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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

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

The Board of the Company held a meeting on 10 October 2011 to consider the Fertilizer Supply Agreement with Fujian Chaoda Group which is going to expire on 30 June 2012.

The Board wishes to announce that the Company decided not to renew the Fertilizer Supply Agreement with Fujian Chaoda Group when it expires on 30 June 2012.

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

Background

As disclosed in the Company's Listing Document dated 23 November 2009, Asian Citrus Holdings Limited (the "Company" together with its subsidiaries, the "Group") and Fujian Chaoda Group entered into an organic fertilizers supply agreement ("Fertilizers Supply Agreement") on 17 November 2009, pursuant to which Fujian Chaoda Group agreed to supply (or procure its wholly-owned subsidiaries to supply) and the Company agreed to purchase (or procure its wholly-owned subsidiaries to purchase) biological organic fertilizers and high efficiency organic fertilizers (or such other types of organic fertilizers as may be agreed between the parties in writing from time to time). The Fertiliser Supply Agreement provides that the prices to be paid would be agreed between the parties at the time when a purchase order is placed by any member of the Group with Fujian Chaoda Group, provided that it shall not exceed the ex-factory price (net of delivery costs) at which the same type of organic fertilizers is supplied by Fujian Chaoda Group to independent third parties at the time when the purchase order is placed. The Fertiliser Supply Agreement is due to expire on 30 June 2012. At the time of entering the Fertilizers Supply Agreement, the Board considered that the Group required a stable and reliable supply of organic fertilizers which it could achieve through the Fertilizers Supply Agreement.

To the best of the Board's knowledge, Fujian Chaoda Group is 95% owned by Mr. Kwok Ho who is the Chairman, Executive Director and substantial shareholder of Chaoda Modern

Agriculture (Holdings) Limited (“Chaoda Modern”). As of the date of this announcement, Chaoda Modern holds approximately 13.4% in the total issued share capital of the Company.

Current development

In recent years, other organic fertilizer suppliers in China have become more competitive and the Group has adopted a policy of diversifying its sources of fertilizers, in order to spread risk. As a result, the purchase of fertilizers from Fujian Chaoda Group decreased from approximately RMB47,430,000 for the year ended 30 June 2010 (approximately 28% of the total fertilizer usage) to approximately RMB34,185,000 for the year ended 30 June 2011 (approximately 17% of the total fertilizer usage).

Expected decrease in the purchase amount for 2012

As the Company continues its policy of diversifying its sources of fertilizers from other independent suppliers, the amount of fertilizers to be purchased from Fujian Chaoda Group for the year ending 30 June 2012 is expected to decrease further and would not exceed RMB10,000,000.

Conclusion

In view of the current market conditions of organic fertilizers supply, the Company considers that sufficient organic fertilizers can readily be sourced from other independent suppliers at competitive prices without any material impact on the Group’s cost of production. In order to enhance the Group’s corporate governance and minimize any dispensable connected transactions, the Company decided not to renew the Fertilizer Supply Agreement with Fujian Chaoda Group when it expires on 30 June 2012.

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

Hong Kong, 10 October 2011

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*