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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)

ANNOUNCEMENT OF THE ANNUAL RESULTS FOR THE YEAR ENDED 30 JUNE 2015

The board of directors (the "Board") of Asian Citrus Holdings Limited (the "Company" or "Asian Citrus") announces the audited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 30 June 2015 together with its comparative figures for the year ended 30 June 2014.

RESULTS HIGHLIGHTS

	Year ended 30 June		For illustration only Year ended 30 June	
	2015	2014	**2015**	2014
	(RMB m)	*(RMB m)*	***(£ m**)***	*(£ m**)*
Reported financial information				
Revenue	**962.7**	1,271.2	**98.8**	120.4
Gross (loss)/profit	**-418.8**	133.9	**-43.0**	12.7
EBITDA	**-1,070.1**	-1,708.2	**-109.9**	-161.8
Loss attributable to shareholders	**-1,222.4**	-1,839.2	**-125.5**	-174.2
Basic loss per share	**-RMB0.98**	-RMB1.48	**-10.1p**	-14.0p
Adjusted core financial information#				
EBITDA	**-402.6**	79.2	**-41.3**	7.5
Loss before tax	**-556.5**	-49.1	**-57.1**	-4.6
Loss attributable to shareholders	**-554.9**	-51.8	**-57.0**	-4.9
Basic loss per share	**-RMB0.44**	-RMB0.04	**-4.5p**	-0.4p

** *Conversion at £1 = RMB9.74 and RMB10.56 for the years ended 30 June 2015 and 2014 respectively (for reference only).*

Adjusted core financial information refers to activities for the year excluding impairment of goodwill, write off of biological assets, change in fair value of biological assets and share-based payments.

RESULTS HIGHLIGHTS

- Results for the year are as follows:

  - Total orange production yield decreased by 34.1% to 130,125 tonnes (2014: 197,467 tonnes) due to (i) extensive damage at Hepu Plantation from the impact of Typhoon Rammasun and Typhoon Seagull; (ii) the effect of cryogenic freezing rain and frosts in Xinfeng in early 2014 on the fruit blossom; and (iii) the effect of high temperature and drought in Xinfeng area during the period from September to December 2014 resulting in water scarcity for irrigation, which affected the fruit size as well as production volume of the orange crop.

  - Revenue down by 24.3% to RMB962.7 million (2014: RMB1,271.2 million).

  - Adjusted core loss attributable to shareholders of RMB554.9 million (2014: RMB51.8 million) due to (i) the reduction in production volume and average selling price of oranges crop, as a result of those occurrences already mentioned; (ii) the increase in cost of sales of oranges, reflecting the increase in consumption of both fertilisers and pesticides to minimise further damage from the Typhoons and to prevent citrus canker infection and soil leaching at Hepu Plantation areas; and also prevent the spread of Huanglongbing disease and protect the unaffected orange trees in Xinfeng Plantation; and (iii) the processed fruit business was loss making for the year due to increased cost of raw materials owing to limited supplies; increased material scrap and maintenance costs caused by low productivity of the production equipment; and increased labour costs.

  - Net operating activities cash outflow of RMB501.5 million (2014: net operating activities cash inflow RMB33.4 million) and cash and cash equivalents of RMB937.6 million as at 30 June 2015 (2014: RMB1,804.7 million).

- 317,839 orange trees with a value of approximately RMB114.1 million were removed during the period between May 2015 and June 2015 due to the infection of Huanglongbing disease, which indicated the infection rate of approximately 19.9% of the number of total orange trees planted in Xinfeng Plantation. 2,563 orange trees were replanted in June 2015.

- The construction of Hunan Plantation was completed after 26,960 grapefruit trees were planted during the year.

- In view of the Group’s net loss for the year, the Board does not recommend the payment of any dividend for the year ended 30 June 2015 (2014: Nil).

CHAIRMAN’S STATEMENT

It is my pleasure to present the annual results of Asian Citrus Holdings Limited (the “Company”), together with its subsidiaries (the “Group”). The Group has faced significant challenges in the year ended 30 June 2015 and has endeavoured to overcome setbacks resulting mainly from the adverse weather conditions which reduced harvest volumes and increased our cost base, in addition to a significant drop in the average selling price.

The aftermath of Typhoon Rammasun and Typhoon Seagull (the “Typhoons”), combined with the substantial impact of the Huanglongbing disease infection at the Group's Xinfeng Plantation, put significant downward pressure on both the production yield and selling price of the orange harvests and resulted in underutilisation of our processed fruit business plants as well.

FINANCIAL HIGHLIGHTS

For the year ended 30 June 2015, the Group’s total revenue decreased by 24.3% to RMB962.7 million (2014: RMB1,271.2 million). Adjusted core loss attributable to shareholders for the year (before the impairment of goodwill, write off of biological assets, change in fair value of biological assets and share-based payments) was RMB554.9 million (2014: RMB51.8 million). This deterioration in the performance reflected the significant impact of the Huanglongbing disease infection at the Group's Xinfeng Plantation, which was announced by the Company on 15 April 2015 and 7 May 2015, and the damage sustained from the Typhoons which affected both production yield and selling price of the orange harvests as highlighted in the Company’s announcement dated 9 September 2015.

The Group incurred impairment losses of RMB303.9 million and RMB242.8 million from the change in the carrying value of goodwill and change in fair value of biological assets respectively during the year ended 30 June 2015. Furthermore, the Group’s Xinfeng Plantation removed 317,839 orange trees with aggregate value of RMB114.1 million in the second quarter of 2015 due to the infection of Huanglongbing disease. We would like to stress that the impairment of goodwill, change in fair value of biological assets and write off of biological assets are non-operational and have no effect on the cash flow for the Group.

After taking into account the non-cash items, including the impairment of goodwill, write off of biological assets, change in fair value of biological assets and share-based payments, the net loss attributable to shareholders for the year was RMB1,222.4 million (2014: RMB1,839.2 million).

OPERATIONAL REVIEW

The Group has three plantations in mainland China, occupying a total area of approximately 103 square kilometres, with two currently in operation: Hepu Plantation in Guangxi Zhuang Autonomous Region (“Guangxi”) and Xinfeng Plantation in Jiangxi Province. Production at the third plantation in Hunan Province, Hunan Plantation, is scheduled to begin in 2016. For the year ended 30 June 2015, the production yield at Hepu Plantation decreased by 64.6% to 26,278 tonnes (2014: 74,239 tonnes). The decreased production was mainly due to the extensive damage suffered from the impact of the Typhoons. The gross profit margin for Hepu Plantation fell from 12.8% last year to gross loss margin of 402.6%, as a result of a further decrease in the average selling price by 33.6% as compared with last year, as well as increased direct costs incurred as a result of the adverse weather.

The production yield for the year ended 30 June 2015 at Xinfeng Plantation decreased by 15.7% to 103,847 tonnes (2014: 123,228 tonnes) owing to the effect of cryogenic freezing rain and frosts in Xinfeng in early 2014 on the fruit blossom and the effect of high temperature and drought in the Xinfeng area during the fourth quarter of 2014 resulting in water scarcity for irrigation, which adversely affected the fruit size as well as production volume of the winter orange crop. The gross profit margin for Xinfeng Plantation decreased from 2.9% last year to a gross loss margin of 28.8%, which was due to increases in direct costs to prevent the spread of the Huanglongbing disease and to protect the unaffected orange trees. The costs of maintaining the trees and plantation are fixed, and when applied against a lower turnover, severely affected the gross profit margin.

Through our 92.94% equity interest in Beihai BPG, the Group operates two fruit processing plants in Beihai City and Hepu County in Guangxi, covering a total site area of nearly 110,000 square metres, with an annual production capacity of around 60,000 tonnes.

The processed fruit business, which involves the manufacture and sale of fruit juice concentrates, purees and frozen fruit and vegetables, saw comparable sales tonnage decrease marginally compared to the prior year, while the loss was mainly due to increased cost of raw materials owing to limited supplies, increased material scrap and maintenance costs caused by low productivity of the production equipment, and increased labour costs.

The Group has decided to delay further investment in the third plant in Baise City, Guangxi, due to deteriorating market conditions. Although it normally takes three to five years for a new plant to achieve full capacity, the Group has decided to invest and improve the utilisation at the two current plants in Beihai City and Hepu County which are in full operation.

STRATEGIC OVERVIEW

We are currently formulating a number of strategies to improve the utilisation of all our assets. Further, we are still working on supply chain optimisation, which includes but is not limited to, methods to reduce costs of pesticides and fertilisers, exploring new export opportunities, and changing the product mix in order to improve margins. We are also combining our efforts in finding innovative ways to recover our products from citrus diseases, although trials and breakthroughs take a long time.

We still put a great deal of effort into exploring international networks in order to assess potential new market entries in premium growth regions, mainly aiming to charge premium prices for our quality products. New sales initiatives within our current markets will also be a cornerstone of our strategy for the upcoming years. This also included identifying attractive investment opportunities in line with our business abroad. In line with the aforesaid, the Group is conducting research on improving quality standards by means of size, i.e. larger citruses, and taste, which should lead to premium pricing of our products in both the current market as well as new potential export markets.

CORPORATE GOVERNANCE

At the forthcoming annual general meeting to be held at United Conference Centre, Level 10, United Centre, 95 Queensway, Admiralty, Hong Kong on Thursday, 12 November 2015 at 10:30 a.m. (Hong Kong time), there will be a number of changes in our management and the composition of the Company's board of directors (the "Board"). On behalf of the Board, I would like to express my appreciation to Mr. CHEUNG Wai Sun, Executive Director, Mr. PANG Yi, Executive Director and Mr. NG Cheuk Lun, Executive Director and Chief Financial Officer for their valuable contributions over the years as they will not offer themselves for re-election.

DIVIDENDS

In light of the results last year, the Board does not recommend a dividend in respect of the year ended 30 June 2015. Nevertheless, the Board will consider recommending dividend payments when the profits and general financial situation improve. The Group's existing dividend policy, which stipulates a dividend of not less than 30% of our adjusted core net profit, remains unchanged. As mentioned in my statement last year, the Group is taking a prudent approach in managing its capital and reserves to ensure sufficient funds are available to develop new products, investments, and growth opportunities.

Last but not least, on behalf of the Board, I would like to take this opportunity to thank all our colleagues, shareholders and other stakeholders for their hard work, commitment and support over the last year. Although the road is challenging, we will continue to strive for quality and building a prosperous future for the Group. The Board believes that the success of the Group will not be far away through the continuing hard work, passion and dedication of our people in delivering our strategy, despite the challenging market conditions.

Ng Ong Nee
Chairman
30 September 2015

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING PERFORMANCE

Revenue

The breakdown of revenue by type is as follows:

	For the year ended 30 June			
	2015		2014	
	RMB'000	***% of total revenue***	*RMB'000*	*% of total revenue*
Hepu Plantation	**84,100**	**8.7%**	357,534	28.1%
Xinfeng Plantation	**324,834**	**33.8%**	375,273	29.5%
Sales of oranges	**408,934**	**42.5%**	732,807	57.6%
Sales of processed fruit	**552,622**	**57.4%**	537,472	42.3%
Sales of self-bred saplings	**1,171**	**0.1%**	892	0.1%
Total revenue	**962,727**	**100.0%**	1,271,171	100.0%

Sales of oranges

Revenue from sales of oranges decreased by approximately 44.2% to RMB408.9 million for the year ended 30 June 2015. This was mainly due to a decrease of approximately 34.1% in the production yield to 130,125 tonnes (2014: 197,467 tonnes) but also a decrease of approximately 15.2% in the average selling price.

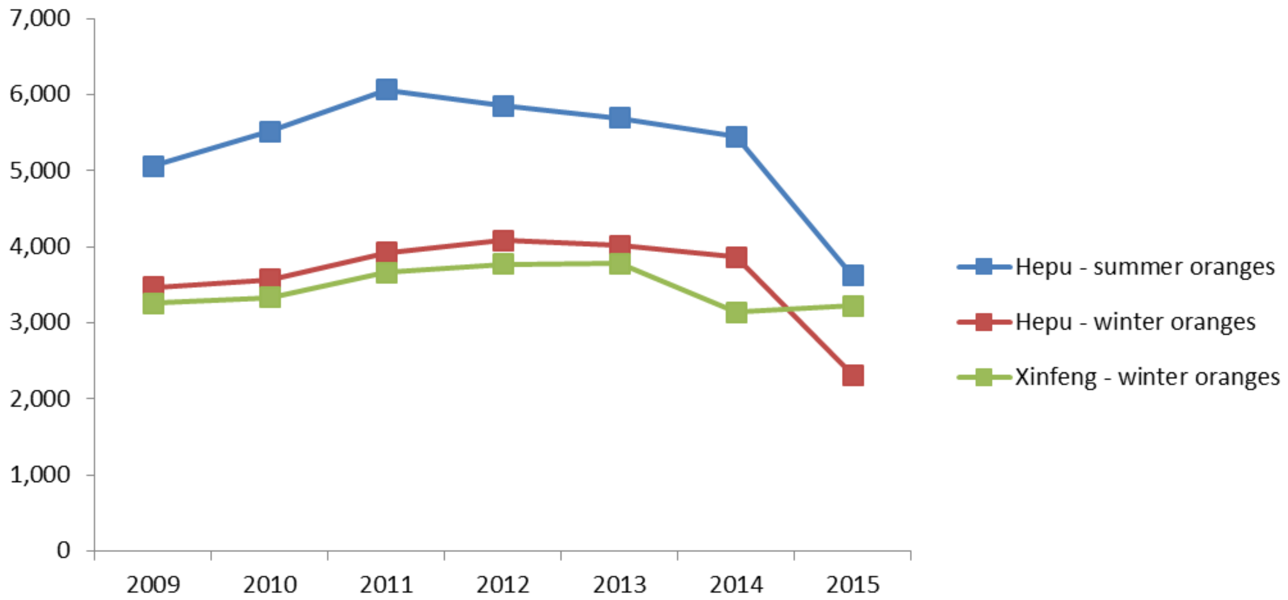
The production yield from Hepu Plantation decreased by approximately 64.6% from 74,239 tonnes last year to 26,278 tonnes for the year ended 30 June 2015. This decrease was mainly due to the extensive damage suffered from the impact of Typhoon Rammasun in July 2014, the strongest in the region for over the past 40 years, and Typhoon Seagull in September 2014 (collectively, the “Typhoons”), and in particular the significant drop in the volume of pre-mature fruit and leaves from the existing orange trees. Furthermore, the impact of the Typhoons prolonged both the susceptibility of the orange trees to citrus canker infection and soil leaching in the plantation areas, which subsequently affected the plantation.

The production yield from Xinfeng Plantation decreased by approximately 15.7% from 123,228 tonnes last year to 103,847 tonnes for the year ended 30 June 2015. This resulted from the effect of cryogenic freezing rain and frosts in Xinfeng in early 2014 on the fruit blossom and the effect of high temperature and drought in the Xinfeng area during the period from September to December 2014 resulting in water scarcity for irrigation, which adversely affected the fruit size as well as production volume of the winter orange crop.

The following table and chart set out the average selling prices of oranges in Hepu Plantation and Xinfeng Plantation and illustrates the monetary effects of the above-mentioned adverse occurrences:

	Year ended 30 June						
	2009	2010	2011	2012	2013	2014	**2015**
	(RMB/tonne)	(RMB/tonne)	(RMB/tonne)	(RMB/tonne)	(RMB/tonne)	(RMB/tonne)	**(RMB/tonne)**
Hepu Plantation							
– Summer Oranges	5,057	5,516	6,061	5,856	5,694	5,446	**3,620**
– Winter Oranges	3,470	3,567	3,922	4,085	4,013	3,863	**2,310**
Xinfeng Plantation							
– Winter Oranges	3,260	3,330	3,660	3,770	3,776	3,137	**3,221**

(RMB/tonne)



The average selling price of the winter orange crop at Xinfeng Plantation increased by approximately 2.7% for the year ended 30 June 2015. However, the average selling price of the winter orange crop and summer orange crop at Hepu Plantation decreased by approximately 40.2% and 33.5% respectively reflecting both the extensive typhoon damage and the poor appearance of oranges infected by citrus canker.

All of the Group's oranges were sold on the domestic market. The Group's customers can be classified into three categories, namely supermarket chains, corporate customers and wholesale customers. The breakdown of sales revenues by type of customer is as follows:

	For the year ended 30 June	
	2015	2014
	% of sales of oranges	
Supermarket chains	**27.2%**	24.2%
Corporate customers	**43.5%**	43.1%
Wholesale customers	**28.9%**	32.3%
Other	**0.4%**	0.4%
Total	**100.0%**	100.0%

For the year ended 30 June 2015, sales volume and revenue derived from sales in supermarket chains increased to approximately 26.3% and 27.2% respectively of the total sales for the Group (2014: 20.4% and 24.2% respectively) due to the increased sale of oranges to supermarket chains by Xinfeng Plantation.

For Hepu Plantation and Xinfeng Plantation, the sales volume to supermarket chains was 9,031 tonnes and 25,218 tonnes respectively for the year ended 30 June 2015 (2014: 18,860 tonnes and 21,434 tonnes respectively).

The Group sells two types of oranges to customers, namely ungraded oranges and graded oranges. Ungraded oranges are packaged and customers are required to arrange for transportation at their own expense. Generally, ungraded oranges are sold to wholesale customers. Graded oranges are oranges that the Group grades, packages and delivers to the customers at the Group's cost, usually to supermarket chains and some corporate customers. The graded oranges are branded under our label "Royal Star", at a premium price compared to the ungraded oranges. The sales breakdown of the types of oranges is as follows:

	For the year ended 30 June	
	2015	2014
	% of sales of oranges	
Graded oranges	**2.5%**	13.4%
Ungraded oranges	**97.5%**	86.6%
Total	**100.0%**	100.0%

The decrease in sales of graded oranges was caused by the extensive typhoon damage and the poor appearance of oranges infected by citrus canker in Hepu Plantation.

Sales of processed fruit

The table below sets out the sales volume and revenue from the sales of processed fruit:

	For the year ended 30 June			
	2015		2014	
	Volume (Tonnes)	***Revenue RMB'000***	*Volume (Tonnes)*	*Revenue RMB'000*
Pineapple juice concentrates	**11,813**	**124,466**	16,275	144,209
Other juice concentrates	**9,449**	**144,270**	8,585	141,741
Mango purees	**8,299**	**57,959**	8,603	55,954
Other fruit purees	**2,338**	**17,361**	4,646	33,799
Frozen mango	**6,577**	**69,205**	4,286	35,967
Frozen and dried fruit and vegetables	**16,125**	**132,519**	13,218	125,166
	54,601	**545,780**	55,613	536,836
Fruit juice trading	**N/A**	**6,842**	N/A	636
Total	**54,601**	**552,622**	55,613	537,472

The Group has three fruit processing plants in the People's Republic of China (the "PRC"), which are located in Beihai City, Hepu County and Baise City, Guangxi ("BPG"). BPG processes over 22 different types of tropical fruit, including pineapples, passion fruit, lychees, mangoes and papayas (only products that account for over 10% of the revenue from the sales of processed fruit are shown in the table above).

Revenue derived from the sales of processed fruit increased slightly by approximately 2.8% to approximately RMB552.6 million for the year ended 30 June 2015, mainly due to increased sales of red dates and medlar juice concentrates, frozen mango and frozen tomato, largely offset by lower sales of pineapple juice concentrates owing to limited raw material supplies after Typhoon Rammasun.

The average utilisation rate of BPG was approximately 75.2% for the year ended 30 June 2015 (2014: 86.2%).

Sales of self-bred saplings

For the year ended 30 June 2015, approximately RMB1,171,000 was generated from the sales of 97,590 self-bred saplings to local farmers (2014: approximately RMB892,000 was generated from the sales of 74,334 self-bred saplings).

Cost of sales

The breakdown of the Group's cost of sales is as follows:

	For the year ended 30 June			
	2015		2014	
	RMB'000	***% of cost of sales of respective segment***	*RMB'000*	*% of cost of sales of respective segment*
Inventories used				
Fertilisers	**423,618**	**50.4%**	351,279	52.0%
Packaging materials	**11,266**	**1.3%**	28,982	4.3%
Pesticides	**183,501**	**21.8%**	117,356	17.4%
	618,385	**73.5%**	497,617	73.7%
Production overheads				
Direct labour	**68,128**	**8.1%**	66,482	9.8%
Depreciation	**90,599**	**10.8%**	73,821	10.9%
Others	**63,985**	**7.6%**	38,044	5.6%
Cost of sales of oranges	**841,097**	**100.0%**	675,964	100.0%
Fruit	**393,896**	**73.1%**	316,476	69.0%
Packaging materials	**26,387**	**4.9%**	30,468	6.7%
Direct labour	**42,006**	**7.8%**	33,647	7.3%
Other production overheads	**76,706**	**14.2%**	77,811	17.0%
Cost of sales of processed fruit	**538,995**	**100.0%**	458,402	100.0%
Cost of sales of self-bred saplings	**1,473**		2,875	
Total	**1,381,565**		1,137,241	

Cost of sales of oranges consists of raw materials such as fertilisers, packaging materials, pesticides and other direct costs such as direct labour, depreciation and production overheads. The cost of sales of oranges increased by approximately 24.4% from approximately RMB676.0 million to RMB841.1 million. The increase in cost of sales was mainly due to (i) the increase in consumption of both fertilisers and pesticides, to minimise damage from the Typhoons to prevent citrus canker infection and soil leaching in Hepu Plantation, prevent the spread of the Huanglongbing disease and protect the unaffected orange trees in Xinfeng Plantation; (ii) the increase in production overheads including weed covering, drip irrigation system maintenance and orange tree pruning owing to unfavourable weather in 2014. Consequently, the unit cost of production in Hepu Plantation and Xinfeng Plantation increased to approximately RMB16.08 per kg and RMB4.03 per kg respectively for the year ended 30 June 2015 (2014: RMB4.2 per kg and RMB2.96 per kg respectively). It is expected that this high cost environment will continue in the short term.

Cost of sales of processed fruit mainly includes the costs of raw material fruit and packaging materials and other direct costs such as direct labour and production overheads. For the year ended 30 June 2015, the cost of sales of processed fruit increased by approximately 17.6% from approximately RMB458.4 million to RMB539.0 million. This was mainly due to the increase in the cost of raw materials as a result of limited supplies and higher labour costs incurred.

Gross loss

The Group recorded an overall gross loss of approximately RMB418.8 million for the year ended 30 June 2015 compared to the gross profit of approximately RMB133.9 million last year. The overall gross loss margin was 43.5% for the year ended 30 June 2015 compared to the gross profit margin of 10.5% last year.

The following table sets out a breakdown of the Group's gross (loss)/profit margin by plantation:

	For the year ended 30 June	
	2015	2014
Hepu Plantation	**-402.6%**	12.8%
Xinfeng Plantation	**-28.8%**	2.9%

The gross loss margin was mainly due to (i) the decrease in the total production yield of the orange crop by approximately 34.1%; (ii) the drop in the average selling prices of the winter orange crop and summer orange crop in Hepu Plantation by approximately 40.2% and 33.5% respectively; and (iii) the increase in the cost of sales of oranges by approximately 24.4%, reflecting the increase in consumption of both fertilisers and pesticides to minimise further damage from the Typhoons and to prevent citrus canker infection and soil leaching in Hepu Plantation; and also prevent the spread of Huanglongbing disease and protect the unaffected orange trees in Xinfeng Plantation.

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

	For the year ended 30 June	
	2015	2014
Sales of oranges	**-105.7%**	7.8%
Sales of processed fruit	**2.5%**	14.7%

For BPG, the gross profit margin for the year ended 30 June 2015 decreased to approximately 2.5% compared to 14.7% last year, mainly due to (i) increased cost of raw materials owing to limited supplies, such as the increase in average purchase costs of pineapple and mango by 39.6% and 23.6% to RMB1.28 per kg and RMB2.29 per kg respectively (2014: RMB0.91 per kg and RMB1.85 per kg respectively); (ii) increased material scrap and maintenance costs caused by low productivity of the production equipment of Beihai BPG, which has been in operation for more than eight years; and (iii) increased labour costs.

Change in fair value of biological assets

The Group recognised a loss of RMB242.8 million from an adjustment in the fair value of biological assets for the year ended 30 June 2015, compared to a loss of RMB923.9 million last year. The loss was mainly due to decreased production yield, increased cost of sales and reduced market prices of both winter and summer oranges. The Board wishes to emphasise that the 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 year ended 30 June 2015. Further details regarding the valuation of biological assets are set out on pages 19 to 21.

Selling and distribution expenses

Selling and distribution expenses comprise mainly advertising expenses, staff commission, salaries and welfare of sales personnel, travelling and transportation expenses. The selling and distribution expenses of the Group decreased by 16.8% from approximately RMB45.3 million last year to approximately RMB37.7 million for the year ended 30 June 2015. The decrease in sales of graded oranges resulted in lower transportation costs.

General and administrative expenses

General and administrative expenses comprise primarily of salaries, office administration expenses, depreciation, amortisation and research costs. These costs decreased by 6.3% from approximately RMB143.5 million last year to approximately RMB134.4 million for the year ended 30 June 2015, mainly due to a decrease of share option expenses recognised in respect of share options granted in previous years.

Other operating expenses

Other operating expenses were approximately RMB418.4 million for the year ended 30 June 2015 (2014: RMB895.2 million), which included:

Write offs relating to damage caused by the Typhoon

Raw materials of approximately RMB488,000 were written off as a result of the damage caused by Typhoon Rammasun.

Write offs relating to the infection of Huanglongbing disease

In April 2015 Xinfeng Plantation identified the presence of Huanglongbing disease, also known as citrus greening disease, which is a bacterial plant disease not harmful to humans and spread by an insect called the Asian citrus psyllid, a tiny insect that feeds on the leaves and stems of citrus trees. Detection of Huanglongbing disease can be difficult, as symptoms may not show up for more than a year after the tree has become infected. The first symptoms are yellowed and mottled leaves, which are often just associated with nutritional deficiencies. Whilst the spread of the disease in a plantation can only be limited by the use of pesticides against the insect, the disease itself is fatal once the trees are infected. The disease destroys the production, appearance and economic value of citrus trees. Diseased trees produce bitter, hard, misshapen fruit and die within a few years of being infected.

In the Gannan region of the province where Xinfeng Plantation is located, plantations in the neighbouring counties have witnessed the infection with Huanglongbing disease. Thus management believes that the source of the infection came from insect transmission from the nearby regions.

317,839 orange trees with a value of approximately RMB114.1 million were removed during the period between May 2015 and June 2015 due to the infection of Huanglongbing disease, which indicated the infection rate of approximately 19.9% of the total number of orange trees planted in Xinfeng Plantation.

2,563 orange trees were replanted in June 2015.

Impairment of goodwill

Goodwill, arising from acquisition of BPG Food & Beverage Holdings Limited and its subsidiaries ("Beihai BPG") on 30 November 2010 for a consideration of approximately HK$2.31 billion (equivalent to approximately RMB1.97 billion), has been allocated to the cash-generating unit ("CGU") of the fruit processing business in the PRC.

In considering the impairment loss that may be required for certain assets of the CGU, the recoverable amount of the CGU needs to be determined. The recoverable amount is the greater of its fair value less costs of disposal and the value in use. It is not practicable to precisely estimate fair value less costs of disposal of the CGU of the fruit processing business, because quoted market prices for those assets allocated to that CGU may not be readily available, and therefore the recoverable amount of the CGU has been determined based on a value in use calculation. The value in use calculation uses cash flow projections from financial budgets approved by management covering a 5-year period (2014: 5-year period) and a discount rate of 12% (2014: 12%) per annum. The cash flows for the 5-year period are extrapolated using a steady 10% (2014: 10%) growth rate. The discount rate was determined by management with reference to other public companies which are engaged in processed fruits or similar business. This growth rate does not exceed the average long-term growth rate for the business in which the CGU operates. Other key assumptions for the value in use calculations relates to the estimation of cash flows which include budgeted sales and gross margin, such estimations are based on the CGU's past performance and management's expectations for the market development.

At 30 June 2015, the Directors of the Company have assessed the recoverable amount of the CGU of the fruit processing business and determined that an impairment loss of approximately RMB303.9 million (2014: RMB853.4 million) was allocated to reduce the carrying amount of goodwill, representing the difference between the aggregate carrying amount of assets allocated to the CGU of fruit processing business as at 30 June 2015 and the recoverable amount of the CGU, based on the current business and operating environment of Beihai BPG. As at 30 June 2015, the carrying amount of the CGU has been reduced to its recoverable amount of RMB763.2 million (2014: RMB1,076.1 million). The decrease was mainly contributed by the decrease in the budgeted gross profit margin by 2% resulting from the increase in production costs incurred for the year. The Board wishes to emphasize that the change in carrying value of goodwill is non-operational and does not have any effect on the cash flow of the Group for the year ended 30 June 2015.

Loss attributable to shareholders for the year

The loss attributable to shareholders for the year ended 30 June 2015 was approximately RMB1,222.4 million, compared to a loss of approximately RMB1,839.2 million last year, representing a decrease of approximately 33.5%.

The adjusted core loss attributable to shareholders, which refers to the loss for the year excluding the impairment of goodwill, write off of biological assets, change in fair value of biological assets and share-based payments for the year ended 30 June 2015 was approximately RMB554.9 million (2014: RMB51.8 million).

DIVIDENDS

In view of the Group's net loss for the year, the Board does not recommend the payment of any dividend for the year ended 30 June 2015 (2014: nil). Our existing dividend policy, which stipulates a dividend of not less than 30% of our adjusted core net profit, remains unchanged.

PRODUCTIVITY

	For the year ended 30 June			
	2015		2014	
Types of product	***Tonnes***	***% of total output***	*Tonnes*	*% of total output*
Winter oranges	110,993	85.3%	147,927	74.9%
Summer oranges	19,132	14.7%	49,540	25.1%
Total	130,125		197,467	

The production yield of winter oranges decreased by 25.0% to 110,993 tonnes for the year ended 30 June 2015. The production yield of winter oranges in Hepu Plantation decreased by 71.1% from 24,699 tonnes last year to 7,146 tonnes this year, due to the extensive damage suffered from the impact of the Typhoons.

The production yield of winter oranges in Xinfeng Plantation decreased by 15.7% from 123,228 tonnes last year to 103,847 tonnes this year, due to the effect of cryogenic freezing rain and frosts in Xinfeng in early 2014 on the fruit blossom and the effect of high temperatures and drought in Xinfeng area during the period from September to December 2014 resulting in water scarcity for irrigation, which affected the size of fruit as well as production volume of the winter orange crop.

The production yield of summer oranges in Hepu Plantation decreased by 61.4% from 49,540 tonnes last year to 19,132 tonnes this year, due to the previously stated reasons.

317,839 orange trees infected with Huanglongbing disease were removed in Xinfeng Plantation, which will result in decreased production yield, in particular for the upcoming harvest of winter oranges.

CAPITAL STRUCTURE

As at 30 June 2015, there were 1,249,637,884 shares in issue. Based on the closing price of HK$1.72 as at 30 June 2015, the market capitalisation of the Company was approximately HK$2,149.4 million (GBP176.7 million).

HUMAN RESOURCES

The Group had a total of 1,960 employees (excluding directors) as at 30 June 2015 (2014: 1,746 employees), and the staff costs for the year ended 30 June 2015 were approximately RMB149.2 million (2014: RMB143.0 million). The Group aims to attract, retain and motivate high calibre individuals with competitive remuneration packages. Remuneration packages are performance-linked and business performance, market practices and competitive market conditions are all taken into consideration in calculating remuneration. Remuneration packages, which are reviewed annually, include salaries/wages and other employee benefits, such as discretionary bonuses, mandatory provident fund contributions and share options.

FINANCIAL PERFORMANCE

	Year ended / As at	
	30 June 2015	30 June 2014
Current ratio (x)	**10.83**	21.84
Quick ratio (x)	**8.16**	19.18
Asset turnover (x)	**0.18**	0.20
Adjusted core net loss per share (RMB)	**-0.44**	-0.04
Basic loss per share (RMB)	**-0.98**	-1.48
Net debt to equity (%)	**Net cash**	Net cash

Liquidity

The current ratio and quick ratio were 10.83 and 8.16 respectively. Despite the fall in these ratios from the prior year, the liquidity of the Group remained healthy with sufficient reserves for both current operation and future development.

Profitability

The asset turnover of the Group was approximately 0.18 (2014: 0.20) for the year ended 30 June 2015.

The basic loss per share for the year ended 30 June 2015 was approximately RMB0.98 (2014: RMB1.48).

The adjusted core net loss per share for the year ended 30 June 2015 was approximately RMB0.44 (2014: RMB0.04).

Debt ratio

The net cash position of the Group was approximately RMB937.6 million as at 30 June 2015 (2014: RMB1,804.7 million).

Internal cash resource

The Group's funding resource comprises internal cash and cash equivalents. The Group did not have any outstanding borrowings as at 30 June 2015.

Charge on assets and contingent liabilities

Except for certain farmland infrastructure and machinery with aggregate value of approximately RMB719,000, none of the Group's assets were pledged and the Group did not have any material contingent liabilities as at 30 June 2015.

Capital commitments

As at 30 June 2015, the Group had capital commitments of approximately RMB43.5 million, mainly in relation to the construction of the farmland infrastructure in Hepu Plantation and the acquisition of plant and machinery in BPG.

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 operation to which they related. The currencies giving rise to this risk are primarily Hong Kong dollars, United States dollars and British pounds.

The Group has limited transactions denominated in foreign currencies, hence exposure to exchange rate fluctuation is minimal. 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 exchange rate.

PLANTATIONS

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

Hepu Plantation

Hepu Plantation is fully planted and comprises approximately 1.2 million orange trees as at 30 June 2015. A total of 221,769 banana trees were naturally re-seeded from the original banana trees in August 2014, following clearance of the damage caused by Typhoon Rammasun. The first crop of banana trees was harvested during July 2015 to September 2015. The production volume and the average selling price of bananas are expected to be 5,930 tonnes and RMB3,146 per tonne respectively. The financial results of banana harvest will be recognised in the financial year of 2016.

Xinfeng Plantation

Xinfeng Plantation comprises approximately 1.3 million winter orange trees as at 30 June 2015. During the year, 317,839 winter orange trees suffering from Huanglongbing disease were removed and 2,563 orange trees were replanted.

Hunan Plantation

Hunan Plantation is fully planted and comprises approximately 1.05 million summer orange trees and approximately 750,320 grapefruit trees as at 30 June 2015. The first harvest of oranges trees is expected in 2016.

The tables below set out the age profile as at 30 June 2015 and the production yield of the plantations for the year ended 30 June 2015:

Summer orange trees

Age	Hepu Plantation	Hepu Plantation	Hunan Plantation	Hunan Plantation	Total	Total
	No. of trees	Yield (tonnes)	No. of trees	Yield (tonnes)	No. of trees	Yield (tonnes)
3	66,449	–	622,475	–	688,924	–
4	63,584	–	427,400	–	490,984	–
5	64,194	239	–	–	64,194	239
6	81,261	922	–	–	81,261	922
7	76,135	1,451	–	–	76,135	1,451
8	55,185	509	–	–	55,185	509
18	29,996	788	–	–	29,996	788
19	128,966	3,406	–	–	128,966	3,406
20	186,003	5,428	–	–	186,003	5,428
21	223,741	6,389	–	–	223,741	6,389
	975,514	19,132	1,049,875	–	2,025,389	19,132

Grapefruit trees

Age	Hepu Plantation	Hepu Plantation	Hunan Plantation	Hunan Plantation	Total	Total
	No. of trees	Yield (tonnes)	No. of trees	Yield (tonnes)	No. of trees	Yield (tonnes)
0	–	–	26,960	–	26,960	–
1	–	–	422,160	–	422,160	–
2	–	–	301,200	–	301,200	–
	–	–	750,320	–	750,320	–

Note: Grapefruit is a type of citrus fruit and is harvested during the winter period in the PRC.

Banana trees

Age	Hepu Plantation	Hepu Plantation	Hunan Plantation	Hunan Plantation	Total	Total
	No. of trees	Yield (tonnes)	No. of trees	Yield (tonnes)	No. of trees	Yield (tonnes)
0	221,769	–	–	–	221,769	–
	221,769	–	–	–	221,769	–

Note: The first crop of banana trees was harvested during July 2015 to September 2015.

Winter orange trees

Age	Hepu Plantation	Hepu Plantation	Xinfeng Plantation	Xinfeng Plantation	Total	Total
	No. of trees	Yield (tonnes)	No. of trees	Yield (tonnes)	No. of trees	Yield (tonnes)
0	—	—	2,563	—	2,563	—
8	—	—	390,124	25,525	390,124	25,525
9	—	—	283,287	25,571	283,287	25,571
10	46,077	1,680	314,272	25,308	360,349	26,988
12	180,180	4,383	294,478	27,443	474,658	31,826
13	42,300	1,083	—	—	42,300	1,083
	268,557	7,146	1,284,724	103,847	1,553,281	110,993
Total					4,550,759	130,125

The tables below set out the age profile as at 30 June 2014 and the production yield of the plantations for the year ended 30 June 2014:

Summer orange trees

Age	Hepu Plantation	Hepu Plantation	Hunan Plantation	Hunan Plantation	Total	Total
	No. of trees	*Yield (tonnes)*	*No. of trees*	*Yield (tonnes)*	*No. of trees*	*Yield (tonnes)*
2	66,449	—	622,475	—	688,924	—
3	63,584	—	427,400	—	490,984	—
4	64,194	666	—	—	64,194	666
5	81,261	2,844	—	—	81,261	2,844
6	76,135	4,087	—	—	76,135	4,087
7	55,185	3,656	—	—	55,185	3,656
17	29,996	1,860	—	—	29,996	1,860
18	128,966	8,824	—	—	128,966	8,824
19	186,003	12,540	—	—	186,003	12,540
20	223,741	15,063	—	—	223,741	15,063
	975,514	49,540	1,049,875	—	2,025,389	49,540

Grapefruit trees

Age	Hepu Plantation	Hepu Plantation	Hunan Plantation	Hunan Plantation	Total	Total
	No. of trees	*Yield (tonnes)*	*No. of trees*	*Yield (tonnes)*	*No. of trees*	*Yield (tonnes)*
0	—	—	422,160	—	422,160	—
1	—	—	301,200	—	301,200	—
	—	—	723,360	—	723,360	—

Note: Grapefruit is a type of citrus fruit and is harvested during the winter period in the PRC.

Winter orange trees

Age	Hepu Plantation	Hepu Plantation	Xinfeng Plantation	Xinfeng Plantation	Total	Total
	No. of trees	*Yield (tonnes)*	*No. of trees*	*Yield (tonnes)*	*No. of trees*	*Yield (tonnes)*
7	—	—	400,000	27,757	400,000	27,757
8	—	—	400,000	27,503	400,000	27,503
9	46,077	4,061	400,000	29,644	446,077	33,705
11	180,180	16,462	400,000	38,324	580,180	54,786
12	42,300	4,176	—	—	42,300	4,176
	268,557	24,699	1,600,000	123,228	1,868,557	147,927
Total					4,617,306	197,467

VALUATION OF BIOLOGICAL ASSETS

Qualification of valuer

The Group engaged LCH (Asia-Pacific) Surveyors Limited (the "Valuer"), an independent valuer, to perform a valuation on the fair value of the orange trees less costs to sell as at 30 June 2015.

The Valuer is a firm of qualified professional surveyors and international valuation consultants with over 20 years of valuation experience. The Valuer has staff who are members of the Hong Kong Institute of Surveyors ("HKIS") with recent experience in the valuation of biological assets. The project leader of the Valuer (the "Project Leader") in charge of this valuation exercise has been involved in the provision of similar services for over 8 years and is a member of the HKIS. The Project Leader is also a valuer on the "List of Property Valuers for Undertaking Valuation for Incorporation of Reference in Listing Particulars and Circular and Valuations in Connection with Takeovers and Mergers" published by the HKIS. After due consideration of the experience and credentials of the Valuer, the Directors of the Company are satisfied that the Valuer is competent to assess the valuation of the Group's biological assets. Further, after reasonable enquiry with the Directors of the Company, the Directors of the Company are satisfied that the Valuer is independent from the Directors of the Company.

Physical inspection of biological assets

The Valuer conducted physical field inspection at the respective sites in relation to the biological assets in May 2015 and July 2015 to verify the physical existence and quality of the biological assets. Random sampling on every subzone has been conducted to check the reasonableness of the quantities in the subzone. The Valuer measured the tree spacing and counted the tree numbers on an area of, on a when and where appropriate basis, 50m x 50m in the sampling points. In every subzone, 3 to 8 sampling points (depending on the area of the subzone) were selected while in each sampling point, 10 to 20 trees were selected for detailed tree study. A total of 675 sample trees in Hepu Plantation and Xinfeng Plantation have been studied.

Valuation methodology

The valuations of the Group's orange trees were calculated using discounted cash flow technique. The market-derived discount rate applied to the discounted cash flow model is based on Capital Asset Pricing Model. The Valuer began 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 then deducted the value of machinery and equipment and other 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 to arrive at a fair value of the orange trees.

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 and related production costs. The values of such variables were determined by the Valuer using information supplied by the Group, as well as proprietary and third-party data, as follows:

1) The discount rate applied for the year ended 30 June 2015 was 18.0% (2014: 18.0%). 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. Comparable listed companies which engage in similar agricultural or fruit businesses have been referred to when determining the 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 15, remains stable for about 10 years, and then starts to decline from age 25 to 35.

3) The market prices variables represent the assumed market price for the summer oranges and winter oranges produced by the Group. The Valuer adopted the market sales prices prevailing as at the relevant reporting date for each type of orange produced by the Group as the sales price estimate. For the year ended 30 June 2015, the wholesale prices per tonne of winter and summer oranges from Hepu Plantation and winter oranges from Xinfeng Plantation adopted were RMB2,310, RMB3,620 and RMB3,180 respectively (2014: RMB3,270, RMB5,150 and RMB3,110 respectively); the supermarket selling prices per tonne of winter and summer oranges from Hepu Plantation and winter oranges from Xinfeng Plantation adopted were RMB5,320, RMB7,030 and RMB5,320 respectively (2014: RMB5,320, RMB7,030 and RMB5,180 respectively). The market prices are assumed to increase by 3.0% per annum, taking into account to the historical inflation rate in the PRC.

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 have taken into account the projected long-term inflation rate of 3.0% per annum.

Sensitivity analysis

1) Changes in the discount rate applied result in significant fluctuations in the changes in fair value of orange trees less costs to sell. The following table illustrates the sensitivity of the Group’s change in fair value of orange trees less costs to sell to an increase or decrease of 1.0% in the discount rate of 18.0% applied by the Valuer for the year ended 30 June 2015:

	1.0% Decrease	**Base Case**	**1.0% Increase**
Discount rate	17.0%	18.0%	19.0%
Change in fair value of biological assets (RMB’000)	(92,833)	(242,833)	(382,833)

2) Changes in the yield per orange tree can also result in significant fluctuations in the changes in fair value of orange trees less costs to sell. The following table illustrates the sensitivity of the Group’s change 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 year ended 30 June 2015:

	5.0% Decrease	**Base Case**	**5.0% Increase**
Change in fair value of biological assets (RMB’000)	(372,833)	(242,833)	(102,833)

3) Changes in assumed market prices of the oranges can also result in significant fluctuations in the changes in fair value of orange trees less costs to sell. The following table illustrates the sensitivity of the Group’s change 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 30 June 2015 used to calculate the changes in fair value of orange trees less costs to sell for the year ended 30 June 2015:

	5.0% Decrease	**Base Case**	**5.0% Increase**
Change in fair value of biological assets (RMB’000)	(502,833)	(242,833)	17,167

4) Changes in the assumed cost of sales can also result in significant fluctuations in the changes in fair value of orange trees less costs to sell. The following table illustrates the sensitivity of the Group's change in fair value of orange trees less costs to sell to a 5.0% increase or decrease in the Group's assumed cost of sales used to calculate the changes in fair value of orange trees less costs to sell for the year ended 30 June 2015:

	5.0% Decrease	**Base Case**	**5.0% Increase**
Change in fair value of biological assets (RMB'000)	(92,833)	(242,833)	(392,833)

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 Valuer, the aggregate value of the orange trees in Hepu Plantation and Xinfeng Plantation as at 30 June 2015 was estimated to be approximately RMB780 million (2014: RMB1,080 million).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2015

	Note	**2015** **RMB'000**	2014 RMB'000
Turnover	4	**962,727**	1,271,171
Cost of sales		**(1,381,565)**	(1,137,241)
Gross (loss)/profit		**(418,838)**	133,930
Other income		**28,363**	37,604
Change in fair value of biological assets		**(242,833)**	(923,857)
Selling and distribution expenses		**(37,734)**	(45,339)
General and administrative expenses		**(134,448)**	(143,481)
Other operating expenses	5	**(418,442)**	(895,159)
Loss from operations		**(1,223,932)**	(1,836,302)
Finance costs		**(67)**	(144)
Loss before income tax	7	**(1,223,999)**	(1,836,446)
Income tax expense	8	**-**	-
Loss for the year		**(1,223,999)**	(1,836,446)
Attributable to			
Equity shareholders of the Company		**(1,222,371)**	(1,839,179)
Non-controlling interests		**(1,628)**	2,733
		(1,223,999)	(1,836,446)
		RMB	*RMB*
Loss per share	9		
- Basic		**(0.978)**	(1.483)
- Diluted		**(0.978)**	(1.483)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2015

	2015	2014
	RMB'000	*RMB'000*
Loss for the year	**(1,223,999)**	(1,836,446)
Other comprehensive loss for the 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	**(7)**	(7)
Total comprehensive loss for the year	**(1,224,006)**	(1,836,453)
Attributable to		
Equity shareholders of the Company	**(1,222,378)**	(1,839,186)
Non-controlling interests	**(1,628)**	2,733
	(1,224,006)	(1,836,453)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015

	Note	**2015**	2014
		RMB'000	*RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**2,253,506**	2,305,246
Land use rights		**74,625**	76,178
Construction-in-progress		**49,430**	76,039
Biological assets		**1,332,482**	1,406,801
Intangible assets		**51,091**	53,715
Deposits		**11,012**	1,443
Goodwill		**-**	303,883
		3,772,146	4,223,305
Current assets			
Biological assets		**264,300**	214,971
Properties for sale		**-**	-
Inventories		**106,033**	57,387
Trade and other receivables	11	**194,607**	155,172
Cash and cash equivalents		**937,571**	1,804,742
		1,502,511	2,232,272
Total assets		**5,274,657**	6,455,577
EQUITY AND LIABILITIES			
Equity			
Share capital		**12,340**	12,340
Reserves		**5,009,497**	6,225,165
Total equity attributable to equity shareholders of the Company		**5,021,837**	6,237,505
Non-controlling interests		**113,525**	115,153
		5,135,362	6,352,658

	Note	**2015** *RMB'000*	2014 *RMB'000*
Non-current liabilities			
Obligations under finance leases		**596**	719
Current liabilities			
Trade and other payables	12	**138,576**	102,087
Obligations under finance leases		**123**	113
		138,699	102,200
Total liabilities		**139,295**	102,919
Total equity and liabilities		**5,274,657**	6,455,577
Net current assets		**1,363,812**	2,130,072
Total assets less current liabilities		**5,135,958**	6,353,377

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 30 June 2015

	2015	2014
	RMB'000	*RMB'000*
Cash flows from operating activities		
Loss before income tax	**(1,223,999)**	(1,836,446)
Adjustments for:		
Interest income	**(28,273)**	(35,855)
Write off of biological assets	**114,071**	-
Impairment of goodwill	**303,883**	853,378
Impairment of property, plant and equipment	**-**	15,690
Impairment of biological assets	**-**	11,802
Impairment of properties for sale	**-**	5,830
Finance costs	**67**	144
Share-based payments	**6,710**	10,131
Amortisation of land use rights	**1,553**	1,521
Amortisation of intangible assets	**10,824**	10,748
Depreciation of property, plant and equipment	**201,098**	181,378
Write off of inventories	**9,072**	22,577
Write off of trade and other receivables	**2,717**	-
Loss on disposals of property, plant and equipment	**1,905**	12,192
Change in fair value of biological assets	**242,833**	923,857
Operating (loss)/profit before working capital changes	**(357,539)**	176,947
Movements in working capital elements:		
Biological assets	**(80,579)**	(14,675)
Inventories	**(57,718)**	(39,687)
Trade and other receivables	**(42,152)**	(86,857)
Trade and other payables	**36,482**	(2,310)
Net cash (used in)/generated from operating activities	**(501,506)**	33,418
Cash flows from investing activities		
Proceeds from disposals of property, plant and equipment	**14,425**	7,434
Purchases of property, plant and equipment	**(51,396)**	(18,967)
Purchase of land use right	**-**	(4,998)
Additions to construction-in-progress	**(86,240)**	(200,888)
Deposits paid for acquisition of property, plant and equipment	**(11,012)**	(1,443)
Net additions to biological assets	**(251,335)**	(162,157)
Additions to intangible assets	**(8,200)**	-
Interest received	**28,273**	35,855
Net cash used in investing activities	**(365,485)**	(345,164)

	2015	2014
	RMB'000	*RMB'000*
Cash flows from financing activities		
Proceeds from issue of new shares upon exercises of share options	**-**	14,362
Repayments of obligations under finance leases	**(113)**	(105)
Dividends paid	**-**	(38,849)
Finance costs paid	**(67)**	(144)
Net cash used in financing activities	**(180)**	(24,736)
Net decrease in cash and cash equivalents	**(867,171)**	(336,482)
Cash and cash equivalents at beginning of year	**1,804,742**	2,141,224
Cash and cash equivalents at end of year	**937,571**	1,804,742

Major non-cash transactions

During the year, purchases of property, plant and equipment included an amount of RMB1,443,000 (2014: RMB84,303,000) transferred from non-current deposits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

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") and AIM of the London Stock Exchange.

The address of the Company's registered office is Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda. The principal place of business of the Company is located at Rooms 1109-1111, Wayson Commercial Building, 28 Connaught Road West, Hong Kong.

The principal activities of the Group are planting, cultivation and sale of agricultural produce and manufacture and sale of fruit juice concentrates, fruit purees, frozen fruits and vegetables.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs"), which comprise International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations, issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee, and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the HKEx and the AIM Rules.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

(b) Basis of preparation of the consolidated financial statements

These consolidated financial statements are presented in Renminbi ("RMB"), the functional currency of the Group, rounded to the nearest thousand, unless otherwise stated. They have been prepared under the historical cost convention, except that certain biological assets are carried at their fair values.

The preparation of consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3 APPLICATIONS OF NEW AND REVISED IFRSs

Up to the date of issue of the consolidated financial statements, the IASB has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 30 June 2015 and which have not been adopted in the consolidated financial statements. Of these developments, the following relates to matters that may be relevant to the Group's operations and consolidated financial statements:

Amendments to IFRS 9 and IFRS 7	Mandatory effective date of IFRS 9 and transition disclosures[3]
Amendments to IAS 16 and IAS 38	The Classification of acceptable methods of depreciation and amortisation[1]
Amendments to IAS 16 and IAS 41	Bringing bearer plants into the scope of IAS 16[1]
IFRS 9	Financial instruments[3]
IFRS 15	Revenue from contracts with customers[2]

1 Effective for annual periods beginning on or after 1 January 2016.
2 Effective for annual periods beginning on or after 1 January 2017.
3 Effective for annual periods beginning on or after 1 January 2018.

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application, but is not yet in a position to state whether these amendments and new standards would have a significant impact on the Group's financial statements.

4 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:

	2015	2014
	RMB'000	*RMB'000*
Sales of oranges	**408,934**	732,807
Sales of self-bred saplings	**1,171**	892
Sales of processed fruits	**552,622**	537,472
	962,727	1,271,171

5 OTHER OPERATING EXPENSES

	2015	2014
	RMB'000	*RMB'000*
Write off of biological assets	**114,071**	-
Impairment of goodwill	**303,883**	853,378
Write off of inventories#	**488**	8,459
Impairment of property, plant and equipment#	**-**	15,690
Impairment of biological assets#	**-**	11,802
Impairment of properties for sale	**-**	5,830
	418,442	895,159

These expenses were resulted from the widespread damage caused by Typhoon Rammasun in July 2014.

6 SEGMENT INFORMATION

The Group manages its business 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 two reportable segments. The segments are managed separately as each business offers different products and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments in the year ended 30 June 2015:

- Agricultural produce – planting, cultivation and sale of agricultural produce

- Processed fruits – manufacture and sale of fruit juice concentrates, fruit purees, frozen fruits and vegetables

No inter-segment transactions incurred between the companies in the Group.

No customer accounted for 10% or more of the total revenue for both years.

As majority of the Group's non-current assets and revenue are located in/derived from the PRC, geographical information is not presented.

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.

	Agricultural produce		Processed fruits		Total	
	2015	2014	**2015**	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
RESULTS						
Reportable segment revenue and revenue from external customers	**410,105**	733,699	**552,622**	537,472	**962,727**	1,271,171
Reportable segment results	**(844,519)**	(960,043)	**(47,853)**	12,900	**(892,372)**	(947,143)
Unallocated corporate expenses					**(333,846)**	(892,115)
Unallocated corporate other income					**2,219**	2,812
Loss before income tax					**(1,223,999)**	(1,836,446)
Income tax expense					**-**	-
Loss for the year					**(1,223,999)**	(1,836,446)
ASSETS						
Segment assets	**3,485,363**	4,294,283	**1,653,675**	1,700,650	**5,139,038**	5,994,933
Unallocated corporate assets					**135,619**	460,644
Total assets					**5,274,657**	6,455,577
LIABILITIES						
Segment liabilities	**(111,349)**	(75,748)	**(23,453)**	(22,566)	**(134,802)**	(98,314)
Unallocated corporate liabilities					**(4,493)**	(4,605)
Total liabilities					**(139,295)**	(102,919)
OTHER INFORMATION						
Additions to segment non-current assets	**66,615**	159,390	**91,658**	149,493	**158,273**	308,883
Amortisation of land use rights	**-**	-	**500**	466	**500**	466
Amortisation of intangible assets	**5,360**	5,360	**5,464**	5,388	**10,824**	10,748
Depreciation	**95,253**	78,229	**73,491**	72,560	**168,744**	150,789
Loss on disposals of property, plant and equipment	**26**	1,010	**1,879**	10,814	**1,905**	11,824
Interest income	**14,800**	20,258	**11,255**	12,786	**26,055**	33,044
Finance charges on obligations under finance leases	**67**	75	**-**	-	**67**	75
Change in fair value of biological assets	**242,833**	923,857	**-**	-	**242,833**	923,857
Impairment of biological assets	**-**	11,802	**-**	-	**-**	11,802
Impairment of property, plant and equipment	**-**	13,079	**-**	2,611	**-**	15,690
Write off of biological assets	**114,071**	-	**-**	-	**114,071**	-
Write off of inventories	**-**	-	**9,072**	22,577	**9,072**	22,577
Share-based payments	**617**	246	**5,773**	9,750	**6,390**	9,996

7 LOSS BEFORE INCOME TAX

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

		2015	2014
		RMB'000	*RMB'000*
(a)	**Finance costs**		
	Bank charges	**-**	69
	Finance charges on obligations under finance leases	**67**	75
		67	144
(b)	**Staff costs (including directors' emoluments)**		
	- salaries, wages and other benefits	**144,810**	135,369
	- share-based payments	**6,710**	10,131
	- contribution to defined contribution retirement plans	**3,960**	3,322
		155,480	148,822
(c)	**Other items**		
	Amortisation of land use rights	**1,553**	1,521
	Amortisation of intangible assets	**10,824**	10,748
	Auditor's remuneration	**2,199**	2,522
	Cost of agricultural produce sold#	**842,570**	678,839
	Cost of inventories of processed fruits recognised as expenses##	**538,995**	458,402
	Depreciation of property, plant and equipment	**201,098**	181,378
	Add: Realisation of depreciation previously capitalised as biological assets	**26,979**	25,346
	Less: Amount capitalised as biological assets	**(58,386)**	(54,974)
		169,691	151,750
	Exchange gains, net	**2,744**	14
	Operating lease expenses		
	- plantation bases	**9,335**	9,163
	- properties	**1,197**	1,184
	Research and development costs	**8,592**	13,556
	Write off of inventories###	**9,072**	22,577
	Write off of trade and other receivables	**2,717**	-
	Loss on disposals of property, plant and equipment	**1,905**	12,192

Cost of agricultural produce sold includes RMB170,062,000 (2014: RMB151,422,000) 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 RMB100,572,000 (2014: RMB94,190,000) 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.

The write off of inventories for the year of RMB8,584,000 (2014: RMB14,118,000) and RMB488,000 (2014: RMB8,459,000) is included in general and administrative expenses and other operating expenses, respectively, in the consolidated statement of profit or loss.

8 INCOME TAX EXPENSE

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

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

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

(c) No PRC enterprise income tax has been provided as the Group did not have assessable profit in the PRC during the year. The provision for PRC enterprise income tax for 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%.

(d) 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 30 June 2015, 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 LOSS PER SHARE

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

	2015	2014
	RMB'000	*RMB'000*
Loss		
Loss attributable to equity shareholders of the Company used in basic and diluted loss per share calculation	**(1,222,371)**	(1,839,179)
Weighted average number of shares	***'000***	*'000*
Issued ordinary shares at beginning of year	**1,249,638**	1,229,559
Effect of shares issued to shareholders participating in the scrip dividend	**-**	5,238
Effect of shares issued upon exercises of share options	**-**	5,371
Weighted average number of ordinary shares used in basic loss per share calculation	**1,249,638**	1,240,168
Effect of dilutive potential shares in respect of share options *(Note)*	**-**	-
Weighted average number of ordinary shares used in diluted loss per share calculation	**1,249,638**	1,240,168

Note:

The potential ordinary shares arising from the conversion of share options had an anti-dilutive effect on the basic loss per share, hence they were ignored in the calculation of diluted loss per share.

10 DIVIDENDS

The directors do not declare the payment of any dividend in respect of the years ended 30 June 2015 and 2014.

11 TRADE AND OTHER RECEIVABLES

	2015	2014
	RMB'000	*RMB'000*
Trade receivables	**112,986**	53,717
Other receivables, deposits and prepayments	**81,621**	101,455
	194,607	155,172

Trade receivables from sales of goods are normally due for settlement within 30 to 90 days from the date of billing, while that from the sale 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:

	2015	2014
	RMB'000	*RMB'000*
Neither past due nor impaired	**110,615**	53,253
Less than 1 month past due	**1,382**	-
1 to 3 months past due	**989**	438
Over 1 year past due	**-**	26
Amounts past due but not impaired	**2,371**	464
	112,986	53,717

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

	2015	2014
	RMB'000	*RMB'000*
Less than 3 months	**102,966**	62,783
3 to 6 months	**129**	46
6 to 12 months	**2,009**	516
Over 1 year	**531**	3
	105,635	63,348

13 FINANCIAL INFORMATION

The results announcement was approved by the Board on 30 September 2015. The financial information has been prepared on a going concern basis in accordance with International Financial Reporting Standards. The accounting policies applied in preparing the financial information are consistent with those adopted and disclosed in the Group's consolidated financial statements for the year ended 30 June 2014, except for the accounting policies changes as detailed in Note 3.

The consolidated financial statements for the year ended 30 June 2015 will be delivered to the Registrar of Companies following the Company's annual general meeting. The auditors have reported on the consolidated financial statements for the year ended 30 June 2015 and their report was modified due to a subsidiary of the Group having purchased fertilisers from a supplier who did not possess a valid business licence (the amount of which represents approximately 7.7% of the total purchases for the year ended 30 June 2015). An extract of the auditor's report issued by Baker Tilly Hong Kong Limited is as follows:

Basis for qualified opinion

During the year ended 30 June 2015, the Group recorded purchases of fertilisers from an enterprise in the People's Republic of China (the "Supplier") with a reported value of RMB104,317,000 and a corresponding recorded trade payable balance with a carrying amount of RMB24,800,000 as at 30 June 2015.

We note that the Supplier's business registration is not currently included in the records of the State Administration for Industry & Commerce of the People's Republic of China. Consequently, we performed appropriate additional audit procedures to ascertain the occurrence and commercial substance of the recorded transactions and the existence and valuation of the recorded trade payable balance.

We were unable to obtain sufficient appropriate audit evidence relating to the recorded purchases from the Supplier and the corresponding recorded trade payable because (a) we were unable to obtain adequate appropriate documentary audit evidence to satisfy ourselves of the identity of the Supplier and the recorded recipient of the Group's payments for the recorded purchases; (b) we were unable to obtain satisfactory documentary audit evidence to explain how the Supplier was able to conduct the recorded transactions with and receive the recorded payments from the Group while not possessing a valid business licence; and (c) there were no alternative audit procedures that we could perform to satisfy ourselves as to whether the recorded purchases referred to above and trade payable balance of the Supplier were free from material misstatement or whether any adjustments to these recorded purchases or balance may be necessary.

Any adjustments found to be necessary would have an effect on the Group's trade payables and the current portion of biological assets as at 30 June 2015, the Group's cost of sales and consequently the loss and cash flows for the year ended 30 June 2015, and the disclosures relating to those items in the consolidated financial statements.

Qualified opinion

In our opinion, except for the possible effects of the matters described in the basis for qualified opinion section, the consolidated financial statements give a true and fair view of the state of the affairs of the Company and of the Group as at 30 June 2015, and of the Group's loss and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

OTHER INFORMATION

DIVIDENDS

The Directors do not recommend the payment of a final dividend for the year ended 30 June 2015 (2014: Nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company did not redeem any of its listed securities nor did the Company or any of its subsidiaries purchase or sell any of such securities during the year ended 30 June 2015.

CORPORATE GOVERNACE CODE

During the year ended 30 June 2015, the Directors, where practicable, for an organisation of the Group's size and nature sought to adopt the two corporate governance codes below:

1. the UK Corporate Governance Code which is the key source of corporate governance recommendations for listed companies in the United Kingdom and consists of principles of good governance covers the following areas: (i) Leadership; (ii) Effectiveness; (iii) Accountability; (iv) Remuneration; and (v) Relations with shareholders; and

2. the Corporate Governance Code (the "Code") contained in the Appendix 14 to the Rules Governing the Listing of Securities on the HKEx (the "Hong Kong Listing Rules"), which took effect on 1 April 2012.

The Company has complied with all the code provisions as set out in the Code for the year ended 30 June 2015 except the deviations set out below:

Code Provision A.5.1

The Company does not have a nomination committee. The Directors do not consider that, given the size of the Group and the current 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 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 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 Directors ("INEDs"), 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 is subject to the Board's approval. External consultants may be engaged, if necessary, to access a wider range of potential candidate(s).

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code for Directors' dealings appropriate for a company whose shares are admitted to trading on AIM of the London Stock Exchange 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 (the "Model Code") as set out in Appendix 10 to the Hong Kong Listing Rules as its own code of conduct for dealings in the securities. Following a specific enquiry made of all Directors by the Company, each of them has confirmed that he had fully complied with the required standard as set out in the Model Code throughout the year ended 30 June 2015.

CHANGE IN THE COMPOSITION OF THE BOARD AND OTHER POSITIONS OF DIRECTORS

Changes in the composition of the Board during the year ended 30 June 2015 and up to the date of this announcement are as follows:

Mr. Ng Cheuk Lun was appointed as an Executive Director of the Company with effect from 24 November 2014.

With effect from 4 August 2015:

(a) Mr. Ng Hoi Yue was re-designated from an INED to an Executive Director and resigned as the Non-executive Chairman of the Board; and

(b) Mr. Ng Ong Nee was appointed the Chairman of the Board.

Changes in other positions of the Directors during the year ended 30 June 2015 and up to the date of this announcement are as follows:

With effect from 3 August 2015:

(a) Mr. Ng Cheuk Lun resigned as the Secretary of the Company and an authorised representative of the Company under the Hong Kong Listing Rules (the "LR Representative"); and

(b) Mr. Ng Ong Nee was appointed as a LR Representative.

With effect from 4 August 2015:

(a) Mr. Tong Hung Wai, Tommy resigned as a LR Representative, and an authorised representative (the "CO Representative") of the Company for accepting service of process and notices in Hong Kong on behalf of the Company under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);

(b) Mr. Ng Hoi Yue was appointed as the Deputy Chief Executive Officer of the Company, a LR Representative and a CO Representative;

(c) Mr. Chung Koon Yan was appointed as the chairman of the Audit Committee and the Remuneration Committee; and

(d) Dr. Lui Ming Wah, SBS JP was appointed as a member of the Audit Committee.

REVIEW OF THE FINAL RESULTS BY AUDIT COMMITTEE

The audit committee of the Board (the "Audit Committee") comprises three INEDs. Mr. Chung Koon Yan acts as chairman of the committee with Dr. Lui Ming Wah, SBS JP and Mr. Yang Zhen Han acting as members. The arrangement of Audit Committee is in compliance with Rule 3.21 of the Hong Kong Listing Rules.

The Audit Committee has reviewed with the management and the Company's independent auditor the accounting principles and practices adopted by the Group and has discussed auditing, internal control and financial reporting matters, including the review of the audited consolidated financial statements of the Group for the year ended 30 June 2015.

PUBLICATION OF ANNUAL REPORT

The annual report will be published on the respective websites of the Company (www.asian-citrus.com) under the investor relations section and the HKEx (www.hkex.com.hk).

By Order of the Board
Asian Citrus Holdings Limited
Ng Ling Ling
Company Secretary

Hong Kong, 30 September 2015

As at the date of this announcement, the Board of the Company comprises six Executive Directors, namely Mr. Ng Ong Nee (Chairman and Chief Executive Officer), Mr. Ng Hoi Yue (Deputy 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 four Independent Non-executive Directors, namely Mr. Chung Koon Yan, Dr. Lui Ming Wah, SBS JP, Mr. Yang Zhen Han and Mr. Ho Wai Leung.

* *For identification purposes only*