



ASIAN CITRUS HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: HKSE: 73 ; AIM: ACHL)

Corporate Presentation



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Company Overview



About Asian Citrus

***Integrated Orange Producer &
Tropical Fruit Juice Concentrates Supplier in the PRC***

Upstream

Asian Citrus



**Corporate customers
Wholesalers
Supermarkets**

Mid-stream

BPG



**Beverage companies
Mixers
Merchandisers**

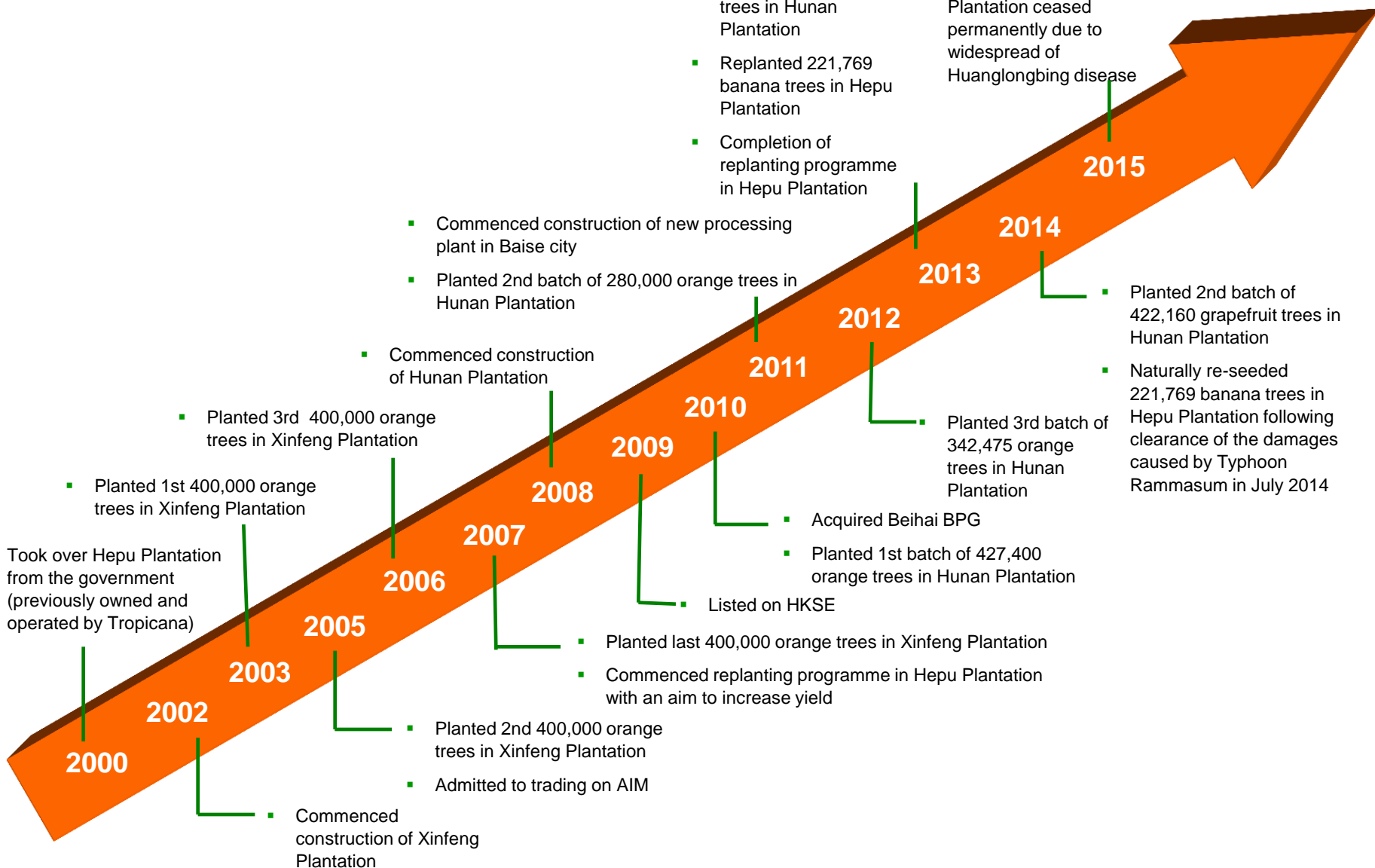


Orange Producer, Plantation Owner and Tropical Fruit Juice Producer

- Sales of oranges mainly to corporate customers, wholesalers and supermarkets in the PRC
- Existing sales networks cover Beijing, Shanghai, Shenzhen, Guangdong Province, Guangxi Zhuang Autonomous Region, Jiangxi Province, Henan Province, Hubei Province, Hunan Province, Jiangsu Province, Zhejiang Province, Hainan Province, Fujian Province and others
- High quality organic oranges – species mostly originated from the US
- Premium brand “Royal Star 新雅奇” accredited with Organic Products by COFCC
- Well established customer base - reputable international beverage brands



Corporate History



Plantations & Production Bases

- Two plantations occupy a total area of c.66 sq.km. with a total number of 3.27 million trees planted as at 31 December 2015
- Three juice production bases in operation having an aggregate site area of c.173,000 sq.m. with a designed annual production capacity of 100,000 tonnes

5. Baise Juice Production Base (Guangxi)

- c. 63,453 sq. m.
- 2 production lines
- Production FY 2015: 10,923 tonnes

4. Hepu Juice Production Base (Guangxi)

- c. 79,000 sq. m
- 13 production lines
- Production FY 2015: 34,734 tonnes

3. Beihai Juice Production Base (Guangxi)

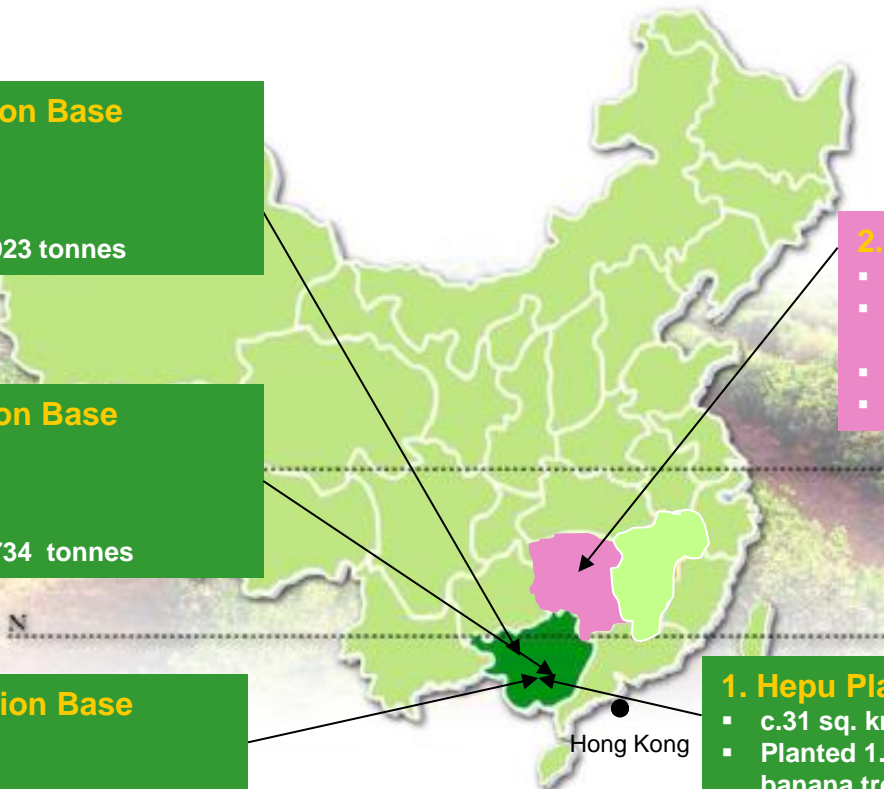
- c. 30,098 sq. m
- 1 production line
- Production FY 2015: 12,733 tonnes

2. Hunan Plantation Base

- c.35 sq. km
- Planted 1.05 million orange trees and 750,320 grapefruit trees
- Average tree age FY2016: 3.6 years
- 1st harvest expected in FY2017

1. Hepu Plantation Base (Guangxi)

- c.31 sq. km
- Planted 1.24 million orange trees and 220,000 banana trees
- Average tree age FY2016: 14.5 years
- Production FY 2015: 26,278 tonnes
- Nursery

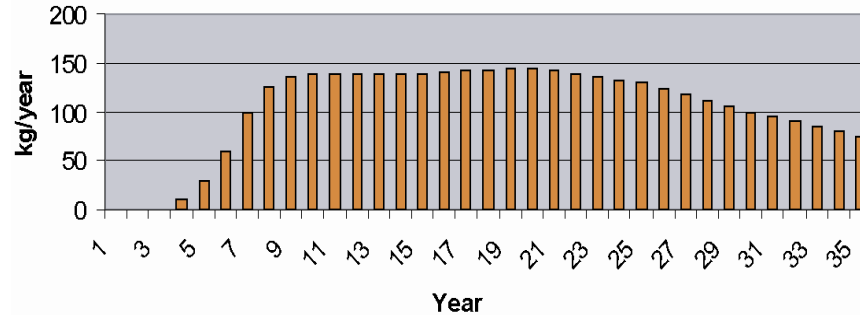


Increasing yields



- Average production life of an orange tree commences after 4 years and lasts for over 30 years

Orange tree yields and maturity profile



- Inherent benefit from maturing plantations
- Orange output grows until reaching full maturity at around 10 years

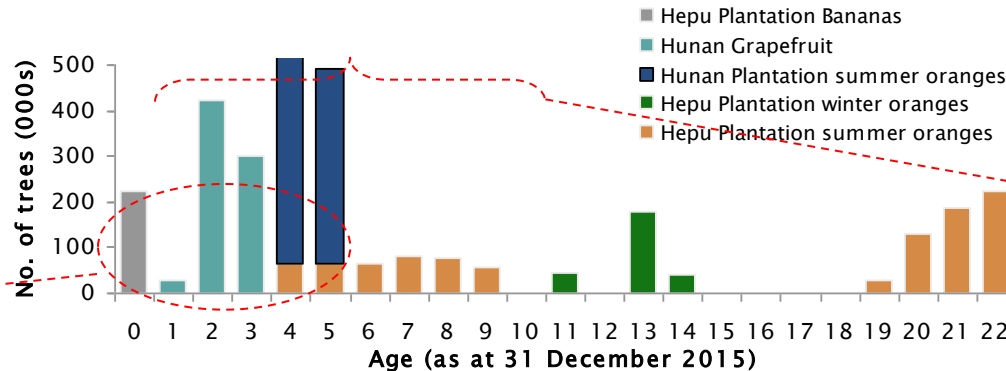
Source: "Citrology" by China Agricultural press (1996)

Average tree age:

Hepu – 14.5 years

Hunan – 3.6 years

Age of trees in the Group's plantations



More trees will reach orange and grapefruit bearing age in the near future

Over 50% of trees aged around ten years or less

High growth potential contributed by large number of trees in early orange and grapefruit bearing age as well as increasing number of trees start to bearing oranges and grapefruits

Seasonal Production of High-quality Oranges

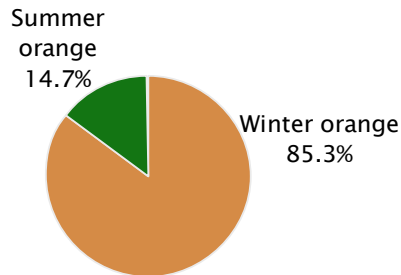


Summer oranges March to May

Winter oranges October to December



Orange production (FY2015)



Pricing

- Price determined through tender process
- Positive wholesaling pricing environment
- Up to 40% premium achieved for supermarket sales over wholesalers and corporate customers
- Prices dependent on availability and quality

- Ecological environment, climate and soil conditions determine type of orange trees planted:
 - Hepu Plantation – summer and winter oranges
 - Hunan Plantation – summer oranges with extended harvesting season

State-of-the-art Production Facilities







- Production capacity and utilisation
 - 3 production bases in Beihai, Hepu and Baise with an aggregate site area of approx. 173,000 sq.m. and designed annual production capacity around 100,000 tonnes
 - The average utilisation rate of Beihai, Hepu and Baise factories was 70.4% as at 31 December 2015



Factory	Site Area (sq.m.)	Number of production lines	Designed annual production capacity (tonne)
Beihai	30,098	1 for frozen fruit and vegetables	14,850
Hepu	79,000	11 for fruit juice concentrates and purees 1 for dried fruit 1 for beverages	46,200
Baise	63,453	2 for frozen fruit and vegetables	40,000

Diversified Product Mix Reducing Effects of Seasonality and Broaden Revenue Base

- 22 varieties of fruit juice concentrates
- 8 varieties of frozen fruits & vegetables
- 5 varieties of fruit purees

		Maturity Date for Main Tropical and Subtropical Fruits											
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Pineapple		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Passion Fruit		✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
Papaya		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Guava					✓	✓	✓	✓	✓	✓	✓	✓	✓
Mango					✓	✓	✓	✓	✓				
Lychee						✓	✓	✓	✓				



Investment Highlights



Investment Highlights

1. High quality of products

- Mainly US species
- Strict quality control measures for both fresh fruits and juicing products
- Favourable farming conditions

2. Strong research and development capacity

- In-house research and development team for both upstream and midstream businesses
- Proven track record of successfully developed species for better yields and quality

3. High barriers to entry

- Significant capital requirements
- Long time to plantation maturity
- Complicated and lengthy land lease procedures
- Rare availability of large piece of land
- High technical know-how for the juice concentrate business

4. Experienced management teams

- Valuable experience in international agricultural companies
- Committed and competent management team in both upstream and midstream businesses

5. Proven track record and good corporate governance

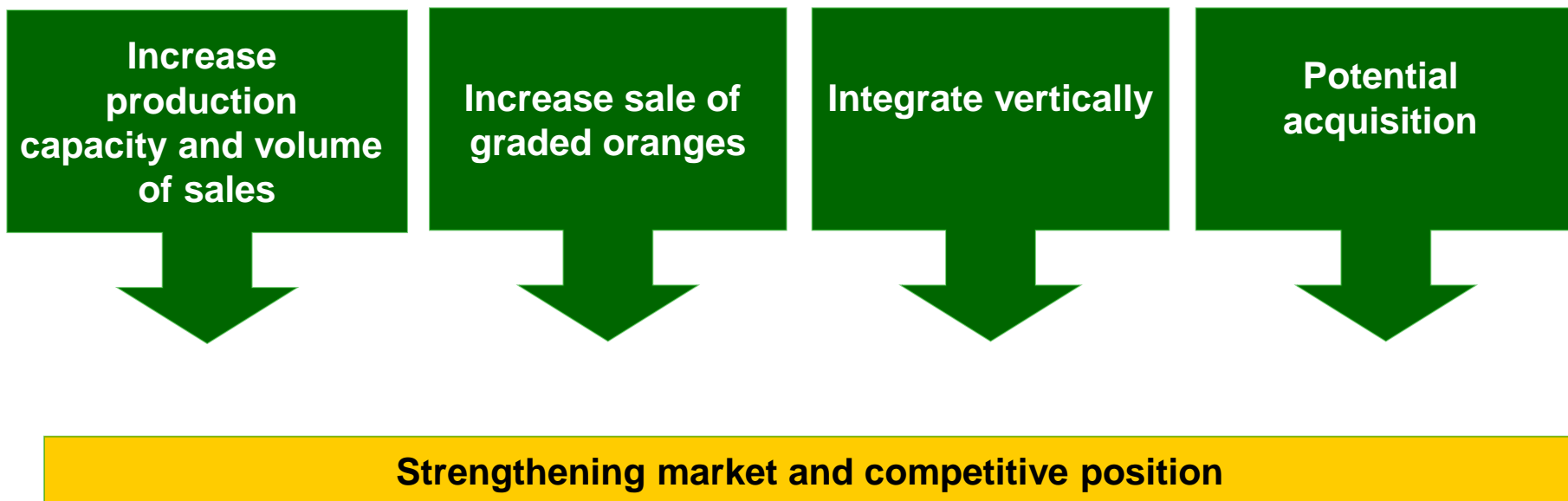
- Annual independent valuation on plantations since 2003
- Aerial survey of operational plantations in 2012
- Consistent dividend policy after AIM listing since 2005
- Over 1/2 board members are well qualified and competent independent non-executive directors



Future Growth Strategies



Future Growth Strategy





Future Growth Strategy (Cont'd)

Increase production capacity and volume of sales

- Increase production capacity
 - Hepu Plantation
 - ✓ Increasing maturity → increase volume
 - Hunan Plantation
 - ✓ First commercial harvest expected in 2017
 - Development of new species with higher yield
 - Replanting program
- Source oranges from third parties
 - Provides low capital intensive growth

Increase sale of graded oranges

- Further increase in sale of graded oranges for higher profitability
 - Graded oranges under own brand “Royal Star” to supermarket customers
 - Start with small to medium sized supermarket chains
 - Focus on coastal area with higher disposable income
 - Enhancing refrigeration and processing facilities



Future Growth Strategy (Cont'd)

Integrate vertically

- Juicing
 - Riding on the high demand and growth potential in the PRC
 - Enhance production facilities to increase production volume from 60,000 tonnes to 100,000 tonnes
 - Expand product range to orange juice to further solidify market leadership

Potential acquisition

- Potential acquisition in the PRC
 - Upstream acquisition of plantation and other assets
 - Diversification of business and product portfolio



Financial Summary

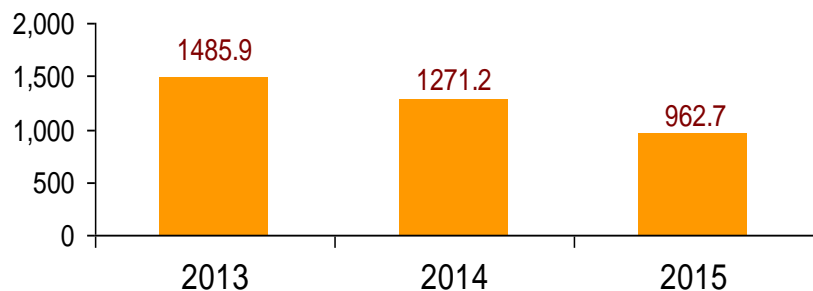
Financial & Margin Position



Turnover and Gross Margin

Year ended 30 Jun

(RMB million)



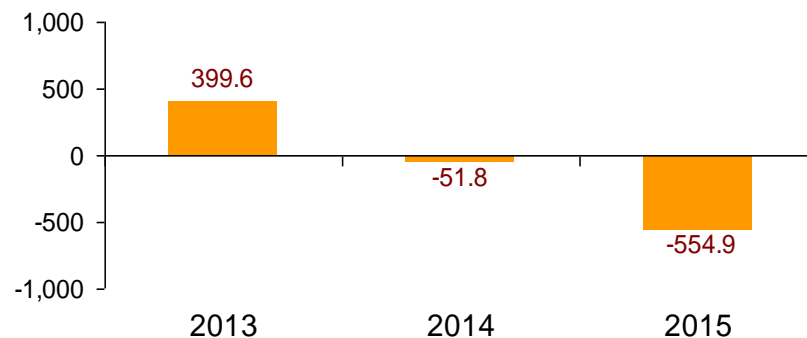
Gross Margin

2013	2014	2015
33.5%	10.5%	-43.5%

Core net profit*

Year ended 30 Jun

(RMB million)



Net Profit Margin

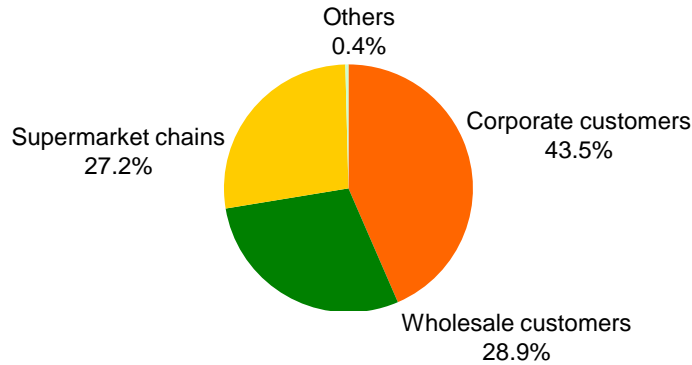
2013	2014	2015
26.9%	-4.1%	-57.6%

* Core net profit refers to net profit/(loss) excluding impairment of goodwill, write off of biological assets, change in fair value of biological assets and share-based payments

Key Financial Highlights – Plantation Business

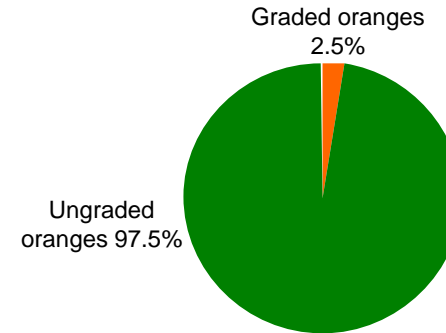


Customer Segments FY 2015



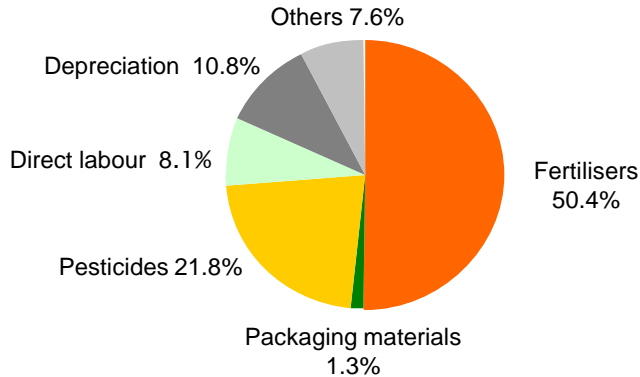
* Calculated as % of revenue from sale of oranges

Type of oranges FY 2015



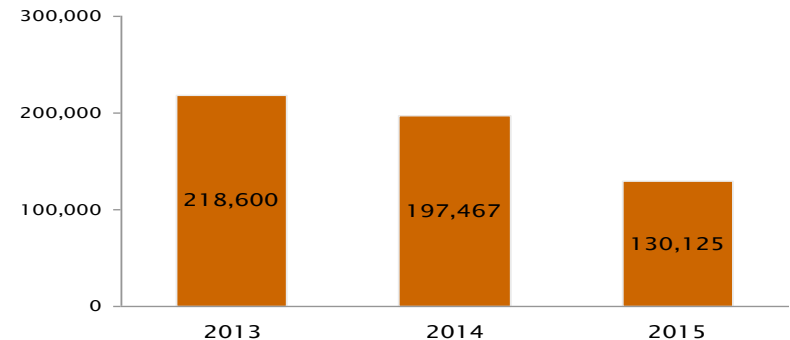
* By revenue

Cost of sales of orange FY 2015



* Calculated as % of cost of sales of oranges

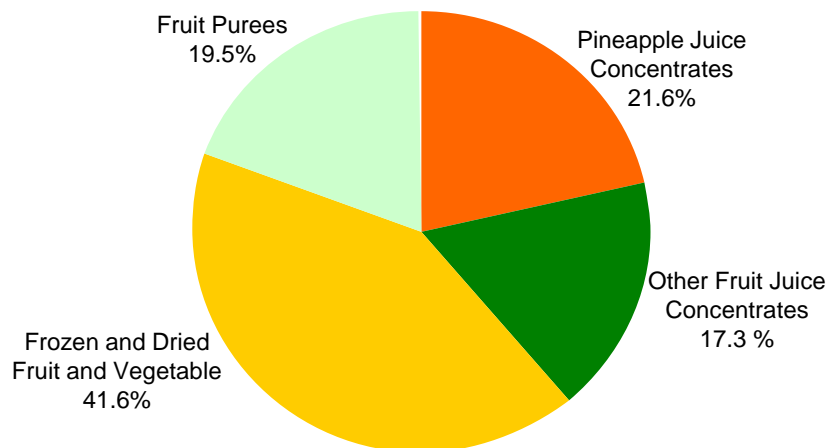
Production (tonnes) FY 2015



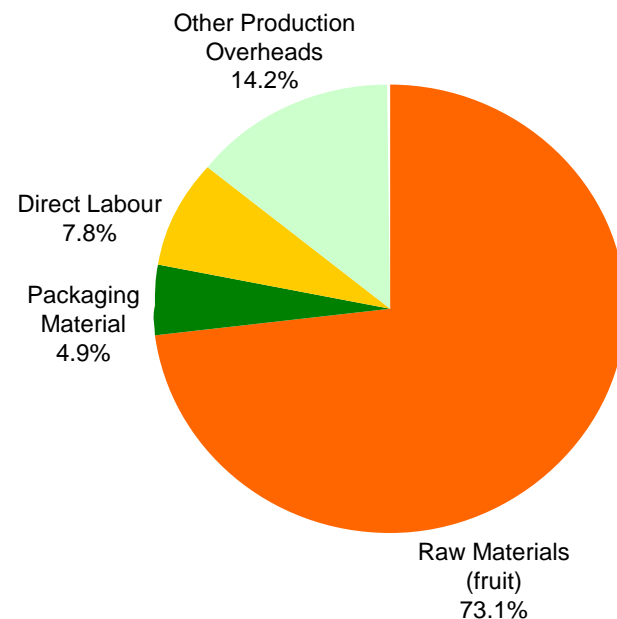


Key Financial Highlights – Fruit Processing Business

Product Segments 2015



Cost of sales 2015

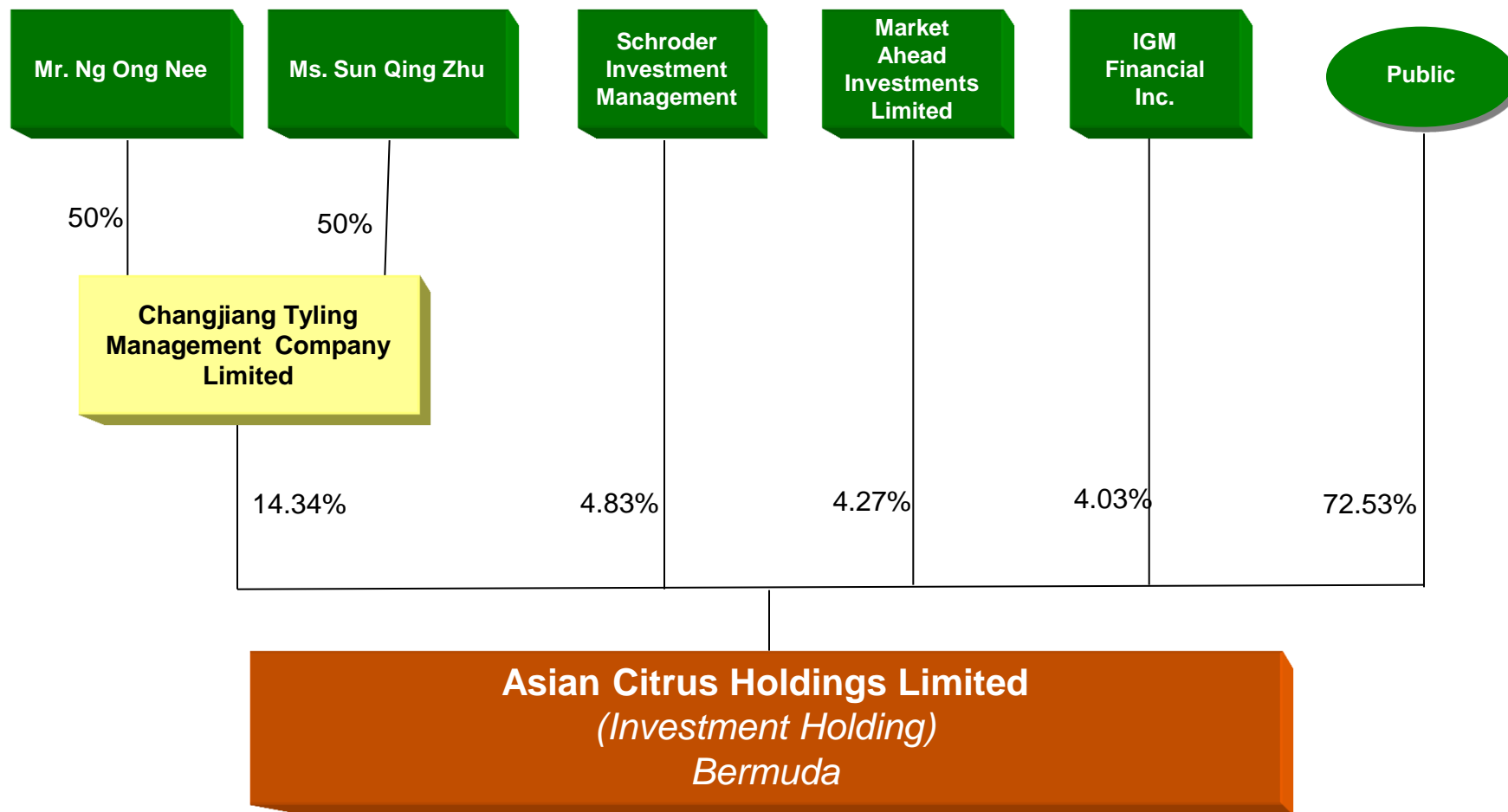




Appendix I



Shareholder Structure (as at 31 December 2015)



Corporate Structure





Appendix II



Results Highlights – Annual Results 2014/15

(RMB' Million)	<u>Reported results</u>			<u>Adjusted results *</u>		
	2014/15	2013/14	% Change	2014/15	2013/14	% Change
Revenue	962.7	1,271.2	-24.3	962.7	1,271.2	-24.34
Gross (loss)/profit	-418.8	133.9	-412.7	-418.8	133.9	-412.7
EBITDA	-1,070.1	-1,708.2	37.4	-402.6	79.2	-608.3
Net loss	-1,222.4	-1,839.2	33.5	-554.9	-51.8	971.2
Basic EPS (RMB)	-0.98	-1.48	33.8	-0.44	-0.04	1,000.0

* Adjusted results: 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.

- The net loss on change in carrying value of biological assets:

2014/15	RMB	(242.8) million
2013/14	RMB	(923.9) million

- The net loss on change in carrying value of goodwill:

2014/15	RMB	(303.9) million
2013/14	RMB	(853.4) million



Financial Position At-A-Glance

– Annual Results 2014/15

(RMB' Million)	6/2015	6/2014	% Change
Property, plant and equipment	2,253.5	2,305.2	-2.2
Biological assets (non-current portion)	1,332.5	1,406.8	-5.3
Goodwill	-	303.9	-100.0
Cash and cash equivalents	937.6	1,804.7	-48.0
Total assets	5,274.7	6,455.6	-18.3
Total liabilities	139.3	102.9	35.4



Cash Flow Summary - Annual Results 2014/15

(RMB' Million)	2014/15	2013/14	% Change
Cash and cash equivalents as at 1 July	1,804.7	2,141.2	
Cash (used in)/generated from operations	-501.5	33.4	-1,601.5
Net cash used in investing activities	<u>-365.4</u>	<u>-345.2</u>	5.9
Free cash flow	-866.9	-311.8	178.0
Net cash used in financing activities	-0.2	-24.7	-99.2
Net (decrease)/increase in cash and cash equivalents	-867.1	-336.5	157.7
Cash and cash equivalents as at 30 June*	937.6	1,804.7	-48.0

* Cash and cash equivalents refers cash & bank balances excluding time deposits over 3 months (2014/15: Nil, 2013/14: Nil)



Ratio Analysis - Annual Results 2014/15

	2014/15	2013/14
Gross Profit Margin (%) – Overall	-43.5%	10.5%
Gross Profit Margin (%) – Oranges	-105.7%	7.8%
Gross Profit Margin (%) – Processed fruits	2.5%	14.7%
	6/2015	6/2014
Current Ratio (x)	10.83	21.84
Quick Ratio (x)	8.16	19.18
Liabilities to Equity Ratio (%)	2.77%	1.65%
Net debt to Equity Ratio	Net cash	Net cash



Results Highlights – Interim Results 2015/16

(RMB' Million)	<u>Reported results</u>			<u>Adjusted results *</u>		
	2015/16	2014/15	% Change	2015/16	2014/15	% Change
Revenue	387.2	584.4	-33.7	387.2	584.4	-33.7
Gross loss	-440.7	-132.9	231.6	-440.7	-132.9	231.6
EBITDA	-1,515.8	-152.6	893.3	-421.7	-109.2	286.2
Net loss	-1,616.3	-236.4	583.7	-522.1	-193.0	170.5
Basic EPS (RMB)	-1.29	-0.19	578.9	-0.42	-0.15	180.0

* Adjusted results: Adjusted core financial information refers to activities for the period excluding change in fair value of biological assets, impairment of biological assets, impairment of property, plant and equipment, impairment of intangible assets and share-based payments.

- The net loss on change in fair value of biological assets:
2015/16 : RMB 190.0 million (2014/15 : RMB 40.0 million)
- The impairment loss on property, plant and equipment:
2015/16 : RMB 581.5 million (2014/15 : Nil)
- The impairment loss on biological assets:
2015/16 : RMB 270.4 million (2014/15 : Nil)



Financial Position At-A-Glance – Interim Results 2015/16

(RMB' Million)	12/2015	6/2015	% Change
Property, plant and equipment	1,650.9	2,253.5	-26.7
Biological assets (non-current portion)	1,013.7	1,332.5	-23.9
Cash and cash equivalents	521.4	937.6	-44.4
Total assets	3,658.3	5,274.7	-30.6
Total liabilities	137.6	139.3	-1.2



Cash Flows Summary - Interim Results 2015/16

(RMB' Million)	2015/16	2014/15	% Change
Cash and cash equivalents as at 1 July	937.6	1,804.7	
Cash used in operations	(223.8)	(70.5)	217.4
Net cash used in investing activities	(192.2)	(205.9)	-6.7
Free cash flow	(416.0)	(276.4)	50.5
Net cash used in financing activities	(0.2)	(0.1)	100.0
Net decrease in cash and cash equivalents	(416.2)	(276.5)	50.5
Cash and cash equivalents as at 31 December*	521.4	1,528.2	-65.9

* Cash and cash equivalents refers cash & bank balances excluding time deposits over 3 months (2015/16: Nil, 2014/15: Nil)



Ratio Analysis – Interim Results 2015/16

	2015/16	2014/15
Gross Profit Margin (%) – Overall	-113.8%	-22.7%
Gross Profit Margin (%) – Oranges	-1,220.0%	-47.9%
Gross Profit Margin (%) – Processed fruit	1.6%	12.5%
Gross Profit Margin (%) – Bananas	16.6%	-
	12/2015	6/2015
Current Ratio (x)	6.48	10.83
Quick Ratio (x)	4.78	8.16
Liabilities to Equity Ratio (%)	4.03%	2.77%
Net Debt to Equity Ratio	Net cash	Net cash

Thank You

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