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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)

RULE 13.09(1) ANNOUNCEMENT MEMORANDUM OF UNDERSTANDING IN RELATION TO THE PROPOSED ACQUISITION

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board is pleased to announce that on 15 April 2010 (after trading hours), the Company and the Vendor entered into a non-legally binding (except for the Exclusivity Undertaking, confidentiality obligations and other relevant provisions in the Memorandum of Understanding) Memorandum of Understanding in relation to the Proposed Acquisition, pursuant to which the Company intended to acquire and the Vendor intended to sell the entire interest of the Target Project of the Vendor.

The Board wishes to emphasize that no legally binding agreement in relation to the Proposed Acquisition has been entered into as at the date of the announcement. The final terms of the Formal Agreement (if any), including but not limited to the consideration, in relation to the Proposed Acquisition, have yet to be determined and finalized. As the Proposed Acquisition may or may not proceed, public investors and the shareholders of the Company are urged to exercise caution when dealing in the shares of the Company.

In the event the Proposed Acquisition materializes, the transaction may or may not constitute a notifiable transaction under the Listing Rules and/or AIM Rules and/or PLUS Rules. The Company will comply with the applicable provisions of the Listing Rules and/or AIM Rules and/or PLUS Rules in relation to such possible notifiable transaction.

* For identification purposes only

This announcement is made in accordance with Rule 13.09(1) of the Listing Rules.

MEMORANDUM OF UNDERSTANDING

Date of the Memorandum of Understanding: 15 April 2010

Parties to the Memorandum of Understanding: (a) the Vendor; and
(b) the Company.

The Directors confirmed that to the best knowledge, information and belief of the Directors after having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are not connected persons of the Company.

PROPOSED ACQUISITION

Pursuant to the Memorandum of Understanding, the Company intended to acquire and the Vendor intended to sell entire interest of the Target Project of the Vendor.

The parties to the Memorandum of Understanding mutually agreed that if the Company is satisfied with the result of due diligence and intends to undertake the Proposed Acquisition, both parties would negotiate and use best endeavours to enter into Formal Agreement by 31 January 2011.

CONDITIONS OF THE PROPOSED ACQUISITION

The Proposed Acquisition shall be conditional upon (inter alias):

- (a) the Company having completed due diligence to its satisfaction with respect to the Proposed Acquisition;
- (b) all necessary statutory, legal and regulatory approvals in respect of the Target Project, operation rights and the Proposed Acquisition having been obtained; and
- (c) all legal and other documents as normally required in similar transactions, the content and format of which being satisfactory to the Company, having been obtained.

EXCLUSIVITY UNDERTAKING

Under the Memorandum of Understanding, the Vendor has agreed that it would not negotiate with any third party for the sale and transfer of the Target Project from the date of the Memorandum of Understanding up to 31 January 2011 (the “**Exclusivity Undertaking**”).

NON-LEGALLY BINDING

Except for the Exclusivity Undertaking, confidentiality obligations and other relevant provisions in the Memorandum of Understanding, the Memorandum of Understanding does not constitute the parties' legally binding commitments in relation to the Proposed Acquisition. If the Proposed Acquisition does proceed, the parties will enter into Formal Agreement in which relevant terms and conditions will be further discussed and finalized.

TARGET PROJECT

Target Project is a citrus fruit plantation with approximately 1.1 million citrus fruits trees and ancillary facilities which occupies a land area of approximately 10,000 mu located in Fuchuan County of the Guangxi Zhuang Autonomous Region in the PRC.

REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION

The Vendor is considered to be one of the largest owners and operators of citrus fruits plantation in the PRC and the Proposed Acquisition is in line with the business strategy and activities of the Group. As the Target Project is already in operation, such operation will bring the Group with immediate revenue and profit.

The Directors believe that the Proposed Acquisition is fair and reasonable and is in the interests of the Company and the shareholders.

GENERAL

The Memorandum of Understanding does not constitute legally binding commitment on the part of the parties in relation to the Proposed Acquisition. Further announcement will be made by the Company once the Formal Agreement (if any) in relation to the Proposed Acquisition is entered into.

The Board wishes to emphasize that no legally binding agreement in relation to the Proposed Acquisition has been entered into as at the date of the announcement. The final terms of the Formal Agreement, including but not limited to the consideration, in relation to the Proposed Acquisition, have yet to be determined and finalized. As the Proposed Acquisition may or may not proceed, public investors and the shareholders of the Company are urged to exercise caution when dealing in the shares of the Company.

In the event the Proposed Acquisition materializes, the transaction may or may not constitute a notifiable transaction under the Listing Rules and/or AIM Rules and/or PLUS Rules. The Company will comply with the applicable provisions of the Listing Rules and/or AIM Rules and/or PLUS Rules in relation to such possible notifiable transaction.

DEFINITIONS

“AIM”	AIM, a market operated by the LSE
“AIM Rules”	the rules for AIM companies published by the LSE
“Board”	the board of Directors
“China” or “PRC”	the People’s Republic of China, which for the purposes of this announcement, excludes Hong Kong, Taiwan and Macau Special Administrative Region
“Company”	Asian Citrus Holdings Limited (stock code: HKSE: 73; AIM: ACHL), a company incorporated under the laws of Bermuda with limited liability, and whose shares are listed and traded on the Main Board of the Stock Exchange, AIM and PLUS Market
“connected person”	having the meaning ascribed to it under the Listing Rules
“Directors”	directors of the Company
“Formal Agreement”	the legally binding formal sale and purchase agreement to be entered into by the Company (or its wholly-owned subsidiary) and the Vendor if the Proposed Acquisition proceeds
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“LSE”	The London Stock Exchange plc
“Memorandum of Understanding”	memorandum of understanding dated 15 April 2010 made between the Company and the Vendor in relation to the Proposed Acquisition
“mu”	a measurement for the area of land commonly used in PRC which is equivalent to 666.7 square metres
“PLUS Market”	the PLUS-quoted segment for unlisted securities operated by PLUS Market plc, an equity stock exchange based in London, England, in the form of a quote-driven electronic trading platform
“PLUS Rules”	the PLUS rules for issuers issued by PLUS Market plc

“Proposed Acquisition”	the proposed acquisition by the Company (or its subsidiary) of the entire interest of the Target Project of the Vendor
“Stock Exchange” or “HKSE”	The Stock Exchange of Hong Kong Limited
“Target Project”	a citrus fruit plantation with approximately 1.1 million citrus fruits trees and ancillary facilities which occupies a land area of approximately 10,000 mu located in Fuchuan County of the Guangxi Zhuang Autonomous Region in the PRC
“Vendor”	廣西農墾國有立新農場 (in English, for identification purpose only, Guangxi Lixin Stated-owned Farm), a company incorporated and validly existing under the laws of the PRC which is directly under the jurisdiction of 廣西農墾集團有限責任公司 (in English, for identification purpose only, Guangxi State Farms Group Co. Ltd.)

BY ORDER OF THE BOARD
Asian Citrus Holdings Limited
Tong Wang Chow
Executive Director

Hong Kong, 15 April 2010

As at the date of this announcement, the board of directors of the Company comprises five executive directors, namely Mr. Tong Wang Chow, Mr. Tong Hung Wai, Tommy, Mr. Cheung Wai Sun, Mr. Pang Yi and Mr. Sung Chi Keung; two non-executive directors, namely Mr. Ip Chi Ming and Hon Peregrine Moncreiffe and four independent non-executive directors, namely Mr. Ma Chiu Cheung, Andrew, Mr. Nicholas Smith, Mr. Yang Zhenhan and Dr. Lui Ming Wah, SBS JP.