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ASIAN CITRUS HOLDINGS LIMITED

亞洲果業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: HKSE: 73; AIM: ACHL)

PROFIT WARNING

As anticipated and based on the preliminary assessment of the unaudited financial information and management accounts of the Group, turnover and core net profit[#] for the six months ended 31 December 2014 will be lower than in the comparative period for the six months ended 31 December 2013[&].

This announcement is based only on the preliminary assessment of the unaudited financial information and management accounts of the Group for the Period currently available to the Board, which are being reviewed by the independent auditor (the review not yet completed) and are subject to adjustments.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Asian Citrus Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company (the “Shareholders”) and potential investors that as anticipated and based on the preliminary assessment of the unaudited financial information and management accounts of the Group for the six months ended 31 December 2014 (the “Period”), turnover and core net profit[#] will be lower than in the comparative period for the six months ended 31 December 2013[&].

The key factors impacting this trading performance, were highlighted in previous announcements.

The actual winter orange crop yield of Hepu Plantation was approximately 7,146 tonnes, which was in line with the tonnage indication of 7,100 tonnes given in the Winter Orange Crop statement of 7 November 2014 (the “Winter Orange Crop Statement”). As previously announced, Hepu Plantation suffered extensive damage from the impact of Typhoon Rammasun, the strongest in the region for over 40 years. There was widespread crop loss, resulting in a decrease of approximately 71.1% in comparison to the actual production yield of 24,699 tonnes in the same period last year.

The actual winter orange crop yield of Xinfeng Planation was approximately 103,847 tonnes, which was below the tonnage indication of 113,600 tonnes given in the Winter Orange Crop Statement. The production yield from Xinfeng Plantation has, as previously announced, reflected the effect of cryogenic freezing rain and frosts in Xinfeng in early 2014 on the fruit blossom. The production was also impacted by the effect of high temperature and drought in Xinfeng area during the period from September to December 2014 causing water scarcity for irrigation which affected the size as well as production volume of the winter orange crop. This represents a decrease of approximately 15.7% in comparison to the actual production yield of 123,228 tonnes in the same period last year.

The total production yield of winter oranges for the Group decreased from 147,927 tonnes for the corresponding period last year to approximately 110,993 tonnes in the Period, which represents a decrease of approximately 25.0%.

Additionally, the average selling price of the Group’s winter orange crop was approximately 2.9% lower compared to the prior year. This reduction reflected both extensive typhoon damage in Hepu Plantation from Typhoon Rammasun in July 2014 and Typhoon Seagull in September 2014, and the poor appearance of oranges infected by citrus canker.

Furthermore, profitability was impacted by a higher volume of fertilisers and pesticides consumed to minimise further damage from citrus canker infection and soil leaching in plantation areas as a result of the impact of typhoons. It is expected that the high costs environment will continue in the short term.

The sale tonnage volume from the processed fruit business, which involves the manufacture and sale of fruit juice concentrates, purees and frozen fruit and vegetables, was approximately 23,952 tonnes in the Period. This represents a decrease of approximately 17.1% in comparison to the sale tonnage volume of 28,887 tonnes in the same period last year and the business saw continued margin pressure.

The assessment of the net change in fair value of biological assets for the Period is still under review. The Board wishes to emphasise that the net change in fair value of biological assets is non-operational and does not have any effect on cash flow of the Group.

The information contained in this announcement is based only on the preliminary assessment of the unaudited financial information and management accounts of the Group for the Period currently available to the Board, which are being reviewed by the independent auditor (the review not yet completed) and are subject to adjustments.

The interim results of the Group for the Period are expected to be released in late February 2015.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Asian Citrus Holdings Limited
Ng Hoi Yue
Non-executive Chairman

Hong Kong, 30 January 2015

* *for identification purposes only*

Core net profit refers to profit for the period excluding net change in fair value of biological assets and share-based payments.

& *During the six months ended 31 December 2013, turnover was approximately RMB748.3 million.*

As at the date of this announcement, the Board comprises five Executive Directors, namely Mr. Ng Ong Nee (Chief Executive Officer), Mr. Tong Hung Wai, Tommy (Vice Chairman), Mr. Cheung Wai Sun, Mr. Pang Yi and Mr. Ng Cheuk Lun (Chief Financial Officer and Company Secretary) and five Independent Non-executive Directors, namely Mr. Ng Hoi Yue (Non-executive Chairman), Dr. Lui Ming Wah, SBS, JP, Mr. Yang Zhen Han, Mr. Chung Koon Yan and Mr. Ho Wai Leung.