and a member on 4 August 2015.

10. Dr. Lui Ming Wah, SBS JP was appointed as a member of the Audit Committee on 4 August 2015.

INDEPENDENT AUDITOR'S REMUNERATION

For the year ended 30 June 2015, the remuneration in respect of audit services provided by the independent auditor of the Company, Baker Tilly Hong Kong Limited, amounted to RMB2,070,000 and no non-audit service was provided by it.

DIRECTORS' AND AUDITOR'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Board acknowledges its responsibility to prepare the Group's financial statements for each financial period to give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing the financial statements for the year ended 30 June 2015, the Board has selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the financial statements on a going concern basis. The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors must keep proper accounting records, which disclose, with reasonable accuracy at any time, the financial position of the Group and the Company. The Directors must ensure that the financial statements comply with applicable laws and follow the International Financial Reporting Standards.

The reporting responsibility of the external auditor of the Company on the consolidated financial statements of the Company for the year ended 30 June 2015 is set out in the Independent Auditor's Report on pages 50 to 106 of this annual report.

INTERNAL CONTROL

The Directors acknowledge their responsibility for the Group's systems of internal controls and for reviewing their effectiveness. These internal controls are designed to safeguard the assets of the Company and to ensure the reliability of financial information for both internal use and external publication. Since the Company was formed, the Directors are satisfied that, given the current size and activities of the Company, adequate internal controls have been established. Whilst they are aware that no system can provide absolute assurance against material misstatement or loss, in light of increased activity and further development of the Company, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.

The Company engaged a major accounting firm to act as an internal control consultant to conduct independent review on specific areas of the internal control system of the Group for the year ended 30 June 2015 and submitted its report to the Audit Committee and the Board. No significant weaknesses in internal controls were found during the independent review.

COMPANY SECRETARY

The Company Secretary of the Company is responsible for facilitating the Board, as well as communications among the Board members, with shareholders and management. Mr. Ng Cheuk Lun was the Company Secretary during the year ended 30 June 2015. Mr. Ng Cheuk Lun subsequently resigned as Company Secretary on 3 August 2015 and Ms. Ng Ling Ling was appointed to the position of Company Secretary on the same day. Mr. Ng Cheuk Lun has fulfilled professional training requirement for the year ended 30 June 2015.

SHAREHOLDERS' RIGHTS

According to the Bye-laws of the Company, shareholder(s) holding at the date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall at all times has/have the right, by written requisition sent to the Board or Company Secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition.

Shareholder(s) of the Company holding (i) not less than one-twentieth of the total voting rights of all shareholders having the right to vote at the general meeting; or (ii) not less than 100 shareholders, can submit a written request to the Company Secretary of the Company stating the resolution intended to be moved at the general meeting or a statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at a particular general meeting.

As regards proposing a person for election as a director, the procedures are available on the websites of the Company.

The above procedures are subject to the Company's Bye-Laws, the Bermuda Companies Act 1981 and applicable legislation and regulation (as amended from time to time). Shareholders who have enquiries about the above procedures or have enquiries to be put to the Board or have proposals to be put forward at general meetings may write to the Company Secretary of the Company at the principal place of business in Hong Kong at Rooms 1109-1111, Wayson Commercial Building, 28 Connaught Road West, Hong Kong.

CONSTITUTIONAL DOCUMENTS

There was no change in the constitutional documents during the year.

BAKER TILLY
HONG KONG | 天職香港

TO THE SHAREHOLDERS OF ASIAN CITRUS HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Asian Citrus Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 52 to 106, which comprise the consolidated statement of financial position as at 30 June 2015 and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and the disclosure requirements of Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 90 of the Companies Act of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

BASIS FOR QUALIFIED OPINION

During the year ended 30 June 2015, the Group recorded purchases of fertilisers from an enterprise in the People's Republic of China (the "Supplier") with a reported value of RMB104,317,000 and a corresponding recorded trade payable balance with a carrying amount of RMB24,800,000 as at 30 June 2015.

We note that the Supplier's business registration is not currently included in the records of the State Administration for Industry & Commerce of the People's Republic of China. Consequently, we performed appropriate additional audit procedures to ascertain the occurrence and commercial substance of the recorded transactions and the existence and valuation of the recorded trade payable balance.

We were unable to obtain sufficient appropriate audit evidence relating to the recorded purchases from the Supplier and the corresponding recorded trade payable because (a) we were unable to obtain adequate appropriate documentary audit evidence to satisfy ourselves of the identity of the Supplier and the recorded recipient of the Group's payments for the recorded purchases; (b) we were unable to obtain satisfactory documentary audit evidence to explain how the Supplier was able to conduct the recorded transactions with and receive the recorded payments from the Group while not possessing a valid business licence; and (c) there were no alternative audit procedures that we could perform to satisfy ourselves as to whether the recorded purchases referred to above and trade payable balance of the Supplier were free from material misstatement or whether any adjustments to these recorded purchases or balance may be necessary.

Any adjustments found to be necessary would have an effect on the Group's trade payables and the current portion of biological assets as at 30 June 2015, the Group's cost of sales and consequently the loss and cash flows for the year ended 30 June 2015, and the disclosures relating to those items in the consolidated financial statements.

QUALIFIED OPINION

In our opinion, except for the possible effects of the matters described in the basis for qualified opinion section, the consolidated financial statements give a true and fair view of the state of the affairs of the Company and of the Group as at 30 June 2015, and of the Group's loss and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Baker Tilly Hong Kong Limited
Certified Public Accountants
Hong Kong, 30 September 2015

Tong Wai Hang
Practising Certificate Number P06231

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2015

	Note	2015 RMB'000	2014 RMB'000
Turnover	7	962,727	1,271,171
Cost of sales		(1,381,565)	(1,137,241)
Gross (loss)/profit		(418,838)	133,930
Other income	8	28,363	37,604
Change in fair value of biological assets	18	(242,833)	(923,857)
Selling and distribution expenses		(37,734)	(45,339)
General and administrative expenses		(134,448)	(143,481)
Other operating expenses	9	(418,442)	(895,159)
Loss from operations		(1,223,932)	(1,836,302)
Finance costs	10(a)	(67)	(144)
Loss before income tax	10	(1,223,999)	(1,836,446)
Income tax expense	11	–	–
Loss for the year		(1,223,999)	(1,836,446)
Attributable to			
Equity shareholders of the Company		(1,222,371)	(1,839,179)
Non-controlling interests		(1,628)	2,733
		(1,223,999)	(1,836,446)
		RMB	*RMB*
Loss per share	14		
– Basic		(0.978)	(1.483)
– Diluted		(0.978)	(1.483)

Details of dividends are disclosed in note 26(c).

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2015

	2015 RMB'000	2014 RMB'000
Loss for the year	(1,223,999)	(1,836,446)
Other comprehensive loss for the 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	(7)	(7)
Total comprehensive loss for the year	(1,224,006)	(1,836,453)
Attributable to		
Equity shareholders of the Company	(1,222,378)	(1,839,186)
Non-controlling interests	(1,628)	2,733
	(1,224,006)	(1,836,453)

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015

	Note	2015 RMB'000	2014 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	2,253,506	2,305,246
Land use rights	16	74,625	76,178
Construction-in-progress	17	49,430	76,039
Biological assets	18	1,332,482	1,406,801
Intangible assets	19	51,091	53,715
Deposits	20	11,012	1,443
Goodwill	21	–	303,883
		3,772,146	4,223,305
Current assets			
Biological assets	18	264,300	214,971
Properties for sale	22	–	–
Inventories	23	106,033	57,387
Trade and other receivables	24	194,607	155,172
Cash and cash equivalents	25	937,571	1,804,742
		1,502,511	2,232,272
Total assets		5,274,657	6,455,577
EQUITY AND LIABILITIES			
Equity			
Share capital	26(b)	12,340	12,340
Reserves		5,009,497	6,225,165
Total equity attributable to equity shareholders of the Company		5,021,837	6,237,505
Non-controlling interests		113,525	115,153
		5,135,362	6,352,658

The accompanying notes form part of these consolidated financial statements.

At 30 June 2015

	Note	2015 RMB'000	2014 RMB'000
Non-current liabilities			
Obligations under finance leases	28	596	719
Current liabilities			
Trade and other payables	29	138,576	102,087
Obligations under finance leases	28	123	113
		138,699	102,200
Total liabilities		139,295	102,919
Total equity and liabilities		5,274,657	6,455,577
Net current assets		1,363,812	2,130,072
Total assets less current liabilities		5,135,958	6,353,377

Approved and authorised to issue by the Board of Directors on 30 September 2015.

Ng Ong Nee
Director

Ng Cheuk Lun
Director

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2015

	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	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	–	–	–	–	–	(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	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 form part of these consolidated financial statements.

For the year ended 30 June 2015

	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 2014	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 year ended 30 June 2015:										
Loss for the year	–	–	–	–	–	–	(1,222,371)	(1,222,371)	(1,628)	(1,223,999)
Exchange differences on translation of financial statements of foreign operations	–	–	–	–	–	(7)	–	(7)	–	(7)
Total comprehensive loss for the year	–	–	–	–	–	(7)	(1,222,371)	(1,222,378)	(1,628)	(1,224,006)
Transfer from statutory reserve	–	–	–	–	(57,202)	–	57,202	–	–	–
	–	–	–	–	(57,202)	(7)	(1,165,169)	(1,222,378)	(1,628)	(1,224,006)
Share-based payments	–	–	–	6,710	–	–	–	6,710	–	6,710
Share options lapsed	–	–	–	(3,193)	–	–	3,193	–	–	–
	–	–	–	3,517	(57,202)	(7)	(1,161,976)	(1,215,668)	(1,628)	(1,217,296)
At 30 June 2015	12,340	3,698,234	(4,473)	131,381	136,625	(101)	1,047,831	5,021,837	113,525	5,135,362

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 the unexercised share options recognised in accordance with the accounting policy adopted for share-based payments in note 2(q)(ii).

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 reserve is dealt with in accordance with accounting policy set out in note 2(u).

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2015

	Note	2015 RMB'000	2014 RMB'000
Cash flows from operating activities			
Loss before income tax		**(1,223,999)**	(1,836,446)
Adjustments for:			
Interest income	8	**(28,273)**	(35,855)
Write off of biological assets	9	**114,071**	–
Impairment of goodwill	9	**303,883**	853,378
Impairment of property, plant and equipment	9	**–**	15,690
Impairment of biological assets	9	**–**	11,802
Impairment of properties for sale	9	**–**	5,830
Finance costs	10(a)	**67**	144
Share-based payments	10(b)	**6,710**	10,131
Amortisation of land use rights	10(c)	**1,553**	1,521
Amortisation of intangible assets	10(c)	**10,824**	10,748
Depreciation of property, plant and equipment	10(c)	**201,098**	181,378
Write off of inventories	10(c)	**9,072**	22,577
Write off of trade and other receivables	10(c)	**2,717**	–
Loss on disposals of property, plant and equipment	10(c)	**1,905**	12,192
Change in fair value of biological assets	18	**242,833**	923,857
Operating (loss)/profit before working capital changes		**(357,539)**	176,947
Movements in working capital elements:			
Biological assets		**(80,579)**	(14,675)
Inventories		**(57,718)**	(39,687)
Trade and other receivables		**(42,152)**	(86,857)
Trade and other payables		**36,482**	(2,310)
Net cash (used in)/generated from operating activities		**(501,506)**	33,418
Cash flows from investing activities			
Proceeds from disposals of property, plant and equipment		**14,425**	7,434
Purchases of property, plant and equipment		**(51,396)**	(18,967)
Purchase of land use right		**–**	(4,998)
Additions to construction-in-progress		**(86,240)**	(200,888)
Deposits paid for acquisition of property, plant and equipment		**(11,012)**	(1,443)
Net additions to biological assets		**(251,335)**	(162,157)
Additions to intangible assets		**(8,200)**	–
Interest received		**28,273**	35,855
Net cash used in investing activities		**(365,485)**	(345,164)

The accompanying notes form part of these consolidated financial statements.

	Note	2015 RMB'000	2014 RMB'000
Cash flows from financing activities			
Proceeds from issue of new shares upon exercises of share options		–	14,362
Repayments of obligations under finance leases		(113)	(105)
Dividends paid		–	(38,849)
Finance costs paid		(67)	(144)
Net cash used in financing activities		(180)	(24,736)
Net decrease in cash and cash equivalents		(867,171)	(336,482)
Cash and cash equivalents at beginning of year		1,804,742	2,141,224
Cash and cash equivalents at end of year	25	937,571	1,804,742

Major non-cash transactions

During the year, purchases of property, plant and equipment included an amount of RMB1,443,000 (2014: RMB84,303,000) transferred from non-current deposits.

The accompanying notes form part of these consolidated financial statements.

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 Company's registered office 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 and manufacture and sale of fruit juice concentrates, fruit purees, frozen fruits and vegetables.

Details of subsidiaries as at 30 June 2015 and 2014 are as follows:

Name	Place of incorporation/ establishment	Place of operation	Nominal value of issued and paid up capital	Percentage of equity interest attributable to the Group 2015	2014	Principal activities
Directly held:						
Access Fortune Investments Limited	British Virgin Islands ("BVI")	Hong Kong	USD1	100%	100%	Investment holding
A-One Success Limited	BVI	Hong Kong	USD1	100%	100%	Investment holding
Newasia Global Limited	BVI	Hong Kong	USD100,100	100%	100%	Investment holding
Raised Energy Investments Limited	BVI	Hong Kong	USD1	100%	100%	Investment holding
Indirectly held:						
Asian Citrus Management Company Limited	BVI	Hong Kong	USD1	100%	100%	Proprietor and licensor of the Group's intellectual property rights
Asian Citrus (H.K.) Company Limited	Hong Kong	Hong Kong	HKD1	100%	100%	General commercial and leasing of properties
ACH Green Trees Holdings Limited	Hong Kong	Hong Kong	HKD10,000	100%	100%	Not commenced business yet
Beihai Perfuming Garden Juice Co., Ltd.	PRC	PRC	RMB226,800,000	92.94%	92.94%	Trading of fruit juice concentrates, manufacture and sale of frozen fruits and vegetables
Beihai Super Fruit Co., Ltd	PRC	PRC	RMB3,000,000	92.94%	92.94%	Trading of condensed fruit juice
BPG Food & Beverage Holdings Ltd.	Cayman Islands	Hong Kong	HKD1,000	100%	100%	Investment holding

1 GENERAL INFORMATION *(continued)*

Name	Place of incorporation/ establishment	Place of operation	Nominal value of issued and paid up capital	Percentage of equity interest attributable to the Group 2015	2014	Principal activities
Indirectly held: *(continued)*						
Chance Lead Holdings Limited	Hong Kong	Hong Kong	HKD1	100%	100%	Investment holding
Fame Zone Limited	BVI	Hong Kong	USD1	100%	100%	Investment holding
Hepu Perfuming Garden Food Co., Ltd.	PRC	PRC	RMB34,000,000	92.94%	92.94%	Manufacture and sale of fruit juice concentrates, fruit purees and others
Litian Biological Sciences & Technology Development (Xinfeng) Company Limited	PRC	PRC	USD15,000,000	100%	100%	Planting, cultivation and sale of oranges
Lucky Team Biotech Development Yongzhou Limited	PRC	PRC	USD10,000,000	100%	100%	Planting, cultivation and sale of oranges
Lucky Team Biotech Development (Hepu) Limited	PRC	PRC	RMB284,850,000	100%	100%	Planting, cultivation and sale of oranges
Lucky Team Industrial (Ganzhou) Company Limited	PRC	PRC	USD10,000,000	100%	100%	Development of orange processing centre
Lucky Team (Hepu) Agriculture Development Limited	PRC	PRC	HKD28,000,000	100%	100%	Development of nursery
Tianyang Perfuming Garden Food Industrial Co., Ltd.	PRC	PRC	HKD78,000,000	100%	100%	Manufacture and sale of frozen fruits and others
Top Honest Holdings Limited	BVI	Hong Kong	USD1	100%	100%	Investment holding
Wealth Elite Investments Limited	Hong Kong	Hong Kong	HKD1	100%	100%	Investment holding

All subsidiaries established in the PRC are wholly foreign-owned enterprises.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs"), which comprise International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations, issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee, and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the HKEx and the AIM Rules.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

(b) Basis of preparation of the consolidated financial statements

These consolidated financial statements are presented in Renminbi ("RMB"), the functional currency of the Group, rounded to the nearest thousand, unless otherwise stated. They have been prepared under the historical cost convention, except that certain biological assets are carried at their fair values as explained in the accounting policies set out in note 2(i).

The preparation of consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRSs that have significant effect on the consolidated financial statements and major sources of estimation uncertainty are discussed in note 4.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(c) Subsidiaries and non-controlling interest

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interest represents the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiaries' net identifiable assets.

Non-controlling interest is presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interest in the results of the Group is presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit and total comprehensive income for the year between non-controlling interest and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interest within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(k)(ii)).

(d) Goodwill

Goodwill represents the excess of

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(d) Goodwill *(continued)*

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or group of cash-generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 2(k)(ii)).

On disposal of a cash-generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 2(k)(ii)).

Depreciation of property, plant and equipment is calculated, using the straight-line basis, to write off the cost of each asset less residual value over its estimated useful life at the following principal annual rates:

Buildings	2.22% to 20%
Leasehold improvements	3.33% to 33.33%
Plant and machinery	10% to 33.33%
Furniture, fixtures and equipment	5% to 33.33%
Motor vehicles	10% to 33.33%
Farmland infrastructure and machinery	2% to 38.71%

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when the cost of the item can be measured reliably and it is probable that future economic benefits will flow to the entity. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

The gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the item and is recognised in profit or loss.

(f) Land use rights

The up-front payments made for the land use rights are amortised to profit or loss using the straight-line basis over the terms of the leases.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(g) Construction-in-progress

Construction in progress represents infrastructure and land improvements under construction, property, plant and equipment under construction and equipment pending installation, and is stated at cost less impairment losses (see note 2(k)(ii)). The cost of completed construction work is transferred to the appropriate category of property, plant and equipment. Depreciation commences when the relevant assets are available for use.

(h) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Assets that are held by Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

(ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are included in property, plant and equipment and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset, as set out in note 2(e). Impairment losses are accounted for in accordance with the accounting policy as set out in note 2(k)(ii). Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

(iii) Operating leases charges

Where the Group has the use of assets, including plantation bases, held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(i) Biological assets

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

In the absence of an active open market, self-bred saplings are stated at cost at the end of the reporting period and will be transferred to the category of infant trees upon planting at their carrying value.

The infant trees transferred from the category of self-bred saplings are stated at cost less accumulated impairment losses (see note 2(k)(ii)). Principal directly attributable costs, such as costs of fertilisers, pesticides and depreciation, incurred during the period of biological growth of infant trees are recognised as additions to biological assets until the stage such trees start bearing oranges.

Citrus trees are stated at their fair values less costs to sell, where the fair values are based on the present value of expected net cash flows from the citrus trees discounted at a current market-determined pre-tax rate.

Banana trees are stated at their fair values less costs to sell, where their fair values are determined with reference to the recent market prices of banana in similar locations and conditions.

A gain or loss arising on initial recognition of biological assets at fair value less costs to sell and from a change in fair value less costs to sell is recognised in profit or loss in the period in which it arises.

Agricultural produce harvested from the biological assets is measured at its fair value less costs to sell at the point of harvest. The fair value of agricultural produce is based on market prices of agricultural produce of similar size and weight or alternative estimates of fair value.

Biological assets that are expected to be realised in the next harvest within the next twelve months are classified under current assets.

(j) Intangible assets (other than goodwill)

(i) Research and development costs

Costs associated with research activities are charged to profit or loss as incurred. Costs associated with development activities are expensed as incurred, or recognised as intangible assets provided they meet the following recognition requirements:

– demonstration of technical feasibility of the prospective product for internal use or sale;

– there is intention to complete the intangible asset and use or sell it;

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(j) Intangible assets (other than goodwill) *(continued)*

(i) Research and development costs *(continued)*

- the Group's ability to use or sell the intangible asset is demonstrated;
- the intangible asset will generate probable economic benefits through internal use or sale;
- sufficient technical, financial and other resources are available for completion; and
- the expenditure attributable to the intangible asset can be reliably measured.

Capitalised development costs are stated at cost less accumulated amortisation and any impairment losses (see note 2(k)(ii)). Amortisation of capitalised development costs is charged to profit or loss on straight-line method over the assets' estimated useful lives of 5 to 10 years. Both the period and method of amortisation are reviewed annually. Development costs previously recognised as expenses are not recognised as an asset in the subsequent period.

(ii) Trademark

Trademark is stated at cost less accumulated amortisation and any impairment losses (see note 2(k)(ii)). Amortisation of trademark is provided on straight-line method over its estimated useful life of 10 years.

(k) Impairments

(i) Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(k) Impairments *(continued)*

(ii) Non-financial assets

The carrying amounts of the non-financial assets, other than inventories (see note 2(m)) and deferred tax assets (see note 2(r)), are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

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

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) Properties for sale

Properties under development for sale are stated at cost less impairment losses (see note 2(k)(ii)). Costs include costs of land use rights, construction costs and other direct costs attributable to such properties. On completion, the properties are reclassified to completed properties for sale at the carrying amount.

Completed properties for sale are stated at the lower of cost and net realisable value. Costs include costs of land use rights, construction costs and other direct costs attributable to such properties. Net realisable value is determined by reference to sales proceeds received after the end of the reporting period less selling expenses, or by estimates based on prevailing market condition.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(m) Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is computed using first-in, first-out method or, where appropriate, the weighted average method and includes all costs incurred in acquiring the inventories to bring them to their present location and condition. In case of manufactured inventories, cost includes direct labour and appropriate share of overheads. Net realisable value is based on anticipated sales proceeds less estimated cost of completion and selling expenses.

(n) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less allowance for impairment of doubtful debts (see note 2(k)(i)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

(o) Cash and cash equivalents

Cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and short-term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(p) Trade and other payables

Trade and other payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would not be material, in which case they are stated at cost.

(q) Employee benefits

(i) Short-term employee benefits and contributions to defined contributions retirement plans

Salaries, wages, annual bonuses, paid annual leave and contributions to defined contributions retirement plans are accrued in the year in which the associated services are rendered by employees of the Group.

The Group operates a mandatory provident fund scheme in Hong Kong for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. This scheme is a defined contribution retirement scheme administered by independent trustee. In addition, the subsidiaries in the PRC are required to participate in the defined contribution retirement schemes operated by the relevant government authorities for employees in the PRC and make contributions to the retirement schemes at certain rates of the basic salary of its employees in the PRC. Contributions to all these schemes are charged to profit or loss when incurred.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(q) Employee benefits *(continued)*

(ii) Share-based payments

The Company operates equity-settled, share-based compensation plans. The cost of share options is charged to profit or loss and the corresponding amount is recognised in the share option reserve under equity. Where the grantees are required to meet vesting conditions before they become entitled to the share options or shares, the Company recognises the fair value, determined at the grant date, of the share options or shares granted as an expense on a straight-line basis over the vesting period. If the grantees choose to exercise share options, the respective amount in the share option reserve is transferred to share capital and share premium, together with exercise price, net of any directly attributable transaction costs. At the end of each reporting period, the Company revises its estimates of the number of share options expected to vest. The impact of the revision of original estimates, if any, is recognised in profit or loss with a corresponding adjustment to the share option reserve over the remaining vesting period.

(r) Taxation

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised for the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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

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

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(r) Taxation *(continued)*

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

  - the same taxable entity; or

  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(s) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(t) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as described below.

Sales of goods, including agricultural produce and processed fruits, are recognised upon transfer of significant risks and rewards of ownership to the customer. This is usually taken to be the point in time when the goods are delivered and the customer has accepted the goods.

Interest income is recognised as it accrues using the effective interest method.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(u) Translation of foreign currencies

Transactions in foreign currencies are translated into RMB using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated into RMB at the rates ruling at the end of the reporting period. Profits and losses resulting from this translation policy are recognised in profit or loss.

In the consolidated financial statements, the results of foreign operations are translated into RMB at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Items in statements of financial position are translated into RMB at the closing foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(v) Government grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match with the costs that the grants are intended to compensate. Government grants relating to income is presented in gross under "other income" in profit or loss.

(w) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member).
- (iii) Both entities are joint venture of a third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(w) Related parties *(continued)*

(b) An entity is related to the Group if any of the following conditions applies: *(continued)*

(v) The entity is a post-employment benefit plan for the benefit of employees of either the group or an entity related to the group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealing with the entity.

(x) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the consolidated financial statements provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

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. Of these, the following developments are relevant to the Group's consolidated 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 the consolidated financial statements, the IASB has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 30 June 2015 and which have not been adopted in the consolidated financial statements. Of these developments, the following relates to matters that may be relevant to the Group's operations and consolidated 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 would have a significant impact on the Group's financial statements.

4 KEY SOURCES OF ESTIMATION UNCERTAINTY

The methods, estimates and judgements the directors used in applying the Group's accounting policies have a significant impact on the Group's financial position and operating results. Some of the accounting policies require the Group to apply estimates and judgements on matters that are inherently uncertain. The critical accounting judgements in applying the Group's accounting policies are described below.

Impairments

In considering the impairment loss that may be required for certain property, plant and equipment, biological assets, goodwill and properties for sale, recoverable amount of the asset needs to be determined. The recoverable amount is the greater of its fair value less costs of disposal and the value in use. It is difficult to precisely estimate its fair value less costs of disposal because quoted market prices for these assets may not be readily available. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to items such as level of turnover and amount of operating costs. The Group uses all readily available information in determining an amount that is reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of items such as turnover and operating costs.

Impairment losses on receivables are assessed and provided for based on the management's regular review of ageing analysis and evaluation of collectability. A considerable level of judgement is exercised by the management when assessing the credit worthiness and past collection history of each individual customer.

4 KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

Fair values of biological assets

Management estimates the fair values of biological assets less costs to sell at the end of the reporting period with reference to the recent market prices of the underlying agricultural produce or valuations from independent appraiser. Unexpected volatility in market prices of the underlying agricultural produce could significantly affect the fair values of these biological assets and result in fair value re-measurement changes in future accounting periods.

The Group's business is subject to the usual agricultural hazards from fire, wind, insects and other natural phenomena/occurrences. Forces of nature such as temperature and rainfall may also affect harvest efficiency. Management considers adequate measures are in place, in minimise negative impacts from natural disaster, if any. Nevertheless, unexpected factors affecting harvestable agricultural produce may result in re-measurement or changes in harvests in future accounting periods.

Property, plant and equipment and depreciation

Management determines the estimated useful lives and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions.

Capitalised development costs

Careful judgement by the management is applied when deciding whether the recognition requirements for capitalised development costs have been met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems at the time of recognition. Judgements are based on the best information available at the end of each reporting period. In addition, all internal activities related to the development of new product are continuously monitored by the management.

Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and applicable selling expenses. These estimates are based on the current market condition and the historical experience of selling products of similar nature. It could change significantly as a result of competitor actions in response to severe industry cycles. The Group's management reassesses the estimations at the end of each reporting period.

5 FINANCIAL RISK MANAGEMENT

Except as disclosed elsewhere in the consolidated financial statements, the Group's activities expose it to a variety of financial risks: currency risk, credit risk, liquidity risk and interest rate risk. The Group's risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Categories of financial instruments

	2015 RMB'000	2014 RMB'000
Financial assets		
Loans and receivables (including cash and cash equivalents)	1,050,784	1,860,141
Financial liabilities		
Financial liabilities at amortised cost	(138,411)	(102,479)

(b) Currency risk

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

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

(i) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

	Assets		Liabilities	
	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
HKD	3,681	5,321	1,586	1,674
USD	1,985	2,148	–	7
GBP	526	1,141	681	69

5 FINANCIAL RISK MANAGEMENT *(continued)*

(b) Currency risk *(continued)*

(ii) Sensitivity analysis

The following table indicates the approximate change in the Group's result after income tax (and retained profits) and other components of consolidated equity in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the end of the reporting period.

	2015			2014		
	Increase/ (decrease) in foreign exchange rates	Effect on loss after income tax and retained profits *RMB'000*	Effect on other components of equity *RMB'000*	Increase/ (decrease) in foreign exchange rates	Effect on loss after income tax and retained profits *RMB'000*	Effect on other components of equity *RMB'000*
HKD	10%	(208)	–	10%	(365)	–
	(10%)	208	–	(10%)	365	–
USD	10%	(198)	–	10%	(214)	–
	(10%)	198	–	(10%)	214	–
GBP	10%	16	–	10%	(107)	–
	(10%)	(16)	–	(10%)	107	–

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and had been applied to each of the group entities' exposure to currency risk for the financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the end of next annual reporting period. Results of the analysis as presented in the above table represent an aggregation of the effects on each of the group entities' result after income tax and equity measured in the respective functional currencies, translated into RMB at the exchange rate ruling at the end of the reporting period for presentation purpose. The analysis is performed on the same basis for 2014.

5 FINANCIAL RISK MANAGEMENT *(continued)*

(c) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables and cash and cash equivalents. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

The credit risk on cash and cash equivalents is limited because the counterparties are authorised banks located in the PRC and Hong Kong, which management believes are of high credit quality.

In order to minimise the credit risk on trade receivables, the Group has policies in place to ensure that sales are made to customers with appropriate credit history or in cash. In addition, the Group reviews the recoverable amount of each individual debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors consider that the Group's credit risk is significantly reduced.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk but to a lesser extent.

The maximum exposure to credit risk without taking account of any collateral held is represented by the carrying amount of each financial asset in the statements of financial position after deducting any impairment allowance.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade receivables are set out in note 24.

(d) Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and development and to mitigate the effect of fluctuations in cash flows.

The following table details the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash outflows and the earliest date the Group can be required to pay:

2015	Carrying amount *RMB'000*	Total contractual undiscounted cash outflow *RMB'000*	Within 1 year or on demand *RMB'000*	After 1 year but within 2 years *RMB'000*	After 2 years but within 5 years *RMB'000*
Trade and other payables	137,692	137,692	137,692	–	–
Obligations under finance leases	719	900	180	180	540
Total	138,411	138,592	137,872	180	540

5 FINANCIAL RISK MANAGEMENT *(continued)*

(d) Liquidity risk *(continued)*

2014	Carrying amount RMB'000	Total contractual undiscounted cash outflow RMB'000	Within 1 year or on demand RMB'000	After 1 year but within 2 years RMB'000	After 2 years but within 5 years RMB'000	After 5 years RMB'000
Trade and other payables	101,647	101,647	100,897	750	–	–
Obligations under finance leases	832	1,080	180	180	540	180
Total	102,479	102,727	101,077	930	540	180

(e) Interest rate risk

The Group's interest rate risk primarily arises from short term bank deposits. The Group's interest income is dependent on changes in market interest rates. A reasonably possible change of 100 basis points in interest rates would have no significant impact on the Group's profit or loss for the year.

(f) Fair value

The carrying amounts of the financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

6 SEGMENT INFORMATION

The Group manages its business 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 requires different business strategies. The following summary describes the operations in each of the Group's reportable segments in the year ended 30 June 2015:

- Agricultural produce – planting, cultivation and sale of agricultural produce
- Processed fruits – manufacture and sale of fruit juice concentrates, fruit purees, frozen fruits and vegetables

No inter-segment transactions incurred between the companies in the Group.

No customer accounted for 10% or more of the total revenue for both years.

As majority of the Group's non-current assets and revenue are located in/derived from the PRC, geographical information is not presented.

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.

6 SEGMENT INFORMATION *(continued)*

	Agricultural produce		Processed fruits		Total	
	2015	2014	**2015**	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
RESULTS						
Reportable segment revenue and revenue from external customers	**410,105**	733,699	**552,622**	537,472	**962,727**	1,271,171
Reportable segment results	**(844,519)**	(960,043)	**(47,853)**	12,900	**(892,372)**	(947,143)
Unallocated corporate expenses					**(333,846)**	(892,115)
Unallocated corporate other income					**2,219**	2,812
Loss before income tax					**(1,223,999)**	(1,836,446)
Income tax expense					**–**	–
Loss for the year					**(1,223,999)**	(1,836,446)
ASSETS						
Segment assets	**3,485,363**	4,294,283	**1,653,675**	1,700,650	**5,139,038**	5,994,933
Unallocated corporate assets					**135,619**	460,644
Total assets					**5,274,657**	6,455,577
LIABILITIES						
Segment liabilities	**(111,349)**	(75,748)	**(23,453)**	(22,566)	**(134,802)**	(98,314)
Unallocated corporate liabilities					**(4,493)**	(4,605)
Total liabilities					**(139,295)**	(102,919)
OTHER INFORMATION						
Additions to segment non-current assets	**66,615**	159,390	**91,658**	149,493	**158,273**	308,883
Amortisation of land use rights	**–**	–	**500**	466	**500**	466
Amortisation of intangible assets	**5,360**	5,360	**5,464**	5,388	**10,824**	10,748
Depreciation	**95,253**	78,229	**73,491**	72,560	**168,744**	150,789
Loss on disposals of property, plant and equipment	**26**	1,010	**1,879**	10,814	**1,905**	11,824
Interest income	**14,800**	20,258	**11,255**	12,786	**26,055**	33,044
Finance charges on obligations under finance leases	**67**	75	**–**	–	**67**	75
Change in fair value of biological assets	**242,833**	923,857	**–**	–	**242,833**	923,857
Impairment of biological assets	**–**	11,802	**–**	–	**–**	11,802
Impairment of property, plant and equipment	**–**	13,079	**–**	2,611	**–**	15,690
Write off of biological assets	**114,071**	–	**–**	–	**114,071**	–
Write off of inventories	**–**	–	**9,072**	22,577	**9,072**	22,577
Share-based payments	**617**	246	**5,773**	9,750	**6,390**	9,996

7 TURNOVER

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

	2015 RMB'000	2014 RMB'000
Sales of oranges	408,934	732,807
Sales of self-bred saplings	1,171	892
Sales of processed fruits	552,622	537,472
	962,727	1,271,171

8 OTHER INCOME

	2015 RMB'000	2014 RMB'000
Interest income	28,273	35,855
Government grants	30	1,744
Sundry income	60	5
	28,363	37,604

9 OTHER OPERATING EXPENSES

	2015 RMB'000	2014 RMB'000
Write off of biological assets *(note 18)*	114,071	–
Impairment of goodwill *(note 21)*	303,883	853,378
Write 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
	418,442	895,159

These expenses were resulted from the widespread damage caused by Typhoon Rammasun in July 2014.

10 LOSS BEFORE INCOME TAX

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

		2015 RMB'000	2014 RMB'000
(a)	**Finance costs**		
	Bank charges	–	69
	Finance charges on obligations under finance leases	67	75
		67	144
(b)	**Staff costs (including directors' emoluments)**		
	– salaries, wages and other benefits	144,810	135,369
	– share-based payments	6,710	10,131
	– contribution to defined contribution retirement plans	3,960	3,322
		155,480	148,822
(c)	**Other items**		
	Amortisation of land use rights	1,553	1,521
	Amortisation of intangible assets	10,824	10,748
	Auditor's remuneration	2,199	2,522
	Cost of agricultural produce sold#	842,570	678,839
	Cost of inventories of processed fruits recognised as expenses##	538,995	458,402
	Depreciation of property, plant and equipment	201,098	181,378
	Add: Realisation of depreciation previously capitalised as biological assets	26,979	25,346
	Less: Amount capitalised as biological assets	(58,386)	(54,974)
		169,691	151,750
	Exchange gains, net	2,744	14
	Operating lease expenses		
	– plantation bases	9,335	9,163
	– properties	1,197	1,184
	Research and development costs	8,592	13,556
	Write off of inventories###	9,072	22,577
	Write off of trade and other receivables	2,717	–
	Loss on disposals of property, plant and equipment	1,905	12,192

Cost of agricultural produce sold includes RMB170,062,000 (2014: RMB151,422,000) relating to staff costs, depreciation and operating lease expenses, which amount is also included in the respective total amount disclosed separately above for each of these types of expenses.

Cost of inventories of processed fruits recognised as expenses includes RMB100,572,000 (2014: RMB94,190,000) relating to staff costs, amortisation of land use rights, amortisation of intangible assets and depreciation, which amount is also included in the respective total amount disclosed separately above for each of these types of expenses.

The write off of inventories for the year of RMB8,584,000 (2014: RMB14,118,000) and RMB488,000 (2014: RMB8,459,000) is included in general and administrative expenses and other operating expenses, respectively, in the consolidated statement of profit or loss.

11 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 British Virgin Islands ("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 year. The provision for PRC enterprise income tax for 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%.

(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 30 June 2015, 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.

11 INCOME TAX EXPENSE *(continued)*

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

	2015 **RMB'000**	2014 RMB'000
Loss before income tax	**(1,223,999)**	(1,836,446)
Notional tax at the rates applicable to losses in the jurisdictions concerned	**(224,260)**	(238,728)
Tax effect of non-deductible expenses	**223,379**	246,660
Tax effect of temporary differences not recognised for deferred tax purposes	**1,154**	1,987
Tax effect of tax exemptions	**(301)**	(9,948)
Others	**28**	29
Actual tax expense	**–**	–

12 DIRECTORS' REMUNERATION

	Directors' fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Share-based payments RMB'000	Retirement scheme contribution RMB'000	**2015** **RMB'000**	2014 RMB'000
Directors' emoluments						
Executive Directors						
Tong Wang Chow *(Note i)*	–	–	–	–	**–**	1,235
Ng Ong Nee *(Note ii)*	–	1,386	75	–	**1,461**	432
Tong Hung Wai, Tommy	–	995	37	16	**1,048**	1,062
Cheung Wai Sun	–	702	37	16	**755**	721
Pang Yi	–	1,170	12	8	**1,190**	1,209
Ng Cheuk Lun *(Note iii)*	–	667	37	10	**714**	–
Non-executive Directors						
Ng Hoi Yue *(Note iv)*	216	–	–	–	**216**	216
Lui Ming Wah	216	–	–	–	**216**	216
Yang Zhen Han	216	–	–	–	**216**	216
Chung Koon Yan *(Note v)*	216	–	–	–	**216**	137
Ho Wai Leung *(Note v)*	216	–	–	–	**216**	137
Ma Chiu Cheung, Andrew *(Note vi)*	–	–	–	–	**–**	139
Peregrine Moncreiffe *(Note vi)*	–	–	–	–	**–**	124
	1,080	4,920	198	50	**6,248**	5,844

12 DIRECTORS' REMUNERATION *(continued)*

There were no arrangements under which a director waived or agreed to waive any remuneration during the year (2014: RMBNil).

Notes:

(i) Resigned on 3 March 2014.

(ii) Appointed on 3 March 2014.

(iii) Appointed on 24 November 2014.

(iv) Re-designated to Executive Director on 4 August 2015.

(v) Appointed on 12 November 2013.

(vi) Retired on 12 November 2013.

13 INDIVIDUALS WITH HIGHEST EMOLUMENTS

The five highest paid individuals of the Group during the year included four (2014: three) directors, details of which are set out in note 12 above. The emoluments in respect of the remaining highest paid individual is as follows:

	2015 RMB'000	2014 RMB'000
Salaries, wages and other benefits	972	1,887
Share-based payments	14	6
Retirement scheme contribution	16	28
	1,002	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 (2014: RMBNil).

The number of highest paid employees who aggregate emoluments fell within the following band is as follows:

	2015	2014
HKD1,000,000 to HKD2,000,000	1	2

14 LOSS PER SHARE

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

	2015 RMB'000	2014 RMB'000
Loss		
Loss attributable to equity shareholders of the Company used in basic and diluted loss per share calculation	(1,222,371)	(1,839,179)
Weighted average number of shares	'000	'000
Issued ordinary shares at beginning of year	1,249,638	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	–	5,371
Weighted average number of ordinary shares used in basic loss per share calculation	1,249,638	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	1,240,168

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.

15 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	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 *(note 17)*	196,864	–	48,200	12	–	183,969	429,045
Disposals	–	–	(58,457)	(211)	(1,608)	(3,454)	(63,730)
At 30 June 2014	431,961	3,668	435,458	13,803	12,050	2,178,263	3,075,203
Additions	5,294	–	32,524	311	60	14,650	52,839
Transfer from construction-in-progress *(note 17)*	4,932	–	30,609	–	–	77,308	112,849
Disposals	(979)	–	(34,504)	(42)	(97)	(11,085)	(46,707)
At 30 June 2015	**441,208**	**3,668**	**464,087**	**14,072**	**12,013**	**2,259,136**	**3,194,184**
Accumulated depreciation and impairment							
At 1 July 2013	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 *(note 9)*	3,691	–	–	–	–	11,999	15,690
Written back on disposals	–	–	(40,607)	(172)	(881)	(2,444)	(44,104)
At 30 June 2014	55,934	1,226	80,341	8,501	6,956	616,999	769,957
Charge for the year	23,471	125	50,628	1,506	1,394	123,974	201,098
Written back on disposals	(343)	–	(18,842)	(41)	(92)	(11,059)	(30,377)
At 30 June 2015	**79,062**	**1,351**	**112,127**	**9,966**	**8,258**	**729,914**	**940,678**
Carrying amount							
At 30 June 2015	**362,146**	**2,317**	**351,960**	**4,106**	**3,755**	**1,529,222**	**2,253,506**
At 30 June 2014	376,027	2,442	355,117	5,302	5,094	1,561,264	2,305,246

At 30 June 2015, the carrying amount of farmland infrastructure and machinery held under finance leases was RMB715,000 (2014: RMB836,000).

16 LAND USE RIGHTS

	2015 *RMB'000*	2014 *RMB'000*
Cost		
At beginning of year	**87,870**	82,872
Addition	**–**	4,998
At end of year	**87,870**	87,870
Accumulated amortisation		
At beginning of year	**11,692**	10,171
Charge for the year	**1,553**	1,521
Written back on disposal	**–**	–
At end of year	**13,245**	11,692
Carrying amount	**74,625**	76,178

Land use rights, representing the rights to use certain pieces of land which are 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.

17 CONSTRUCTION-IN-PROGRESS

	2015 *RMB'000*	2014 *RMB'000*
At beginning of year	**76,039**	304,196
Additions	**86,240**	200,888
Transfer to property, plant and equipment *(note 15)*	**(112,849)**	(429,045)
At end of year	**49,430**	76,039

18 BIOLOGICAL ASSETS

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	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)
Net loss on change in fair value due to price, yield, maturity and cost changes	–	–	(923,857)	–	(923,857)
At 30 June 2014	2,832	323,969	1,294,971	–	1,621,772
Net additions	5,474	–	–	192	5,666
Sales of citrus self-bred saplings	(1,472)	–	–	–	(1,472)
Intra transfer to citrus infant trees	(390)	390	–	–	–
Intra transfer to citrus trees	–	(25,654)	25,654	–	–
Net increase due to cultivation	–	247,333	69,620	10,767	327,720
Write off of citrus trees *(note 9)*#	–	–	(114,071)	–	(114,071)
Net loss on change in fair value due to price, yield, maturity and cost changes	–	–	(242,833)	–	(242,833)
At 30 June 2015	**6,444**	**546,038**	**1,033,341**	**10,959**	**1,596,782**

Represented by:

	Citrus			Others		
	Self-bred saplings RMB'000	Infant trees RMB'000	Citrus trees RMB'000	Banana trees RMB'000	**2015 Total RMB'000**	2014 Total RMB'000
Non-current	6,444	546,038	780,000	–	**1,332,482**	1,406,801
Current	–	–	253,341	10,959	**264,300**	214,971
	6,444	546,038	1,033,341	10,959	**1,596,782**	1,621,772

18 BIOLOGICAL ASSETS *(continued)*

The movements in biological assets are summarised as follows:

	Citrus			Others
	Self-bred saplings *Number*	Infant trees *Number*	Citrus trees *Number*	Banana trees *Number*
At 1 July 2013	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	265,602	1,903,268	2,714,038	–
Net additions	121,190	–	–	221,769
Sales of self-bred saplings	(97,590)	–	–	–
Intra transfer to citrus infant trees	(29,523)	29,523	–	–
Intra transfer to citrus trees	–	(63,584)	63,584	–
Write off of citrus trees#	–	–	(317,839)	–
At 30 June 2015	**259,679**	**1,869,207**	**2,459,783**	**221,769**

\# During the year, the Group has identified the presence of Hunaglongbing ("HLB"), also known as citrus greening disease, in its Xingfeng plantation. In order to prevent the spread of the HLB disease and protect the unaffected orange trees, 317,839 orange trees with carrying amount of RMB114,071,000 are removed and write off for the year.

The role of banana trees is to supply bananas through the processes of growth in their production cycle. As at 30 June 2015, banana trees are stated at fair value less costs to sell which is determined by the management's best estimates and judgement with reference to the recent market prices of banana in similar locations and conditions. It is categorised as level 2 fair value measurement within the three-level fair value hierarchy as defined in IFRS 13, Fair Value Measurement.

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.

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 through the processes of growth in each production cycle. As at 30 June 2014 and 2015, citrus trees comprised orange trees only.

The Group has engaged an independent valuer to determine the fair value of orange trees less costs to sell as at 30 June 2015. 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 with aims to determine the fair value of a biological asset in its present location and condition.

18 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 tree 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 start 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% (2014: 18%) to be applied to the orange tree 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 finance 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 years ended 30 June 2015 and 2014, there was no transfer occurred between levels in the hierarchy.

18 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 involved as at 30 June 2015 for Hepu plantation and Xinfeng plantation are approximately RMB368 million (2014: RMB389 million) and RMB593 million (2014: RMB626 million) respectively.

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

	2015		2014	
	Quantity *Tonnes*	**Value** *RMB'000*	Quantity *Tonnes*	Value *RMB'000*
Oranges	**130,125**	**408,934**	197,467	732,807

The Group is exposed to a number of risks related 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 this risk by aligning its harvest volume to market supply and demand. Management performs regular industry trend analysis 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.

19 INTANGIBLE ASSETS

	Capitalised development costs *RMB'000*	Trademark *RMB'000*	Total *RMB'000*
Cost			
At 30 June 2013, 30 June 2014 and 1 July 2014	107,726	3	107,729
Additions	8,200	–	8,200
At 30 June 2015	115,926	3	115,929
Accumulated amortisation			
At 1 July 2013	43,264	2	43,266
Charge for the year	10,748	–	10,748
At 30 June 2014	54,012	2	54,014
Charge for the year	10,823	1	10,824
At 30 June 2015	64,835	3	64,838
Carrying amount			
At 30 June 2015	51,091	–	51,091
At 30 June 2014	53,714	1	53,715

The amortisation charge for the year of RMB5,464,000 (2014: RMB5,388,000) and RMB5,360,000 (2014: RMB5,360,000) is included in cost of sales and general and administrative expenses, respectively, in the consolidated statement of profit or loss.

Capitalised development costs are completed development projects. The average remaining amortisation period is 6.6 years (2014: 6.7 years).

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

20 DEPOSITS

	2015 ***RMB'000***	2014 *RMB'000*
Deposits paid for acquisition of property, plant and equipment	11,012	1,443

21 GOODWILL

	RMB'000
Cost	
At 1 July 2014, 30 June 2014 and 30 June 2015	1,157,261
Impairment	
At 1 July 2013	–
Impairment loss recognised for the year	(853,378)
At 30 June 2014	(853,378)
Impairment loss recognised for the year *(note 9)*	(303,883)
At 30 June 2015	(1,157,261)
Carrying amount	
At 30 June 2015	**–**
At 30 June 2014	303,883

Goodwill, arising from acquisition of BPG Food & Beverage Holdings Ltd. and its subsidiaries (together the "Beihai BPG") in November 2010, is accounted for in accordance with the Group's accounting policies as set out in note 2(d). For the purposes of impairment testing, goodwill has been allocated to the cash-generating unit ("CGU") in relation to the Group's processed fruits segment in the PRC.

During the year ended 30 June 2015, the Group recognised an impairment loss of RMB303,883,000 (2014: 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 (2014: 5-year period), and a discount rate of 12% (2014: 12%). The cash flows beyond the 5-year period (2014: 5-year period) are extrapolated using a steady 10% (2014: 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 RMB763,200,000, any adverse change in the assumptions used in the calculation of recoverable amount would result in further impairment losses.

22 PROPERTIES FOR SALE

	2015 RMB'000	2014 RMB'000
Properties under development for sale	5,081	5,081
Completed properties for sale	749	749
	5,830	5,830
Less: Impairment	(5,830)	(5,830)
	–	–

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

	2015 RMB'000	2014 RMB'000
In PRC, held on leases between 10 to 50 years	–	–

23 INVENTORIES

	2015 RMB'000	2014 RMB'000
Raw materials	9,892	10,953
Work in progress	15,804	–
Finished goods	80,337	46,434
	106,033	57,387

24 TRADE AND OTHER RECEIVABLES

	2015 RMB'000	2014 RMB'000
Trade receivables	112,986	53,717
Other receivables, deposits and prepayments	81,621	101,455
	194,607	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 RMB1,469,000 (2014: RMB6,269,000). The remaining balance of trade and other receivables are expected to be recovered or recognised as expenses within one year.

24 TRADE AND OTHER RECEIVABLES *(continued)*

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

	2015 RMB'000	2014 RMB'000
Less than 1 month	59,183	42,302
1 to 3 months	51,464	11,366
3 to 6 months	2,339	–
6 to 12 months	–	–
Over 1 year	–	49
	112,986	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.

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

	2015 RMB'000	2014 RMB'000
Neither past due nor impaired	110,615	53,253
Less than 1 month past due	1,382	–
1 to 3 months past due	989	438
Over 1 year past due	–	26
Amounts past due but not impaired	2,371	464
	112,986	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.

25 CASH AND CASH EQUIVALENTS

	2015 RMB'000	2014 RMB'000
Bank deposits	367,211	1,282,234
Cash at bank and on hand	570,360	522,508
	937,571	1,804,742

Included in the cash and cash equivalents of the Group as at 30 June 2015 is an amount of RMB864,883,000 (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.

Cash at bank earns interest at floating rates based on daily bank deposit rates. Bank deposits are made for terms ranging from one month to three months (2014: ranging from one month to three months) depending on the immediate cash requirements of the Group.

26 CAPITAL, RESERVES AND DIVIDENDS

(a) Movement in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the reporting period are set out below:

	Share premium RMB'000	Share option reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 1 July 2013	3,671,218	120,900	322,662	4,114,780
Loss and total comprehensive loss for the year	–	–	(16,747)	(16,747)
Issue of shares to shareholders participating in the scrip dividend	22,534	–	–	22,534
Share-based payments	–	10,131	–	10,131
Issue of shares upon exercises of share options	17,443	(3,167)	–	14,276
2012/13 final dividend	–	–	(61,478)	(61,478)
At 30 June 2014	3,711,195	127,864	244,437	4,083,496
Loss and total comprehensive loss for the year	–	–	(15,728)	(15,728)
Share-based payments	–	6,710	–	6,710
Share options lapsed	–	(3,193)	3,193	–
At 30 June 2015	3,711,195	131,381	231,902	4,074,478

26 CAPITAL, RESERVES AND DIVIDENDS *(continued)*

(b) Share capital

	Number of shares	*HKD'000*	*RMB'000*
Authorised:			
Ordinary shares of HKD0.01 each At 30 June 2013 and 30 June 2014	2,000,000,000	20,000	20,900
Issued and fully paid:			
At 1 July 2013	1,229,558,555	12,295	12,159
Issue of shares to shareholders participating in the scrip dividends	10,562,329	106	95
Issue of shares upon exercises of share options	9,517,000	95	86
At 30 June 2014 and 30 June 2015	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.

(c) Dividends

(i) The directors do not declare the payment of any dividend in respect of the years ended 30 June 2015 and 2014.

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

	2015 ***RMB'000***	2014 *RMB'000*
Final dividend of RMBNil per ordinary share in respect of the previous financial year, approved and paid during the year (2014: final dividend of RMB0.05 per ordinary share)	–	61,478

(d) Capital management

The Group manages its capital to ensure that the Group has sufficient liquidity to support the operation 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 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.

27 SHARE-BASED PAYMENTS

(A) Share Option Scheme

The Company adopted a share option scheme (the "Share Option Scheme") on 29 June 2005 for the purpose of providing incentives or rewards to directors and full-time employees of the Group. Under the Share Option Scheme, the directors of the Company may grant options to directors and full-time employees of the Group to subscribe for shares in the Company at a price equal to the higher of: (i) average middle-market quotations of the shares as stated in the AIM Daily Official List on the dealing day immediately preceding the date of grant of the options; or (ii) the average middle-market quotations of the shares as stated in the AIM Daily Official List for the three dealing days immediately preceding the date of grant of the options; or (iii) the nominal value of shares.

An option will not normally be exercisable before the expiry of one year from the date of grant of the option. The exercise period for the share options granted is determinable by the directors of the Company and should not expire later than 10 years from the date of grant. No consideration is payable by the grantee upon acceptance of the grant of an option under the Share Option Scheme.

With the listing of the Company's shares on the HKEx on 26 November 2009, the Share Option Scheme terminated. No further options may be granted under the Share Option Scheme after such termination. The provisions of the Share Option Scheme will continue to apply to options granted before such termination.

(a) The terms and conditions of the grants are as follows:

	Number of instruments	Vesting conditions	Contractual life of options	Expiry date
Options granted to directors:				
– on 3 August 2005	2,700,000	(i)	10 years	2 August 2015
– on 27 July 2006	4,700,000	(ii)	8 years	26 July 2014
– on 15 October 2008	5,100,000	(iii)	7 years	2 August 2015
Options granted to employees:				
– on 3 August 2005	8,850,000	(i)	10 years	2 August 2015
– on 27 July 2006	7,780,000	(ii)	8 years	26 July 2014
– on 14 September 2007	3,530,000	(iii)	8 years	2 August 2015
– on 15 October 2008	20,510,000	(iii)	7 years	2 August 2015
Total share options granted	53,170,000			

Notes:

(i) become exercisable annually at the rate of 10% over 10 years, subject to continuing employment.

(ii) become lapsed upon the expiry date on 26 July 2014.

(iii) become exercisable annually at the rate of 20% over 5 years, subject to continuing employment.

27 SHARE-BASED PAYMENTS *(continued)*

(A) Share Option Scheme *(continued)*

(b) Details of the outstanding share options are as follows:

	2015		2014	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Outstanding at beginning of year	11,410,000	GBP0.163	20,927,000	GBP0.150
Exercised during the year	–	N/A	(9,517,000)	GBP0.134
Lapsed during the year	(3,890,000)	GBP0.2045	–	N/A
Outstanding at end of year	7,520,000	GBP0.141	11,410,000	GBP0.163
Exercisable at end of year	6,365,000	GBP0.146	9,100,000	GBP0.175

The options outstanding at the end of the reporting period have a weighted average remaining contractual life of 1 year (2014: 1 years) and exercise prices ranging from GBP0.112 to GBP0.2425 (2014: GBP0.112 to GBP0.2425).

(c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on a binomial model. The contractual life of the share option is used as an input into this model. Expectations of early exercise are incorporated into the binomial model.

The inputs into the model were as follows:

Grant date	3 August 2005	27 July 2006	14 September 2007	15 October 2008
Spot price	GBP0.112	GBP0.208	GBP0.2435	GBP0.1465
Expected life (years)	10	8	8	6.8
Exercise price	GBP0.112	GBP0.2045	GBP0.2425	GBP0.139
Expected volatility	43%	42%	41%	42%
Risk-free interest rate	4.39%	4.61%	4.91%	4.53%
Dividend yield	0%	0%	1.8%	1.8%

The expected volatility is based on the historical volatility of the Company's share price on AIM and it is assumed the volatility is constant throughout the option life.

27 SHARE-BASED PAYMENTS *(continued)*

(B) Post Listing Share Option Scheme

Pursuant to a resolution of the shareholders on 2 November 2009, a new share option scheme ("Post Listing Scheme") was adopted and will expire on the tenth anniversary of the date on which the Post Listing Scheme becomes unconditional upon fulfillment of certain conditions. The Post Listing Scheme has taken effect upon the commencement of dealings of the Company's shares on the HKEx on 26 November 2009. Under the Post Listing Scheme, the directors of the Company may grant options to the directors and full time employees of the Group and any advisers, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, or service providers of any member of the Group who the Board considers, in its sole discretion, have contributed or will contribute to the development and growth of the Group to subscribe for shares in the Company at a price no less than the greatest of: (i) the closing price of the shares as stated in the daily quotations sheet issued by the HKEx on the date of grant, which must be a business day; or (ii) the average closing price of the shares as stated in the daily quotations sheets issued by the HKEx for the five business days immediately preceding the date of grant; or (iii) the nominal value of the shares.

An option will not normally be exercisable before the expiry of one year from the date of grant of the option. The exercise period for the share options granted is determinable by the directors of the Company and should not expire later than 10 years from the date of grant. No consideration is payable by the grantee upon acceptance of the grant of option under the Post Listing Scheme.

The total number of shares of the Company issued and to be issued upon exercise of the options under the Post Listing Scheme and any other subsequent share option scheme of the Company must not, in aggregate, exceed 77,055,980 shares. The total number of shares available for issue as at 30 June 2015 is 55,980, representing 0.005% of the issued share capital.

(a) The terms and conditions of the grant are as follows:

	Number of instruments	Vesting conditions	Contractual life of options	Expiry date
Options granted to directors:				
– on 27 May 2010	10,750,000	(i)	8 years	26 May 2018
– on 21 May 2015	4,000,000	(ii)	4 years	20 May 2019
Options granted to employees:				
– on 27 May 2010	19,250,000	(iii)	8 years	26 May 2018
– on 28 February 2011	20,000,000	(iv)	8 years	27 February 2019
– on 21 May 2015	23,000,000	(ii)	4 years	20 May 2019
Total share options granted	77,000,000			

Notes:

(i) 30%, 30% and 40% of the options become exercisable after the first, second and third anniversary from the date of grant, respectively.

(ii) become fully exercisable after the first anniversary from the date of grant, subject to continuing employment.

(iii) 30%, 30% and 40% of the options become exercisable after the first, second and third anniversary from the date of grant, respectively, subject to continuing employment.

(iv) become exercisable annually at the rate of 20% over 5 years, subject to continuing employment.

27 SHARE-BASED PAYMENTS *(continued)*

(B) Post Listing Share Option Scheme *(continued)*

(b) Details of the outstanding share options are as follows:

	2015		2014	
	Number of share options	**Weighted average exercise price**	Number of share options	Weighted average exercise price
Outstanding at beginning of year	**49,634,000**	**HKD7.02**	49,634,000	HKD7.02
Granted during the year	**27,000,000**	**HKD1.47**	–	N/A
Outstanding at end of year	**76,634,000**	**HKD4.55**	49,634,000	HKD7.02
Exercisable at end of year	**41,634,000**	**HKD6.64**	41,634,000	HKD6.64

The options outstanding at the end of the reporting period have a weighted average remaining contractual life of 3 years (2014: 4 years) and exercise prices were set at HKD5.68 and HKD9.00 (2014: HKD5.68 and HKD9.00).

(c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of fair value of the share options granted on 27 May 2010 is measured based on Black-Scholes Option Pricing Model, and the estimate of fair values of share options granted on 28 February 2011 and 21 May 2015 are measured based on the binominal model, taking into the account the terms and conditions upon which the options were granted.

The inputs into the model were as follows:

Grant date	27 May 2010	28 February 2011	21 May 2015
Spot price	HKD5.50	HKD9.00	HKD1.47
Expected life (years)	4.5 to 5.5	8	4
Exercise price	HKD5.68	HKD9.00	HKD1.47
Expected volatility	45.88% to 47.19%	53%	49%
Risk-free interest rate	1.393% to 1.668%	2.511%	0.92%
Dividend yield	1.8%	2.7%	0%

In respect of the share options granted on 27 May 2010 and 28 February 2011, as the Company has a short history of volatility in the HKEx at the grant date, the expected volatility is based on the historical volatility of the Company's share price on AIM and it is assumed the volatility is constant throughout the option life.

In respect of the share options granted on 21 May 2015, the expected volatility is based on the historical volatility of the Company's share price on HKEx and it is assumed the volatility is constant throughout the option life.

28 OBLIGATIONS UNDER FINANCE LEASES

At 30 June 2015, the Group had obligations under finance leases repayable as follows:

	2015		2014	
	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	123	180	113	180
After 1 year but within 2 years	132	180	123	180
After 2 years but within 5 years	464	540	430	540
After 5 years	–	–	166	180
	596	720	719	900
	719	900	832	1,080
Less: total future interest expenses		(181)		(248)
Present value of lease obligations		719		832

29 TRADE AND OTHER PAYABLES

	2015 RMB'000	2014 RMB'000
Trade payables	105,635	63,348
Other payables and accruals	32,941	38,739
	138,576	102,087

The amount of the Group's other payables and accruals expected to be settled after one year is RMBNil (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:

	2015 RMB'000	2014 RMB'000
Less than 3 months	102,966	62,783
3 to 6 months	129	46
6 to 12 months	2,009	516
Over 1 year	531	3
	105,635	63,348

30 COMMITMENTS

(a) Operating lease commitments

At 30 June 2015, the Group's total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2015	2014
	RMB'000	*RMB'000*
Within 1 year	**7,174**	6,726
After 1 year but within 5 years	**36,079**	31,004
After 5 years	**320,701**	332,502
	363,954	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 30 June 2015, the Group had the following capital commitments:

	2015	2014
	RMB'000	*RMB'000*
Contracted but not provided for:		
Construction-in-progress, property, plant and equipment and land use rights	**43,467**	9,749

31 RELATED PARTY TRANSACTIONS

(a) In addition to those disclosed elsewhere in the consolidated financial statements, the Group had the following significant related party transactions during the year:

	2015 *RMB'000*	2014 *RMB'000*
Operating lease expenses paid to:		
Alpha Best Limited	356	346
Pan Air and Sea Forwarders (HK) Limited	475	472
	831	818
Consultancy fee paid to:		
Mr. Tong Wang Chow	1,755	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 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

	2015 *RMB'000*	2014 *RMB'000*
Short-term employee benefits	8,163	9,123
Share-based payments	732	852
Post-employment benefits	100	97
	8,995	10,072

Total remuneration is included in "staff costs" (see note 10(b)).

32 STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2015 RMB'000	2014 RMB'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,839	2,126
Interests in subsidiaries	4,018,301	4,010,743
	4,020,140	4,012,869
Current assets		
Other receivables	4	4
Cash and cash equivalents	68,941	85,343
	68,945	85,347
Total assets	4,089,085	4,098,216
EQUITY AND LIABILITIES		
Equity		
Share capital	12,340	12,340
Reserves	4,074,478	4,083,496
	4,086,818	4,095,836
Current liabilities		
Other payables	2,267	2,380
Total equity and liabilities	4,089,085	4,098,216
Net current assets	66,678	82,967
Total assets less current liabilities	4,086,818	4,095,836

33 EVENTS AFTER THE REPORTING PERIOD

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

	Years ended 30 June				
	2015	2014	2013	2012#	2011
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
RESULTS					
Revenue	**962,727**	1,271,171	1,485,912	1,776,144	1,412,621
Net (loss)/gain on change in fair value of biological assets	**(242,833)**	(923,857)	(260,468)	166,900	507,712
(Loss)/profit before income tax	**(1,223,999)**	(1,836,446)	124,662	765,058	1,050,238
Income tax expense	**–**	–	–	–	(1,785)
(Loss)/profit for the year	**(1,222,371)**	(1,839,179)	114,395	750,200	1,038,953

	As at 30 June				
	2015	2014	2013	2012#	2011#
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
ASSETS AND LIABILITIES					
Non-current assets	**3,772,146**	4,223,305	5,841,050	5,607,589	5,190,384
Property, plant and equipment	**2,253,506**	2,305,246	1,989,625	1,835,518	1,638,339
Biological assets	**1,332,482**	1,406,801	2,168,501	2,463,860	2,232,058
Current assets	**1,502,511**	2,232,272	2,467,744	2,702,539	2,526,504
Total assets	**5,274,657**	6,455,577	8,308,794	8,310,128	7,716,888
Non-current liabilities	**596**	719	832	937	1,034
Current liabilities	**138,699**	102,200	104,495	56,904	61,551
Capital and reserves	**5,135,362**	6,352,658	8,203,467	8,252,287	7,654,303

Figures re-presented in accordance with the audited consolidated financial statements for the year ended 30 June 2012.

COMPANY INFORMATION

DIRECTORS

Executive Directors

Mr. NG Ong Nee
(Chairman and Chief Executive Officer)
Mr. NG Hoi Yue *(Deputy 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. CHUNG Koon Yan
Dr. LUI Ming Wah, SBS JP
Mr. YANG Zhen Han
Mr. HO Wai Leung

COMPANY SECRETARY

Ms. NG Ling Ling

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Rooms 1109–1111
Wayson Commercial Building
28 Connaught Road West
Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton
Bermuda HM11

NOMINATED ADVISER AND BROKER

Cantor Fitzgerald Europe
One Churchill Place
Canary Wharf, London E14 5RB
United Kingdom

AUDITOR

Baker Tilly Hong Kong Limited
2nd Floor, 625 King's Road
North Point
Hong Kong

BERMUDA AND BVI LEGAL ADVISER

Conyers Dill & Pearman
2901 One Exchange Centre
8 Connaught Place
Central, Hong Kong

JERSEY SHARE REGISTRAR

Computershare Investor Services (Jersey) Limited
Queensway House
Hilgrove Street, St Helier
Jersey JE1 1ES, Channel Islands

DEPOSITARY INTEREST REGISTRAR

Computershare Investor Services PLC
The Pavilions, Bridgwater Road
Bristol BS99 6ZY
United Kingdom

BERMUDA SHARE REGISTRAR

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

STOCK CODE

The Stock Exchange of Hong Kong Limited: 73
AIM: ACHL

WEBSITE

www.asian-citrus.com