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 2012

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 2012.

Key Highlights

				For illustration only	
	Six months ended 31 December			**Six months ended 31 December**	
	2012 (RMBm)	**2011 (RMBm) (restated)**	**% change**	***2012* (£m**)**	***2011* (£m**) (restated)**
Reported financial information					
Revenue	**892.0**	1,043.4	-14.5%	*88.8*	*101.8*
Gross profit	**289.5**	406.3	-28.7%	*28.8*	*39.6*
EBITDA	**272.0**	478.0	-43.1%	*27.1*	*46.6*
Profit before tax	**218.1**	405.5	-46.2%	*21.7*	*39.6*
Profit attributable to shareholders	**212.4**	397.5	-46.6%	*21.1*	*38.8*
Basic EPS	**RMB 0.17**	RMB 0.33	-48.5%	*1.7p*	*3.2p*
Interim dividend	**RMB 0.03**	RMB 0.03	-	*0.3p*	*0.3p*
Special dividend	**RMB 0.02**	RMB 0.02	-	*0.2p*	*0.2p*
Total dividend	**RMB 0.05**	RMB 0.05	-	*0.5p*	*0.5p*
Core net profit #					
EBITDA	**309.1**	403.2	-23.3%	30.8	39.3
Profit before tax	**255.1**	330.7	-22.9%	25.4	32.3
Profit attributable to shareholders	**249.5**	322.7	-22.7%	24.8	31.5
Basic EPS	**RMB 0.20**	RMB 0.27	-25.9%	*2.0p*	*2.6p*

 # Core net profits refers to profit for the period excluding net gain/loss on change in fair value of biological assets and share-based payment.

*** Conversion at £1 = RMB10.05 and RMB10.25 for the six months ended 31 December 2012 and 2011 respectively for reference only*

**For identification purposes only*

Key Highlights

- Total production 161,233 tonnes down 6.0% from 171,607 tonnes in 2011/2012, primarily reflecting the planned replanting programme to increase yields

- Revenue down 14.5% to RMB892.0m (12/2011:RMB1,043.4m)

- Core net profits down 22.7% to RMB249.5m (12/2011:RMB322.7m) reflecting higher direct production costs as a results of unstable weather conditions in 2012 and general wage inflation in the PRC

- Strong free cash flow of RMB144.9 million (12/2011: RMB219.3 million) and cash and cash equivalent of RMB2,374.4 million as at 31 December 2012

- Declared an Interim dividend of RMB0.03 (12/2011: RMB0.03) and a special dividend of RMB0.02 (12/2011: RMB0.02) per share

- Substantially completed 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 formal production will be started by April 2013

- Continued the construction of third plantation at Hunan. 129,000 summer orange trees planted during the current period and another 600,000 summer orange trees to be planted before December 2013

- Production volume at the Xinfeng Plantation up 1.3% to 128,395 tonnes. Further volume increase expected as trees approach maturity

- Second half performance anticipated to benefit from increased orange and juice concentrate prices and reduced cost impact from expected normal weather conditions in 2013

- The Group is well placed for the longer term to deliver improved results

Chairman’s Statement

In my Chairman’s Statement of last year’s annual report, I indicated that our prospects for the remainder of calendar 2012 would continue to be challenging. As expected, our financial results for the period ended 31 December 2012 were indeed disappointing.

I am confident, however, that this is a temporary setback. Our fundamentals remain strong, our oranges continue to be well received by customers, and our plans for a third juice processing plant in Guangxi and a third plantation in Hunan are still on track to commence operation in 2013 and 2014 respectively.

Financial Highlights

For the six-month period ended 31 December 2012, the Group’s total revenues decreased by 14.5% to RMB892.0 million from RMB1,043.4 million during the same period last year. Core net profit during the period, before net gains on change in fair value of biological assets and share based payments, fell by 22.7% to RMB249.5 million from RMB322.7 million, primarily reflecting higher direct production costs, which were partially offset by a slight increase in the market price of winter oranges.

The Group recorded a loss of RMB23.0 million from a net loss on change in fair value of biological assets for the six months ended 31 December 2012, compared with a gain of RMB100.6 million for the last six months of 2011. The Board of Directors would like to emphasise that the loss on change in fair value of biological assets does not reflect the quality of our biological assets and has no any effect on the cash flow of the Group for the six months ended 31 December 2012.

After net change in fair value of biological assets and share based payments, net profit was 46.6% lower at RMB212.4 million against RMB397.5 million for the corresponding period last year.

Operations Review

Plantation Business

Our two operating plantations — Hepu Plantation in Guangxi Zhuang Autonomous Region and Xinfeng Plantation in Jiangxi Province — experienced a decrease in total production volume of approximately 6.0% to 161,233 tonnes during the review period. Turnover from the sale of oranges also decreased, by 6.8% to RMB600.2 million.

The decline in production volume was most pronounced at Hepu Plantation where as expected production dropped by 26.9% to 32,838 tonnes for the six months ended 31 December 2012 as compared with 44,906 tonnes for the same period in the previous year. This was due to the on-going replanting programme with the removal and replacement of 66,449 winter orange trees with the same number of summer orange trees in the last year. There are currently approximately 48,000 winter trees at the Hepu Plantation which are due to be replaced by June 2013. By that time, the replanting programme which started in 2007 will be completed. The first and second batch of 55,185 and 76,135 orange trees replanted in 2007 and 2008 respectively have begun to produce oranges already. The third batch of 81,261 orange trees replanted in 2009 is expected to commence its first crop in the summer of 2013. We expect the later batches of replanted trees to commence their production in the coming few years. As a result, the Hepu Plantation will soon be producing increasing tonnage of summer oranges benefiting from both the commencement of production from the replanting programme and increasing maturity of the replanted summer orange trees.

The drop in production volume at the Hepu Plantation was offset slightly by the rise in production volume of winter oranges at the Xinfeng Plantation, where the orange trees continue to mature. During the review period, the Xinfeng Plantation recorded an increase in production volume of 1.3% to approximately 128,395 tonnes from 126,702 tonnes. Given that the 1.2 million winter orange trees in Xinfeng Plantation have not reached full maturity, we anticipate that the production volume from the Xinfeng Plantation will further increase as these trees approach their full yield potential.

The gross margin from the sales of oranges was 35.1% at the end of December 2012, down from 44.8% at the end of December 2011, as a result of the higher unit cost of production at both the Hepu and Xinfeng plantations. The unit cost of production was RMB2.31 per kilogramme at the Hepu Plantation and RMB2.44 per kilogramme at the Xinfeng Plantation for the six months ended 31 December 2012, as compared with RMB1.76 per kilogramme and RMB2.18 per kilogramme for the same period last year.

There were a number of factors contributing to the higher production costs, most notably the unstable weather and persistent heavy rainfall from April to August in 2012. During periods of heavy rain, fertilisers and pesticides — the two main costs associated with orange production —are washed away and must therefore be applied in greater quantities to ensure healthy growth.

Another major factor was the trend of general wage inflation in China. At both plantations, labour costs rose from RMB32.5 million to RMB41.9 million for the review period, a rise of 28.9%.

Development of our third plantation in Hunan province, which was developed in 2007, continued with the planting of more than 129,000 summer orange trees during the period. A total of nearly 1.2 million trees have now been planted at this new location and a further 600,000 summer orange trees will be planted in 2013. It is expected that the first harvest from this plantation will take place in 2014.

Juice processing business

Turnover from the sale of processed fruit by Beihai Perfuming Garden Juice Company Limited decreased by 26.9% to RMB290.2 million for the six months ended 31 December 2012. This decline was due mainly to the lower average selling price of pineapple juice concentrates, the Group’s main juice product. Also, the unstable weather and persistent heavy rainfall in 2012 limited the supply of several types of fruit for juice processing during the period.

As highlighted in our last annual report, the price of pineapple juice concentrate started to decrease in January 2012 driven by destocking among producers in Thailand and the Philippines, the world’s two largest producers of pineapple concentrate. As I predicted then, the destocking ended in August and prices began to rise slightly from September 2012. While the overall average selling price for 2012 was therefore lower than the corresponding period in 2011, we have seen the price recovery continue into 2013.

I also mentioned in our annual report that we were building a third plant in Baise City, Guangxi, to increase our total annual output capacity by approximately 40,000 tonnes. This facility has now been substantially completed, and trial production began in December 2012 as expected. We are still on schedule to commence formal production by April 2013. The Board intends to increase utilisation at this new plant prudently and expects it to be fully utilised in the medium term.

We are also considering diversification into processing other agriculture products such as corn and red beans to maximise the utilisation of our plants at times when fruit supply is limited or adversely affected by weather.

Sales to supermarkets

Our sales to supermarkets in China dropped from 48,447 tonnes to 37,425 tonnes during the review period. This was as expected as we had renewed our supermarket contracts earlier in the year when the economic outlook was less optimistic. Sales of graded premium oranges under our Royal Star brand also fell for the period ended 31 December 2012.

Our contract with an international supermarket chain and a national supermarket chain has been proceeding as anticipated. We started by selling our summer oranges to these chains in Guangxi only, and we are now also selling our branded winter oranges to its outlets in Guangdong, Zhejiang and Shanghai. This is a tremendous vote of confidence for our Royal Star brand, and we look forward to selling our graded oranges in more markets across China in the future.

Dividend

The Board declared 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 2012.

The interim and special dividend will be paid in sterling or HK Dollars on or before 12 April 2013, to shareholders on the register at the close of business on the record date of 15 March 2013, with an ex-dividend date of 14 March 2013 and 13 March 2013 on The Stock Exchange of Hong Kong Limited 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 15 March 2013.

ENHANCING SHAREHOLDER VALUE

During the six months ended 31 December 2012, the Company repurchased and cancelled 10,649,000 ordinary shares of HK$0.01 at an aggregate consideration of HK$38,387,280 before expenses. The repurchases were effected by the Board for the enhancement of shareholder value in the long term.

Outlook for 2013

Our performance during the six month period was disappointing, primarily due to the higher costs incurred as a result of unstable weather in 2012 and general wage inflation in the PRC.

The Group's second half performance will reflect the price achieved for the Group's summer orange crop, the selling price of pineapple juice concentrates and the impact of weather on the volume of fertilisers and pesticides used by the Group. In this respect we expect that orange prices will rise, albeit slightly, responding to the inflationary environment and the forecasts for China's economy, which the World Bank has predicted will expand by 8.4% in 2013 and we are also optimistic that juice prices will continue to increase throughout the balance of the year. While we cannot predict the weather, a repeat of the unhelpful conditions in 2012 would be both highly unusual and unexpected.

For the longer term, we are well positioned to deliver much improved results. We are exploring markets outside of China and have been selling oranges to Vietnam from our Hepu Plantation in neighbouring Guangxi; if successful, we will also consider entering other ASEAN markets. The volume of oranges we produce will increase as our trees continue to mature to fruit bearing age, the benefits of our planting programme come through and as our third plantation in Hunan province, begins its first harvest in 2014; in addition to the nearly 1.2 million summer orange trees already there, this plantation will be planted with another 600,000 summer orange trees in 2013. Our juicing business is also making good progress with its third plant and its markets are very attractive.

I would like to thank all the members of our management team and staff on behalf of the Board. They have demonstrated great commitment to our Company during this challenging period, and I remain confident in their ability to enhance our performance in the months and years ahead.

I would also like to take this opportunity to thank our shareholders, business partners and investors for their patience and on-going support.

Tony Tong Wang Chow
Chairman
26 February 2013

Management Discussion and Analysis

OPERATING PERFORMANCE

Turnover

The breakdown of turnover by types is as follows:

	For the six months ended 31 December			
	2012		2011	
	RMB'000	**% of total turnover**	RMB'000	% of total turnover
Hepu Plantation	**129,441**	**14.5%**	180,405	17.3%
Xinfeng Plantation	**470,753**	**52.8%**	463,873	44.5%
Sales of oranges	**600,194**	**67.3%**	644,278	61.8%
Sales of processed fruits	**290,243**	**32.5%**	396,903	38.0%
Sales of self-bred saplings	**1,608**	**0.2%**	2,235	0.2%
Total turnover	**892,045**	**100.0%**	1,043,416	100.0%

The Group's turnover decreased by approximately 14.5% from RMB1,043.4 million to RMB892.0 million for the six months ended 31 December 2012.

Sale of oranges

Turnover from sale of oranges decreased by 6.8% to RMB600.2 million for the six months ended 31 December 2012. This was mainly due to a decrease of approximately 6.0% in the Group's production to 161,233 tonnes.

As anticipated, the production yield from Hepu Plantation decreased by 26.9% from 44,906 tonnes to 32,838 tonnes for the six months ended 31 December 2012 due to the ongoing replanting programme. In the previous year, 66,449 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 by 1.3% to 128,395 tonnes for the six months ended 31 December 2012 from 126,701 tonnes in the comparable period last year. The unstable weather and persistent heavy rainfall in 2012 limited the growth of this year's winter orange crop in the Xinfeng Plantation.

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

	For the six months ended 31 December	
	2012	2011
	RMB	*RMB*
	(per tonne)	*(per tonne)*
Hepu Plantation	**4,013**	4,085
Xinfeng Plantation	**3,776**	3,770

The average selling prices of winter oranges were relatively stable for the six months ended 31 December 2012.

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

	For the six months ended 31 December	
	2012	2011
	% of sale of oranges	% of sale of oranges
Types of customers		
Corporate customers	**49.9%**	42.9%
Supermarket chains	**26.1%**	32.0%
Wholesale customers	**23.6%**	24.6%
Other	**0.4%**	0.5%
Total	**100.0%**	100.0%

For the six months ended 31 December 2012, the production volume and turnover to supermarket chains represented approximately 23.2% and 26.1% respectively of the Group, compared to approximately 28.2% and 32.0% for the six months ended 31 December 2011. As the Xinfeng Plantation has not yet achieved full maturity, the oranges were mainly sold to corporate and wholesale customers, thereby reducing the percentage of sales to supermarket chains.

For the Hepu Plantation and Xinfeng Plantation, the production volume sold to supermarkets was 10,524 tonnes and 26,901 tonnes for the six months ended 31 December 2012, compared to 16,100 tonnes and 32,347 tonnes for the six months ended 31 December 2011 respectively. The decrease in Hepu Plantation was mainly due to the lower production yield of winter oranges for the six months ended 31 December 2012. Also, starting from this year, the Group has supplied several major domestic and international supermarket chains with graded oranges through sizeable distributors instead of through direct sales.

The Company is selling two types of oranges to customers, namely ungraded oranges and graded oranges. Ungraded oranges are neither packaged nor branded and the customers arrange for the transportation of the oranges at their own cost. Usually, the ungraded oranges are sold to wholesale and corporate customers. Graded oranges are oranges that the Company grades, packages and delivers to the customers at its cost, usually to supermarket customers. The graded oranges are sold under the "Royal Star" brand at a premium price compared to the selling price of ungraded oranges without brand. The breakdown of types of oranges is as follows:

	For the six months ended 31 December	
	2012	2011
	% of sale of oranges	
Types of oranges		
Ungraded oranges	**88.7%**	84.7%
Graded oranges	**11.3%**	15.3%
Total	**100.0%**	100.0%

As the Xinfeng Plantation was still at the early stage, the oranges were mainly sold to corporate and wholesale customers without grading, thereby reducing the percentage of sales of graded oranges.

Sale of processed fruits

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

	For the six months ended 31 December			
	2012		2011	
	Volume (Tonnes)	***Turnover RMB'000***	*Volume (Tonnes)*	*Turnover RMB'000*
Pineapple juice concentrates	**6,954**	**73,344**	9,421	114,129
Lychee juice concentrates	**2,179**	**30,653**	2,957	35,271
Other fruit juice concentrates	**2,939**	**51,173**	2,226	44,397
Mango purees	**6,401**	**39,127**	7,966	57,187
Other fruit purees	**3,125**	**23,114**	7,110	52,536
Frozen and dried fruits and vegetables	**7,626**	**59,984**	8,738	62,970
	29,224	**277,395**	38,418	366,490
Fruit juice trading	**N/A**	**12,848**	N/A	30,413
	29,224	**290,243**	38,418	396,903

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 turnover from the sale of processed fruits is shown separately in the table above.

Turnover from the sale of processed fruit decreased by 26.9% to RMB290.2 million for the six months ended 31 December 2012. This is mainly due to the lower average selling price of pineapple juice concentrates, the Group's main juice concentrates product, for the six months ended 31 December 2012 compared to the corresponding period in 2011 as a result of the previously highlighted destocking by Thai and Philippine producers. The price of pineapple juice concentrates started to decrease in January 2012, reached a low in August 2012 and has since improved. Also, the unstable weather and persistent heavy rainfall in 2012 limited the supply of several types of fruit for juice processing during the period.

The utilisation rate of two existing processing plants in Beihai and Hepu is approximately 80.9% and 90.1% for the six months ended 31 December 2012.

BPG currently generates most of its sales from the PRC market, with key customers being beverage mixers supplying major beverage groups.

Sale of self-bred saplings

For the six months ended 31 December 2012, RMB1.6 million was recognised from the sales of the approximately 134,000 self-bred 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			
	2012		2011	
	RMB'000	***% of cost of sales of respective segment***	*RMB'000*	*% of cost of sales of respective segment*
Inventories used				
Fertilisers	**217,164**	**55.8%**	204,504	57.5%
Packaging materials	**13,659**	**3.5%**	14,405	4.1%
Pesticides	**37,804**	**9.7%**	34,427	9.7%
	268,627	**69.0%**	253,336	71.3%
Production overheads				
Direct labour	**41,866**	**10.8%**	32,487	9.1%
Depreciation	**47,199**	**12.1%**	44,114	12.4%
Others	**31,722**	**8.1%**	25,502	7.2%
Cost of sales of oranges	**389,414**	**100%**	355,439	100%
Fruit	**141,398**	**66.7%**	217,593	77.4%
Packaging materials	**17,447**	**8.2%**	18,870	6.7%
Direct labour	**13,196**	**6.2%**	11,115	4.0%
Other production overheads	**40,079**	**18.9%**	33,336	11.9%
Cost of sales of processed fruits	**212,120**	**100%**	280,914	100%
Cost of sales of self-bred saplings	**1,018**		789	
Total	**602,552**		637,142	

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 9.6% to RMB389.4 million (12/2011: RMB355.4 million). The increase in production costs was principally due to the increase in fertilisers and pesticides consumed as a result of the unstable weather and persistent heavy rainfall in 2012 and higher labour costs incurred due to general wage inflation in the PRC during the period. As a results, the unit cost of production in the Hepu Plantation and Xinfeng Plantation increased to approximately RMB2.31 per kg and RMB2.44 per kg respectively for the six months ended 31 December 2012 (12/2011: RMB1.76 per kg and RMB2.18 per kg respectively).

The combined unit cost of production increased by 16.9% to RMB2.42 per kg from RMB2.07 per kg in the comparable period due to higher contribution from Xinfeng Plantation with relatively higher unit cost.

Cost of sale 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 2012, the cost of processed fruit decreased by 24.5% from RMB280.9 million to RMB212.1 million. The decrease was mainly due to decrease in the fruit cost by 35.0% from RMB217.6 million to RMB141.4 million.

Gross profit

The Group's overall gross profit decreased by 28.7% to approximately RMB289.5 million for the six months ended 31 December 2012 (12/2011: RMB406.3 million). The overall gross profit margin decreased from to 38.9% to 32.5% for the six months ended 31 December 2012.

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

	For the six months ended 31 December	
	2012	2011
Hepu Plantation	**41.5%**	56.2%
Xinfeng Plantation	**33.4%**	40.4%

The gross profit margin of the Hepu Plantation and Xinfeng Plantation decreased to 41.5% and 33.4% respectively for the six months ended 31 December 2012 (12/2011: 56.2% and 40.4% respectively). The decrease was mainly due to the higher volume of fertilisers and pesticides consumed as a result of the unstable weather and persistent heavy rainfall in 2012 and higher labour costs incurred as a result of the general wage inflation in the PRC.

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

	For the six months ended 31 December	
	2012	2011
Sales of oranges	**35.1%**	44.8%
Sales of processed fruits	**26.9%**	29.2%
Sales of self-bred saplings	**36.8%**	64.7%
Overall gross profit margin	**32.5%**	38.9%

Due to higher contribution from Xinfeng Plantation with lower gross profit margin and the decrease of the gross profit margin in both Hepu Plantation and Xinfeng Plantation, the overall gross profit margin from sales of oranges dropped to approximately 35.1% (12/2011: 44.8%) for the six months ended 31 December 2012.

BPG processes over 22 different types of fruit with different gross profit margin. The normalised gross profit margin of BPG for the six months ended 31 December 2012 decreased to 26.9% (12/2011: 29.2%). It was mainly due to the higher direct labour cost and other production overheads resulted from the general inflation in the PRC.

Loss on change in fair value of biological assets

The Group recorded a loss of RMB23.0 million from the change in fair value of biological assets for the six months ended 31 December 2012, compared to a gain of RMB100.6 million for the last corresponding period in 2011. There is no movement of the orange trees during the period. The Board wishes to emphasise that the loss on change in fair value of biological assets is non-operational and does not have any effect on the cash flow of the Group for the six months ended 31 December 2012.

Other income

The increase in other income was mainly due to the higher interest income arising from the bank balance during the period as more money has been placed in the fixed deposits with higher interest rate. The effective interest rate for bank deposits during the six months ended 31 December 2012 is approximately 2.53% (12/2011: 0.56%) per annum.

Selling and distribution expenses

Selling and distribution expenses mainly comprise sales commissions, advertising, salaries and welfare of sales personnel, traveling and transportation expenses. The selling and distribution expenses of the Group decreased from approximately RMB29.0 million for the six months ended 31 December 2011 to approximately RMB20.8 million for the six months ended 31 December 2012, representing a decrease of 28.3%, mainly due to the reduction of the transportation costs in Hepu Plantation resulting from less graded oranges sold during the period.

Selling and distribution expenses represented 2.3% of the Group's turnover, a decrease of 0.5 percentage points as compared to 2.8% in last corresponding period, demonstrating the Group's ability to control costs effectively.

General and administrative expenses

General and administrative expenses comprise mainly salary, office administration expenses, depreciation, amortization and research costs. The general and administrative expenses of the Group were approximately RMB59.0 million for the six months ended 31 December 2012 (12/2011: RMB80.4 million). The decrease was mainly due to lower share based payment in relation to the employee share options.

General and administrative expenses represented 6.6% of the Group's turnover, a decrease of 1.1 percentage points as compared to 7.7% in last corresponding period, demonstrating the Group was able to control the cost effectively.

Profit

The profit attributable to shareholders for the six months ended 31 December 2012 decreased to approximately RMB212.4 million, compared to approximately RMB397.5 million for last corresponding period, representing a decrease of approximately 46.6%.

The core net profit excluding net change in fair value of biological assets and share-based payments for the six months ended 31 December 2012 was approximately RMB249.5 million, compared to approximately RMB322.7 million for last corresponding period, representing a decrease of approximately 22.7%.

INTERIM AND SPECIAL DIVIDEND

The Directors are pleased to declare an interim dividend of RMB0.03 (12/2011: RMB0.03) and a special dividend of RMB0.02 (12/2011: RMB0.02) per share.

PRODUCTIVITY

The production volume of winter oranges decreased to 161,233 tonnes for the six months ended 31 December 2012, representing a decrease of 6.0%.

The production volume of winter oranges in Hepu Plantation dropped from approximately 44,906 tonnes last year to approximately 32,838 tonnes in the current year, representing a decrease of approximately 26.9%, which was due to the ongoing replanting programme. In the year to 30 June 2012, 66,449 winter orange trees were removed and replanted with the same number of the summer orange trees.

In addition, the production volume of winter oranges from the Xinfeng Plantation increased from approximately 126,701 tonnes last year to approximately 128,395 tonnes in the current year, representing an increase of approximately 1.3% due to increased maturity during the period. The unstable weather and persistent heavy rainfall in 2012 limited the growth of this year's winter orange crop in the Xinfeng Plantation.

CAPITAL STRUCTURE

As at 31 December 2012, there were 1,227,721,555 shares in issue. Based on the closing price of HKD3.68, the market capitalisation of the Company was approximately HKD4,518 million as at 31 December 2012 (GBP361.4 million).

HUMAN RESOURCES

There were a total of 1,748 employees of the Group as at 31 December 2012. 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 2012	30 June 2012
Current ratio (x)	**30.27**	47.49
Quick ratio (x)	**29.00**	43.49
Net debt to equity (%)	**Net cash**	Net cash

	For the six months ended	
	31 December 2012	31 December 2011
Asset turnover (x)	**0.11**	0.13
Core net profit per share (RMB)	**0.20**	0.27
Basic earnings per share (RMB)	**0.17**	0.33

Liquidity

The current ratio and quick ratio was 30.27 and 29.00 respectively. The liquidity of the Group is healthy with sufficient reserves for both operation and development.

Profitability

The asset turnover of the Group dropped to 0.11 (12/2011: 0.13) for the six months ended 31 December 2012. The lower of the ratio was mainly due to decrease of the turnover for the period as mentioned above.

The basic earnings per share for the six months ended 31 December 2012 was RMB0.17 (12/2011: RMB0.33). This was driven by the 48.5% decrease in profit attributable to shareholders for the period.

The core net profit per share for the six months ended 31 December 2012 decreased to RMB0.20 (12/2011: RMB0.27), representing a decrease of 25.9%.

Debt ratio

The net cash positions of the Group were RMB2,374.4 million and RMB2,388.1 million at 31 December 2012 and 30 June 2012 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 2012.

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 2012.

Capital commitment

As at 31 December 2012, the Group had a capital commitment of approximately RMB141.4 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 1.2 million summer orange trees as at 31 December 2012. During the period, 129,177 summer orange trees were planted with a further approximately 600,000 summer orange trees to be planted in 2013. The construction of Hunan Plantation is expected to be completed in 2013.

The below table sets out the age profile as at 31 December 2012 and the production volume of the plantations for the six months ended 31 December 2012:

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	–	–	129,177	–	129,177	–
1	66,449	–	622,475	–	688,924	–
2	63,584	–	427,400	–	490,984	–
3	64,194	–	–	–	64,194	–
4	81,261	–	–	–	81,261	–
5	76,135	–	–	–	76,135	–
6	55,185	–	–	–	55,185	–
16	29,996	–	–	–	29,996	–
17	128,966	–	–	–	128,966	–
18	186,003	–	–	–	186,003	–
19	223,741	–	–	–	223,741	–
	975,514	–	1,179,052	–	2,154,566	–

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)*
6	–	–	400,000	27,860	400,000	27,860
7	–	–	400,000	28,907	400,000	28,907
8	46,077	3,963	400,000	31,052	446,077	35,015
10	180,180	18,341	400,000	40,576	580,180	58,917
11	42,300	4,574	–	–	42,300	4,574
16	24,937	3,142	–	–	24,937	3,142
17	10,133	1,246	–	–	10,133	1,246
18	12,988	1,572	–	–	12,988	1,572
	316,615	32,838	1,600,000	128,395	1,916,615	161,233
Grand total					4,071,181	161,233

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

VALUATION OF BIOLOGICAL ASSETS

The Group has engaged an independent valuer to perform desktop valuation on the fair value of the orange trees less costs to sell as at 31 December 2012.

The valuations of the Group's orange trees were conducted on the basis of discounted cash flow. The discount rate being applied to the discounted cash flow model is based on Capital Asset Pricing Model. The independent valuer begins with the appraised value of the Group's orange trees by discounting the future income streams attributable to the Group's orange trees to arrive at a present value and deducts the tangible assets (including plantation related machinery and equipment and land improvements) from the appraised value which are employed in the operation of the Group's 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 determined by the independent valuer using information supplied by the Group, as well as proprietary and third-party data, as follows:

1) The discount rate applied for the six months ended 31 December 2012 was 18.0% (12/2011: 20.0%). 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. The independent valuer adopted the market sales prices prevailing as of the relevant balance sheet date for each type of orange produced by the Group as the sales price estimate. The selling prices of winter oranges and summer oranges from the Hepu Plantation and winter oranges from the Xinfeng Plantation adopted were RMB3,320 per tonne, RMB5,200 per tonne and RMB3,740 per tonne, respectively, for the six months ended 31 December 2012 and RMB3,310 per tonne, RMB5,300 per tonne and RMB3,730 per tonne, respectively, for the six months ended 31 December 2011.

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.

Sensitive analysis

1) Changes in the discount rate applied result in significant fluctuations in the Group's loss from changes in fair value of orange trees less costs to sell. The following table illustrates the sensitivity of the Group's loss 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 18.0% applied for the six months ended 31 December 2012:

	100 basis points Decrease	**Base Case**	**100 basis points Increase**
Discount rate	17.0%	18.0%	19.0%
Net gain/(loss) on change in fair value of biological assets (RMB'000)	131,000	(23,000)	(163,000)

2) Changes in the yield per orange tree can also result in significant fluctuations in loss from changes in fair value of orange trees less costs to sell. The following table illustrates that sensitivity of the Group's loss from changes in fair value of orange trees less costs to sell to a 5.0% increase or decrease in the yield per tree applied for the six months ended 31 December 2012:

	5.0% Decrease	**Base Case**	**5.0% Increase**
Net (loss)/gain on change in fair value of biological assets (RMB'000)	(217,000)	(23,000)	172,000

3) Changes in assumed market prices of the oranges can also result in significant fluctuations in loss from changes in fair value of orange trees less costs to sell. The following table illustrates the sensitivity of the Group's loss from changes in fair value of orange trees less costs to sell to a 5.0% increase or decrease in the assumed market prices of oranges as at 31 December 2012 used to calculate gain from changes in fair value of orange trees less costs to sell for the six months ended 31 December 2012:

	5.0% Decrease	**Base Case**	**5.0% Increase**
Net (loss)/gain on change in fair value of biological assets (RMB'000)	(391,000)	(23,000)	346,000

4) Changes in the assumed direct production costs can also result in significant fluctuations in loss from changes in fair value of orange trees less costs to sell. The following table illustrates the sensitivity of the Group's loss from changes in fair value of orange trees less costs to sell to 5.0% increase or decrease 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 2012:

	5.0% Decrease	**Base Case**	**5.0% Increase**
Net gain/(loss) on change in fair value of biological assets (RMB'000)	165,000	(23,000)	(209,000)

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

Valuation

According to the valuation report of the independent valuer, the aggregate value of the orange trees in the Hepu Plantation and Xinfeng Plantation as at 31 December 2012 was estimated to be approximately RMB2,203 million.

Condensed Consolidated Income Statement
For the six months ended 31 December 2012

	Note	Six months ended 31 December 2012 (unaudited) RMB'000	Six months ended 31 December 2011 (unaudited) (restated) RMB'000	Year ended 30 June 2012 (audited) RMB'000
Turnover	6	**892,045**	1,043,416	1,776,144
Cost of sales		**(602,552)**	(637,142)	(983,743)
Gross profit		**289,493**	406,274	792,401
Other income	7	**31,368**	8,008	24,089
Net (loss)/gain on change in fair value of biological assets		**(23,000)**	100,608	166,900
Selling and distribution expenses		**(20,804)**	(29,016)	(60,579)
General and administrative expenses		**(58,981)**	(80,356)	(157,607)
Profit from operations		**218,076**	405,518	765,204
Finance costs	8(a)	**(24)**	(39)	(146)
Profit before income tax	8	**218,052**	405,479	765,058
Income tax expense	9	**-**	-	-
Profit for the period/year		**218,052**	405,479	765,058
Attributable to				
Equity shareholders of the Company		**212,380**	397,542	750,200
Non-controlling interest		**5,672**	7,937	14,858
		218,052	405,479	765,058
		RMB	RMB	RMB
Earnings per share	10			
- Basic		**0.174**	0.327	0.615
- Diluted		**0.173**	0.326	0.613

Details of dividends payable to equity shareholders of the Company for the period/year are set out in note 11.

Condensed Consolidated Statement of Comprehensive Income
For the six months ended 31 December 2012

	Six months ended 31 December		Year ended 30 June
	2012	2011	2012
	(unaudited)	(unaudited) (restated)	(audited)
	RMB'000	RMB'000	RMB'000
Profit for the period/year	**218,052**	405,479	765,058
Other comprehensive expense for the period/year			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operations, net of nil tax	**-**	(658)	(636)
Total comprehensive income for the period/year	**218,052**	404,821	764,422
Attributable to			
Equity shareholders of the Company	**212,380**	396,884	749,564
Non-controlling interest	**5,672**	7,937	14,858
	218,052	404,821	764,422

Condensed Consolidated Statement of Financial Position
At 31 December 2012

	Note	31 December 2012 (unaudited) RMB'000	31 December 2011 (unaudited) (restated) RMB'000	30 June 2012 (audited) RMB'000
ASSETS				
Non-current assets				
Property, plant and equipment		**1,909,966**	1,787,784	1,835,518
Land use rights		**73,474**	69,208	68,527
Construction-in-progress		**251,750**	59,966	178,302
Biological assets		**2,333,193**	2,203,307	2,305,224
Intangible assets		**70,677**	56,102	58,506
Deposits		**28,161**	18,132	4,251
Goodwill		**1,157,261**	1,157,261	1,157,261
		5,824,482	5,351,760	5,607,589
Current assets				
Biological assets		**52,532**	33,833	158,636
Properties for sale		**5,830**	5,830	5,830
Inventories		**50,688**	67,926	63,094
Trade and other receivable	12	**124,365**	162,762	86,865
Cash and cash equivalents		**2,374,441**	2,413,626	2,388,114
		2,607,856	2,683,977	2,702,539
Total assets		**8,432,338**	8,035,737	8,310,128

Condensed Consolidated Statement of Financial Position (continued)
At 31 December 2012

	Note	**31 December 2012 (unaudited) RMB'000**	31 December 2011 (unaudited) (restated) RMB'000	30 June 2012 (audited) RMB'000
EQUITY AND LIABILITIES				
Equity				
Share capital		**12,142**	12,145	12,083
Reserves		**8,225,256**	7,857,611	8,138,036
Total equity attributable to equity shareholders of the Company		**8,237,398**	7,869,756	8,150,119
Non-controlling interest		**107,840**	95,247	102,168
		8,345,238	7,965,003	8,252,287
Non-current liability				
Obligations under finance lease		**937**	1,034	937
Current liabilities				
Trade and other payables	13	**86,066**	69,610	56,807
Obligations under finance lease		**97**	90	97
		86,163	69,700	56,904
Total liabilities		**87,100**	70,734	57,841
Total equity and liabilities		**8,432,338**	8,035,737	8,310,128
Net current assets		**2,521,693**	2,614,277	2,645,635
Total assets less current liabilities		**8,346,175**	7,966,037	8,253,224

Condensed Consolidated Cash Flow Statement
For the six months ended 31 December 2012

	Six months ended 31 December		Year ended 30 June
	2012	2011	2012
	(unaudited)	(unaudited) (restated)	(audited)
	RMB'000	RMB'000	RMB'000
Cash flows from operating activities			
Profit before income tax	**218,052**	405,479	765,058
Adjustments for:			
Interest income	**(30,152)**	(6,451)	(21,559)
Finance costs	**24**	39	146
Share-based payments	**14,072**	25,811	45,812
Amortisation of land use rights	**587**	681	1,362
Amortisation of intangible assets	**6,509**	4,805	9,781
Depreciation	**69,426**	61,478	126,044
Loss on disposal of property, plant and equipment	**85**	259	4,828
Loss on disposal of land use right	**4,902**	-	-
Net loss/(gain) on change in fair value of biological assets	**23,000**	(100,608)	(166,900)
Operating profit before working capital changes	**306,505**	391,493	764,572
Movements in working capital elements:			
Inventories	**12,406**	(21,519)	(16,687)
Biological assets	**106,104**	111,728	(13,075)
Trade and other receivables	**(37,500)**	(57,087)	25,150
Trade and other payables	**29,259**	10,491	(2,290)
Due to a related party	**-**	(3,000)	(3,000)
Net cash generated from operating activities	**416,774**	432,106	754,670

Condensed Consolidated Cash Flow Statement (continued)
For the six months ended 31 December 2012

	Six months ended 31 December		Year ended 30 June
	2012	2011	2012
	(unaudited)	(unaudited) (restated)	(audited)
	RMB'000	RMB'000	RMB'000
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment	**-**	27	6,258
Proceed from disposal of land use right	**3,565**	-	-
Purchase of property, plant and equipment	**(16,373)**	(6,440)	(38,098)
Purchase of land use right	**(14,001)**	-	-
Additions to construction-in-progress	**(196,783)**	(106,928)	(305,115)
Deposits paid for acquisition of property, plant and equipment	**(28,161)**	-	(4,050)
Net additions to biological assets	**(50,969)**	(16,202)	(51,827)
Additions to intangible assets	**(18,680)**	(7,620)	(15,000)
Decrease/(increase) in time deposits with terms over three months	**19,341**	(82,094)	103,040
Interest received	**30,152**	6,451	21,559
Net cash used in investing activities	**(271,909)**	(212,806)	(283,233)
Cash flows from financing activities			
Proceeds from issue of new shares upon exercise of share options	**-**	12,457	12,457
Repurchase of shares	**(34,548)**	(15,871)	(46,859)
Obligations under finance lease	**-**	-	(90)
Dividends paid	**(104,625)**	(116,518)	(177,848)
Finance costs paid	**(24)**	(39)	(146)
Net cash used in financing activities	**(139,197)**	(119,971)	(212,486)
Net increase in cash and cash equivalents	**5,668**	99,329	258,951
Cash and cash equivalents at beginning of period/year	**2,325,154**	2,066,203	2,066,203
Cash and cash equivalents at end of period/year	**2,330,822**	2,165,532	2,325,154

Major non-cash transactions

During the six months ended 31 December 2012, purchase of property, plant and equipment included an amount of RMB4,251,000 (six months ended 31 December 2011: RMB87,196,000, year ended 30 June 2012: RMB98,787,000) transferred from non-current deposits.

Notes to the Interim Financial Information

1 GENERAL INFORMATION

Asian Citrus Holdings Limited (the “Company”) 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 certain 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 2012, 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 2013. Details of the applications of new and revised IFRSs 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 2012 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 APPLICATIONS OF NEW AND REVISED IFRSs

The IASB has issued a number of amendments to IFRSs 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:

- IAS 1 (Amendments), Presentation of financial statements – Presentation of items of other comprehensive income

- IAS 12 (Amendments), Income taxes – Deferred tax: Recovery of underlying assets

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 2013 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:

Improvements to IFRSs	Annual improvements to IFRSs 2009 – 2011 cycle[1]
Amendments to IFRS 9 and IFRS 7	Mandatory effective date of IFRS 9 and transition disclosures[2]
Amendments to IFRS 10, IFRS 11 and IFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: transition guidance[1]
Amendments to IFRS 7	Disclosure – Offsetting financial assets and financial liabilities[1]
Amendments to IAS 32	Offsetting financial assets and financial liabilities[2]
IFRS 9	Financial instruments[3]
IFRS 10	Consolidated financial statements[1]
IFRS 12	Disclosure of interests in other entities[1]
IFRS 13	Fair value measurement[1]
IAS 27 (2011)	Separate financial statements[1]

[1] Effective for annual periods beginning on or after 1 January 2013.
[2] Effective for annual periods beginning on or after 1 January 2014.
[3] Effective for annual periods beginning on or after 1 January 2015.

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 CHANGE IN ACCOUNTING POLICY

In the year ended 30 June 2012, the Group changed its accounting policy with respect to the costing of infant trees. Cost of fertilisers and pesticides, the principal directly attributable costs incurred during the period of biological growth to the stage the trees start bearing fruits (i.e. normally from age 0 to 3), are now capitalised as additions to the relevant biological assets. In prior periods, these costs were expensed as incurred and included in the general and administrative expenses in profit or loss. The management believes the new policy is preferable as it more fairly reflects the financial results of the Group's agricultural activities.

The change in accounting policy has been applied retrospectively. The effects of the change in the condensed consolidated income statement for the six months ended 31 December 2011 and in the condensed consolidated statement of financial position at 31 December 2011 are set out below.

Condensed consolidated income statement for the six months ended 31 December 2011

	As previously reported *RMB'000*	Effect of change in accounting policy *RMB'000*	As restated *RMB'000*
Turnover	1,043,416	-	1,043,416
Cost of sales	(637,142)	-	(637,142)
Gross profit	406,274	-	406,274
Other income	8,008	-	8,008
Net gain on change in fair value of biological assets	100,608	-	100,608
Selling and distribution expenses	(29,016)	-	(29,016)
General and administrative expenses	(94,346)	13,990	(80,356)
Profit from operations	391,528	13,990	405,518
Finance costs	(39)	-	(39)
Profit before income tax	391,489	13,990	405,479
Income tax expense	-	-	-
Profit for the period	391,489	13,990	405,479
Attributable to			
Equity shareholders of the Company	383,552	13,990	397,542
Non-controlling interest	7,937	-	7,937
	391,489	13,990	405,479
	RMB	RMB	RMB
Earnings per share			
- Basic	0.316	0.011	0.327
- Diluted	0.314	0.012	0.326

Condensed consolidated statement of financial position at 31 December 2011

	As previously reported *RMB'000*	Effect of change in accounting policy *RMB'000*	As restated *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment	1,787,784	-	1,787,784
Land use rights	69,208	-	69,208
Construction-in-progress	59,966	-	59,966
Biological assets	2,158,118	45,189	2,203,307
Intangible assets	56,102	-	56,102
Deposits	18,132	-	18,132
Goodwill	1,157,261	-	1,157,261
	5,306,571	45,189	5,351,760
Current assets			
Biological assets	33,833	-	33,833
Properties for sale	5,830	-	5,830
Inventories	67,926	-	67,926
Trade and other receivables	162,762	-	162,762
Cash and cash equivalents	2,413,626	-	2,413,626
	2,683,977	-	2,683,977
Total assets	7,990,548	45,189	8,035,737
EQUITY AND LIABILITIES			
Equity			
Share capital	12,145	-	12,145
Reserves	7,812,422	45,189	7,857,611
Total equity attributable to equity shareholders of the Company	7,824,567	45,189	7,869,756
Non-controlling interests	95,247	-	95,247
	7,919,814	45,189	7,965,003
Non-current liability			
Obligation under finance lease	1,034	-	1,034
Current liabilities			
Trade and other payables	69,610	-	69,610
Obligation under finance lease	90	-	90
	69,700	-	69,700
Total liabilities	70,734	-	70,734
Total equity and liabilities	7,990,548	45,189	8,035,737
Net current assets	2,614,277	-	2,614,277
Total assets less current liabilities	7,920,848	45,189	7,966,037

5 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

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.

Segment results, assets and liabilities

Six months ended 31 December 2012:

	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	**601,802**	**290,243**	**-**	**892,045**
Reportable segment results	**167,969**	**76,582**	**(2,198)**	**242,353**
Unallocated corporate expenses				**(27,175)**
Unallocated corporate other revenue				**2,874**
Profit before income tax				**218,052**
Income tax expense				**-**
Profit for the period				**218,052**
ASSETS				
Segment assets	**5,361,299**	**1,631,016**	**77,577**	**7,069,892**
Unallocated corporate assets				**1,362,446**
Total assets				**8,432,338**
LIABILITIES				
Segment liabilities	**(55,084)**	**(27,592)**	**(2,217)**	**(84,893)**
Unallocated corporate liabilities				**(2,207)**
Total liabilities				**(87,100)**
OTHER INFORMATION				
Additions to segment non-current assets	**130,095**	**121,553**	**-**	**251,648**

Six months ended 31 December 2011:

	Agricultural produce (unaudited) (restated) *RMB'000*	Processed fruits (unaudited) *RMB'000*	Others (unaudited) *RMB'000*	Total (unaudited) (restated) *RMB'000*
RESULTS				
Reportable segment revenue and revenue from external customers	646,513	396,903	-	1,043,416
Reportable segment results	336,477	109,326	(1,615)	444,188
Unallocated corporate expenses				(41,539)
Unallocated corporate other revenue				2,830
Profit before income tax				405,479
Income tax expense				-
Profit for the period				405,479
ASSETS				
Segment assets	4,819,660	1,441,153	156,877	6,417,690
Unallocated corporate assets				1,618,047
Total assets				8,035,737
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

Year ended 30 June 2012:

	Agricultural produce (audited) *RMB'000*	Processed fruits (audited) *RMB'000*	Others (audited) *RMB'000*	Total (audited) *RMB'000*
RESULTS				
Reportable segment revenue and revenue from external customers	1,060,671	715,473	-	1,776,144
Reportable segment results	621,600	203,714	(3,125)	822,189
Unallocated corporate expenses				(64,065)
Unallocated corporate other revenue				6,934
Profit before income tax				765,058
Income tax expense				-
Profit for the year				765,058
ASSETS				
Segment assets	5,173,015	1,544,498	79,164	6,796,677
Unallocated corporate assets				1,513,451
Total assets				8,310,128
LIABILITIES				
Segment liabilities	(34,047)	(17,655)	(2,217)	(53,919)
Unallocated corporate liabilities				(3,922)
Total liabilities				(57,841)
OTHER INFORMATION				
Additions to segment non-current assets	213,099	149,881	-	362,980

6 TURNOVER

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

	Six months ended 31 December		Year ended 30 June
	2012	2011	2012
	(unaudited)	(unaudited)	(audited)
	RMB'000	RMB'000	RMB'000
Sales of oranges	**600,194**	644,278	1,057,327
Sales of self-bred saplings	**1,608**	2,235	3,344
Sales of processed fruits	**290,243**	396,903	715,473
	892,045	1,043,416	1,776,144

7 OTHER INCOME

	Six months ended 31 December		Year ended 30 June
	2012	2011	2012
	(unaudited)	(unaudited)	(audited)
	RMB'000	RMB'000	RMB'000
Interest income	**30,152**	6,451	21,559
Government grants	**1,209**	1,450	2,326
Sundry income	**7**	107	204
	31,368	8,008	24,089

8 PROFIT BEFORE INCOME TAX

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

	Six months ended 31 December 2012 (unaudited) RMB'000	Six months ended 31 December 2011 (unaudited) RMB'000	Year ended 30 June 2012 (audited) RMB'000
(a) Finance costs			
Bank charges	**24**	39	56
Finance charges on obligation under finance lease	**-**	-	90
	24	39	146
(b) Staff costs (including director's emoluments			
- salaries, wages and other benefits	**69,433**	56,039	97,880
- share-based payments	**14,072**	25,811	45,812
- contribution to defined contribution retirement plans	**1,214**	1,150	2,635
	84,719	83,000	146,327
(c) Other items			
Amortisation of land use rights	**587**	681	1,362
Amortisation of intangible assets	**6,509**	4,805	9,781
Auditor's remuneration	**1,217**	1,200	2,390
Cost of agricultural produce sold#	**390,432**	356,228	488,993
Cost of inventories of processed fruits recognised as expenses##	**212,120**	280,914	494,750
Depreciation of property, plant and equipment	**69,426**	61,478	126,044
Add: Realisation of depreciation previously capitalised as biological assets	**23,423**	21,821	21,822
Less: Amount capitalised as biological assets	**(15,865)**	(9,879)	(25,955)
	76,984	73,420	121,911
Construction-in-progress written off	**1,560**	-	3,351
Exchange (gain)/losses, net	**(3,548)**	6,551	6,435
Operating lease expenses			
- plantation base	**6,416**	6,365	9,394
- properties	**610**	630	1,115
Research and development costs	**2,344**	3,888	9,255
Loss on disposal of property, plant and equipment	**85**	259	4,828
Loss on disposal of land use right	**4,902**	-	-

\# Cost of agricultural produce sold includes RMB96,189,000 (six months ended 31 December 2011: RMB81,689,000, year ended 30 June 2012: RMB113,974,000) 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 RMB40,170,000 (six months ended 31 December 2011: RMB30,097,000, year ended 30 June 2012: RMB67,667,000) 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.

9 INCOME TAX EXPENSE

On the basis stated below, no income tax has been provided by the Group:

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

(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) No PRC enterprise income tax has been provided for the current period as the Group did not have assessable profit in the PRC during the period. 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) 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 2012, 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.

10 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
	2012	2011	2012
	(unaudited)	(unaudited) (restated)	(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	**212,380**	397,542	750,200
Weighted average number of shares	**'000**	'000	'000
Issued ordinary shares at beginning of period/year	**1,221,097**	1,215,157	1,215,157
Effect of shares issued to shareholders participating in the scrip dividend	**-**	51	4,741
Effect of shares upon exercise of share options	**-**	1,433	4,182
Effect of shares repurchased and cancelled	**(3,393)**	(1,114)	(3,640)
Weighted average number of ordinary shares used in basic earnings per share calculation	**1,217,704**	1,215,527	1,220,440
Effect of dilutive potential shares in respect of share options	**11,490**	4,401	4,188
Weighted average number of ordinary shares used in diluted earnings per share calculation	**1,229,194**	1,219,928	1,224,628

11 DIVIDENDS

An interim dividend of RMB0.03 (six months ended 31 December 2011: RMB0.03) and a special dividend of RMB0.02 (six months ended 31 December 2011: RMB0.02) per share in respect of the six months ended 31 December 2012 was declared after the end of the reporting period. The interim and special dividends have not been recognised as liabilities at the end of the reporting period.

Final dividend of RMB0.13 per ordinary share in respect of the year ended 30 June 2012 was approved on 6 November 2012 and paid on 31 December 2012.

12 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
	2012	2011	2012
	(unaudited)	(unaudited)	(audited)
	RMB'000	RMB'000	RMB'000
Less than 1 month	**92,883**	76,798	28,352
1 to 3 months	**6,798**	20,309	84
3 to 6 months	**-**	26	291
6 to 12 months	**9**	18	-
Over 1 year	**104**	75	104
	99,794	97,226	28,831

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
	2012	2011	2012
	(unaudited)	(unaudited)	(audited)
	RMB'000	RMB'000	RMB'000
Neither past due nor impaired	**97,457**	88,022	27,529
Less than 1 month past due	**2,267**	8,451	944
1 to 3 months past due	**-**	645	6
3 to 6 months past due	**9**	10	291
6 to 12 months past due	**-**	66	-
Over 1 year past due	**61**	32	61
Amount past due but not impaired	**2,337**	9,204	1,302
	99,794	97,226	28,831

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.

13 TRADE AND OTHER PAYABLES

The ageing analysis of trade payables by invoice date is as follows:

	31 December		30 June
	2012	2011	2012
	(unaudited)	(unaudited)	(audited)
	RMB'000	RMB'000	RMB'000
Due within 3 months or on demand	**32,904**	19,815	21,246
Due after 3 months but within 6 months	**286**	246	93
Due after 6 months but within 1 year	**314**	423	543
Due over 1 year	**95**	90	95
	33,599	20,574	21,977

14 FINANCIAL INFORMATION

The results announcement was approved by the Board on 26 February 2013. 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 2012.

Other Information

DIVIDENDS

The Board declared 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 2012. We believe that the declaration of the interim and special dividend 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 12 April 2013 to shareholders that appear on the Company's register of members at the close of business on the record date of 15 March 2013, with an ex-dividend date of 14 March 2013 and 13 March 2013 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 15 March 2013.

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 15 March 2013.

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

During the six months ended 31 December 2012, the Company repurchased 10,649,000 ordinary shares of HK$0.01 on the HKEx at an aggregate consideration of HK$38,387,280 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 2012	No. of shares purchased	Purchase consideration per share Highest price paid HK$	Purchase consideration per share Lowest price paid HK$	Aggregate consideration paid HK$
July	1,131,000	4.40	3.99	4,741,450
November	9,518,000	3.67	3.21	33,645,830
Total	10,649,000			38,387,280

On 31 December 2012, 17,768,373 ordinary shares of HK$0.01 were issued at the price of HK$3.774 per share to shareholder participating in the scrip dividend.

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 2012.

Corporate Governance Code

During the six months ended 31 December 2012, the Directors, where practicable, for an organisation of the Group's size and nature sought to comply with the 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: (i) Leadership; (ii) Effectiveness; (iii) Accountability; (iv) Remuneration; and (v) Relations with shareholders.

On 23 February 2012, the Company also adopted the code provisions set out in Corporate Governance Code and Corporate Governance Report ("CG Code") contained in amended Appendix 14 to the Hong Kong Listing Rules which took effect on 1 April 2012 as its additional code on corporate governance practices. The Company has complied with the CG Code during the six months ended 31 December 2012 except the deviations set out 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.

Code Provision A.5.1

The Companies does not have the Nomination Committee. The Directors does not consider that, given the size of the Group and stage of its development, it is necessary to have a Nomination Committee, however, this will be kept under regular review by the Board. The Board as a whole regularly reviews the plans for orderly succession for appointments to the Board and its structure, size and composition. If the Board considers that it is necessary to appoint new Director(s), it will set down the relevant appointment criteria which may include, where applicable, the background, experience, professional skills, personal qualities, availability to commit to the affairs of the Company and, in case of Independent Non-Executive Director, the independence requirements set out in the Hong Kong Listing Rules from time to time. Nomination of new Director(s) will normally be made by the Executive Directors and subject to the Board's approval. External consultants may be engaged, if necessary, to access a wider range of potential candidate(s).

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 2012.

Changes in Directorship and Other Changes in Directors' Information

Changes in directorship during the six months ended 31 December 2012 are as follows:

Mr. Ip Chi Ming retired from the Non-executive Director of the Company with effect from the conclusion of the annual general meeting held on 6 November 2012.

Mr. Nicholas Smith will resign as an independent non-executive director of the Company and will cease to be the Chairman of remuneration committee and a member of the audit committee of the Company with effect from 24 March 2013.

The Board would like to express its gratitude to Mr. Ip Chi Ming and Mr. Nicholas Smith for their contributions over the years.

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 Zhen Han act 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 six months ended 31 December 2012.

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, 26 February 2013

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; one non-executive director, namely 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.