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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)**

### **PLACING OF EXISTING SHARES AND TOP-UP SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE AND RESUMPTION OF TRADING**



**BofA Merrill Lynch**

*Joint Placing Agents*

#### **PLACING OF EXISTING SHARES AND SUBSCRIPTION FOR NEW SHARES**

On 21 April 2010, the Company, the Vendor (being a substantial Shareholder of the Company) and the Joint Placing Agents entered into the Placing Agreement pursuant to which the Joint Placing Agents severally but not jointly agreed to place up to an aggregate of 95,000,000 Placing Shares (comprised of 68,000,000 existing Shares under the Top-up Placing and 27,000,000 existing Shares under the Vendor Placing) held by the Vendor to not less than six professional institutional and other investors who are Independent Third Parties at the price of HK\$5.70 per Placing Share. On 21 April 2010, the Company and the Vendor entered into the Subscription Agreement, pursuant to which the Vendor has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of up to 68,000,000 Subscription Shares (approximately 71.58% of the Placing Shares actually placed by the Joint Placing Agents under the Placing Agreement) to the Vendor at the price of HK\$5.70 per Subscription Share, which is the same as the Placing Price.

The Placing Shares represent (i) approximately 12.11% of the existing issued share capital of the Company of 784,260,094 Shares as at the date of this announcement; and (ii) approximately 11.15% of the issued share capital of the Company of 852,260,094 Shares as enlarged by the allotment and issue of the Subscription Shares pursuant to the Subscription.

The price per Placing Share of HK\$5.70 (47.82 pence\*\*) represents:

- (i) a discount of approximately 10.66% to the closing price of HK\$6.38 (53.52 pence\*\*) per Share as quoted on the Stock Exchange and a discount of approximately 14.67% to the closing price of 56.00 pence (HK\$6.68\*\*) per Share as quoted on AIM on the Last Trading Day;
- (ii) a discount of approximately 10.52% to the volume weighted average price of HK\$6.37 (53.47 pence\*\*) per Share as quoted on the Stock Exchange and a discount of approximately 14.93% to the volume weighted average price of 56.19 pence (HK\$6.70\*\*) per Share as quoted on AIM for the last five trading days up to and including the Last Trading Day; and
- (iii) a discount of approximately 13.53% to the volume weighted average price of HK\$6.49 (54.47 pence\*\*) per Share as quoted on the Stock Exchange and a discount of approximately 14.67% to the volume weighted average price of 56.05 pence (HK\$6.68\*\*) per Share as quoted on AIM for the last ten trading days up to and including the Last Trading Day.

The shareholding of the Vendor will decrease from approximately 28.24% to approximately 16.12% immediately after completion of the Placing and will increase to approximately 22.82% immediately after the completion of the Subscription.

The Subscription is conditional upon (i) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Subscription Shares, (ii) completion of the Top-up Placing in accordance with the terms of the Placing Agreement and (iii) (if so required) the Bermuda Monetary Authority granting permission for the allotment and issue of the Subscription Shares.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the Subscription Shares. Application will also be made for the Subscription Shares to be admitted to trading on AIM.

The net proceeds from the Subscription will amount to up to approximately HK\$377 million (equivalent to a net Placing Price of approximately HK\$5.54 per Share), and is mainly intended to apply to acquire 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 the PRC, further details of which are stated in the Announcement.

At the request of the Company, trading of the Shares on the Stock Exchange has been suspended with effect from 9:30 a.m. on 21 April 2010 pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 22 April 2010.

## **PLACING AGREEMENT**

### **Date:**

21 April 2010

### **Parties:**

The Company, the Vendor and the Joint Placing Agents

### **Joint Placing Agents:**

CLSA and Merrill Lynch. To the best of the knowledge and belief of the Directors, each of the Joint Placing Agents and its beneficial owner is not a connected person of the Company or an associate of the Vendor under the Listing Rules and/or AIM Rules and/or PLUS Rules for the purposes of the Placing.

### **Places:**

The Placing Shares will be placed by the Joint Placing Agents at the Placing Price. The Placing Shares will be placed to not less than six professional institutional and other investors whose ultimate beneficial owners are Independent Third Parties of and not acting in concert with (for the purpose of the Takeovers Code) (i) the Vendor, (ii) the Company or any of its subsidiaries, or (iii) any Director, substantial Shareholder or chief executive of the Company or any of its subsidiaries or any of their respective associates.

### **Vendor:**

Huge Market Investments Limited, a substantial Shareholder of the Company, holding 221,448,026 Shares, representing about 28.24% of the existing issued share capital of the Company as at the date of this announcement.

### **Placing Shares:**

An aggregate of up to 95,000,000 Shares (constituted by 68,000,000 existing Shares according to Top-up Placing and 27,000,000 existing Shares according to Vendor Placing), which will be placed by the Joint Placing Agents, representing approximately 12.11% of the Company's existing issued share capital of the Company as at the date of this announcement and approximately 11.15% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares pursuant to the Subscription.

**Placing Price:**

The price per Placing Share of HK\$5.70 (47.82 pence\*\*) represents:

- (i) a discount of approximately 10.66% to the closing price of HK\$6.38 (53.52 pence\*\*) per Share as quoted on the Stock Exchange and a discount of approximately 14.67% to the closing price of 56.00 pence (HK\$6.68\*\*) per Share as quoted on AIM on the Last Trading Day;
- (ii) a discount of approximately 10.52% to the volume weighted average price of HK\$6.37 (53.47 pence\*\*) per Share as quoted on the Stock Exchange and a discount of approximately 14.93% to the volume weighted average price of 56.19 pence (HK\$6.70\*\*) per Share as quoted on AIM for the last five trading days up to and including the Last Trading Day; and
- (iii) a discount of approximately 13.53% to the volume weighted average price of HK\$6.49 (54.47 pence\*\*) per Share as quoted on the Stock Exchange and a discount of approximately 14.67% to the volume weighted average price of 56.05 pence (HK\$6.68\*\*) per Share as quoted on AIM for the last ten trading days up to and including the Last Trading Day.

The Placing Price was negotiated on an arm's length basis between the Vendor and the Joint Placing Agents with reference to recent market prices, the performance of the Shares and current market conditions.

**Rights to the Placing Shares:**

The Placing Shares will be sold free from all third party rights, liens, charges, options, equities and encumbrances and together with all rights attaching to them including the right to receive all dividends and distribution declared, made or paid after the Closing Date.

**Management commission payable to the Joint Placing Agents**

In consideration of the services of the Joint Placing Agents in relation to the Placing, the Vendor shall pay to the Joint Placing Agents a management commission, in Hong Kong dollars, of 2.6% of the amount equal to the Placing Price multiplied by the number of Placing Shares, which total amount will be divided equally between the Joint Placing Agents and the costs and expenses incurred by the Joint Placing Agents (excluding legal fees and disbursements if the Placing is completed) in connection with the Placing.

**Condition of the Placing:**

The obligation of the Joint Placing Agents to proceed to complete the Placing is conditional upon the Subscription Agreement having been entered into by the Company and the Vendor.

## Lock-up Undertakings:

Pursuant to the Placing Agreement, among others, the following undertakings were made:

(a) Vendor has undertaken to the Joint Placing Agents that (except for the sale of the Placing Shares pursuant to the Placing Agreement) for a period of 90 days from the Closing Date, it will not and will procure that none of its nominees, associates and companies controlled by it and trusts associated with it (whether individually or together and whether directly or indirectly) will:

- (i) offer, lend, pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests therein (including any interest in a company which, directly or indirectly, holds any such Shares or other securities of the Company) beneficially owned or held by the Vendor or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Shares or interests; or
- (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of Shares,

whether any such transaction described in (a)(i) or (a)(ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise; or

(iii) announce any intention to enter into or effect any such transaction described in (a)(i) or (a)(ii) above,

unless with the prior written consent of the Joint Placing Agents and such consent not to be reasonably withheld.

(b) The Company has undertaken to the Joint Placing Agents that for a period of 180 days from the Closing Date, the Company will not, except for the Subscription Shares and save pursuant to (1) the terms of any employee share option scheme of the Company or (2) bonus or scrip dividend or similar arrangements which provide for the allotment of Shares in lieu of the whole or part of a dividend on Shares of the Company in accordance with its articles of association:

- (i) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for (either conditionally or unconditionally, or directly or indirectly, or otherwise), or repurchase, any Share(s) or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to Shares or interest in Shares; or
- (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (b)(i) above; or

(iii) announce any intention to enter into or effect any such transaction described in (b)(ii) or (b)(ii) above,

without first having obtained the written consent of the Joint Placing Agents and such consent not to be reasonably withheld.

**Completion of the Placing:**

Completion of the Placing shall take place on the Closing Date.

**SUBSCRIPTION AGREEMENT**

**Date:**

21 April 2010

**Parties:**

The Company as the issuer and the Vendor as the subscriber.

**Subscription Shares:**

The Company has conditionally agreed to allot and issue and the Vendor has conditionally agreed to subscribe for an aggregate of up to 68,000,000 Subscription Shares (the number of which is equivalent to approximately 71.58% of the Placing Shares actually placed by the Joint Placing Agents under the Placing Agreement), which have an aggregate nominal value of HK\$680,000, representing approximately 8.67% of the Company's existing issued share capital as at the date of this announcement and 7.98% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares pursuant to the Subscription.

**Subscription Price:**

The Subscription Price is HK\$5.70 per Subscription Share, which is equal to the price per Placing Share that was determined after arm's length negotiations between the Company and the Vendor. The net proceeds from the Subscription will amount to approximately HK\$377 million, being the aggregate Subscription Price after deducting the costs and expenses (excluding its legal fees) incurred by the Vendor in relation to the Top-up Placing.

**Mandate to allot and issue new Shares:**

The Subscription Shares will be allotted and issued pursuant to the general mandate granted to the Directors at the AGM and Shareholder's approval therefore is not required for the allotment and issue of the Subscription Shares. The Company is authorised to issue 154,111,960 Shares under such mandate. The Company has not exercised the power to allot and issue any new Shares pursuant to such mandate prior to the Placing and the Subscription.

### **Ranking of Subscription Shares:**

The Subscription Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with all the existing Shares in issue as at the date of completion of the Subscription, including rights to all dividends and other distributions declared, made or paid at any time on or after the date of completion of the Subscription.

### **Conditions of the Subscription:**

The Subscription is conditional upon the fulfilment of the following conditions by 3 May 2010:

- (a) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Subscription Shares;
- (b) completion of the Top-up Placing in accordance with the terms of the Placing Agreement; and
- (c) (if so required) the Bermuda Monetary Authority granting permission for the allotment and issue of the Subscription Shares.

### **Application for listing:**

Application will be made by the Company to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the Subscription Shares. Application will also be made for the Subscription Shares to be admitted to trading on AIM and admission to trading on AIM is expected to become effective on 30 April 2010.

### **Completion of the Subscription**

Completion of the Subscription shall take place on the second Business Day after the fulfilment of all the conditions referred to in the Subscription Agreement.

Under Rule 14A.31(3)(d) of the Listing Rules, the Subscription must be completed within 14 days from the date of the Subscription Agreement, that is, on or before 5 May 2010.

In the event that the Company and the Vendor elect to postpone the fulfilment date of the conditions and the Subscription is not completed within 14 days of the signing of the Placing Agreement, the Subscription will constitute a connected transaction under the Listing Rules which will require approval of the independent Shareholders and the Company will take steps to ensure compliance with the Listing Rules and further announcement will be made by the Company in this regard accordingly.

In the event that the conditions referred to in the Subscription Agreement are not fulfilled by 3 May 2010 (or such other date as may be agreed by the Vendor and the Company), all rights obligations and liabilities of the Vendor and the Company shall cease and determine and none of the Vendor or the Company shall have any claim against the other in respect of the Subscription.

## AIM Rules requirement

Under Rule 13 of the AIM Rules, the Subscription constitutes a related party transaction (the “Related Party Transaction”). The terms of the Subscription, including the Subscription Price, which is the same as the Placing Price, have been negotiated on an arm’s length basis in accordance with normal commercial terms and the Directors, having consulted with the Company’s NOMAD, consider that the Related Party Transaction is fair and reasonable insofar as Shareholders are concerned.

## CHANGES TO THE SHAREHOLDING STRUCTURE AS A RESULT OF THE PLACING AND THE SUBSCRIPTION

The shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after completion of the Placing; (iii) immediately after completion of the Placing and the Subscription is as follows:

Shareholders	Shareholding as at the date of this announcement		Immediately after completion of the Placing but before the Subscription		Immediately after completion of the Placing and the Subscription	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Market Ahead	271,223,153	34.58	271,223,153	34.58	271,223,153	31.82
Vendor	221,448,026	28.24	126,448,026	16.12	194,448,026	22.82
Placees Public	0	0	95,000,000	12.11	95,000,000	11.15
(excluding the Placees)	291,588,915	37.18	291,588,915	37.18	291,588,915	34.21
Total:	784,260,094	100.00	784,260,094	100	852,260,094	100.00

## REASONS FOR THE PLACING AND THE SUBSCRIPTION

The Directors believe that the terms of the Placing and the Subscription, including the Subscription Price, which have been negotiated on an arm’s length basis in accordance with normal commercial terms, are fair, reasonable and in the interests of the Company and the Shareholders as a whole. Taking into account of its expansion and growth plan, the Directors consider that the Placing and the Subscription represents an opportunity to raise further capital for the Company’s proposed acquisition and increase the marketability of the Shares while broadening the shareholder base and the capital base of the Company.

## USE OF PROCEEDS

The net proceeds from the Subscription will amount to up to approximately HK\$377 million (equivalent to the net Placing Price of approximately HK\$5.54 per Share), and mainly intends to apply to acquire 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 the PRC, further details of which are stated in the Announcement.



## **FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS**

The Shares have been admitted to trading on AIM since 3 August 2005 with ticker ACHL and have been trading on the PLUS Market since 23 May 2008. The Company was subsequently listed in the Main Board of the Stock Exchange by way of introduction on 26 November 2009. The Company has not raised any funds on any issue of equity securities in the 12 months immediately preceding the date of this announcement.

## **GENERAL INFORMATION**

The Company operates as an investment holding company. The Group is engaged in the cultivation, production and sale of oranges and it owns and operates orange plantation in China.

## **SUSPENSION AND RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 21 April 2010 pending the publication of this announcement. The Company has applied for resumption of trading in the Shares with effect from 9:30 a.m. on 22 April 2010.

## **DEFINITIONS**

In the announcement, the following expressions have the meanings set out below unless the context otherwise requires.

“AGM”	the annual general meeting of the Company held on 11 December 2009
“AIM”	AIM, a market operated by the LSE
“AIM Rules”	the AIM Rules for Companies published by the LSE
“Announcement”	an announcement issued by the Company on 15 April 2010 in respect of a memorandum of understanding in relation to the proposed acquisition pursuant to Rule 13.09 of the Listing Rules
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday or Sunday or public holiday in Hong Kong) on which banks are generally open for business in Hong Kong

“Closing Date”	two Business Days after the date when the sale of the Placing Shares shall be reported as a cross-trade to the Stock Exchange which shall be (i) 21 April 2010 or, (ii) if dealings in the Shares on the Stock Exchange are suspended at all times on 21 April 2010, the first day on which dealings resume and the cross-trade can be reported to the Stock Exchange in accordance with its rules, or such other date as the Vendor, the Company and the Joint Placing Agents may agree in writing
“CLSA”	CLSA Limited, a corporation licensed to carry on type 1 (dealing in securities) and type 4 (advising on securities) regulated activities within the meaning of the SFO, which is not a connected person of the Company or an associate of the Vendor under the Listing Rules for the purpose of this transaction
“Company”	Asian Citrus Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which have been trading on AIM, the PLUS Market and the Main Board of the Stock Exchange
“Controlling Shareholder”	has the meaning ascribed thereto in the Listing Rules and for the purposes of this announcement, refers to each of Market Ahead and the Tong Family Shareholders being the ultimate beneficial owners of Market Ahead
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	a party(ies) who is/are independent of and is/are not connected with any of the directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates
“Joint Placing Agents”	CLSA and Merrill Lynch
“Last Trading Day”	20 April 2010, being the date immediately prior to the date of the Placing Agreement and the Subscription Agreement
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“LSE”	The London Stock Exchange plc
“Market Ahead”	Market Ahead Investments Limited, a company incorporated under the laws of BVI with limited liability on 12 February 2002 owned as to 76% by Mr. Tong Wang Chow, 6% by Mr. Tong Hung Wai, Tommy, 6% by Mrs. Tong Lee Fung Kiu, 6% by Ms. Tong Mei Lin and 6% by Mr. Lee Kun Ching. Market Ahead is a Controlling Shareholder
“Merrill Lynch”	Merrill Lynch Far East Limited, a corporation licensed to carry on types 1, 4 and 6 regulated activities within the meaning of the SFO, which is not a connected person of the Company or an associate of the Vendor under the Listing Rules for the purpose of this transaction
“mu”	a measurement for the area of land commonly used in the PRC which is equivalent to 666.7 square metres
“”NOMAD”	J.P. Morgan Securities Ltd., nominated adviser to the Company under the AIM Rules.
“Placees”	any institutional, corporate or individual investor(s) procured by the Joint Placing Agents to subscribe for any of the Placing Shares pursuant to the terms of the Placing Agreement
“Placing”	Top-up Placing and Vendor Placing
“Placing Agreement”	the placing agreement entered into by and among the Vendor, the Company and the Joint Placing Agents dated 21 April 2010 in relation to the Placing
“Placing Price”	HK\$5.70 per Placing Share
“Placing Shares”	an aggregate of up to 95,000,000 existing Shares (constituted by 68,000,000 existing Shares according to Top-up Placing and 27,000,000 existing Shares according to Vendor Placing) to be placed through the Joint Placing Agents under the Placing Agreement
“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
“SFC”	the Securities and Futures Commission in Hong Kong

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by the Vendor pursuant to the terms of the Subscription Agreement
“Subscription Agreement”	the subscription agreement entered into between the Company and the Vendor dated 21 April 2010 in relation to the Subscription
“Subscription Shares”	an aggregate of up to 68,000,000 new Shares agreed to be allotted and issued to the Vendor under the Subscription Agreement, which is equivalent to approximately 71.58% of the Placing Shares actually placed by the Joint Placing Agents under the Placing Agreement
“Subscription Price”	HK\$5.70 per Subscription Share
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Tong Family Shareholders”	collectively, Mr. Tong Wang Chow, Mr. Tong Hung Wai, Tommy, Mrs. Tong Lee Fung Kiu, Ms. Tong Mei Lin and Mr. Lee Kun Chung
“Top-up Placing”	the placing of an aggregate of up to 68,000,000 existing Shares beneficially owned by the Vendor at the Placing Price pursuant to the terms of the Placing Agreement
“Vendor”	Huge Market Investments Limited, a company incorporated under the laws of the British Virgin Islands with limited liability, a substantial Shareholder of the Company
“Vendor Placing”	the placing of an aggregate of up to 27,000,000 existing Shares beneficially owned by the Vendor at the Placing Price pursuant to the terms of the Placing Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“£” Pounds sterling, the lawful currency of the United Kingdom  
“Pence” a currency of the United Kingdom, with £ equal to 100 pence  
“%” per cent.

BY ORDER OF THE BOARD  
**Asian Citrus Holdings Limited**  
**TONG Wang Chow**  
*Chairman*

Hong Kong, 21 April 2010

*As at the date of this announcement, the Board 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.*

\* For identification purposes only

\*\* £1: HK\$11.9198