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)

ANNOUNCEMENT OF THE INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

The board of directors (the "Board") of Asian Citrus Holdings Limited (the "Company" or "Asian Citrus") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 31 December 2011.

Key Highlights

				For illustration only	
	Six months ended 31 December			Six months ended 31 December	
	2011 (RMBm)	2010 (RMBm)	% change	*2011* (£m**)	*2010* (£m**)
Reported financial information					
Revenue	**1,043.4**	624.0	+67.2%	*101.8*	*61.7*
Gross profit	**406.3**	275.4	+47.5%	*39.6*	*27.2*
EBITDA	**470.4**	578.5	-18.7%	*45.9*	*57.2*
Profit before tax	**391.5**	526.4	-25.6%	*38.2*	*52.0*
Profit attributable to shareholders	**383.6**	523.4	-26.7%	*37.4*	*51.7*
Basic EPS	**RMB 0.32**	RMB 0.59	-45.8%	*3.1p*	*5.8p*
Interim dividend	**RMB 0.03**	RMB 0.02	+50.0%	*0.3p*	*0.2p*
Special dividend	**RMB 0.02**	-	N/A	*0.2p*	-
Total dividend	**RMB 0.05**	RMB0.02	+150.0%	*0.5p*	*0.2p*
Core net profit #					
EBITDA	**395.6**	259.8	+52.3%	38.6	*25.7*
Profit before tax	**316.7**	207.8	+52.4%	30.9	*20.5*
Profit attributable to shareholders	**308.8**	204.7	+50.9%	30.1	*20.2*
Basic EPS	**RMB 0.25**	RMB 0.23	+8.7%	*2.4p*	*2.3p*

 # Core net profits refers to profit for the period excluding net gain on change in fair value of biological assets and share-based payment. The Group's management considers this revised presentation more appropriately reflects the performance of the core operations. In order to conform to the current period's presentation, certain comparative figures for prior reporting period have been reclassified.

*** Conversion at £1 = RMB10.25 and RMB10.12 for the six months ended 31 December 2011 and 2010 respectively for reference only*

**For identification purposes only*

Business Highlights

- Revenue up 67.2% to RMB1,043.4m (2010/11:RMB624.0m)
- EBITDA, excluding net gain on change in fair value of biological assets and share-based payments up 52.3% to RMB395.6m (2010/11:RMB259.8m)
- Total production 171,607 tonnes up 19.4% from 143,698 tonnes in 2010/2011
- Continued to expand our direct sales to 22 supermarket chains (in 2010, sales were to 20 supermarket chains) with total supply of approximately 48,447 tonnes of oranges (2010/11: 38,572 tonnes), up approximately 25.6%
- Continued the construction of the new production facility of Beihai Perfuming Juice Company Limited ("Beihai BPG") in Baise city of the Guangxi Region with an annual capacity of approximately 40,000 tonnes. The progress is broadly in line with our expectation but the trial production is revised to commence shortly after mid 2012 due to administrative issues
- Sold approximately 191,000 self-bred saplings to local farmers which offers the Group the first right to purchase their oranges
- Continued the construction of the Hunan Plantation with 280,000 summer orange trees planted during the current period with another 343,000 summer orange trees to be planted before March 2012
- Recommended an interim dividend of RMB0.03 (2010/11: RMB0.02 per share) and a special dividend of RMB0.02 per share (2010/11: Nil) and this equates to approximately 19.9% (2010/11: 11.9%) of the core net profit excluding net gain on change in fair value of biological assets and share-based payment
- Approved a programme to buy back up to HK$250 million of Asian Citrus shares by way of "on-market repurchases" from now till the next annual general meeting

Hepu Plantation

- Fully developed with approximately 1.3m orange trees, of which 1.0m are fruit-bearing trees
- Production decreased by approximately 11.1% to 44,906 tonnes (2010/11: 50,517 tonnes) due to the reduction in the number of productive winter orange trees under the replanting programme
- Replanting programme underway with 66,449 winter trees, to be replaced and replanted with the same number of new species of summer orange trees before March 2012
- The second batch of 76,135 summer orange trees replanted in 2008 will commence production in the coming summer of 2012

Xinfeng Plantation

- Fully planted with 1.6m winter orange trees, of which all are producing
- Production increased by approximately 36.0% to 126,701 tonnes (2010/11: 93,181 tonnes)

Hunan Plantation

- 707,000 summer orange trees have been planted as at 31 December 2011
- Another 343,000 summer orange trees are expected to be planted before March 2012
- RMB375.6m invested which mainly represents expenditure for land clearing, land cultivation, planting costs and other farmland infrastructure

Beihai BPG

- Sold a total of approximately 14,604 tonnes of juice concentrates, 15,076 tonnes of fruit purees and 8,738 tonnes of frozen and dried fruits and vegetables for the period
- As of the reporting date, RMB54.3m invested in the new juicing facility in Baise city which mainly represents expenditure for production machinery, land improvements and prepayments for land use rights and other construction works
- The utilisation rate of production facilities in Beihai city and Hepu county was approximately 92.2% and 93.4% respectively

Chairman's Statement

I am very pleased to report the results of Asian Citrus Holdings Limited (the "Company" or "Asian Citrus") and its subsidiaries (collectively referred to as the "Group") for the six months ended 31 December 2011. For the six months ended 31 December 2011, the Group's revenue increased by 67.2% from RMB624.0 million to RMB1,043.4 million, core net profit before net gains on change in fair value of biological assets and share based payments increased by 50.9% from RMB204.7 million to RMB308.8 million while net profit, after net gains on change in fair value of biological assets and share based payments decreased by 26.7% from RMB523.4 million to RMB383.6 million.

STRATEGIC OVERVIEW

Agricultural business

The Group continued to expand its direct sales to supermarkets. During the six months ended 31 December 2011, the Group sold approximately 48,447 tonnes of oranges directly to 22 supermarket chains, representing an increase of approximately 25.6% over the comparable period's volume of sales to supermarkets of 38,572 tonnes. The Group believes that the increasing volume of direct sales to supermarkets will continue to enhance the Group's profitability and lead to better product recognition within China.

The Group continued to mass produce self-bred saplings from both the Hepu Plantation and Hunan Plantation. In addition to using these saplings for our own replanting programme at the Hepu Plantation and the new planting in our Hunan Plantation, the Group sold approximately 191,000 self-bred saplings to local farmers during the six months ended 31 December 2011. The sales of self-bred saplings provide the Group with a high margin revenue stream and the capability to secure long-term supplies of high- quality oranges through reciprocal agreements with the farmers, which offer the Group the first right to purchase their oranges.

Fruit-processing business

The Group conducts its fruit processing business through Beihai Perfuming Garden Juice Company Limited ("Beihai BPG") and our customers include most of the major food and beverages producers in China and globally. In addition to the existing production facilities with an annual output capacity of approximately 60,000 tonnes located in Beihai city and Hepu county of Guangxi Zhuang Autonomous Region (the "Guangxi Region"), we are expanding the production capacities of Beihai BPG by establishing a new juicing facility with an annual output capacity of approximately 40,000 tonnes in the Baise city of the Guangxi Region. The construction progress of the new production facility is broadly in line with our expectation but the trial production is revised to commence shortly after mid 2012 due to certain administrative issues.

OPERATIONS REVIEW

Agricultural business

The Hepu Plantation is fully planted with approximately 1.3 million orange trees of which 1.0 million are currently producing oranges. Output from the Hepu Plantation was approximately 44,906 tonnes for the six months ended 31 December 2011 which represents a decrease of approximately 11.1% over the comparable year's production of 50,517 tonnes. The decrease in production volume was mainly due to the ongoing replanting programme at the plantation where 63,584 winter orange trees were replaced with the same number of summer orange trees during the year ended 30 June 2011.

The Group's replanting programme in the Hepu Plantation continues and there were approximately 120,000 winter oranges trees as at 31 December 2011 which are expected to be replanted in the next two years. 66,449 winter orange trees are expected to be removed and the corresponding land area to be replanted with the same number of the new species of summer orange trees before the end of March 2012. We believe the improved species of trees being planted will deliver long term economic benefits by increasing average yields and achievable revenue per tonne. It is expected that the second batch of 76,135 trees replanted during 2008 will commence production in the coming summer of 2012 which will add to our existing summer oranges production.

The Xinfeng Plantation is fully planted with 1.6 million winter orange trees. During the six months ended 31 December 2011, all the 1.6 million trees were producing oranges (2010: 1.6 million), yielding approximately 126,701 tonnes of oranges, which represents an increase of approximately 36.0% over the previous year's production of 93,181 tonnes. Growth was mainly due to increased production from the winter oranges trees, which are still yet to achieve their full maturity.

During the six months ended 31 December 2011, the Group continued to invest in the Hunan Plantation. As at 31 December 2011, the Group has invested approximately RMB375.6 million in the Hunan Plantation which mainly represents expenditure for land clearing, land cultivation, planting costs for the orange trees and other farmland infrastructure. The development of this plantation is in line with our expectations and approximately 707,000 orange trees have been planted as at 31 December 2011. Another 343,000 orange trees are expected to be planted in the Hunan Plantation before end of March 2012. Expenditure for the infant trees in the Hunan Plantation, comprising mainly fertilisers, pesticides and staff costs, of approximately RMB11.4 million (2010: Nil) was expensed as general and administrative expenses for the six months ended 31 December 2011.

Fruit-processing business

For the six months ended 31 December 2011, Beihai BPG sold a total of approximately 14,604 tonnes of juice concentrates, 15,076 tonnes of fruit purees and 8,738 tonnes of frozen and dried fruits and vegetables.

As at 31 December 2011, the Group has invested approximately RMB54.3 million in the new juicing facility in Baise city which mainly represents expenditure for production machinery, land improvements and prepayments for land use rights and other construction works. The utilisation rate of the production facilities in Beihai city and Hepu county was approximately 92.2% and 93.4% respectively.

Dividends

The Board recommended the payment of an interim dividend of RMB0.03 and a special dividend of RMB0.02 per share for the six months ended 31 December 2011. We believe that the declaration of the interim and special dividends is in the interest of the shareholders and allow our shareholders to share the successful results of the Group.

The interim and special dividends will be paid in sterling or HK Dollars on or before 4 May 2012 to shareholders that appear on the Company's register of members at the close of business on the record date of 9 March 2012, with an ex-dividend date of 8 March 2012 and 7 March 2012 on The Stock Exchange of Hong Kong Limited ("HKEx") and London Stock Exchange PLC, respectively. The actual translation rate for the purpose of dividend payment in sterling or HK Dollars will be determined by reference to the exchange rate on 13 March 2012.

In order to qualify for receiving the interim and special dividends, shareholders registered on the Hong Kong branch register of the Company are reminded to ensure that all transfers of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30p.m. on 9 March 2012.

Share Repurchase Programme

On 24 February 2012, the Board approved a programme to buy back up to HK$250 million of Asian Citrus shares by way of "on-market repurchases" from now till the next annual general meeting. The share repurchase programme will be funded by the Company's free cash flow as well as existing working capital.

Investor relations and Corporate Governance

The Board is convinced that transparency and accountability are key elements in maintaining good investor relationships. The Group's management pays regular visits to institutional investors and private client investment advisers and attends investor conferences in order to update existing shareholders and potential investors on the Group's latest business developments.

The Board is fully committed to adhering to the corporate governance best practices as set out in the Combined Code, which is the key source of corporate governance recommendations for UK listed companies. The Group has also adopted the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Rules Governing the Listing of Securities on the HKEx as its additional code on corporate governance practices. The Board is continuing to improve our corporate governance and transparency by increasing information disclosure on our website and public documents.

Outlook

The Group is progressing well as a comprehensive fruit and juice production company with an increasing presence in the Chinese retail market with higher production volume and market penetration. With the continuous growth of the Chinese economy and the government's promotion of domestic consumption, we are confident that the demand for consumables such as fruits and juice concentrates in China will continue to grow, providing the Group with an exciting opportunity to further expand its business in both the agricultural and fruits processing businesses through both organic growth and potential acquisitions.

On behalf of the Board, I would also like to take this opportunity to thank our shareholders, business partners, customers and employees for their continuous support and contribution to the growth of Asian Citrus. I am very confident that Asian Citrus will continue to deliver strong operational performances and create more success in the future.

Tony Tong Wang Chow
Chairman
24 February 2012

Management Discussion and Analysis

OPERATING PERFORMANCE

Revenue

The breakdown of revenue by types is as follows:

	For the six months ended 31 December			
	2011		2010	
	RMB'000	**% of total revenue**	RMB'000	% of total revenue
Hepu Plantation	**180,405**	**17.3%**	194,736	31.2%
Xinfeng Plantation	**463,873**	**44.5%**	330,988	53.0%
Sales of oranges	**644,278**	**61.8%**	525,724	84.2%
Sales of processed fruits	**396,903**	**38.0%**	69,410	11.1%
Sales of self-bred saplings	**2,235**	**0.2%**	2,705	0.5%
Sales of properties	**-**	**-**	26,198	4.2%
Total revenue	**1,043,416**	**100.0%**	624,037	100.0%

The Group's revenue increased by approximately 67.2% from RMB624.0 million to RMB1,043.4 million for the six months ended 31 December 2011.

Sale of oranges

Revenue from sale of oranges grew by 22.6% to RMB644.3 million for the six months ended 31 December 2011. This was achieved by an increase of approximately 19.4% in the Group's production to 171,607 tonnes combined with increase in average selling price of oranges of approximately 3.0% to 4.2% year on year.

The production yield from Hepu Plantation decreased by 11.1% from 50,517 tonnes to 44,906 tonnes for the six months ended 31 December 2011 due to the ongoing replanting programme. In the previous year, 63,584 winter orange trees were removed and replanted with the same number of the summer orange trees. As the orange trees continue to mature, the production yield from the Xinfeng Plantation increased significantly by 36.0% to 126,701 tonnes for the six months ended 31 December 2011 from 93,181 tonnes in the comparable period last year.

The following table sets out the average selling prices of winter oranges in different plantations.

	For the six months ended 31 December	
	2011	2010
	RMB	*RMB*
	(per tonne)	*(per tonne)*
Hepu Plantation	**4,085**	3,922
Xinfeng Plantation	**3,770**	3,660

All of the Group's oranges were sold domestically. The Group's customers for the sale of oranges can be divided into three categories, namely corporate customers, wholesale customers, and supermarket chains. The breakdown of the types of customers is as follows:

	For the six months ended 31 December	
	2011	2010
	% of sale of oranges	% of sale of oranges
Types of customers		
Corporate customers	**42.9%**	40.3%
Supermarket chains	**32.0%**	31.4%
Wholesale customers	**24.6%**	27.6%
Others	**0.5%**	0.7%
Total	**100.0%**	100.0%

For the six months ended 31 December 2011, the production volume and revenue to supermarket chains represented approximately 28.2% and 32.0% respectively of the Group, compared to approximately 26.8% and 31.4% for the six months ended 31 December 2010. For the Hepu Plantation, the production volume and revenue to supermarkets increased to 35.9% and 48.0% of the Group respectively (12/2010: 32.2% and 44.1%).

Sale of processed fruits

The table sets out the volume and revenue from the sale of processed fruits:

	For the six months ended 31 December			
	2011		2010	
	Production Volume (Tonnes)	***Revenue RMB'000***	*Production Volume (Tonnes)*	*Revenue RMB'000*
Pineapple juice concentrates	**9,421**	**114,129**	2,475	30,707
Other fruit juice concentrates	**5,183**	**79,668**	443	11,710
Mango purees	**7,966**	**57,187**	91	683
Papayas purees	**6,825**	**48,970**	771	5,233
Other fruit purees	**285**	**3,566**	–	–
Frozen and dried fruits and vegetables	**8,738**	**62,970**	265	5,201
	38,418	**366,490**	4,045	53,534
Fruit juice trading	**N/A**	**30,413**	N/A	15,876
	38,418	**396,903**	4,045	69,410

Beihai BPG processes over 22 different types of tropical fruits, including pineapples, passion fruit, lychees, mangoes and papayas. Only single product accounting for over 10% of the revenue from the sale of processed fruits are shown separately in the table above.

Revenue from the sale of processed fruits increased by 471.9% to RMB396.9 million for the six months ended 31 December 2011. It is mainly attributable by the six months results of Beihai BPG which are consolidated into the Group's results for the six months ended 31 December 2011 compared to one month results of Beihai BPG being consolidated into the Group's results for the six months ended 31 December 2010 follow by the completion of acquisition as of 30 November 2010.

The utlisation rate of two existing processing plants in Beihai and Hepu is approximately 92.2% and 93.4% for the six months ended 31 December 2011 respectively.

Beihai BPG currently generates most of its sales from the People's Republic of China ("PRC") market, with key customers being beverage mixers supplying major beverage groups.

Sale of self-bred saplings

For the six months ended 31 December 2011, RMB2.2 million was recognised from the sales of the approximately 191,000 selfbred saplings developed from the nursery centre at the Hepu Plantation to local farmers.

Cost of sales

The breakdown of cost of sales is as follows:

	For the six months ended 31 December			
	2011		2010	
	RMB'000	***% of cost of sales of respective segment***	*RMB'000*	*% of cost of sales of respective segment*
Agricultural business				
Inventories used				
Fertilisers	**204,504**	**57.5%**	158,326	55.6%
Packaging materials	**14,405**	**4.1%**	16,643	5.8%
Pesticides	**34,427**	**9.7%**	25,095	8.8%
	253,336	**71.3%**	200,064	70.2%
Production overheads				
Direct labour	**32,487**	**9.1%**	26,902	9.5%
Depreciation	**44,114**	**12.4%**	41,546	14.6%
Others	**25,502**	**7.2%**	16,127	5.7%
Cost of sales of oranges	**355,439**	**100%**	284,639	100%
Fruit processing business				
Fruit	**217,593**	**77.4%**	40,694	82.8%
Packaging materials	**18,870**	**6.7%**	2,539	5.2%
Direct labour	**11,115**	**4.0%**	1,651	3.4%
Other production overheads	**33,336**	**11.9%**	4,226	8.6%
Cost of sales of processed fruits	**280,914**	**100%**	49,110	100%
Cost of sales of self-bred saplings	**789**		1,109	
Cost of sales of property units	**-**		13,742	
Total	**637,142**		348,600	

Cost of sales of oranges principally consists of the costs of raw materials such as fertilisers, packaging materials, pesticides, and other direct costs such as direct labour, depreciation and production overheads. The production cost of sales of oranges increased 24.9% to RMB355.4 million (12/2010: RMB284.6 million). The increase in production costs was principally due to the increase in fertilisers and pesticides utilised for higher production volumes and generally warmer weather during the period.

The unit cost of production in the Hepu Plantation remained at approximately RMB1.76 per kg for the six months ended 31 December 2011 (12/2010: RMB1.72 per kg).

The unit cost of production in the Xinfeng Plantation slightly increased by 2.8% to RMB2.18 per kg for the six months ended 31 December 2011 (12/2010: RMB2.12 per kg) as a result of higher amount of pesticides used and related expenses due to generally warmer weather during the period.

The combined unit cost of production increased by 4.5% to RMB2.07 per kg from RMB1.98 per kg in the comparable period due to higher contribution from Xinfeng Plantation with relatively higher unit cost.

Cost of sales of processed fruit mainly includes the costs of fruit and packaging materials and other direct costs such as direct labour, depreciation and production overheads. For the six months ended 31 December 2011, the cost of processed fruits increased by 472.1% from RMB49.1 million to RMB280.9 million. The increase was mainly due to six months results of Beihai BPG which are consolidated into the Group's results for the six months ended 31 December 2011 compared to one month results of Beihai BPG being consolidated into the Group's results for the six months ended 31 December 2010 follow by the completion of acquisition as of 30 November 2010.

Gross profit

The Group's overall gross profit increased by 47.5% to approximately RMB406.3 million for the six months ended 31 December 2011 (12/2010: RMB275.4 million). The improvement in gross profit was due to an increase in the production output of the Group's winter orange trees of 19.4%, an increase in the average price of oranges of approximately 3.0% to 4.2% year on year and inclusion of the six months gross profit of Beihai BPG of RMB116.0 million.

The overall gross profit margin decreased from 44.1% to 38.9% for the six months ended 31 December 2011 due to higher contribution from processed fruits segment which has a relatively lower margin.

The following table sets forth a breakdown of the Group's gross profit margin by plantation:

	For the six months ended 31 December	
	2011	2010
Hepu Plantation	**56.2%**	55.4%
Xinfeng Plantation	**40.4%**	40.2%

The following table sets out a breakdown of the Group's gross profit margin by business:

	For the six months ended 31 December	
	2011	2010
Sales of oranges	**44.8%**	45.9%
Sales of processed fruits	**29.2%**	29.2%
Sales of self-bred saplings	**64.7%**	59.0%
Sales of properties	**N/A**	47.5%
Overall gross profit margin	**38.9%**	44.1%

The gross profit margin of the Hepu Plantation kept at 56.2% for the six months ended 31 December 2011 (12/2010: 55.4%).

Despite better economies of scale being achieved, the gross profit margin of Xinfeng Plantation only grew to 40.4% (12/2010: 40.2%) due to a higher amount of pesticides used and related expenses as a result of generally warmer weather in current period. Over the medium term, as the continuous growth in production volume and better economies of scale, we expect the margin of the Xinefeng Plantation will grow again.

Due to higher contribution from Xinfeng Plantation with a relatively lower margin, the overall gross profit margin from sales of oranges slightly dropped to approximately 44.8% (12/2010: 45.9%) for the six months ended 31 December 2011.

Beihai BPG processes over 22 different types of fruit with different gross profit margins. The normalised gross profit margin of Beihai BPG for the six months ended 31 December 2011 was unchanged at 29.2% compared to one month ended 31 December 2010.

Gain on change in fair value of biological assets

The Group recorded a gain of RMB100.6 million from net gain on change in fair value of biological assets for the six months ended 31 December 2011, compared to a gain of RMB338.2 million for the corresponding period last year in 2010. The lower increase was mainly due to all the orange trees in the Xinfeng Plantation becoming fruit bearing in the previous period and there was no transfer of infant trees to orange trees during the six months ended 31 December 2011. The net gain on change in fair value of biological assets does not have any effect on the cash flow of the Group for the six months ended 31 December 2011.

The gain on change in fair value of biological assets is summarised as follows:

	For the six months ended 31 December	
	2011	2010
	RMB'000	RMB'000
Gain due to transfer of infant trees to orange trees	**-**	151,895
Gain due to price change	**37,430**	140,141
Decrease due to replanting programme	**(70,213)**	(64,251)
Gain due to yield maturity, cost and other changes	**133,391**	110,419
Total	**100,608**	338,204

Selling and distribution expenses

Selling and distribution expenses mainly comprise sales commissions, advertising, salaries and welfare of sales personnel, travelling and transportation expenses. The selling and distribution expenses of the Group increased from approximately RMB27.4 million for the six months ended 31 December 2010 to approximately RMB29.0 million for the six months ended 31 December 2011, representing an increase of 5.8%, mainly resulting from the increased sale activities in Xinfeng Plantation and Beihai BPG.

Selling and distribution expenses represented 2.8% of the Group's revenue, a decrease of 1.6 percentage points as compared to 4.4% in corresponding period last year, demonstrating the Group's ability to achieve economies of scale amid rapid development.

General and administrative expenses

General and administrative expenses comprise mainly salary, office administration expenses, depreciation, amortization, raw material utilised for infant trees and research costs. The general and administrative expenses of the Group were approximately RMB94.3 million for the six months ended 31 December 2011 (12/2010: RMB63.9 million). The increase was mainly due to the raw materials and related expenses of of RMB11.4 million utilised for the first batch of 427,000 infant trees planted in Hunan Plantation last year, inclusion of the general and administrative expenses of RMB6.4 million of Beihai BPG, the increase of the share based payment of RMB6.3 million in relation to the employee share options and higher research expenses of RMB4.3 million for developing and testing new species of orange.

General and administrative expenses represented 9.0% of the Group's revenue, a decrease of 1.2 percentage points as compared to 10.2% in last corresponding period, demonstrating the Group was able to control the cost effectively amid rapid business expansion.

Profit

The profit attributable to shareholders for the six months ended 31 December 2011 decreased to approximately RMB383.6 million, compared to approximately RMB523.4 million for corresponding period last year, representing a decrease of approximately 26.7%. The decrease in profit is mainly due to lower increase in the net gain on change in fair value of biological assets as all the orange trees in the Xinfeng Plantation becoming fruit bearing in the previous period and there was no transfer of infant trees to orange trees during the six months ended 31 December 2011.

The core net profit, which refers to profit for the period excluding net gain on change in fair value of biological assets and share-based payments, for the six months ended 31 December 2011 was approximately RMB308.8 million, compared to approximately RMB204.7 million for corresponding period last year, representing an increase of approximately 50.9%. The increase was mainly attributable to the increase in production volume of winter orange, the increase in average selling price of oranges and six months results of Beihai BPG are consolidated into the Group during the period compared to one month results in corresponding period last year.

INTERIM DIVIDEND

The Directors are pleased to declare an interim dividend of RMB0.03 (12/2010: RMB0.02) and a special dividend of RMB0.02 (12/2010: Nil) per share.

PRODUCTIVITY

The production volume of winter oranges increased to 171,607 tonnes for the six months ended 31 December 2011, representing an increase of 19.4%.

The production volume of winter oranges in Hepu Plantation dropped from approximately 50,517 tonnes last year to approximately 44,906 tonnes in the current year, representing a decrease of approximately 11.1%, which was due to the ongoing replanting programme. In the year to 30 June 2011, 63,584 winter orange trees were removed and replanted with the same number of the summer orange trees.

In addition, the production volume of winter orange from the Xinfeng Plantation increased from approximately 93,181 tonnes last year to approximately 126,701 tonnes in the current year, representing an increase of approximately 36.0% due to increased maturity during the period.

CAPITAL STRUCTURE

As at 31 December 2011, there were 1,228,052,182 shares in issue. Based on the closing price of HKD4.09, the market capitalisation of the Company was approximately HKD5,022.7 million as at 31 December 2011 (GBP417.2 million).

HUMAN RESOURCES

There were a total of 1,595 employees of the Group as at 31 December 2011. The Group aims to attract, retain and motivate high calibre individuals with a competitive remuneration package. Remuneration packages are performance-linked and business performance, market practices and competitive market conditions are all taken into consideration. The Group reviews the employees' remuneration packages on an annual basis. The Group also places heavy emphasis on staff training and development so that employees can reach their maximum potential.

FINANCIAL PERFORMANCE

	31 December 2011	30 June 2011
Current ratio (x)	**38.51**	41.05
Quick ratio (x)	**36.96**	37.83
Net debt to equity (%)	**Net cash**	Net cash

	For the six months ended	
	31 December 2011	31 December 2010
Asset turnover (x)	**0.13**	0.08
Core net profit per share (RMB)	**0.25**	0.23
Basic earnings per share (RMB)	**0.32**	0.59

Liquidity

The current ratio and quick ratio was 38.51 and 36.96 respectively. The liquidity of the Group remains healthy with sufficient reserves for both operation and development.

Profitability

The asset turnover of the Group improved to 0.13 (12/2010: 0.08) for the six months ended 31 December 2011. The higher asset turnover was mainly due to six months results of Beihai BPG being consolidated into Group in current period compared to one month results in last corresponding period.

The basic earnings per share for the six months ended 31 December 2011 was RMB0.32 (12/2010: RMB0.59). This was driven by the 26.7% decrease in profit attributable to shareholders for the period and the dilution effect from the issuance of new ordinary shares in December 2010. The decrease in profit attributable to shareholders is mainly due to substantial decrease in the net gain on change in fair value of biological assets as all the orange trees in the Xinfeng Plantation becoming fruit bearing in the previous and there was no transfer of infant trees to orange trees during the six months ended 31 December 2011.

The core net profit per share for the six months ended 31 December 2011 increased to RMB0.25 (12/2010: RMB0.23).

Debt ratio

The net cash positions of the Group were RMB2,413.6 million and RMB2,232.2 million at 31 December 2011 and 30 June 2011 respectively.

Internal cash resource

The Group's major internal cash resource is its cash and bank balances. The Group did not have any outstanding bank borrowings as at 31 December 2011.

Charge on assets and contingent liabilities

None of the Group's assets were pledged and the Group did not have any material contingent liabilities as at 31 December 2011.

Capital commitment

As at 31 December 2011, the Group had a capital commitment of approximately RMB69.8 million mainly in relation to the construction of the farmland infrastructure in the Hunan Plantation and the new juicing plant in Basie city.

Foreign exchange risk

The Group is exposed to currency risk primarily through its cash and cash equivalents that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily Hong Kong dollars, United States dollars and British pounds.

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuation arise. The Group currently does not use any derivative contracts to hedge against its exposure to currency risk. Management manages its currency risk by closely monitoring the movement of the foreign currency rate and considers hedging significant foreign currency exposure should the need arise.

PLANTATIONS

The Group has three orange plantations in the PRC occupying in total approximately 155,000 mu (equivalent to approximately 103.3 sq.km.) of land, with approximately 46,000 mu (equivalent to approximately 30.7 sq.km.) located in the Hepu county of the Guangxi Zhuang Autonomous Region, the Hepu Plantation, approximately 56,000 mu (equivalent to approximately 37.3 sq.km.) in the Xinfeng county of the Jiangxi province, the Xinfeng Plantation and approximately 53,000mu (equivalent to approximately 35.3 sq.km) in the Dao county of the Hunan province, the Hunan Plantation.

Hepu Plantation

The Hepu Plantation is fully planted and comprises approximately 1.3 million orange trees of which, approximately 1.0 million trees were producing oranges.

Xinfeng Plantation

The Xinfeng Plantation is fully planted and comprises 1.6 million winter orange trees, all of which are now producing oranges.

Hunan Plantation

The Hunan Plantation is still under development and comprises approximately 0.7 million summer orange trees as at 31 December 2011. During the period, approximately 280,000 summer orange trees were planted with a futher approximately 340,000 summer orange trees to be planted in the second half of financial year ending 30 June 2012.

The below table sets out the age profile as at 31 December 2011 and the production volume of the plantations for the six months ended 31 December 2011:

Summer orange trees

Age	Hepu Plantation	Hepu Plantation Yield	Hunan Plantation	Hunan Plantation Yield	Total	Total Yield
	No. of trees	*(tonnes)*	*No. of trees*	*(tonnes)*	*No. of trees*	*(tonnes)*
0	-	–	280,000	–	280,000	–
1	63,584	–	427,400	–	490,984	–
2	64,194	–	–	–	64,194	–
3	81,261	–	–	–	81,261	–
4	76,135	–	–	–	76,135	–
5	55,185	–	–	–	55,185	–
15	29,996	–	–	–	29,996	–
16	128,966	–	–	–	128,966	–
17	186,003	–	–	–	186,003	–
18	223,741	–	–	–	223,741	–
	909,065	–	707,400	–	1,616,465	–

Winter orange trees

Age	Hepu Plantation	Hepu Plantation Yield	Xinfeng Plantation	Xinfeng Plantation Yield	Total	Total Yield
	No. of trees	*(tonnes)*	*No. of trees*	*(tonnes)*	*No. of trees*	*(tonnes)*
5	–	–	400,000	23,243	400,000	23,243
6	–	–	400,000	28,023	400,000	28,023
7	46,077	3,364	400,000	33,604	446,077	36,968
9	180,180	19,597	400,000	41,831	580,180	61,428
10	42,300	4,974	–	–	42,300	4,974
15	91,386	13,469	–	–	91,386	13,469
16	10,133	1,524	–	–	10,133	1,524
17	12,988	1,978	–	–	12,988	1,978
	383,064	44,906	1,600,000	126,701	1,983,064	171,607
Grand total					3,599,529	171,607

The below table sets out the age profile as at 31 December 2010 and the production volume of the plantations for the six months ended 31 December 2010:

Summer orange trees

Age	Hepu Plantation	Hepu Plantation Yield	Hunan Plantation	Hunan Plantation Yield	Total	Total Yield
	No. of trees	*(tonnes)*	*No. of trees*	*(tonnes)*	*No. of trees*	*(tonnes)*
0	-	–	120,760	–	120,760	–
1	64,194	–	–	–	64,194	–
2	81,261	–	–	–	81,261	–
3	76,135	–	–	–	76,135	–
4	55,185	–	–	–	55,185	–
14	29,996	–	–	–	29,996	–
15	128,966	–	–	–	128,966	–
16	186,003	–	–	–	186,003	–
17	223,741	–	–	–	223,741	–
	845,481	–	120,760	–	966,241	–

Winter orange trees

Age	Hepu Plantation	Hepu Plantation Yield	Xinfeng Plantation	Xinfeng Plantation Yield	Total	Total Yield
	No. of trees	*(tonnes)*	*No. of trees*	*(tonnes)*	*No. of trees*	*(tonnes)*
4	–	–	400,000	3,600	400,000	3,600
5	–	–	400,000	23,200	400,000	23,200
6	46,077	1,935	400,000	28,800	446,077	30,735
8	180,180	17,742	400,000	37,581	580,180	55,323
9	42,300	4,221	–	–	42,300	4,221
14	154,970	23,107	–	–	154,970	23,107
15	10,133	1,536	–	–	10,133	1,536
16	12,988	1,976	–	–	12,988	1,976
	446,648	50,517	1,600,000	93,181	2,046,648	143,698
Grand total					3,012,889	143,698

VALUATION OF BOLOGICAL ASSETS

The valuation of the Group's orange trees as at 31 December 2011 was conducted on the basis of discounted cash flow. The discount rate being applied to the discounted cash flow model is based on The Capital Asset Pricing Model. We begin with the appraised value of the orange trees by discounting the future income streams attributable to the orange trees to arrive at a present value and deduct the tangible assets (including plantation related machinery and equipment and land improvements) from the appraised value which are employed in the operation of the plantations.

Major assumptions

The discounted cash flow method adopted a number of key assumptions, which include the discount rate, market prices of oranges, production yield per tree, related production costs, etc. The values of such variables are as follows:

1) The discount rate applied for the six months ended 31 December 2011 was 20.0% (2010: 19.8%). The discount rate reflected the expected market return on the asset and can be affected by the interest rate, market sentiments and risk of the asset versus the general market risk.

2) The yield per tree variables represent the harvest level of the orange trees. The yield of orange trees is affected by the age, species and health of the orange trees, the climate, location, soil conditions, topography and infrastructure. In general, yield per tree increases from age 3 to 10, remains stable for about 22 years, and then decreases until age 35.

3) The market prices variables represent the assumed market price for the Summer Oranges and Winter Oranges produced by the Group. We adopted the market sales prices prevailing as of the relevant balance sheet date for each type of orange produced as the sales price estimate. Such estimation was based on real terms without considering inflationary effect and planned future business activity that may impact the future prices of oranges harvested from the plantations. The selling prices of winter oranges and summer oranges from the Hepu Plantation and winter oranges from the Xinfeng Plantation adopted were RMB3,310 per tonne, RMB5,300 per tonne and RMB3,730 per tonne, respectively, for the six months ended 31 December 2011 and RMB3,230 per tonne, RMB4,830 per tonne and RMB3,660 per tonne, respectively, for the six months ended 31 December 2010.

4) The direct production cost variables represent the direct costs necessary to bring the oranges to their sales form, which mainly include raw material costs and direct labour costs. The direct production cost variables are determined by reference to actual costs incurred for areas that have been previously harvested and cost information for comparable areas with regards to areas that have not been harvested previously. We applied direct production costs of 34% (2010: 32% to 37%) and 34% to 50% (2010: 32% to 65%) of sale of oranges for the Hepu Plantation and the Xinfeng Plantation, respectively, during the six months ended 31 December 2011.

Sensitive analysis

1) Changes in the discount rate applied result in significant fluctuations in the Group's gain from changes in fair value of orange trees less costs to sell. The following table illustrates the sensitivity of the Group's gain from changes in fair value of orange tree less costs to sell to increases or decreases by 100 basis points in the discount rate of 20.0% applied for the six months ended 31 December 2011:

	100 basis points Decrease	Base Case	100 basis points Increase
Discount rate	19.0%	20.0%	21.0%
Net gain on change in fair value of biological assets (RMB'000)	248,399	100,608	(35,361)

2) Changes in the yield per orange tree can also result in significant fluctuations in gain from changes in fair value of orange trees less costs to sell. The following table illustrates that sensitivity of the Group's gain from changes in fair value of orange trees less costs to sell to 5.0% increase or decrease in the yield per tree applied for the six months ended 31 December 2011:

	5.0% Decrease	Base Case	5.0% Increase
Net gain on change in fair value of biological assets (RMB'000)	5,783	100,608	195,435

3) Changes in assumed market prices of the oranges can also result in significant fluctuations in gain from changes in fair value of orange trees less costs to sell. The following table illustrates the sensitivity of the Group's gain from changes in fair value of orange trees less costs to sell to 5.0% increase or decrease in the assumed market prices of oranges as at 31 December 2011 used to calculate gain from changes in fair value of orange trees less costs to sell for the six months ended 31 December 2011:

	5.0% Decrease	Base Case	5.0% Increase
Net gain on change in fair value of biological assets (RMB'000)	(45,406)	100,608	246,623

4) Changes in the assumed direct production costs can also result in significant fluctuations in gain from changes in fair value of orange trees less costs to sell. The following table illustrates the sensitivity of the Group's gain from changes in fair value of orange trees less costs to sell to 5.0% increases or decreases in the Group's assumed direct production costs used to calculate gain from changes in fair value of orange trees less costs to sell for the six months ended 31 December 2011:

	5.0% Decrease	Base Case	5.0% Increase
Net gain on change in fair value of biological assets (RMB'000)	206,341	100,608	(5,124)

The above sensitivity analyses are intended for illustrative purposes only, and any variation could exceed the amounts shown above.

Valuation

The aggregate value of the orange trees in the Hepu Plantation and Xinfeng Plantation as at 31 December 2011 was estimated to be approximately RMB2,146 million.

Condensed Consolidated Income Statement
For the six months ended 31 December 2011

	Note	Six months ended 31 December 2011 (Unaudited) RMB'000	Six months ended 31 December 2010 (Unaudited) RMB'000	Year ended 30 June 2011 (Audited) RMB'000
Turnover	5	**1,043,416**	624,037	1,412,621
Cost of sales		**(637,142)**	(348,600)	(674,019)
Gross profit		**406,274**	275,437	738,602
Other income	6	**8,008**	4,201	9,787
Net gain on change in fair value of biological assets		**100,608**	338,204	598,000
Selling and distribution expenses		**(29,016)**	(27,434)	(63,314)
General and administrative expenses		**(94,346)**	(63,937)	(161,621)
Profit from operations		**391,528**	526,471	1,121,454
Finance costs	7(a)	**(39)**	(25)	(177)
Profit before income tax	7	**391,489**	526,446	1,121,277
Income tax expense	8	**-**	(1,785)	(1,785)
Profit for the period/year		**391,489**	524,661	1,119,492
Attributable to				
Equity shareholders of the Company		**383,552**	523,351	1,109,992
Non-controlling interest		**7,937**	1,310	9,500
		391,489	524,661	1,119,492
		RMB	RMB	RMB
Earnings per share	9			
- Basic		**0.316**	0.586	1.056
- Diluted		**0.314**	0.583	1.050

Details of dividends payable to equity shareholders of the Company attributable to the profit for the period/year are set out in note 10.

Condensed Consolidated Statement of Comprehensive Income
For the six months ended 31 December 2011

	Six months ended 31 December		Year ended 30 June
	2011	2010	2011
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	RMB'000	RMB'000
Profit for the period/year	**391,489**	524,661	1,119,492
Other comprehensive income for the period/year			
Exchange differences on translation of financial statements of foreign operations, net of nil tax	**(658)**	2,045	901
Total comprehensive income for the period/year	**390,831**	526,706	1,120,393
Attributable to			
Equity shareholders of the Company	**382,894**	525,396	1,110,893
Non-controlling interest	**7,937**	1,310	9,500
	390,831	526,706	1,120,393

Condensed Consolidated Statement of Financial Position
At 31 December 2011

	Note	**31 December 2011 (Unaudited) RMB'000**	31 December 2010 (Unaudited) RMB'000	30 June 2011 (Audited) RMB'000
ASSETS				
Non-current assets				
Property, plant and equipment		**1,787,784**	1,479,227	1,638,339
Land use rights		**69,208**	70,569	69,889
Construction-in-progress		**59,966**	131,943	70,611
Biological assets		**2,158,118**	1,791,810	2,055,298
Intangible assets		**56,102**	52,598	53,287
Deposits		**18,132**	161,888	114,500
Goodwill		**1,157,261**	1,157,261	1,157,261
		5,306,571	4,845,296	5,159,185
Current assets				
Biological assets		**33,833**	3,412	145,561
Properties for sale		**5,830**	5,280	5,830
Inventories		**67,926**	20,446	46,407
Trade and other receivable	11	**162,762**	141,088	96,503
Cash and cash equivalents		**2,413,626**	2,929,439	2,232,203
		2,683,977	3,099,665	2,526,504
Total assets		**7,990,548**	7,944,961	7,685,689

Condensed Consolidated Statement of Financial Position (continued)
At 31 December 2011

	Note	**31 December 2011 (Unaudited) RMB'000**	31 December 2010 (Unaudited) RMB'000	30 June 2011 (Audited) RMB'000
EQUITY AND LIABILITIES				
Equity				
Share capital		**12,145**	12,013	12,030
Reserves		**7,812,422**	6,924,690	7,523,764
Total equity attributable to equity Shareholders of the Company		**7,824,567**	6,936,703	7,535,794
Non-controlling interest		**95,247**	79,120	87,310
		7,919,814	7,015,823	7,623,104
Non-current liabilities				
Obligations under finance leases		**1,034**	-	1,034
Current liabilities				
Trade and other payables	12	**69,610**	928,966	58,461
Due to a related party		**-**	-	3,000
Obligations under finance leases		**90**	-	90
Income tax payable		**-**	172	-
		69,700	929,138	61,551
Total liabilities		**70,734**	929,138	62,585
Total equity and liabilities		**7,990,548**	7,944,961	7,685,689
Net current assets		**2,614,277**	2,170,527	2,464,953
Total assets less current liabilities		**7,920,848**	7,015,823	7,624,138

Condensed Consolidated Cash Flow Statement
For the six months ended 31 December 2011

	Six months ended 31 December		Year ended 30 June
	2011	2010	2011
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	RMB'000	RMB'000
Cash flows from operating activities			
Profit before income tax	**391,489**	526,446	1,121,277
Adjustments for:			
Interest income	**(6,451)**	(2,290)	(7,308)
Finance costs	**39**	25	177
Depreciation	**61,478**	38,887	94,830
Share-based payments	**25,811**	19,542	47,715
Amortisation of land use rights	**681**	632	1,312
Amortisation of intangible assets	**4,805**	1,651	5,562
Loss on disposal of property, plant and equipment	**259**	71	148
Net gain on change in fair value of biological assets	**(100,608)**	(338,204)	(598,000)
Operating profit before working capital changes	**377,503**	246,760	665,713
Movements in working capital elements:			
Properties for sales	**-**	13,217	12,667
Inventories	**(21,519)**	1,982	(23,979)
Biological assets	**111,728**	86,809	(55,340)
Trade and other receivables	**(57,087)**	(9,700)	34,885
Trade and other payables	**10,491**	(19,286)	(10,623)
Due to a related party	**(3,000)**	(7,110)	(4,110)
Cash generated from operations	**418,116**	312,672	619,213
Income tax paid	**-**	(1,891)	(2,063)
Net cash generated from operating activities	**418,116**	310,781	617,150

Condensed Consolidated Statement of Cash Flows (continued)
For the six months ended 31 December 2011

	Six months ended 31 December		Year ended 30 June
	2011	2010	2011
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	RMB'000	RMB'000
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment	**27**	-	46
Purchase of property, plant and equipment	**(6,440)**	(2,338)	(8,832)
Additions to construction-in-progress	**(106,928)**	(101,998)	(201,976)
Deposits paid for acquisition of property, plant and equipment	**-**	(21,538)	(21,538)
Net addition to biological assets	**(2,212)**	(4,041)	(7,733)
Additions to intangible assets	**(7,620)**	(2,000)	(6,600)
Increase in time deposits with terms over three months	**(82,094)**	-	(166,000)
Interest received	**6,451**	2,290	7,308
Acquisition of subsidiaries	**-**	505,427	(161,083)
Net cash (used in)/generated from investing activities	**(198,816)**	375,802	(566,408)
Cash flows from financing activities			
Proceeds from issue of new shares from placement, net of shares issuance costs	**-**	1,284,878	1,284,621
Proceeds from issue of new shares upon exercise of share options	**12,457**	28,122	30,893
Shares repurchased and cancelled	**(15,871)**	-	-
Obligations under finance leases	**-**	-	1,124
Repayment of amount due to a shareholder	**-**	-	(213,788)
Dividends paid	**(116,518)**	(45,193)	(62,286)
Finance costs paid	**(39)**	(25)	(177)
Net cash (used in)/generated from financing activities	**(119,971)**	1,267,782	1,040,387
Net increase in cash and cash equivalents	**99,329**	1,954,365	1,091,129
Cash and cash equivalents at beginning of period/year	**2,066,203**	975,074	975,074
Cash and cash equivalents at end of period/year	**2,165,532**	2,929,439	2,066,203

Major non-cash transactions

During the six months ended 31 December 2011, purchase of property, plant and equipment included an amount of RMB87,196,000 (six months ended 31 December 2010: RMBNil, year ended 30 June 2011: RMBNil) transferred from non-current deposits, and additions to construction-in-progress included an amount of RMBNil (six months ended 31 December 2010: RMBNil, year ended 30 June 2011: RMB47,388,000) transferred from non-current deposits.

Notes to the Interim Financial Information

1 GENERAL INFORMATION

Asian Citrus Holdings Limited was incorporated in Bermuda on 4 June 2003 as an exempted company with limited liability under the Companies Act of Bermuda and its shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "HKEx"), AIM of the London Stock Exchange and PLUS Markets plc.

The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda. The principal place of business of the Company is located at Rooms 1109 – 1112, Wayson Commercial Building, 28 Connaught Road West, Hong Kong.

The principal activities of the Company and its subsidiaries (together the "Group") are planting, cultivation and sale of agricultural produce, manufacture and sale of fruit juice concentrates, fruit purees, frozen fruits and vegetables, and developing and sale of property units in an agricultural wholesale market and orange processing centre.

2 BASIS OF PREPARATION

This interim financial information has been prepared in accordance with International Accounting Standard ("IAS") 34, Interim financial reporting, issued by the International Accounting Standards Board ("IASB"), the applicable disclosure provisions of the Rules Governing the Listing of Securities on the HKEx and the AIM Rules issued by the London Stock Exchange. The interim financial information is presented in Renminbi ("RMB"), rounded to the nearest thousand, unless otherwise stated.

The interim financial information has been prepared under the historical cost convention, as modified by the revaluation of biological assets which are carried at their fair values. The principal accounting policies adopted in the preparation of this interim financial information are consistent with those followed in the Group's annual financial statements for the year ended 30 June 2011, except for the accounting policy changes that are expected to be reflected in the Group's annual financial statements for the year ending 30 June 2012. Details of these changes in accounting policies are set out in note 3.

The preparation of interim financial information in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial information contains condensed consolidated financial statements and explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2011 annual financial statements. The condensed consolidated financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs").

The interim financial information is unaudited, but has been reviewed by the Company's Audit Committee. This interim financial information has also been reviewed by the Company's auditor in accordance with International Standard on Review Engagements 2410, Review of interim financial information performed by the independent auditor of the entity.

3 CHANGES IN ACCOUNTING POLICIES

The IASB has issued a number of new IFRS and amendments to IFRSs and new interpretations that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

- Amendments to IFRSs contained in Improvements to IFRSs (2010)
- Disclosures – Transfers of financial assets (Amendments to IFRS 7)
- IAS 24 (Revised 2009), Related party disclosures

The above amendments to IFRSs have had no material impact on the Group's results of operations and financial position, or do not contain any additional disclosure requirements specifically applicable to the interim financial information.

Up to the date of issue of this interim financial information, the IASB has issued a number of amendments, new standards and interpretations which are not yet effective for the year ending 30 June 2012 and which have not been adopted in the interim financial information. Of these developments, the following relates to matters that may be relevant to the Group's operations and financial statements:

	Effective for accounting periods beginning on or after
Amendments to IAS 12, Income taxes	1 January 2012
Amendments to IAS 1, Presentation of financial statements	1 July 2012
IAS 19, Employee benefits	1 January 2013
IAS 27, Separate financial statements	1 January 2013
IFRS 9, Financial instruments	1 January 2013
IFRS 10, Consolidated financial statements	1 January 2013
IFRS 12, Disclosure of interests in other entities	1 January 2013
IFRS 13, Fair value measurement	1 January 2013

The Group is in the process of making an assessment of what the potential impact of these amendments is expected to be in the period of initial application but is not yet in a position to determine whether their adoption will have a significant impact on the Group's results of operations and financial position.

4 SEGMENT INFORMATION

The Group manages its businesses by lines of business. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resources allocation and performance assessment, the Group has identified three reportable segments. The segments are managed separately as each business offers different products and required different business strategies. The following summary describes the operations in each of the Group's reportable segments:

- Agricultural produce – planting, cultivation and sale of agricultural produce
- Processed fruits – manufacture and sale of fruit juice concentrates, fruit purees, frozen fruits and vegetables
- Others – developing and sale of property units in an agricultural wholesale market and orange processing centre

Following the completion of acquisition of BPG Food & Beverage and its subsidiaries (together the "BPG group") on 30 November 2010, the Group has expanded its businesses into processed fruits operation.

The directors assess the performance of the operating segments based on a measure of reportable segment results. This measurement basis excludes the central other income, expenses and finance costs.

Segment assets mainly exclude goodwill, certain property, plant and equipment, land use rights and other assets that are managed on a central basis. Segment liabilities mainly exclude liabilities that are managed on a central basis.

4 SEGMENT INFORMATION (continued)

Segment results, assets and liabilities

Six months ended 31 December 2011:

	Agricultural produce (Unaudited) RMB'000	Processed fruits (Unaudited) RMB'000	Others (Unaudited) RMB'000	Total (Unaudited) RMB'000
RESULTS				
Reportable segment revenue and revenue from external customers	646,513	396,903	-	1,043,416
Reportable segment results	322,487	109,326	(1,615)	430,198
Unallocated corporate expenses				(41,539)
Unallocated corporate other revenue				2,830
Profit before income tax				391,489
Income tax expense				-
Profit for the period				391,489
ASSETS				
Segment assets	4,774,471	1,441,153	156,877	6,372,501
Unallocated corporate assets				1,618,047
Total assets				7,990,548
LIABILITIES				
Segment liabilities	(57,728)	(8,719)	(2,216)	(68,663)
Unallocated corporate liabilities				(2,071)
Total liabilities				(70,734)
OTHER INFORMATION				
Additions to segment non-current assets	97,106	111,000	-	208,106

4 SEGMENT INFORMATION (continued)

Segment results, assets and liabilities (continued)

Six months ended 31 December 2010:

	Agricultural produce	Processed fruits	Others	Total
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RMB'000	RMB'000	RMB'000	RMB'000
RESULTS				
Reportable segment revenue and revenue from external customers	528,429	69,410	26,198	624,037
Reportable segment results	529,007	18,031	9,310	556,348
Unallocated corporate expenses				(32,381)
Unallocated corporate other revenue				2,479
Profit before income tax				526,446
Income tax expense				(1,785)
Profit for the period				524,661
ASSETS				
Segment assets	3,973,328	1,141,093	162,033	5,276,454
Unallocated corporate assets				2,668,507
Total assets				7,944,961
LIABILITIES				
Segment liabilities	(32,301)	(226,989)	(1,583)	(260,873)
Unallocated corporate liabilities				(668,265)
Total liabilities				(929,138)
OTHER INFORMATION				
Additions to segment non-current assets	105,679	657	-	106,336

4 SEGMENT INFORMATION (continued)

Segment results, assets and liabilities (continued)

Year ended 30 June 2011:

	Agricultural produce	Processed fruits	Others	Total
	(Audited)	(Audited)	(Audited)	(Audited)
	RMB'000	RMB'000	RMB'000	RMB'000
RESULTS				
Reportable segment revenue and revenue from external customers	969,030	417,393	26,198	1,412,621
Reportable segment results	1,042,192	131,845	6,035	1,180,072
Unallocated corporate expenses				(63,073)
Unallocated corporate other revenue				4,278
Profit before income tax				1,121,277
Income tax expense				(1,785)
Profit for the year				1,119,492
ASSETS				
Segment assets	4,308,483	1,341,034	158,962	5,808,479
Unallocated corporate assets				1,877,210
Total assets				7,685,689
LIABILITIES				
Segment liabilities	(40,244)	(17,268)	(2,687)	(60,199)
Unallocated corporate liabilities				(2,386)
Total liabilities				(62,585)
OTHER INFORMATION				
Additions to segment non-current assets	236,521	28,197	-	264,718

5 TURNOVER

Turnover represented the total invoiced value of goods supplied to customers and completed property units delivered to buyers. The amount of each significant category of revenue recognised in turnover is as follows:

	Six months ended 31 December		Year ended 30 June
	2011	2010	2011
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	RMB'000	RMB'000
Sales of oranges	**644,278**	525,724	962,127
Sales of self-bred saplings	**2,235**	2,705	6,903
Sales of processed fruits	**396,903**	69,410	417,393
Sales of property units	**-**	26,198	26,198
	1,043,416	624,037	1,412,621

6 OTHER INCOME

	Six months ended 31 December		Year ended 30 June
	2011	2010	2011
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	RMB'000	RMB'000
Interest income	**6,451**	2,290	7,308
Reversal of impairment loss on interest in an associate	**-**	1,703	1,703
Government grants	**1,450**	-	315
Sundry income	**107**	208	461
	8,008	4,201	9,787

7 PROFIT BEFORE INCOME TAX

Profit before income tax is stated after charging/(crediting) the following:

	Six months ended 31 December 2011 (Unaudited) RMB'000	Six months ended 31 December 2010 (Unaudited) RMB'000	Year ended 30 June 2011 (Audited) RMB'000
(a) Finance costs			
Bank charges	**39**	25	81
Finance charges on obligations under finance lease	**-**	-	96
	39	25	177
(b) Staff costs (including directors' emoluments)			
- Salaries, wages and other benefits	**56,039**	36,429	73,498
- Share-based payments	**25,811**	19,542	47,715
- Contribution to defined contribution retirement plans	**1,150**	446	1,561
	83,000	56,417	122,774
(c) Other items			
Amortisation of land use rights	**681**	632	1,312
Amortisation of intangible assets	**4,805**	1,651	5,562
Auditor's remuneration	**1,200**	650	1,755
Cost of agricultural produce sold#	**356,228**	285,748	384,984
Cost of property units sold	**-**	13,742	13,742
Cost of inventories of processed fruits recognised as expenses##	**280,914**	48,700	275,293
Depreciation of property, plant and equipment	**61,478**	38,887	94,830
Add: Realisation of depreciation previously capitalised as biological assets	**21,821**	12,746	12,746
Less: Amount capitalised as biological assets	**(9,879)**	(1,891)	(22,796)
	73,420	49,742	84,780
Exchange losses, net	**6,551**	1,218	10,475
Operating lease expenses			
- plantation base	**6,365**	4,378	8,641
- properties	**630**	1,525	941
Research and development costs	**3,888**	4,753	8,164
Loss on disposal of property, plant and equipment	**259**	71	148

7 PROFIT BEFORE INCOME TAX (continued)

\# Cost of agricultural produce sold includes RMB81,689,000 (six months ended 31 December 2010: RMB73,097,000, year ended 30 June 2011: RMB96,330,000) relating to staff costs, depreciation and operating lease expenses, which amount is also included in the respective total amount disclosed separately above for each of these types of expenses.

\## Cost of inventories of processed fruits recognised as expenses includes RMB30,097,000 (six months ended 31 December 2010: RMB3,937,000, year ended 30 June 2011: RMB35,615,000) relating to staff costs, amortisation of land use rights, amortisation of intangible assets and depreciation, which amount is also included in the respective total amount disclosed separately above for each of these types of expenses.

8 INCOME TAX EXPENSE

Income tax expense in the condensed consolidated income statement represents:

	Six months ended 31 December		Year ended 30 June
	2011	2010	2011
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	RMB'000	RMB'000
Current Tax			
PRC enterprise income tax			
- provision for the period/year	**-**	983	983
Land appreciation tax			
- provision for the period/year	**-**	802	802
	-	1,785	1,785

(i) Pursuant to the rules and regulations of Bermuda, Cayman Islands and the BVI, the Group is not subject to any income tax in Bermuda, Cayman Islands and the BVI.

(ii) No Hong Kong profits tax has been provided as the Group did not have assessable profits arising in or derived from Hong Kong.

(iii) The provision for PRC enterprise income tax is based on the respective applicable rates on the estimated assessable income of the Group's subsidiaries in the PRC as determined in accordance with the relevant income tax laws, rules and regulations of the PRC.

According to the PRC tax law, its rules and regulations, enterprises that engage in certain qualifying agricultural business are eligible for certain tax benefits, including full enterprise income tax exemption on profits derived from such business. Certain operating subsidiaries of the Group in the PRC engaged in qualifying agricultural business are entitled to full exemption of enterprise income tax.

The applicable enterprise income tax rate of the Group's other operating subsidiaries in the PRC is 25%.

(iv) Land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenses including costs for land use rights and all property development expenses.

8 INCOME TAX EXPENSE (continued)

(v) PRC withholding income tax

Under the PRC tax law, profits of the Group's subsidiaries in the PRC derived since 1 January 2008 is subject to withholding income tax at rates of 5% or 10% upon the distribution of such profits to foreign investors or companies incorporated in Hong Kong, or for other foreign investors, respectively. Pursuant to the grandfathering arrangements of the PRC tax law, dividends receivable by the Group from its PRC subsidiaries in respect of the undistributed profits derived prior to 31 December 2007 are exempt from the withholding income tax. At 31 December 2011, no deferred tax liabilities have been recognised in respect of the tax that would be payable on the unremitted profits of the PRC subsidiaries derived since 1 January 2008 as the Company is in a position to control the dividend policies of the PRC subsidiaries and no distribution of such profits is expected to be declared from the PRC subsidiaries in the foreseeable future.

9 EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the following:

	Six months ended 31 December		Year ended 30 June
	2011	2010	2011
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	RMB'000	RMB'000
Earnings			
Profit attributable to equity shareholders of the Company used in basic and diluted earnings per share calculation	**383,552**	523,351	1,109,992
Weighted average number of shares	**'000**	'000	'000
Issued ordinary shares at beginning of period/year	**1,215,157**	852,650	852,650
Effect of shares issued to shareholders participating in the scrip dividend	**51**	38	3,650
Effect of shares upon exercise of share options	**1,433**	8,308	11,352
Effect of shares issued as part of the consideration for acquisition of subsidiaries	**-**	28,549	95,344
Effect of shares upon placement	**-**	3,804	88,219
Effect of shares repurchased and cancelled	**(1,114)**	-	-
Weighted average number of ordinary shares used in basic earnings per share calculation	**1,215,527**	893,349	1,051,215
Effect of dilutive potential shares in respect of share options	**4,401**	3,690	6,044
Weighted average number of ordinary shares used in diluted earnings per share calculation	**1,219,928**	897,039	1,057,259

10 DIVIDENDS

An interim dividend of RMB0.03 per ordinary share in respect of the six months ended 31 December 2011 (six months ended 31 December 2010: RMB0.02) was declared after the end of the reporting period. The interim dividend has not been recognised as a liability at the end of the reporting period.

Final dividend of RMB0.10 and special dividend of RMB0.03 per ordinary share in respect of the year ended 30 June 2011 were approved on 8 November 2011 and paid on 30 December 2011.

11 TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade receivables with the ageing analysis based on invoice date is as follows:

	31 December		30 June
	2011	2010	2011
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	RMB'000	RMB'000
Less than 1 month	**76,798**	54,282	22,262
1 to 3 months	**20,309**	1,067	4,894
3 to 6 months	**26**	1	79
6 to 12 months	**18**	-	1,240
over 1 year	**75**	2,805	186
	97,226	58,155	28,661

Trade receivables from sales of goods are normally due for settlement within 30 to 45 days from the date of billing, while that from sales of property units are due for settlement in accordance with the terms of the related sale and purchase agreements.

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired is as follows:

	31 December		30 June
	2011	2010	2011
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	RMB'000	RMB'000
Neither past due nor impaired	**88,022**	57,972	22,191
Less than 1 month past due	**8,451**	-	5,064
1 to 3 months past due	**645**	-	220
3 to 6 months past due	**10**	43	87
6 to 12 months past due	**66**	35	1,024
over 1 year past due	**32**	105	75
Amount past due but not impaired	**9,204**	183	6,470
	97,226	58,155	28,661

11 TRADE AND OTHER RECEIVABLES (continued)

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are considered fully recoverable.

12 TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables and amount due to a related party with the ageing analysis based on invoice date is as follows:

	31 December		30 June
	2011	2010	2011
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	RMB'000	RMB'000
Due within 3 months on demand	**19,815**	11,612	28,456
Due after 3 months but within 6 months	**246**	413	93
Due after 6 months but within 1 year	**423**	104	126
Due over 1 year	**90**	59	136
	20,574	12,188	28,811
Represented by:			
Trade payables	**20,574**	12,188	25,811
Amount due to a related party	**-**	-	3,000
	20,574	12,188	28,811

13 FINANCIAL INFORMATION

The results announcement was approved by the Board on 24 February 2012. The interim financial information has been prepared on a going concern basis in accordance with IAS 34, Interim financial reporting. The accounting policies applied in preparing the interim financial information are consistent with those adopted and disclosed in the Group's consolidated financial statements for the year ended 30 June 2011.

Other Information

DIVIDENDS

The Board recommended the payment of an interim dividend of RMB0.03 and a special dividend of RMB0.02 per share for the six months ended 31 December 2011. We believe that the declaration of the interim and special dividends is in the interest of the shareholders and allow our shareholders to share the successful results of the Group.

The interim and special dividends will be paid in sterling or HK Dollars on or before 4 May 2012 to shareholders that appear on the Company's register of members at the close of business on the record date of 9 March 2012, with an ex-dividend date of 8 March 2012 and 7 March 2012 on the HKEx and London Stock Exchange PLC, respectively. The actual translation rate for the purpose of dividend payment in sterling or HK Dollars will be determined by reference to the exchange rate on 13 March 2012.

In order to qualify for receiving the interim and special dividends, shareholders registered on the Hong Kong branch register of the Company are reminded to ensure that all transfers of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30p.m. on 9 March 2012.

Purchase, Sale and Redemption of the Company's Listed Securities

During the six months ended 31 December 2011, the Company repurchased 3,500,000 ordinary shares of HK$0.01 on the HKEx at an aggregate consideration of HK$17,633,690 before expenses. The repurchased shares were subsequently cancelled. The repurchases were effected by the Board for the enhancement of shareholder value in the long term. Details of the repurchases are as follows:

Month of purchase in the six months ended 31 December 2011	No. of shares purchased	Purchase consideration per share Highest price paid HK$	Lowest price paid HK$	Aggregate Consideration paid HK$
October	2,000,000	5.20	5.09	10,362,420
November	1,500,000	5.00	4.69	7,271,270
Total	3,500,000			17,633,690

Saved as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 31 December 2011.

Code on Corporate Governance Practices

The Directors, where practicable for an organisation of the Group's size and nature, sought to comply with the UK Combined Code. The Combined Code is the key source of corporate governance recommendations for UK listed companies. It consists of principles of good governance covering the following areas:–

1. Directors;

2. Directors' Remuneration;

3. Accountability and Audit;

4. Relations with Shareholders; and

5. Institutional Investors.

In connection with the listing of the Company on the HKEx in November 2009, the Company adopted the code provisions set out in the Code on Corporate Governance Practices ("Code") contained in Appendix 14 to the HKEx Listing Rules as its additional code on corporate governance practices on 17 November 2009. The Company complied with applicable code provisions in the Code throughout the six months ended 31 December 2011, with deviation(s) listed below:

– Code Provision A.2.1.

  The roles of Chairman and Chief Executive Officer are performed by the same individual, Mr. Tong Wang Chow, and are not separated. The Board meets regularly to consider issues related to corporate matters affecting operations of the Group. The Board considers the structure will not impair the balance of power and authority of the Board and the Company's management and thus, the Board believes this structure will enable effective planning and implementation of corporate strategies and decisions.

Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted a code for Directors' dealings appropriate for a company whose shares are admitted to trading on AIM and takes all reasonable steps to ensure compliance by the Directors and any relevant employees. The Company also adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in Appendix 10 to the HKEx Listing Rules. The Directors have confirmed, following a specific enquiry by the Company, that they have fully complied with the required standard as set out in the Model Code throughout the period ended 31 December 2011.

REVIEW OF FINANCIAL STATEMENTS

The Audit Committee comprises three independent non-executive directors. Mr. Ma Chiu Cheung Andrew acts as Chairman of the committee with Mr. Nicholas Smith and Mr. Yang Zhenhan acting as members. The arrangement of Audit Committee is in compliance with Rule 3.21 of the HKEx Listing Rules.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group, and discussed auditing, internal control and financial reporting matters including the review of the Company's unaudited financial statements for the period ended 31 December 2011.

PUBLICATION OF INTERIM REPORT

The interim report will be published on the respective websites of the Company (www.asian-citrus.com) under the investor relations section and the Hong Kong Exchanges and Clearing Limited (www.hkex.com.hk).

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

Hong Kong, 24 February 2012

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.