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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: 00073; AIM: ACHL)

MAJOR TRANSACTION

On 11 October 2010, after trading hours of the Stock Exchange, the Purchaser (being a wholly-owned subsidiary of the Company), the Company, the Vendors, the Bondholders and the Guarantor entered into the Agreement pursuant to which the Purchaser has conditionally agreed to acquire and the Vendors and the Bondholders have conditionally agreed to sell the Sale Shares, being the entire issued share capital of BPG Food & Beverage, for an aggregate consideration of HK\$2,040,700,000.

BPG Food & Beverage wholly owns Top Honest and Fame Zone, which through their respective wholly-owned subsidiaries, hold 92.28% and 0.66% of equity interest in Beihai BPG, respectively. Beihai BPG is a leading producer and seller of tropical fruit juice concentrates in the PRC.

The Consideration is HK\$2,040,700,000 which shall be satisfied as to (i) HK\$780,000,000 of Cash Consideration by way of execution of Deeds of Payment Undertaking by the Company in favour of Sunshine Hero and the Bondholders; and (ii) the balance of HK\$1,260,700,000 by the allotment and issue of 164,153,646 Consideration Shares at an issue price of HK\$7.68 per Share to the Vendors and the Bondholders.

General

As certain applicable percentage ratio(s) as defined under Rule 14.08 of the Listing Rules in respect of the Acquisition are more than 25% but less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules. The Agreement and the transactions contemplated thereunder and the Specific Mandate are therefore subject to the approval of the Shareholders at the SGM. To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, none of the Shareholders has a material interest in the Agreement or is required to abstain from voting on the resolution(s) to approve the Agreement and the transactions contemplated thereunder.

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares. Application will also be made for the Consideration Shares to be admitted to trading on AIM and trading on PLUS Market.

A circular containing, among other things, details of the Agreement, an accountants' report on the Target Group, the financial information on the Group, a notice to convene the SGM and other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 1 November 2010 in accordance with the Listing Rules.

Reference is made to the announcement of the Company dated 7 September 2010 in relation to the MOU.

The Board is pleased to announce that further to the MOU, on 11 October 2010 (after trading hours of the Stock Exchange), the Purchaser, the Company, the Vendors, the Bondholders and the Guarantor entered into the Agreement in respect of the Acquisition. Details of the Agreement are set out below:

THE AGREEMENT

Date

11 October 2010

Parties

Purchaser: A-One Success Limited (a wholly-owned subsidiary of the Company)

Vendors: (i) Sunshine Hero Limited; and
(ii) Excel Blaze Limited;

Bondholders: (i) Billion Ally International Limited;
(ii) Billion Step Investments Limited;
(iii) Beauty Treasure Group Limited;
(iv) LC II Pineapple Limited; and
(v) Greater China PE Fund L.P.

Covenantor: the Company

Guarantor: Ms. Xu Xuefeng

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of the Vendors, the Bondholders and their respective ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

The Guarantor has agreed to unconditionally and irrevocably undertake to the Purchaser to procure the due and punctual performance of the obligations of the Vendors and the Bondholders under the terms and conditions of the Agreement, by agreeing to indemnify and keep effectively indemnified the Purchaser against all liabilities, losses, damages, costs and expenses stipulated under the Agreement or otherwise which the Purchaser may suffer or incur in connection with any default or delay on the part of the Vendors and the Bondholders in the performance of any such obligations. The Guarantor's liabilities shall not exceed the amount of the Consideration payable to the Vendors, the Bondholders and the Guarantor's liabilities shall cease on the third anniversary of the Completion Date unless legal proceedings for any of the breaches are instituted against the Guarantor prior thereto.

Assets to be acquired

Pursuant to the Agreement, the Purchaser has conditionally agreed to acquire and the Vendors and the Bondholders have conditionally agreed to sell the Sale Shares, being the entire issued share capital of BPG Food & Beverage.

As at the date of the Agreement, BPG Food & Beverage is owned as to 97.57% by Sunshine Hero and 2.43% by Excel Blaze. On 6 January 2010, Sunshine Hero, BPG Food & Beverage, the Bondholders, the Guarantor and Mr. Huang Xin entered into the Bond

Purchase Agreement, pursuant to which the Bondholders purchased certain exchangeable redeemable bonds from Sunshine Hero and upon the exercise of the rights under the Bond Purchase Agreement, the shareholdings of BPG Food & Beverage will become as follows:

Vendors and Bondholders	<u>As at the date of the Agreement</u>		<u>Upon exercise of the rights under the Bond Purchase Agreement</u>	
	<i>No. of Sale Shares</i>	<i>Approximate %</i>	<i>No. of Sale Shares</i>	<i>Approximate %</i>
Sunshine Hero	9,757	97.57	7,220	72.20
Excel Blaze	243	2.43	243	2.43
Billion Ally	-	-	1,072	10.72
Billion Step	-	-	247	2.47
Beauty Treasure	-	-	165	1.65
LC II Pineapple	-	-	659	6.59
Greater China PE Fund	-	-	394	3.94
Total	<u>10,000</u>	<u>100</u>	<u>10,000</u>	<u>100</u>

BPG Food & Beverage wholly owns Top Honest and Fame Zone, which through their respective wholly-owned subsidiaries, hold 92.28% and 0.66% of equity interest in Beihai BPG, respectively.

Consideration

The Consideration for the Acquisition is HK\$2,040,700,000 which shall be satisfied as to:

- (i) HK\$780,000,000 of Cash Consideration by way of execution of Deeds of Payment Undertaking by the Company in favour of Sunshine Hero and each of the Bondholders; and
- (ii) the balance of HK\$1,260,700,000 by the allotment and issue of the 164,153,646 Consideration Shares to the Vendors and the Bondholders.

The Deeds of Payment Undertaking shall be executed and delivered to Sunshine Hero and the Bondholders, and the Consideration Shares shall be allotted and issued, credited as fully paid, to the Vendors and the Bondholders on the Completion Date.

The amount of Cash Consideration payable and the number of Consideration Shares to be allotted and issued to each of the Vendors and the Bondholders are as follows:

<u>Vendors and Bondholders</u>	<u>Cash Consideration</u>	<u>Consideration Shares</u>
	<i>HK\$</i>	<i>No. of Shares</i>
Sunshine Hero	577,185,610	116,692,681
Excel Blaze	-	6,456,902
Billion Ally	85,698,473	17,326,116
Billion Step	19,745,824	3,992,118
Beauty Treasure	13,190,530	2,666,799
LC II Pineapple	52,682,177	10,651,036
Greater China PE Fund	31,497,386	6,367,994
Total	780,000,000	164,153,646

The Consideration was determined after arm's length negotiation between the Purchaser and the Vendors with reference to (i) the performance of Beihai BPG and its subsidiaries (collectively known as the "Beihai Group"); (ii) the net assets of the Beihai Group as at 30 June 2010; (iii) the growth potential of the business of the Beihai Group; and (iv) the possible future earnings contribution from the Beihai Group.

The issue price of HK\$7.68 per Consideration Share represents:

- (i) a discount of approximately 9.65% to the closing price of HK\$8.50 per Share as quoted on the Stock Exchange on 11 October 2010, being the date of the Agreement;
- (ii) a discount of approximately 3.52% to the average of the closing prices of the Shares as quoted on the Stock Exchange over the last five consecutive trading days up to and including 11 October 2010 of HK\$7.96 per Share;
- (iii) a discount of approximately 0.52% to the average of the closing prices of the Shares as quoted on the Stock Exchange over the last ten consecutive trading days up to and including 11 October 2010 of HK\$7.72 per Share;
- (iv) a premium of approximately 3.78% over the average of the closing prices of the Shares as quoted on the Stock Exchange over the last 20 consecutive trading days up to and including 11 October 2010 of HK\$7.40 per Share; and

- (v) a premium of approximately 64.10% over the Company's unaudited net asset value per Share of RMB4.02 (equivalent to approximately HK\$4.68) as at 31 December 2009

In the event that (i) there is Early Repayment under the Agreement; and (ii) the Actual Profit and the Actual Expenses have yet to be determined on such date of Early Repayment under the Agreement, each of Sunshine Hero and the Bondholders shall, within five Business Days of the date of the Early Repayment under the Agreement, deposit their respective Consideration Shares or, in case the Consideration Shares have been disposed of, the equivalent amount of cash, with the Escrow Agent in accordance with the terms and conditions of the Escrow Agreement.

The Consideration Shares, when issued, will rank pari passu with all other Shares in issue as at the date of the allotment and issue of the Consideration Shares. The Consideration Shares will be issued under the Specific Mandate.

The Bondholders have undertaken that in the event that there is Early Repayment under the Agreement, they will not, without prior written consent of the Purchaser, at any time from the date of issue of the Consideration Shares up to and including the date falling six months after such date dispose of their respective Consideration Shares.

Sunshine Hero has undertaken that it will not without prior written consent of the Purchaser, at any time from the date of issue of the Consideration Shares up to and including the date falling two years after such date dispose of its Consideration Shares.

The Consideration Shares represent approximately (i) 19.06% of the existing issued share capital of the Company; and (ii) 16.01% of the share capital of the Company as enlarged by the issue of the Consideration Shares. An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Consideration Shares. Application will also be made for the Consideration Shares to be admitted to trading on AIM and trading on the PLUS Market.

Principal terms of the Deeds of Payment Undertaking

Aggregate amount	: HK\$780,000,000
Maturity Date	: 31 May 2011
Interest	: Interest free
Repayment	: To be repaid on the Maturity Date or the Early Repayment Date (whichever is earlier), the Repaid Amount is subject to adjustment in accordance with the conditions and formula as defined in the Agreement
Default interest	: 3% per month accrued on the amount from the due date up

to the date of actual payment

Ranking : Each of the Deeds of Payment Undertaking shall rank senior to any other unsecured and unsubordinated creditors of the Company, but pari passu to each other Deeds of Payment Undertaking

In respect of the Target Group for the financial year ending 31 December 2010,

(a) If (i) there is a Shortfall; (ii) there is Early Repayment under the Agreement; and (iii) each of the Vendors and the Bondholders has deposited its respective Consideration Shares or, in case the Consideration Shares have been disposed of, the equivalent amount of cash with the Escrow Agent, the Purchaser shall be entitled to adjust the Consideration by giving instruction to the Escrow Agent to release and deliver the relevant deposited Consideration Shares or the equivalent amount of cash after deducting the Forfeited Consideration Shares or the equivalent amount of cash to the respective Vendors or Bondholders in accordance with the percentage ratios as set out in Appendix VI to the Agreement.

Shortfall = (the sum of Guaranteed Profit x 92.94% – Guaranteed Expenses) - (the sum of Actual Profit x 92.94% – Actual Expenses)

Forfeited Consideration Shares = (Shortfall x 8.58) / the issue price of the Shares (i.e. HK\$7.68)

(b) If (i) there is a Shortfall; and (ii) there is no Early Repayment under the Agreement; and (iii) each of the Vendors and the Bondholders are not required to deposit their respective Consideration Shares or, in case the Consideration Shares have been disposed of, the equivalent amount of cash with the Escrow Agent, the Deeds of Payment Undertaking shall be repaid by the Company. The Repaid Amount, being the actual amount to be paid by the Company to each of Sunshine Hero and the Bondholders, will be determined in accordance with the following formula:

Repaid Amount = Relevant Cash Consideration as set out against the names of the Vendors and the Bondholders as set out in clause 4.1 of the Agreement – ((Shortfall x 8.58) x the relevant percentage ratios as set out in Appendix VI to the Agreement)

Conditions precedent

The Agreement is subject to and conditional upon the fulfillment of the following conditions:

- (i) the Purchaser being satisfied in its absolute discretion with the results of the due diligence reviews with respect to the Acquisition;
- (ii) the warranties as set out in the Agreement remaining true and accurate and not misleading in all respects;
- (iii) the Agreement and the transactions contemplated thereunder including the allotment and issue of the Consideration Shares having been approved by the Shareholders at the SGM;
- (iv) the granting of the approval by the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares and the Consideration Shares being admitted to trading to AIM in accordance with rule 6 of the AIM Rules and being admitted to PLUS in accordance with Rule 17 of the PLUS Rules;
- (v) the Vendors and the Bondholders having complied fully with their respective obligations with respect to the conduct of the Target Group pending Completion as set out in the Agreement and having performed all of the covenants and agreements as required under the Agreement prior to Completion;
- (vi) (if so required) the Bermuda Monetary Authority granting permission for the allotment and issue of the Consideration Shares;
- (vii) all charges, pledges or such other security over the Sale Shares, the shares of the members of the Target Group and their respective assets having been fully discharged and released;
- (viii) the Bondholders having exercised their rights under the Bond Purchase Agreement and becoming the shareholders of BPG Food & Beverage in accordance with the terms and conditions of the Bond Purchase Agreement;
- (ix) a Bermuda legal opinion in relation to the validity and enforceability of the Agreement and the Deeds of Payment Undertaking being prepared and delivered to Sunshine Hero and the Bondholders at their own costs and in the form and substance to the satisfaction of the Bondholders; and

- (x) all necessary consents required to be obtained for the transactions contemplated under the Agreement having been granted by third parties, including governmental, official or regulatory authorities and all other necessary consents and approval required pursuant to any legal or regulatory requirements, including but not limited to those under the Listing Rules, the AIM Rules and the PLUS Rules, being obtained.

The Purchaser shall have the right to waive any of the conditions precedent (except (iii), (iv), (vi) and (x)). If the conditions precedent have not been satisfied or waived on or before 12:00 noon on 31 December 2010 (or such other later date as maybe agreed in writing by the parties), the Agreement (save for the Specified Clauses in the Agreement) shall cease and neither party shall have any obligations and liabilities thereunder save for any antecedent breaches of the terms thereof.

Completion

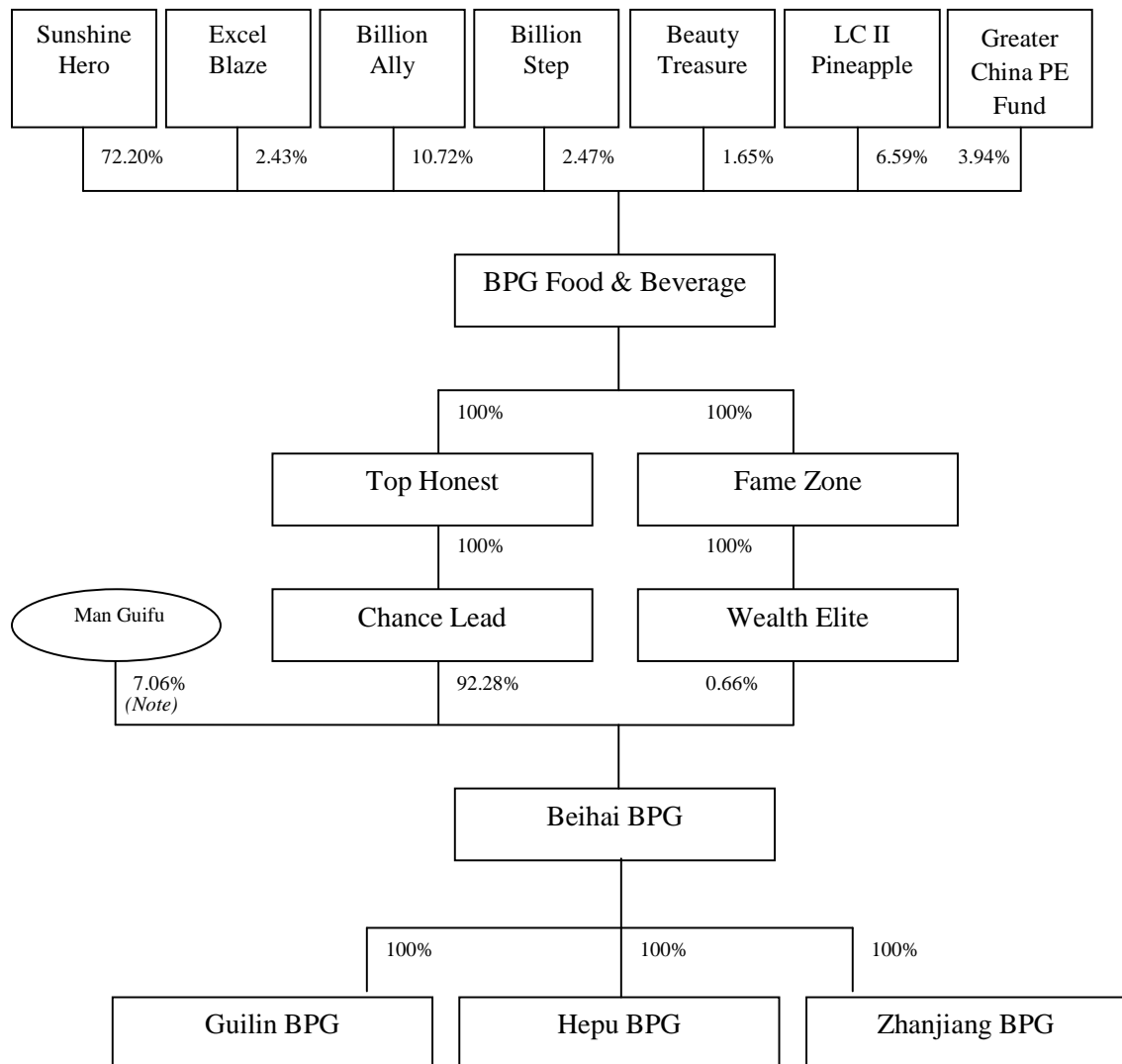
Completion shall take place at 5:00 p.m. on the Completion Date upon the compliance with or the fulfillment of all the conditions precedent or waiver of such conditions which the Purchaser has the right to waive, which shall in any event be on or before 31 December 2010, or such other date as the parties may agree. Upon Completion, the Vendor and the Bondholders shall deliver to the Purchaser the required documents, including but not limited to, books and records, certificates and/or written instruments as set out in the Agreement, in particular, the written resignations of Mr. Chang Tat Joel and Mr. Ng Hoi Kit Michael as directors of each relevant company in the Target Group.

In the event that the delivery of any of the above mentioned documents is not complied with, the Purchaser shall have the right to defer Completion to a day not more than 14 days after the Completion Date or to proceed to Completion or rescind the Agreement without any liability on its part.

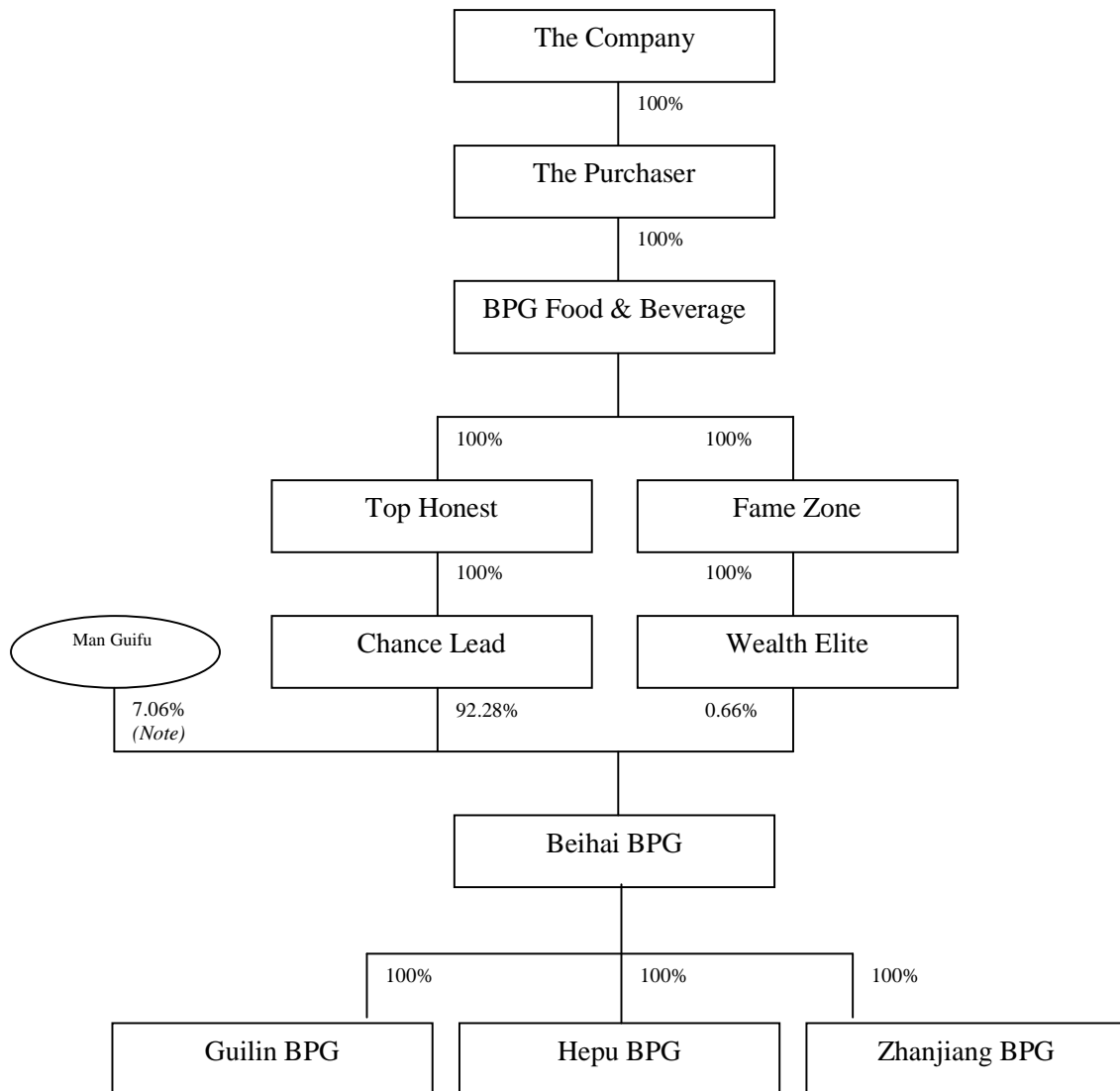
SHAREHOLDING STRUCTURES OF THE TARGET GROUP

Set out below is the shareholding structures of the Target Group

- (i) as at the date of this announcement (assuming the Bondholders having exercised their rights under the Bond Purchase Agreement and becoming the shareholders of BPG Food & Beverage in accordance with the terms and conditions of the Bond Purchase Agreement):



(ii) immediately after Completion:



Note:

Mr. Man Guifu, a co-founder and an executive director of Beihai BPG, is interested in 7.06% of the equity interest of Beihai BPG as at the date of this announcement.

SHAREHOLDING STRUCTURES OF THE COMPANY

The following table sets out the shareholding structures of the Company (i) as at the date of this announcement; and (ii) immediately after the allotment and issue of the Consideration Shares, assuming that there would be no change in the issued share capital of the Company between the period from the date of this announcement to the date of issuance of the Consideration Shares:

	As at the date of this announcement		Immediately after the allotment and issue of the Consideration Shares	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Market Ahead Investments Limited (Note 1)	271,223,153	31.49	271,223,153	26.45
Huge Market Investments Limited (Note 2)	163,014,026	18.93	163,014,026	15.90
Sunshine Hero	-	-	116,692,681	11.38
Excel Blaze	-	-	6,456,902	0.63
Billion Ally	-	-	17,326,116	1.69
Billion Step	-	-	3,992,118	0.39
Beauty Treasure	-	-	2,666,799	0.26
LC II Pineapple	-	-	10,651,036	1.04
Greater China PE Fund	-	-	6,367,994	0.62
Public Shareholders	427,083,915	49.58	427,083,915	41.64
Total	861,321,094	100.00	1,025,474,740	100.00

Notes:

- (1) Market Ahead Investments Limited is a company incorporated in the BVI, the issued share capital of which is beneficially owned as to 76% by Mr. Tong Wang Chow, the Chairman and an executive Director, 6% by Mr. Tong Hung Wai, Tommy, an executive Director, 6% by Mrs. Tong Lee Fung Kiu, 6% by Ms. Tong Mei Lin and 6% by Mr. Lee Kun Chung.

- (2) The entire issued share capital of Huge Market Investments Limited is held by Chaoda Modern Agriculture (Holdings) Limited.

INFORMATION ON THE VENDORS, THE BONDHOLDERS AND THE GUARANTOR

Information on the Vendors

Each of the Vendors, Sunshine Hero and Excel Blaze, is company incorporated in the BVI with limited liability and is principally engaged in investment holding.

Information on the Bondholders

Each of the Bondholders, Billion Ally, Billion Step, Beauty Treasure, LC II Pineapple and Greater China PE Fund, is company incorporated in the BVI (save for Greater China PE Fund which is an exempted limited partnership registered in the Cayman Islands) with limited liability and is principally engaged in investment holding. Each of the Bondholders is institutional investor and is independent to the directors, the Company and the Purchaser and any of their associates.

Information on the Guarantor

Ms. Xu Xuefeng is interested in the entire issued share capital of Sunshine Hero.

INFORMATION ON BEIHAI BPG

Beihai BPG is headquartered in the Guangxi Zhuang Autonomous Region and is a leading producer and seller of tropical fruit juice concentrates, fruit purees and quick-frozen fruits in the PRC with an annual production capacity of over 60,000 tonnes. Beihai BPG's production sites are located in Beihai and Hepu in Guangxi Province with a combined site area of approximately 109,000 square metres.

Beihai BPG processes over ten different types of tropical fruits, including pineapples, passion fruit, lychees, mangoes and papayas. Beihai BPG currently generates most of its sales from the PRC market, with key customers being beverage mixers supplying major beverage groups.

According to a report issued by the China Beverage Industry Association in 2010, Beihai BPG was the largest supplier of tropical fruit juice concentrates in the PRC from 2007 to 2009 in terms of production volume and had a production volume three times larger than its next closest local competitor. Beihai BPG was also the largest producer of pineapple juice concentrate and lychee juice concentrate from 2007 to 2009, each having a production volume several times larger than its next closest local competitor for the respective products.

Beihai BPG has three wholly-owned subsidiaries, namely Hepu BPG, Guilin BPG and Zhanjiang BPG.

Financial information

The table below sets forth the financial information based on the unaudited management accounts of the Beihai Group (which were prepared in accordance with the Hong Kong Financial Reporting Standards) for the two years ended 31 December 2009 and for the six months ended 30 June 2010 provided by the Vendors:

	For the year ended 31 December		For the six months ended 30 June
	2008	2009	2010
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Revenue	377	467	267
Profit before income tax	142	173	109
Profit after income tax	141	173	109
	As at 31 December		As at 30 June
	2008	2009	2010
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Total asset value	582	729	1,025
Net asset value	536	709	995

REASONS FOR AND BENEFITS OF THE ACQUISITION

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

The Group is one of the largest orange producers in the PRC with a national market share of approximately 2% to 3% in 2009, according to a research by Guangxi Citrus Research Institute. Leveraged on this scale of orange production, the Group is posed to expand the scope of its operations by acquiring this business of fruit juice concentrate production, as well as to diversify the Group's source of income.

The Company considers that the vertical integration into downstream fruit juice concentrate production will create synergies to the Group after Completion, including among other considerations, cost reduction, stability and flexibility in supply and sharing of market information which should give the Group an advantage over its competitors.

Beihai BPG has established long-term relationships with a number of major customers, including large international food and beverage companies. Its active business relationships with its top ten customers are over five years. The Company considers that

the extensive client base of the Target Group will become a valuable asset of the Group after Completion and add to the Group existing client base.

The increasing consumption per capita in the PRC in conjunction with the rising health consciousness among PRC consumers has created a booming, though largely unexploited fruit juice market in the PRC. Leveraging on Beihai BPG's leading position in fruit juice production, the Company considers that Beihai BPG will continue to enjoy robust performance and contribute to the Group's profit, given Beihai BPG's well-established operations and profitable track record in combination with the positive outlook of the fruit juice market in the PRC and the proliferation of fruit juice consumption among PRC consumers who are becoming increasingly health-conscious.

The Directors are consequently of the view that (i) the acquisition of the Target Group is an effective and efficient way for the Group to expand into the growing concentrated fruit juice market; and (ii) the terms of the Agreement and the transactions contemplated therein are fair and reasonable and in the interests of the Shareholders as a whole.

GENERAL

As certain applicable percentage ratio(s) as defined under Rule 14.08 of the Listing Rules in respect of the Acquisition are more than 25% but less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules. The Agreement and the transactions contemplated thereunder and the Specific Mandate are therefore subject to the approval of the Shareholders at the SGM. To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, none of the Shareholders has a material interest in the Agreement or is required to abstain from voting on the resolution(s) to approve the Agreement and the transactions contemplated thereunder.

A circular containing, among other things, details of the Agreement, an accountants' report on the Target Group, the financial information on the Group, a notice to convene the SGM and other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 1 November 2010 in accordance with the Listing Rules.

As Completion is subject to the fulfillment of a number of conditions precedent, the Acquisition may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

DEFINITIONS

Unless the context requires otherwise, the following expressions shall have the following meanings in this announcement:

“Acquisition”	the proposed acquisition of the Sale Shares for the aggregate Consideration of HK\$2,040,700,000 pursuant to the Agreement
“Actual Expenses”	the actual expenses of BPG Food & Beverage, Top Honest, Fame Zone, Chance Lead and Wealth Elite as shown in the audited consolidated accounts of the Offshore Group for the financial year ending 31 December 2010
“Actual Profit”	the audited consolidated net profits after tax and any minority interests but before any extraordinary or exceptional items of the Beihai Group, as shown in the audited consolidated accounts of the Beihai Group for the financial year ending 31 December 2010
“AIM”	AIM, an equity stock exchange operated by the LSE, based in London, England
“AIM Rules”	the rules for AIM companies issued by the LSE
“Agreement”	the conditional sale and purchase agreement dated 11 October 2010 entered into between the Purchaser, the Company, the Vendors, the Bondholders and the Guarantor in relation to the Acquisition
“associates”	has the same meaning ascribed to it under the Listing Rules
“Beihai BPG”	北海市果香園果汁有限公司 (Beihai Perfuming Garden Juice Company Limited*), a limited liability company established in the PRC and a non-wholly owned subsidiary of BPG Food & Beverage

“Beihai Group”	Beihai BPG and its subsidiaries established in the PRC
“Beauty Treasure”	Beauty Treasures Group Limited, a limited liability company established in the BVI, being one of the Bondholders
“Billion Ally”	Billion Ally International Limited, a limited liability company established in the BVI, being one of the Bondholders
“Billion Step”	Billion Step Investments Limited, a limited liability company established in the BVI, being one of the Bondholders
“Board”	the board of Directors
“Bondholders”	the five bondholders under the Bond Purchase Agreement, being Billion Ally, Billion Step, Beauty Treasure, LC II Pineapple and Greater China PE Fund
“Bond Purchase Agreement”	the bond purchase agreement dated 6 January 2010 entered into between Sunshine Hero, BPG Food & Beverage, the Bondholders, the Guarantor and Mr. Huang Xin, pursuant to which the Bondholders purchased certain exchangeable redeemable bonds from Sunshine Hero
“BPG Food & Beverage”	BPG Food & Beverage Holdings Ltd., a company incorporated in the Cayman Islands
“BVI”	British Virgin Islands
“Business Day”	a day (other than Saturday, Sunday and public holiday) on which licensed banks are generally open for business in Hong Kong
“Cash Consideration”	HK\$780,000,000 of the Consideration to be satisfied by way of executing Deeds of Payment Undertaking
“Chance Lead”	Chance Lead Holdings Limited, a limited liability

	company incorporated in Hong Kong, being a wholly-owned subsidiary of Top Honest
“Company” or “Covenantor”	Asian Citrus Holdings Limited (stock code: HKSE: 73; AIM: ACHL), a company incorporated under the laws of Bermuda with limited liability, the shares of which are listed and traded on the main board of the Stock Exchange, AIM and PLUS Market
“Completion”	completion of the Acquisition in accordance with the terms of the Agreement
“Completion Date”	the date on which Completion takes place, which shall be the date falling on the second Business Days after all the conditions precedent have been fulfilled or waived
“connected persons”	has the meaning ascribed thereto in the Listing Rules
“Consideration”	the consideration of HK\$2,040,700,000 for the Acquisition and to be satisfied in the manner as described in this announcement
“Consideration Shares”	approximately 164,153,646 new Shares to be allotted and issued at an issue price of HK\$7.68 per Share
“Deeds of Payment Undertaking”	the six deeds of payment undertaking to be executed and delivered by the Company to Sunshine Hero and each of the Bondholders
“Directors”	the directors of the Company
“Early Repayment”	the repayment of any of the Deeds of Payment Undertaking which become immediately due and payable by the Company as declared by the respective Vendors and Bondholders if the trading of the Shares are suspended for the purpose of investigation of any breaches of the laws, rules or regulation for a period of more than 14 consecutive trading days

“Early Repayment Date”	two Business Days from the date that the Early Repayment is declared
“Early Repayment under the Agreement”	the repayment of the loan amounts under the Deeds of Payment Undertaking by the Company on or before 31 March 2011
“Escrow Agent”	the escrow agent to be jointly appointed by the Vendors, the Bondholders and the Purchaser, who will hold and release the Consideration Shares or such number of Consideration Shares after the deduction of Forfeited Consideration Shares in escrow and in accordance with the terms and conditions of the Escrow Agreement
“Escrow Agreement”	the escrow Agreement to be entered into between the Purchaser, the Vendors, the Bondholders and the Escrow agent in relation to the escrow arrangement for the Consideration Shares or the equivalent amount of cash
“Excel Blaze”	Excel Blaze limited, a limited liability company incorporated in BVI, being one of the Vendors
“Fame Zone”	Fame Zone Limited, a company incorporated in the BVI and a wholly-owned subsidiary of BPG Food & Beverage
“Forfeited Consideration Shares”	the portion of the Consideration Shares to be deducted from the Consideration Shares released and delivered by the Escrow Agent to the Vendors and the Bondholders, in accordance with the terms and conditions in the Agreement
“Greater China PE Fund”	Greater China PE Fund L.P., an exempted limited partnership registered in the Cayman Islands, being one of the Bondholders
“Group”	the Company and its subsidiaries

“Guilin BPG”	桂林果香園農業科技有限公司 (Guilin Perfuming Garden Agricultural Technology Co., Ltd.*), a limited liability company established in the PRC and a non wholly-owned subsidiary of BPG Food & Beverage
“Guarantor”	Ms. Xu Xuefeng, who is interested in the entire issued share capital of Sunshine Hero
“Guaranteed Expenses”	an amount not exceeding RMB4,000,000, being the expenses of BPG Food & Beverage, Top Honest, Fame Zone, Chance Lead and Wealth Elite as shown in the audited consolidated accounts of the Offshore Group for the financial year ending 31 December 2010
“Guaranteed Profit”	not less than RMB220,000,000, being the audited consolidated net profits after tax and any minority interests but before any extraordinary or exceptional items of the Beihai Group for the financial year ending 31 December 2010 as guaranteed by the Vendors
“Hepu BPG”	合浦果香園食品有限公司 (Hepu Perfuming Garden Food Co., Ltd.*), a limited liability company established in the PRC and a non wholly-owned subsidiary of BPG Food & Beverage
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“LC II Pineapple”	LC II Pineapple Limited, a limited liability company established in the BVI, being one of the Bondholders
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“LSE”	The London Stock Exchange plc
“Maturity Date”	31 May 2011, on which the Deeds of Payment

	Undertaking shall be repaid by the Company in accordance with the terms of the Deeds of Payment Undertaking
“MOU”	the memorandum of understanding dated 7 September 2010 entered into between the Company and BPG Food & Beverage in respect of the Acquisition, and the details of which are set out in the announcement of the Company dated 7 September 2010
“Offshore Group”	BPG Group & Beverage, Top Honest and Fame Zone, Chance Lead and Wealth Elite
“PLUS Market”	the PLUS-quoted segment for unlisted securities operated by PLUS Market plc, an equity stock exchange based in London, England
“PLUS Rules”	The rules for PLUS companies issued by the PLUS Market plc
“PRC”	the People’s Republic of China, which for the purposes of this announcement, excludes Hong Kong, Taiwan and Macau Special Administrative Region
“Purchaser”	A-One Success Limited, a limited liability company established in the BVI and a wholly-owned subsidiary of the Company
“Repaid Amount”	the actual amount to be repaid on the Maturity Date under the Deeds of Payment Undertaking
“SGM”	the special general meeting to be convened to approve the Agreement and the transactions contemplated therein and the Specific Mandate
“Sale Shares”	10,000 issued share of HK\$0.10 each in the issued share capital of BPG Food & Beverage

“Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Shortfall”	the excess of (i) the sum of the Guaranteed Profit times 92.94% minus the Guaranteed Expenses over (ii) the sum of the Actual Profit times 92.94% minus the Actual Expenses
“Specific Mandate”	the specific mandate to be sought from the Shareholders at the SGM to authorise to allot and issue the Consideration Shares to the Vendors and the Bondholders pursuant to the Agreement
“Specified Clauses”	Clauses 14, 18, 21, 22 and 26 headed “Confidentiality and Announcements”, “Notices”, “Costs and Stamp Duty”, “Joint and Several Obligations” and “Governing Law and Jurisdiction”, respectively in the Agreement
“Stock Exchange” or “HKSE”	The Stock Exchange of Hong Kong Limited
“Sunshine Hero”	Sunshine Hero Limited, a limited liability company established in the BVI, being one of the Vendors
“Target Group”	BPG Food & Beverage, Top Honest and Fame Zone and their subsidiaries
“Top Honest”	Top Honest Holdings Limited, a company incorporated in the BVI and a wholly-owned subsidiary of BPG Food & Beverage
“Vendors”	the two vendors under the Agreement, being Sunshine Hero and Excel Blaze
“Wealth Elite”	Wealth Elite Investments Limited, a limited liability company established in Hong Kong, being a wholly-

owned subsidiary of Fame Zone

“Zhanjiang BPG”	湛江市果香園食品有限公司 (Zhanjiang Perfuming Garden Food Co., Ltd.*), a limited liability company established in the PRC and a non wholly-owned subsidiary of BPG Food & Beverage
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

By Order of the Board
ASIAN CITRUS HOLDINGS LIMITED
Tong Wang Chow
Chairman

Hong Kong, 11 October 2010

For the purpose of this announcement, unless otherwise stated, conversion of RMB into HK\$ is based on the approximate exchange rate of RMB0.86 to HK\$1.00. The exchange rate is for illustration purpose only and does not constitute a representation that any amounts have been, could have been or may be exchanged at this or any other rates at all.

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.

** for identification purposes only*