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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)

OVERSEAS REGULATORY ANNOUNCEMENT INSIDE INFORMATION

This announcement is made by Asian Citrus Holdings Limited (the “**Company**”) pursuant to Rules 13.09(2) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Please refer to the attached announcement being:

The announcement of the Company, published on the website of London Stock Exchange at www.londonstockexchange.com on 29 December 2015, in relation to the market update.

By Order of the Board
Asian Citrus Holdings Limited
Ng Ong Nee
Chairman

Hong Kong, 29 December 2015

As at the date of this announcement, the board of directors of the Company comprises two executive directors, namely Mr. Ng Ong Nee (Chairman and Chief Executive Officer) and Mr. Ng Hoi Yue (Deputy Chief Executive Officer); and three independent non-executive directors, namely Mr. Chung Koon Yan, Dr. Lui Ming Wah, SBS, JP and Mr. Yang Zhen Han.

* *For identification purposes only*



For immediate release

29 December 2015

Asian Citrus Holdings Limited
(“Asian Citrus” or the “Company”, together with its subsidiaries (the “Group”))

Market Update

Asian Citrus provides the following update on the financial and operational impact of the presence of Huanglongbing disease at the Group’s Xinfeng Plantation, as previously announced on 18 December 2015.

In view of the substantial decrease in production yield of winter oranges at Xinfeng Plantation as announced on 18 December 2015, the Group engaged two independent research centres, Citrus Research Institute, the national scientific research centre for citrus fruits and directly subordinated to the Chinese Academy of Agricultural Sciences, the Ministry of Agriculture of the People’s Republic of China (the “**PRC**”) and Guangxi Academy of Specialty Crops, the scientific research centre subordinated to the Department of Agriculture of Guangxi Zhuang Autonomous Region, the PRC, to conduct comprehensive investigations into the extent of the infection of Huanglongbing disease (the “**Investigations**”).

The Group has identified the presence of Huanglongbing disease at Xinfeng Plantation since April 2015 with an initial estimated infection rate of approximately 18% of the total orange trees in Xinfeng Plantation based on visual detection of the symptoms. 317,839 winter orange trees suffering from Huanglongbing disease were removed and additional pesticides were applied as to prevent the spread of the Huanglongbing disease and protect the unaffected orange trees since then. Visual detection by scouting is only about 50 to 60 per cent. effective while the latency period between infection and symptom development can range between 6 months and 2 years or longer depending on the health condition of the tree. Based on the information available to the board of directors of the Company (the “**Board**”) from the Investigations, the estimated average rate of infection of Huanglongbing disease is currently assessed to be more than 60% of the total orange trees in Xinfeng Plantation.

Neighbouring plantations of Xinfeng Plantation have witnessed severe infection of Huanglongbing disease due to the lack of action programs and cohesive coordination of efforts in controlling the transmission of Huanglongbing disease by the local governments and growers in the nearby regions. Management believes the widespread coverage of infection in the nearby regions diminished the effectiveness of the protections implemented by the Group, namely the removal of infected trees and pesticide application against insect transmission at Xinfeng Plantation, thus increased the infection at Xinfeng Plantation since April 2015.

In view of the massive infection of Huanglongbing disease and the present uncertainties over the effectiveness of the control measures on the spreading of Huanglongbing disease in Xinfeng Plantation, the Investigations conclude that the average infection rate is expected to increase to 70% to 80% of the total orange trees in the next two to three years and Xinfeng

Plantation is no longer economically productive. As a result, the Board has decided to shut down Xinfeng Plantation with operations ceasing permanently after completion of the winter orange harvest in this year.

The amount of turnover attributable to Xinfeng Plantation represented approximately 33.7% of the Group's total revenue for the financial year ended 30 June 2015. As previously announced on 18 December 2015, the estimated production output of Xinfeng Plantation for the second half of 2015 will be substantially reduced to approximately 11,000 tonnes in comparison to the actual production output of 103,847 tonnes in the same period last year due to Huanglongbing disease. The Board currently estimates that impairment losses and provisions relating to the cessation of operation of Xinfeng Plantation of approximately RMB850 million to assets will be required in the Group's financial statements for the financial year ending 30 June 2016 (the "FY2016") and the results of the Group for FY2016 are expected to be adversely affected.

The Board wishes to reiterate that the Group's insurance policy does not cover damage from the presence of any diseases and as such there will be no reimbursement for the losses incurred from Huanglongbing disease.

The content contained in this announcement is based on the latest information available to the Board and the assessment of the financial impact to the Group for FY2016 is still under review, and should be read in conjunction with the winter orange crop as previously announced on 18 December 2015.

Shareholders and investors are advised to exercise caution when dealing in the shares of the Company.

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