CONTENTS

FINANCIAL HIGHLIGHTS

RESULTS OF OPERATIONS (RMB MILLION)

	For the six months ended 31 December		
	2007	2006	% change
Reported financial information			
Revenue	**181.2**	147.1	+23
Gross profit	**104.3**	81.6	+28
EBITDA	**151.6**	141.8	+7
Profit before tax	**131.7**	126.3	+4
Profit attributable to shareholders	**163.7**	110.3	+48
Basic earnings per share (RMB)	**2.21**	1.77	+25
Diluted earnings per share (RMB)	**2.20**	1.72	+28
Reported financial information adjusted to exclude biological gain			
EBITDA	**63.6**	58.6	+9
Profit before tax	**43.7**	43.1	+1
Profit attributable to shareholders	**75.7**	27.1	+179
Basic earnings per share (RMB)	**1.02**	0.44	+132
Diluted earnings per share (RMB)	**1.02**	0.43	+137

FINANCIAL RATIOS

Gross profit margin (%)	**57.5**	55.5
Return on assets (%)	**7.2**	6.4
Return on equity (%)	**7.3**	7.0
Asset turnover (x)	**0.08**	0.09

FINANCIAL POSITION (RMB MILLION)

	31 December 2007	30 June 2007
Total assets	**2,274.7**	2,207.7
Net current assets	**278.3**	370.5
Cash & bank balances	**227.9**	344.5
Shareholders' funds	**2,227.7**	2,108.5
Current ratio (x)	**6.92**	8.17

CHAIRMAN'S STATEMENT

I am very pleased to report the results of Asian Citrus Holdings Limited (the "Company" or "Asian Citrus") and its subsidiaries (collectively referred to as the "Group") for the six months ended 31 December 2007.

STRATEGIC OVERVIEW

During the last 6 months, the Group has continued to focus on its strategy of exploring opportunities to supply directly to supermarkets. In addition to the renewal of the supply contracts with Guangxi Yonghao Supermarket Company Limited and Guihai Highways Guangxi Xingtong Services Company, the Group entered into a new supply contract with Shanghai Lotus Supermarket Chain Store Co., Ltd. which represents the Group's first step to achieving nationwide sales coverage.

However, the exceptional cold weather in China during January and February 2008 has affected the Group's current sales by slightly impacting the quality of the Group's harvest and causing short term oversupply as local farmers, who could not get their produce to customers, stored crops which have now been released to the market. As a result, the Group has not been able to increase the proportion of sales to supermarkets, or increase prices, as much as originally expected.

Approximately 280,000 saplings of 2 different species are currently being bred in the orange saplings nursery at the Hepu Plantation. The first batch of approximately 200,000 saplings is expected to be ready for planting in the fourth quarter of 2008 and these saplings will be used for the Group's new plantation in the Hunan province over the medium term. It is also the Group's intention to further expand the nursery business with more nurseries in order to ensure sufficient supply of good-quality saplings for both the Group and the whole orange sector in China.

As at the date of this report, Phase I of the agricultural wholesalers' market and orange processing centre located in the Xinfeng County Zhongduan Industrial Park ("Xinfeng Development") is moving towards completion with 68% of units sold. The implementation of Phase II is under consideration.

For the new plantation in the Hunan province (the "Hunan Plantation"), the Group has entered into formal leasing agreements for the 35 sq. km of land with the corresponding landowners for a period of 50 years. The Group is in the process of registering all the formal leases with the corresponding government authorities. Due to the cold weather in the Hunan province, the commencement of the infrastructure work for the Hunan Plantation has been delayed by 6 months to the third quarter of 2008. This implies that the first commercial harvest from the Hunan Plantation is unlikely to be until the summer of 2012.

As mentioned previously, the Group is actively assessing the opportunity in value-added products such as fresh orange juice. The Group has entered into a contract with Bosun Health Food R&D Center of Guangdong, a business based in Guangdong province, with an aim to manufacture and distribute the Group's own-branded freshly-squeezed juice products. We expect that the orange juice will be launched in the second quarter of 2008 in the Guangdong province.

OPERATING REVIEW

The Hepu Plantation is fully developed with approximately 1.2 million orange trees. The output from the Hepu Plantation was approximately 49,162 tonnes for the six months ended 31 December 2007 which represents an increase of approximately 6.4% over the previous year's production of 46,219 tonnes. The growth was mainly due to increased production from certain winter orange trees which have not yet achieved their full maturity.

The Xinfeng Plantation is now fully planted with 1.6 million winter orange trees. During the six months ended 31 December 2007, RMB48.3 million has been invested in the infrastructure at the Xinfeng Plantation and the first commercial harvest started during the six months ended 31 December 2007, yielding approximately 10,119 tonnes of oranges, which represents an increase of approximately 177.1% over the previous year's trial production of 3,652 tonnes. We expect that the orange trees at the Xinfeng Plantation will progressively achieve their orange bearing age and contribute increasing production volume as they approach full maturity. As a result, the growth in production from the Xinfeng Plantation in the coming years will drive a step change in the Group's overall orange supply.

CHAIRMAN'S STATEMENT

Following the successful trial replanting programme in last financial year, the Group initiated a wider replanting programme in the Hepu Plantation. The replanting programme replaces existing species with better quality summer species that have stronger resistance to disease and produce a higher yield. Subsequent to 31 December 2007, 76,135 summer orange trees have been removed and the corresponding land area will be replanted with the same amount of new species. The ongoing replanting strategy is currently under review but is expected to equate to approximately 5% of total trees in the Hepu plantation per annum and it will be principally focused around replanting the winter orange trees with new species of summer orange trees. Based on the results of the research we carried out, we are confident that the replanting programme will bring long term economic benefits to the Group by increasing average yields and the revenue per tonne achievable. The replanting while beneficial for the long prospects of the Group will impact on the medium term yield from the Hepu Plantation, there will be approximately a 3% decline of yield from previous year for the summer 2008 harvest impact.

As mentioned above, Phase I of the Xinfeng Development has been substantially completed, creating 238 units available for sale. As of 18 March 2008, formal procedures for the sale of 161 units have been completed and the corresponding proceeds of approximately RMB24.2 million have already been received by the Group. The occupational permit is under application. The tighter credit conditions in China combined with the cold weather have had a temporary dampening effect on the completion rate and sales of the units. No revenue or profit has been recognised from the Phase I of the Xinfeng Development during the six months ended 31 December 2007. The Company plans the remaining units to be sold over the next 12 months and the commencement of Phase II is under consideration and will be dependent on the successful completion of Phase I.

According to the Enterprise Income Tax ("EIT") Law of the People's Republic of China promulgated by the National People's Congress with effect from 1 January 2008, income derived by an enterprise engaging in the growing of fruits shall be exempt from EIT. As the Group's core business is the growing of oranges, it is expected that the Group's income from growing and selling oranges will be exempt from EIT from 1 January 2008 onwards. In the year ended 30 June 2007, the Group paid income tax of RMB38.6 million and has reviewed its deferred taxation to reflect the future realisation at the newly enacted tax rate. An one-off tax credit resulting from the reversal of net deferred tax liabilities of RMB42.9 million was recognised for the period and the change in the new tax laws will have a significant and positive impact on the Group's overall earnings performance for the current and future years.

CHAIRMAN'S STATEMENT

TRADING RESULTS

The Group's revenue was RMB181.2 million (2006: RMB147.1 million) for the six months ended 31 December 2007 which represents a growth of 23.2%. This was achieved by an increase of approximately 18.9% in the Group's production combined with a 3.7% increase in the average selling prices of the oranges to both wholesalers and supermarkets. For the six months ended 31 December 2007, sales to supermarkets accounted for approximately 21.1% and 29.3% of the Group's production volume and revenue respectively (against 20.4% and 29.3% in 2006). We expect that this proportion will increase in the future and the Group's products will be able to achieve wider geographical exposure as more supermarket contracts in both Guangxi area and other provinces are secured.

The gross margin increased to approximately 57.5% for the six months ended 31 December 2007 (2006: 55.5%) benefiting from higher average selling prices to supermarkets and our tight cost controls. Whilst the Xinfeng Plantation achieved a positive contribution in the period under review, as it remains at an early stage, it will not be profitable for the year as a whole. However, over the medium term, as production volume increases and economies of scale are achieved, the Xinfeng Plantation will demonstrate its potential for growth and profitability. As the Hepu Plantation is still the major production base of the Group, taking that plantation alone, produces an overall gross margin of 62.1% for the six months ended 31 December 2007 (2006: 61.6%), a 0.5 percentage point increase.

The cost of production increased from approximately RMB65.5 million for the six months ended 31 December 2006 to RMB77.0 million for the six months ended 31 December 2007 reflecting the growth of the Group's production volume. The Group was able to manage its costs effectively through tighter controls and achieve better economies of scale. As a result, the average unit cost of production decreased by 0.8% to approximately RMB1.30 per Kg for the six months ended 31 December 2007 (2006: approximately RMB1.31 per Kg).

DIVIDEND POLICY

The Group expects to have a dividend payout ratio similar to that of the financial year 2006/2007 and, in any event, to pay a dividend per share no less than the previous year.

CHAIRMAN'S STATEMENT

HK LISTING

At the time of its 2007 results, the Board announced that it was targeting to have completed an Asian listing by the end of 2008. Given the current uncertain and difficult market conditions, the Board now believes that it is appropriate to delay this process but still considers that a Hong Kong listing is desirable when the timing is appropriate.

INVESTOR RELATIONS

The Board recognises the importance of maintaining good communications with shareholders and potential investors. The Group's management visited certain institutional and private client investment advisers during the roadshow in November and December 2007 in order to update the existing holders on the Group's latest developments and introduce the Group to potential new investors.

OUTLOOK

The Group has made good progress in the first half of 2007/08. The Xinfeng Plantation's first commercial harvest of winter oranges was on target and will provide significant extra growth for the Group in the future. The replanting programme in the Hepu Plantation commenced prefacing the introduction of higher yielding and more disease resistant new summer trees throughout the next decade. Sales to supermarkets are now expanding from a regional base with a first national contract. The Phase I of the Xinfeng Development is moving towards completion with 68% of units sold. The implementation of Phase II is under consideration. However, the recent extreme cold weather in China has delayed the initial infrastructure work in the Hunan Plantation by six months and will also result in reduced growth of sales to supermarkets in the second half of this year. As we have previously advised, there has been some short term impact on our income for the second half of 2007/08. The above progress, together with the implementation of the new tax laws in China, we should be positive for our earnings performance in the coming years.

Tony Tong
Chairman

18 March 2008

MANAGEMENT DISCUSSION & ANALYSIS

OPERATING PERFORMANCE

Revenue

Revenue and yield grew by 23.2% and 18.9% to RMB 181.2 million and 59,281 tonnes respectively for the six months ended 31 December 2007.

The production yield from Hepu Plantation increased by 6.4% to 49,162 tonnes for the six months ended 31 December 2007. The Group's Xinfeng Plantation had its first commercial production yielding 10,119 tonnes, a significant increase from the plantation's trial production of 3,652 tonnes in the comparable period.

All of the Group's produce was sold domestically. The Group's customers can be divided into four categories, namely corporate customers, wholesaler customers, supermarket chains and sole proprietors. The breakdown by types of customers is as follows:

	For the six months ended 31 December	
	2007	2006
	% of total revenue	
Types of customers		
Corporate customers	**44.8%**	39.0%
Supermarket chains	**29.3%**	29.3%
Wholesale customers	**25.0%**	30.7%
Sole proprietors	**0.9%**	1.0%
Total	**100.0%**	100.0%

For the six months ended 31 December 2007, the overall production volume and revenue to supermarket chains represented approximately 21.1% and 29.3% respectively of the Group (2006: 20.4% and 29.3%). For the Hepu Plantation, the production volume and revenue to supermarket continued to increase to 23.9% and 33.5% of the Group respectively (2006: 20.4% and 29.3%). As the Xinfeng Plantation was at its early stage, the quality of fruit was not comparable to the fruit from Hepu Plantation and was mainly sold to corporate customers, thereby negatively impacting the average price achieved and the percentage of sales to supermarket.

Other income

The Group recorded a gain of RMB88.0 million from changes in the fair value of biological assets for the six months ended 31 December 2007, compared to a gain of RMB83.2 million for the six months ended 31 December 2006. The increase was mainly due to the higher selling price of oranges achieved and enterprise income tax exemption resulted from the enactment of the new tax laws in China.

Gross profit

The Group's overall gross profit increased by 27.8% to approximately RMB104.3 million for the six months ended 31 December 2007 (2006: RMB81.6 million). The improvement in gross profit was the result of an increase in the production output of the Group's orange trees from a total of 49,871 tonnes to 59,281 tonnes, a 3.7% increase in the average price of oranges, effective cost control and the first commercial harvest at the Xinfeng Plantation which started in November 2007.

The overall profit margin increased slightly to 57.5% (2006: 55.5%). For the Hepu Plantation alone, the gross profit margin increased to 62.1% for the six months (2006: 61.6%), a 0.5 percentage point increase.

Cost of sales

Cost of sales principally consists of the costs of raw materials such as fertilisers, packaging materials, pesticides and other direct costs such as direct labour and production overheads. The breakdown of cost of sales is as follows:

	For the six months ended 31 December			
	2007		2006	
Cost of sales	***RMB'000***	**% of Cost of sales**	*RMB'000*	% of Cost of sales
Inventories used				
Fertilisers	**28,798**	**37.4%**	26,967	41.2%
Packaging materials	**14,315**	**18.6%**	13,733	21.0%
Pesticides	**6,718**	**8.7%**	6,717	10.2%
	49,831	**64.7%**	47,417	72.4%
Production overheads				
Direct labour	**9,611**	**12.5%**	6,540	10.0%
Depreciation	**13,915**	**18.1%**	8,665	13.2%
Others	**3,607**	**4.7%**	2,873	4.4%
Total	**76,964**	**100.0%**	65,495	100.0%

The production costs increased by 17.5% to RMB77.0 million (2006: RMB65.5 million). This was principally due to the increase in raw materials utilised for higher production volumes and the increase in direct labour and depreciation charge resulted from the first commercial harvest in Xinfeng Plantation.

The average unit cost of oranges improved slightly to RMB1.30 per kg against RMB1.31 per kg in the comparable period. Excluding the effect of production in the Xinfeng Plantation, the average unit cost of oranges in Hepu Plantation increased slightly to RMB1.17 per kg (2006: RMB1.14 per kg).

Other operating expenses

Selling and distribution expenses mainly comprise sales commissions, advertising, salaries and welfare benefits of sales personnel, traveling and transportation costs. The selling and distribution expenses of the Group increased to approximately RMB13.7 million for the six months ended 31 December 2007 (2006: approximately RMB12.7 million), representing an increase of 7.8%, mainly resulting from the increased sales after the first commercial harvest in Xinfeng Plantation.

General and administrative expenses comprise mainly salaries, office administration, depreciation, amortisation, raw materials used for infant trees and research costs. The general and administrative expenses of the Group were approximately RMB50.1 million for the six months ended 31 December 2007 (2006: RMB24.4 million). The Group significantly increased the raw materials utilised for infant trees in Xinfeng Plantation reflecting the increased number of infant trees to 1.2 million in total (2006: 800,000). Out of the 1.2 million infant trees, 400,000 of them are close to their fruit-bearing stage which would require higher utilisation of fertilisers. There are also currently 400,000 trees at fruit-bearing age. The Group recognised higher depreciation charge and administrative expenses in Xinfeng Plantation resulting from its first full year in operation since completion, these will reduce as a percentage of sales as the plantation matures. In addition, the Group also incurred certain startup costs for the development of the nursery business and the administrative costs related to the the Hunan Plantation during the period.

The Group recognised an exchange loss of RMB6.0 million for the six months ended 31 December 2007 (a gain of RMB0.8 million in 2006) as some of the Group's cash balances were maintained in Hong Kong dollars and British pounds. The exchange loss resulted from the appreciation of the RMB against the Hong Kong dollar and the British pound.

Taxation

On 16 March 2007, the National People's Congress approved the PRC Enterprise Income Tax Law, enterprises engaged in the planting of fruits (such as oranges) are exempt from enterprise income tax with effect from 1 January 2008.

The Group has reviewed its deferred taxation to reflect the future realisation at the newly enacted tax rate, and this has resulted in an one-off tax credit from the reversal of net deferred tax liabilities of RMB 42.9 million.

Profit

Pre-tax profit was approximately RMB 131.7 million for the six months ended 31 December 2007, representing an increase of 4.3% as compared to the corresponding period in 2006. The profit attributable to shareholders for the six months ended 31 December 2007 increased to approximately RMB163.7 million, compared to approximately RMB110.3 million for the six months ended 31 December 2006.

PRODUCTIVITY

The increasing maturity of the oranges trees together with effective managerial planning and production supervision, has led to productivity gains.

The production volume of winter oranges from the Hepu Plantation increased to 49,162 tonnes for the six months ended 31 December 2007, representing an increase of approximately 6.4%. In addition, the Xinfeng Plantation has started its first commercial production, yielding about 10,119 tonnes of oranges during the period. The total winter orange yield of the Group from the two plantations was 59,281 tonnes, representing an increase of around 18.9% from the Group's total winter orange crop yield in 2006.

FINANCIAL PERFORMANCE

	31 December 2007	30 June 2007
Current ratio (x)	**6.92**	8.17
Quick ratio (x)	**5.59**	6.95
Net debt to equity (%)	**Net cash**	Net cash

	31 December 2007	31 December 2006
Asset turnover (x)	**0.08**	0.09
Basic earnings per share (RMB)	**2.21**	1.77

Liquidity

As a result of the dividend payment in December 2007 and the addition of approximately RMB89.6 million to construction-in-progress during the six months ended 31 December 2007, the current ratio and quick ratio decreased to 6.92x and 5.59x respectively. The liquidity of the Group is healthy with sufficient reserves for both operations and development.

Debt ratio

The Group's net cash positions were RMB227.9 million and RMB344.5 million as at 31 December 2007 and 30 June 2007 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 2007.

Profitability

The basic earning per share for the six months ended 31 December 2007 was RMB2.21, up by 24.9% over the comparable period. This was driven by the 48.4% increase in net profit for the year but was partially offset by the dilution from the issuance of new ordinary shares from the share placement and the conversion of convertible bonds in March 2007.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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TO THE SHAREHOLDERS OF ASIAN CITRUS HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)

Introduction

We have reviewed the accompanying consolidated balance sheet of Asian Citrus Holdings Limited as of 31 December 2007 and the related consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standards.

It is our responsibility to form a conclusion, based on our review, on the interim financial information and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the Group as at 31 December 2007, and of its financial performance and its cash flows for the six-month period then ended in accordance with International Financial Reporting Standards.

Baker Tilly Hong Kong Limited
Certified Public Accountants
Hong Kong, 18 March 2008

Andrew David Ross
Practising Certificate Number P01183

CCIF CPA Limited
Certified Public Accountants
Hong Kong, 18 March 2008

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CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2007

	Notes	Six months ended 31 December **2007** **(Unaudited)** ***RMB'000***	2006 (Unaudited) *RMB'000*	Year ended 30 June 2007 (Audited) *RMB'000*
Revenue		**181,227**	147,060	479,728
Net gain on change in fair value of biological assets	14	**88,000**	83,172	133,172
Other income	3	**—**	786	3,294
		269,227	231,018	616,194
Inventories used	5	**(62,778)**	(48,807)	(122,455)
Staff costs	5,8	**(19,922)**	(16,658)	(34,973)
Amortisation	5	**(1,372)**	(1,656)	(3,313)
Depreciation	5	**(23,495)**	(11,436)	(24,270)
Other operating expenses	5	**(33,254)**	(24,081)	(55,443)
Profit from operations	5	**128,406**	128,380	375,740
Interest income		**4,904**	601	2,649
Finance costs	6	**(8)**	(2,983)	(4,390)
Net finance income/(costs)		**4,896**	(2,382)	(1,741)
Share of (loss)/profit of associates		**(1,650)**	292	(14)
Profit before income tax		**131,652**	126,290	373,985
Income tax credit/(expense)	7	**32,063**	(15,990)	(55,280)
Profit for the period/year and attributable to shareholders		**163,715**	110,300	318,705
Proposed dividend	9	**—**	—	50,454
		RMB	RMB	RMB
Earnings per share	10			
– Basic		**2.21**	1.77	4.88
– Diluted		**2.20**	1.72	4.87

The accompanying notes form an integral part of this financial information.

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2007

	Note	**31 December 2007 (Unaudited) *RMB'000***	31 December 2006 (Unaudited) *RMB'000*	30 June 2007 (Audited) *RMB'000*
ASSETS				
Non-current assets				
Property, plant and equipment	11	**1,009,670**	557,200	812,491
Land use rights	12	**34,478**	62,086	34,850
Construction-in-progress	13	**23,674**	288,232	150,927
Biological assets	14	**854,141**	714,369	765,511
Deferred development costs	15	**24,000**	13,000	12,000
Interests in associates	16	**3,424**	5,380	5,074
Deferred tax assets	17	**—**	18,513	4,672
		1,949,387	1,658,780	1,785,525
Current assets				
Properties under development for sale		**61,813**	19,489	54,080
Inventories	18	**920**	488	9,261
Trade receivables	19	**14,292**	29,396	—
Other receivables and prepayments		**20,416**	6,442	14,324
Cash and cash equivalents		**227,907**	29,762	344,513
		325,348	85,577	422,178
Total assets		**2,274,735**	1,744,357	2,207,703

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2007

	Note	**31 December 2007 (Unaudited) *RMB'000***	31 December 2006 (Unaudited) *RMB'000*	30 June 2007 (Audited) *RMB'000*
EQUITY AND LIABILITIES				
Equity				
Share capital	20	**7,769**	6,581	7,758
Reserves		**2,219,949**	1,576,763	2,100,725
		2,227,718	1,583,344	2,108,483
Non-current liabilities				
Deferred tax liabilities	17	**—**	52,241	47,559
Convertible bonds		**—**	48,622	—
		—	100,863	47,559
Current liabilities				
Trade payables and accrued expenses		**36,193**	21,402	18,745
Due to related parties	23(b)	**—**	—	2,610
Income tax payables		**10,824**	38,748	30,306
		47,017	60,150	51,661
Total liabilities		**47,017**	161,013	99,220
Total equity and liabilities		**2,274,735**	1,744,357	2,207,703

Approved and authorised to issue by the Board of Directors on 18 March 2008.

Tong Wang Chow
Director

Cheung Wai Sun
Director

The accompanying notes form an integral part of this financial information.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 2007

			Reserves					
	Note	Share capital (unaudited) RMB'000	Share premium (unaudited) RMB'000	Merger reserve (unaudited) RMB'000 (Note (a))	Share option reserve (unaudited) RMB'000	Capital reserve (unaudited) RMB'000 (Note (b))	Retained profits (unaudited) RMB'000	Total (unaudited) RMB'000
At 1 July 2007		7,758	483,629	(4,473)	9,021	482,519	1,130,029	2,108,483
Profit for the period		—	—	—	—	—	163,715	163,715
Total recognised income for the period		—	—	—	—	—	163,715	163,715
Issue of new shares upon exercise of share options	20(d)	11	4,269	—	(2,057)	—	—	2,223
Share-based payments		—	—	—	3,751	—	—	3,751
Dividend paid	9	—	—	—	—	—	(50,454)	(50,454)
		11	4,269	—	1,694	—	(50,454)	(44,480)
At 31 December 2007		**7,769**	**487,898**	**(4,473)**	**10,715**	**482,519**	**1,243,290**	**2,227,718**

The accompanying notes form an integral part of this financial information.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 2007

	Note	Share capital (unaudited) RMB'000	Reserves: Share premium (unaudited) RMB'000	Reserves: Merger reserve (unaudited) RMB'000 (Note (a))	Reserves: Share option reserve (unaudited) RMB'000	Reserves: Capital reserve (unaudited) RMB'000 (Note (b))	Reserves: Retained profits (unaudited) RMB'000	Total (unaudited) RMB'000
At 1 July 2006		6,569	154,349	(4,473)	2,811	496,432	849,961	1,505,649
Profit for the period		—	—	—	—	—	110,300	110,300
Total recognised income for the period		—	—	—	—	—	110,300	110,300
Issue of new shares upon exercise of share options	20(a)	12	4,079	—	(2,207)	—	—	1,884
Share-based payments		—	—	—	4,148	—	—	4,148
Dividend paid	9	—	—	—	—	—	(38,637)	(38,637)
		12	4,079	—	1,941	—	(38,637)	(32,605)
At 31 December 2006		6,581	158,428	(4,473)	4,752	496,432	921,624	1,583,344

The accompanying notes form an integral part of this financial information.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 2007

			Reserves					
	Note	Share capital (audited) RMB'000	Share premium (audited) RMB'000	Merger reserve (audited) RMB'000 (Note (a))	Share option reserve (audited) RMB'000	Capital reserve (audited) RMB'000 (Note (b))	Retained profits (audited) RMB'000	Total (audited) RMB'000
At 1 July 2006		6,569	154,349	(4,473)	2,811	496,432	849,961	1,505,649
Profit for the year		—	—	—	—	—	318,705	318,705
Total recognised income for the year		—	—	—	—	—	318,705	318,705
Issue of new shares upon exercise of share options	20(a)	12	4,079	—	(2,207)	—	—	1,884
Conversion of convertible bonds	20(b)	344	63,652	—	—	(13,913)	—	50,083
Issue of new shares	20(c)	833	299,167	—	—	—	—	300,000
Issuing costs		—	(37,618)	—	—	—	—	(37,618)
Share-based payments		—	—	—	8,417	—	—	8,417
Dividend paid	9	—	—	—	—	—	(38,637)	(38,637)
		1,189	329,280	—	6,210	(13,913)	(38,637)	284,129
At 30 June 2007		**7,758**	**483,629**	**(4,473)**	**9,021**	**482,519**	**1,130,029**	**2,108,483**

Notes:

a) The merger reserve represents the excess of the net assets of the subsidiaries acquired over the nominal value of the share capital of the Company issued in exchange pursuant to the group reorganisation (the "Reorganisation") on 29 June 2005 in preparation for the admission of the Company's shares to AIM of the London Stock Exchange.

b) The capital reserve consists of amounts due to shareholders which have been capitalised upon the Reorganisation.

The accompanying notes form an integral part of this financial information.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2007

	Six months ended 31 December		Year ended 30 June
	2007	2006	2007
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	*RMB'000*	*RMB'000*
Cash flows from operating activities			
Profit before income tax	**131,652**	126,290	373,985
Adjustments for:			
Unrealised exchange gain	**—**	(1,640)	(1,581)
Interest income	**(4,904)**	(601)	(2,649)
Finance costs	**8**	2,983	4,390
Depreciation	**21,564**	11,436	26,201
Share-based payments	**3,751**	4,148	8,417
Amortisation of land use rights	**372**	656	1,313
Amortisation of deferred development costs	**1,000**	1,000	2,000
Net gain on change in fair value of biological assets	**(88,000)**	(83,172)	(133,172)
Write off of biological assets	**—**	9	9
Share of loss/(profit) of associates	**1,650**	(292)	14
Operating profit before working capital changes	**67,093**	60,817	278,927
Movements in working capital elements:			
Properties under development for sale	**(7,733)**	(9,134)	(17,146)
Inventories	**8,341**	680	(8,093)
Trade receivables	**(14,292)**	(29,396)	—
Other receivables and prepayments	**(6,092)**	8,905	1,023
Trade payables and accrued expenses	**17,448**	(1,061)	(213)
Due to related parties	**(2,610)**	(4,260)	(1,650)

CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2007

	Six months ended 31 December		Year ended 30 June
	2007	2006	2007
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	*RMB'000*	*RMB'000*
Cash generated from operations	**62,155**	26,551	252,848
Income tax paid	**(30,306)**	—	(38,573)
Net cash generated from operating activities	**31,849**	26,551	214,275
Cash flows from investing activities			
Purchase of property, plant and equipment	**(1,850)**	(2,097)	(2,425)
Additions to construction-in-progress	**(89,640)**	(55,212)	(191,140)
Additions to biological assets	**(630)**	(3,000)	(4,142)
Additions to deferred development costs	**(13,000)**	(3,500)	(3,500)
Interest received	**4,904**	601	2,649
Net cash used in investing activities	**(100,216)**	(63,208)	(198,558)
Cash flows from financing activities			
Proceeds from issue of new shares	**—**	—	300,000
Issuing costs paid	**—**	—	(37,618)
Proceeds from issue of new shares upon exercise of share options	**2,223**	1,884	1,884
Dividend paid	**(50,454)**	(38,637)	(38,637)
Finance costs paid	**(8)**	(2)	(7)
Net cash (used in)/generated from financing activities	**(48,239)**	(36,755)	225,622

CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2007

	Six months ended 31 December		Year ended 30 June
	2007	2006	2007
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	*RMB'000*	*RMB'000*
Net (decrease)/increase in cash and cash equivalents	**(116,606)**	(73,412)	241,339
Cash and cash equivalents at beginning of period/year	**344,513**	103,174	103,174
Cash and cash equivalents at end of period/year	**227,907**	29,762	344,513

Non-cash transactions:

Save as disclosed elsewhere in the interim financial information, major non-cash transactions during the six months ended 31 December 2007 mainly include the following:

On 6 August 2007, 88,500 and 24,000 share options were granted at an exercise price of £1.12 and £2.045 per share respectively to certain directors and employees under the employee share option plan. The fair value of options vested during the period of RMB3,751,000 was accounted for as share option reserve.

NOTES TO THE INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

Asian Citrus Holdings Limited (the "Company") was incorporated in Bermuda on 4 June 2003 under the Companies Act of Bermuda as an exempted company with limited liability. The shares of the Company have been admitted to trading on AIM of the London Stock Exchange since 3 August 2005. The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton, Bermuda HM11. The address of its principal place of business is Rooms 1109-1112, Wayson Commercial Building, 28 Connaught Road West, Hong Kong.

The principal activities of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") are planting, cultivation and selling of agricultural products. The principal activity of the Company is investment holding.

The Directors regard Tong Wang Chow and his family through its direct shareholding in Market Ahead Investments Limited, a company incorporated in the British Virgin Islands ("BVI") as being the ultimate controlling party of the Company.

Details of subsidiaries as at 31 December 2007 are as follows:

Name	Place of incorporation	Percentage of equity interest attributable to the Group	Principal activities
Directly held:			
Newasia Global Limited	BVI	100%	Investment holding
Access Fortune Investments Limited	BVI	100%	Investment holding
Raised Energy Investments Limited	BVI	100%	Investment holding

NOTES TO THE INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION *(continued)*

Name	Place of incorporation	Percentage of equity interest attributable to the Group	Principal activities
Indirectly held:			
Lucky Team Biotech Development (Hepu) Limited ("Lucky Team (Hepu)")	People's Republic of China ("PRC")	100%	Planting, cultivation and selling of oranges
Litian Biological Science & Technology Development (Xinfeng) Company Limited ("Litian (Xinfeng)")	PRC	100%	Planting, cultivation and selling of oranges
Asian Citrus Management Company Limited	BVI	100%	Dormant
Asian Citrus (H.K.) Company Limited	Hong Kong	100%	Dormant
Lucky Team Biotech Development (Zigui) Limited	PRC	100%	Sourcing of oranges and development of nursery
Lucky Team Agriculture Development Limited	PRC	100%	Development of nursery

1 GENERAL INFORMATION *(continued)*

Details of subsidiaries as at 31 December 2007 are as follows: (continued)

Name	Place of incorporation	Percentage of equity interest attributable to the Group	Principal activities
Indirectly held:			
Lucky Team Industrial (Ganzhou) Company Limited	PRC	100%	Development of orange processing centre
Lucky Team Real Estate (Yi Chang) Limited	PRC	100%	Dormant
Lucky Team Biological Development Yongzhou Limited	PRC	100%	Plantation, cultivation and selling of oranges

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

The interim financial information is presented in Renminbi ("RMB"), rounded to the nearest thousand.

The interim financial information has been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which comprise International Financial Reporting Standards ("IFRS"); International Accounting Standards ("IAS"), in particular, IAS 34, Interim financial reporting; and Interpretations ("IFRIC"), issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee that remain in effect, and the AIM Rules issued by the London Stock Exchange.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE *(continued)*

The interim financial information has been prepared under the historical cost convention, as modified by the revaluation of biological assets and certain financial instruments which are carried at their fair values. The principal accounting policies used in the preparation of this interim financial information are consistent with those used in the audited financial statements for the year ended 30 June 2007.

The interim financial information has not been audited but has been reviewed by the Company's auditors and audit committee.

Impact of recently issued IFRSs

The Group has adopted certain new and revised IFRSs that are relevant to its operations and effective for the current accounting period. There have been no significant changes to the accounting policies applied in this interim financial information for the periods presented as a result of these developments. However, as a result of the adoption of IFRS 7, Financial instruments: Disclosures, and the amendment to IAS 1, Presentation of financial statements: Capital disclosures, there have been some additional disclosures provided.

As a result of the adoption of IFRS 7, the interim financial information includes expanded disclosures about the significance of the Group's financial instruments and the nature and extent of risks arising from those instruments, compared with the information previously required to be disclosed by IAS 32, Financial instruments: Disclosure and presentation. These disclosures are provided throughout this interim financial information, in particular in note 19.

The amendment to IAS 1 introduces additional disclosure requirements to provide information about the level of capital and the Group's objectives, policies and processes for managing capital. These new disclosures are set out in note 20.

Both IFRS 7 and the amendment to IAS 1 do not have any material impact on the classification, recognition and measurements of the amounts recognised in the interim financial information.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE *(continued)*

IFRSs issued but not yet effective

At the date of approval of this interim financial information, the following IFRSs were issued but not yet effective:

Amendments to IAS 1	*(Note a)*	Presentation of financial statements – Comprehensive revision including requiring a statement of comprehensive income – Amendments relating to disclosure of puttable instruments and obligations arising on liquidation
Amendment to IAS 23	*(Note a)*	Borrowing costs – Comprehensive revision to prohibit immediate expensing
Amendment to IAS 27	*(Note d)*	Consolidated and separate financial statements – Consequential amendments arising from amendments to IFRS 3
Amendment to IAS 28	*(Note d)*	Investments in associates – Consequential amendments arising from amendments to IFRS 3
Amendment to IAS 31	*(Note d)*	Interests in joint ventures – Consequential amendments arising from amendments to IFRS 3
Amendment to IAS 32	*(Note a)*	Financial instruments: Presentation – Amendments relating to puttable instruments and obligations arising on liquidation
Amendment to IFRS 2	*(Note a)*	Share-based payment – Amendment relating to vesting conditions and cancellations
Amendment to IFRS 3	*(Note d)*	Business combinations – Comprehensive revision on applying the acquisition method

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE *(continued)*

IFRS 8	*(Note a)*	Operating segments
IFRIC 12	*(Note b)*	Service concession arrangements
IFRIC 13	*(Note c)*	Customer loyalty programmes
IFRIC 14	*(Note b)*	IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction

Notes:

a) effective for annual periods beginning on or after 1 January 2009

b) effective for annual periods beginning on or after 1 January 2008

c) effective for annual periods beginning on or after 1 July 2008

d) effective for annual periods beginning on or after 1 July 2009

The Directors do not anticipate that the adoption of these IFRSs in future periods will have a material impact on the interim financial information of the Group.

3 OTHER INCOME

	Six months ended 31 December		Year ended 30 June
	2007	2006	2007
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	*RMB'000*	*RMB'000*
Exchange gain, net	—	786	3,294

4 SEGMENT INFORMATION

a) Business segments

No business segment information of the Group is presented as over 90% of the Group's revenue, expenses, assets, liabilities and capital expenditure are attributable to planting, cultivation and selling of agricultural products.

b) Geographical segments

No geographical segment information of the Group is presented as over 90% of the Group's revenue and assets are derived from customers and operations based in the PRC.

5 PROFIT FROM OPERATIONS

Profit from operations is stated after charging/(crediting) the following:

	Six months ended 31 December		Year ended 30 June
	2007	2006	2007
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	*RMB'000*	*RMB'000*
Inventories used			
– production	**49,831**	47,417	112,943
– general and administrative	**12,947**	1,390	9,512
	62,778	48,807	122,455
Staff costs			
– production	**9,611**	6,540	13,891
– selling and distribution	**474**	447	966
– general and administrative	**9,837**	9,671	20,116
	19,922	16,658	34,973
Amortisation			
– general and administrative	**1,372**	1,656	3,313

5 PROFIT FROM OPERATIONS

	Six months ended 31 December 2007 (Unaudited) *RMB'000*	2006 (Unaudited) *RMB'000*	Year ended 30 June 2007 (Audited) *RMB'000*
Depreciation			
– production	**13,915**	8,665	16,176
– general and administrative	**9,580**	2,771	8,094
	23,495	11,436	24,270
Other operating expenses			
– production	**3,607**	2,873	5,619
– selling and distribution	**13,237**	12,298	30,392
– general and administrative	**16,410**	8,910	19,432
	33,254	24,081	55,443
Of which:			
Amortisation of land use rights	**372**	656	1,313
Amortisation of deferred development costs	**1,000**	1,000	2,000
Depreciation of property, plant and equipment	**21,564**	11,436	26,201
Add: Realisation of depreciation previously capitalised as inventories	**1,931**	—	—
Less: Amount capitalised as inventories	**—**	—	(1,931)
	23,495	11,436	24,270
Exchange loss/(gain), net	**6,036**	(786)	(3,294)
Operating lease expenses			
– plantation base	**3,663**	3,056	5,716
– office premises	**451**	317	672
Research and development costs	**1,300**	2,236	5,154

6 FINANCE COSTS

	Six months ended 31 December		Year ended 30 June
	2007	2006	2007
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	*RMB'000*	*RMB'000*
Bank charges	**8**	2	7
Interest on convertible bonds	**—**	2,981	4,383
	8	2,983	4,390

7 INCOME TAX (CREDIT)/EXPENSE

The amount of income tax (credit)/expense (credited)/charged to the consolidated income statement represents:

	Six months ended 31 December		Year ended 30 June
	2007	2006	2007
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	*RMB'000*	*RMB'000*
PRC enterprise income tax ("EIT") *(Note (a))*	**10,824**	8,245	38,376
Deferred taxation *(Notes (a) and 17)*	**(42,887)**	7,745	16,904
	(32,063)	15,990	55,280

7 INCOME TAX (CREDIT)/EXPENSE *(continued)*

a) EIT

Lucky Team (Hepu), a subsidiary established in Hepu County, Guangxi Zhuang Autonomous Region, PRC, is subject to a preferential EIT rate of 15% up to 2010. For the six months ended 31 December 2007, the company was subject to an EIT rate of 15% (2006: 15%).

Litian (Xinfeng), a subsidiary established in Xinfeng County, Jiangxi Province, PRC, is subject to an EIT rate of 30%. The company is eligible to be granted a preferential tax treatment. It will be exempted from EIT for the two years starting from its first assessable profit-making year and thereafter is entitled to a 50% relief from EIT for the following three years. For the six months ended 31 December 2007, no provision for EIT is required since the company has no assessable profit (2006: Nil).

Pursuant to the PRC Enterprise Income Tax Law (the "New Law") passed by the Tenth National People's Congress on 16 March 2007, the new PRC income tax rates for domestic and foreign enterprises are unified at 25% effective from 1 January 2008. The New Law provides preferential tax rates and tax incentives for prescribed industries and activities.

On 1 January 2008, the New Law came into effect and the Foreign Enterprise Income Tax Law and its Implementation Rules were repealed. According to Article 27 of the New Law and Article 86(1) of the New Law Implementation Rules, enterprises engaging in certain crop-farming activities, including plantation of fruits, are exempted from EIT. Accordingly, Lucky Team (Hepu) and Litian (Xinfeng) are exempted from EIT with effect from 1 January 2008. The deferred taxation previously provided for by these subsidiaries were therefore reversed and recognised as a tax credit in the consolidated income statement for the period.

7 INCOME TAX (CREDIT)/EXPENSE *(continued)*

b) Hong Kong profits tax

No Hong Kong profits tax has been provided as the Group had no assessable profit arising in or derived from Hong Kong.

c) The actual tax (credit)/expense can be reconciled to the profit before income tax in the consolidated income statement as follows:

	Six months ended 31 December 2007 (Unaudited) *RMB'000*	Six months ended 31 December 2006 (Unaudited) *RMB'000*	Year ended 30 June 2007 (Audited) *RMB'000*
Profit before income tax	**131,652**	126,290	373,985
Notional tax at the applicable tax rate of 15%	**19,748**	18,944	56,097
Tax effect of non-deductible expenses	**1,016**	1	4,935
Tax effect of non-taxable revenue	**(14,986)**	(12,643)	(1,306)
Tax effect of unused tax losses not recognised	**5,046**	4,164	449
Under/(over) provision in prior years	**—**	5,524	(4,895)
Reversal of deferred tax recognised due to imposition of new tax policy	**(42,887)**	—	—
Actual tax (credit)/expense	**(32,063)**	15,990	55,280

8 EMPLOYEES AND DIRECTORS

	Six months ended 31 December		Year ended 30 June
	2007	2006	2007
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	*RMB'000*	*RMB'000*
Staff costs			
(including directors' emoluments)			
Wages and salaries	**16,045**	12,462	26,339
Share-based payments	**3,751**	4,148	8,417
Employee retirement benefits	**126**	48	217
	19,922	16,658	34,973
Average monthly number of people			
(including directors) employed:			
– production	**340**	340	340
– selling and distribution	**70**	66	70
– general and administrative	**111**	98	103
	521	504	513

8 EMPLOYEES AND DIRECTORS *(continued)*

	Salaries and bonus RMB'000	Share-based payments RMB'000	**Six months ended 31 December 2007 (Unaudited) RMB'000**	Six months ended 31 December 2006 (Unaudited) RMB'000	Year ended 30 June 2007 (Audited) RMB'000
Directors' emoluments					
Executive Directors					
Tong Wang Chow	600	286	**886**	992	2,088
Tong Hung Wai	366	105	**471**	524	1,133
Cheung Wai Sun	306	86	**392**	414	898
Pang Yi	300	325	**625**	738	1,522
Sung Chi Keung *(Note)*	366	268	**634**	—	662
Non-executive Directors					
Ip Chi Ming	300	—	**300**	306	600
Ma Chiu Cheung	234	—	**234**	226	453
Lui Ming Wah	120	—	**120**	122	240
Yang Zhen Han	120	—	**120**	122	240
Nicholas Smith	234	—	**234**	214	435
Peregrine Moncreiffe	120	—	**120**	116	230
	3,066	1,070	**4,136**	3,774	8,501

Note: Sung Chi Keung was appointed as Executive Director on 15 January 2007.

9 DIVIDENDS

No dividend has been declared during the six months ended 31 December 2007 (2006: RMBNil).

A final dividend of RMB0.68 (2006: RMB0.62) per ordinary share for the year ended 30 June 2007 was paid on 28 December 2007.

10 EARNINGS PER SHARE

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

	Six months ended 31 December		Year ended 30 June
	2007	2006	2007
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	*RMB'000*	*RMB'000*
Earnings			
Profit attributable to shareholders used in basic earnings per share calculation	**163,715**	110,300	318,705
Interest saving on convertible bonds outstanding	**—**	2,980	—
Profit attributable to shareholders used in diluted earnings per share calculation	**163,715**	113,280	318,705
Weighted average number of shares	**'000**	'000	'000
Issued ordinary shares at beginning of period/year	**74,084**	62,202	62,202
Effect of new shares issued	**—**	—	2,123
Effect of conversion of convertible bonds	**—**	—	875
Effect of new shares issued upon exercise of share options	**89**	90	103
Weighted average number of ordinary shares used in basic earnings per share calculation	**74,173**	62,292	65,303
Effect of dilutive potential shares in respect of convertible bonds	**—**	3,433	—
Effect of dilutive potential shares in respect of share options	**220**	92	148
Weighted average number of ordinary shares used in diluted earnings per share calculation	**74,393**	65,817	65,451

11 PROPERTY, PLANT AND EQUIPMENT

	Buildings	Leasehold improvements	Furniture, fixtures and equipment	Motor vehicles	Farmland infrastructure and machinery	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost						
At 1 July 2006 (audited)	10,101	3,062	2,775	1,409	588,809	606,156
Additions (audited)	—	—	288	1,685	452	2,425
Transfer from construction-in-progress (audited) *(Note 13)*	—	—	—	—	297,360	297,360
At 30 June 2007 (audited)	10,101	3,062	3,063	3,094	886,621	905,941
Additions (unaudited)	—	—	206	954	690	1,850
Transfer from construction-in-progress (unaudited) *(Note 13)*	—	—	15	—	216,878	216,893
At 31 December 2007 (unaudited)	**10,101**	**3,062**	**3,284**	**4,048**	**1,104,189**	**1,124,684**
Accumulated depreciation						
At 1 July 2006 (audited)	1,142	170	476	986	64,475	67,249
Charge for the year (audited)	291	174	381	253	25,102	26,201
At 30 June 2007 (audited)	1,433	344	857	1,239	89,577	93,450
Charge for the period (unaudited)	146	88	216	147	20,967	21,564
At 31 December 2007 (unaudited)	**1,579**	**432**	**1,073**	**1,386**	**110,544**	**115,014**
Carrying amount						
At 31 December 2007 (unaudited)	**8,522**	**2,630**	**2,211**	**2,662**	**993,645**	**1,009,670**
At 30 June 2007 (audited)	8,668	2,718	2,206	1,855	797,044	812,491

12 LAND USE RIGHTS

	31 December		30 June
	2007	2006	2007
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	*RMB'000*	*RMB'000*
Cost			
At beginning of period/year	**37,204**	65,654	65,654
Transfer to properties under development for sale	**—**	—	(28,450)
At end of period/year	**37,204**	65,654	37,204
Accumulated amortisation			
At beginning of period/year	**2,354**	2,912	2,912
Charge for the period/year	**372**	656	1,313
Transfer to properties under development for sale	**—**	—	(1,871)
At end of period/year	**2,726**	3,568	2,354
Carrying amount	**34,478**	62,086	34,850

Land use rights represent the rights to use two pieces of land located in Xinfeng County, Jiangxi Province, PRC. The land use rights are valid for a period of 50 years up to 2053 and 2054 respectively.

13 CONSTRUCTION-IN-PROGRESS

	31 December		30 June
	2007	2006	2007
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	*RMB'000*	*RMB'000*
At beginning of period/year	**150,927**	257,147	257,147
Additions	**89,640**	58,717	191,140
Transfer to property, plant and equipment *(Note 11)*	**(216,893)**	(27,632)	(297,360)
At end of period/year	**23,674**	288,232	150,927

14 BIOLOGICAL ASSETS

Biological assets represent orange trees, infant trees, immature seedlings and self-bred saplings. The role of orange trees is to supply oranges through the processes of growth in each production cycle. The infant trees, immature seedlings and self-bred saplings are held for transforming into orange trees. The biological assets can be summarised as follows:

	Self-bred saplings *RMB'000*	**Immature seedlings** *RMB'000*	**Infant trees** *RMB'000*	**Orange trees** *RMB'000*	**Total** *RMB'000*
At 1 July 2006 (audited)	—	9	11,197	617,000	628,206
Additions (audited)	142	4,000	—	—	4,142
Intra transfer to infant trees (audited)	—	(4,000)	4,000	—	—
Intra transfer to orange trees (audited)	—	—	(2,828)	2,828	—
Write off (audited)	—	(9)	—	—	(9)
Net change in fair value (audited)					
– Gain due to price, yield, maturity and cost changes	—	—	—	160,497	160,497
– Decrease due to replanting programme	—	—	—	(27,325)	(27,325)
	—	—	—	133,172	133,172
At 30 June 2007 (audited)	142	—	12,369	753,000	765,511
Additions (unaudited)	630	—	—	—	630
Net change in fair value (unaudited)					
– Gain due to price, yield, maturity and cost changes	—	—	—	133,200	133,200
– Decrease due to replanting programme	—	—	—	(45,200)	(45,200)
	—	—	—	88,000	88,000
At 31 December 2007 (unaudited)	772	—	12,369	841,000	854,141

14 BIOLOGICAL ASSETS *(continued)*

The movement in biological assets can be summarised as follows:

	Self-bred saplings	**Immature seedlings**	**Infant trees**	**Orange trees**
	Number	*Number*	*Number*	*Number*
At 1 July 2006	—	1,674	1,246,077	1,246,052
Additions	203,515	400,000	55,185	—
Intra transfer to infant trees	—	(400,000)	400,000	—
Intra transfer to orange trees	—	—	(400,000)	400,000
Write off	—	(1,674)	—	—
Decrease due to replanting programme	—	—	—	(55,185)
At 30 June 2007	203,515	—	1,301,262	1,590,867
Additions	78,096	—	—	—
At 31 December 2007	281,611	—	1,301,262	1,590,867

14 BIOLOGICAL ASSETS *(continued)*

Following the trial replanting programme in last financial year, the Group expanded further the replanting programme in Hepu Plantation. The replanting programme replaces existing species with more advanced and better quality species that have stronger resistance to disease and produce a higher yield. Subsequent to 31 December 2007, 76,135 summer orange trees have been removed and the corresponding land area will be replanted with the same amount of new species.

The valuation methodology used to determine the fair value less estimated point-of-sale cost of orange trees is in compliance with both IAS 41, Agriculture, and the International Valuation Standards issued by the International Valuation Standard Committee which aims to determine the fair value of a biological asset in its present location and condition.

The infant trees, immature seedlings and self-bred saplings are still undergoing biological transformation before they are able to produce oranges. Once the infant trees, immature seedlings and self-bred saplings become mature and productive, they will be transferred to the category of orange trees.

	Six months ended 31 December		Year ended 30 June
	2007	2006	2007
	(Unaudited)	(Unaudited)	(Audited)
Output of oranges	**Tonnes**	Tonnes	Tonnes
Total output for the period/year	**59,281**	49,871	121,091

14 BIOLOGICAL ASSETS *(continued)*

The fair value less estimated point-of-sale costs of orange trees is calculated by deducting the value of machinery and equipment and other assets from the market value of the orange tree operation. In doing so the following major assumptions when using the valuation methodology were made:

a) With regard to the purchase price indices in the PRC over the past 10 years, it has been assumed that the price of oranges will remain stable at the current level throughout the life of the assets. Based on the Group's records, the selling prices of summer and winter oranges in Hepu Plantation are assumed to be RMB4,230 (30 June 2007: RMB4,000) and RMB2,600 (30 June 2007: RMB2,520) per tonne respectively. The selling price of winter oranges in Xinfeng Plantation is assumed to be RMB2,900 (30 June 2007: RMB2,800) per tonne.

b) Yield per tree generally increases from age 3 to 8, remain stable for about 22 years, and then decreases until age 35.

	Annual total yield per tree (kg)					
Age	3	4	5	6	7	8
Hepu Plantation						
Winter	23.71	32.96	49.58	65.05	80.14	98.73
Summer	—	—	—	—	—	98.19
Xinfeng Plantation						
Winter	9	25	60	60	60	60

14 BIOLOGICAL ASSETS *(continued)*

c) Based on historical records of the Group, direct costs and other operating expenses are assumed to be as follows:

	Six months ended 31 December		Year ended 30 June
	2007	2006	2007
	(Unaudited)	(Unaudited)	(Audited)
	% of sales	% of sales	% of sales
Supplies and direct costs (excluding depreciation)	**28%**	31%	28%
Selling and distribution expenses	**5%**	5%	5%
General and administrative expenses	**3%**	3%	3%

d) The Capital Asset Pricing Model has been used to determine a discount rate of 20% (30 June 2007: 20%) applied to the orange tree operation.

e) The land currently occupied by the Group is leased from third parties, and has no commercial value. With reference to the value of machinery and equipment and other assets (represented by improvements in the structures and buildings, wind breakers, etc.), the total values of the assets involved as at 31 December 2007 for Hepu Plantation and Xinfeng Plantation are approximately RMB273 million (30 June 2007: RMB221 million) and RMB115 million (30 June 2007: RMB77 million) respectively. No intangible assets are identified relating to the operation of the biological assets.

14 BIOLOGICAL ASSETS *(continued)*

The Group is exposed to a number of risks related to its orange plantations:

i) Regulatory and environmental risks

The Group is subject to laws and regulations in the respective jurisdictions in which it operates. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws. Management performs regular reviews to identify environmental risks and to ensure that the systems in place are adequate to manage those risks.

ii) Supply and demand risk

The Group is exposed to risks arising from fluctuations in the price and sales volume of orange. Where possible the Group manages this risk by aligning its harvest volume to market supply and demand. Management performs regular industry trend analysis to ensure that the Group's pricing structure is in line with the market and to ensure that projected harvest volumes are consistent with the expected demand.

iii) Climate and other risks

The Group's orange plantations are exposed to the risk of damage from climatic changes, diseases, forest fires and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating those risks, including regular forest health inspections and industry pest and disease surveys. The Group also insures itself against natural disasters such as floods and hurricanes.

15 DEFERRED DEVELOPMENT COSTS

	31 December		30 June
	2007	2006	2007
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	*RMB'000*	*RMB'000*
Cost			
At beginning of period/year	**19,000**	15,500	15,500
Additions	**13,000**	3,500	3,500
At end of period/year	**32,000**	19,000	19,000
Accumulated amortisation			
At beginning of period/year	**7,000**	5,000	5,000
Charge for the period/year	**1,000**	1,000	2,000
At end of period/year	**8,000**	6,000	7,000
Carrying amount	**24,000**	13,000	12,000

Deferred development costs relate to expenditures incurred in developing techniques relating to the cultivation of orange trees, which will increase the productivity of the biological assets in future periods. The carrying amount of RMB22 million (30 June 2007: RMB9 million) represented certain incomplete research and development projects, and the remaining balance of RMB 2 million (30 June 2007: RMB 3 million) has an average remaining amortisation period of 1 year (30 June 2007: 1.5 years) as at 31 December 2007.

16 INTERESTS IN ASSOCIATES

	31 December **2007** **(Unaudited)** ***RMB'000***	2006 (Unaudited) *RMB'000*	30 June 2007 (Audited) *RMB'000*
Share of net liabilities	**(2,741)**	(785)	(1,091)
Due from an associate	**6,165**	6,165	6,165
	3,424	5,380	5,074

The amount due from an associate is unsecured, interest free and not repayable within the next 12 months. The advances to the associate were primarily for the funding of the operation.

Details of associates as at 31 December 2007 are as follows:

Name	**Place of incorporation**	**Percentage of equity interest attributable to the Group**	**Principal activities**
Asian Fruits Limited	BVI	46%	Trading of fruits
Asian Fruits Trading (Dongguan) Limited	PRC	46%	Trading of fruits

16 INTERESTS IN ASSOCIATES *(continued)*

Summarised financial information in respect of the Group's associates is set out below:

	31 December		30 June
	2007	2006	2007
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	*RMB'000*	*RMB'000*
Total assets	**6,254**	16,850	10,135
Total liabilities	**12,215**	18,557	12,509

	Six months ended 31 December		Year ended 30 June
	2007	2006	2007
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	*RMB'000*	*RMB'000*
Revenue	**—**	9,361	24,341
(Loss)/profit for the period/year	**(3,586)**	613	(32)

17 DEFERRED TAXATION

	31 December **2007** **(Unaudited)** ***RMB'000***	2006 (Unaudited) *RMB'000*	30 June 2007 (Audited) *RMB'000*
At beginning of period/year	**42,887**	25,983	25,983
Provision for deferred taxation *(Note 7)*	—	7,745	16,904
Reversal of deferred taxation *(Note 7)*	**(42,887)**	—	—
At end of period/year	—	33,728	42,887

The analysis of the deferred tax position is as follows:

Property, plant and equipment	—	12,177	45,986
Land use rights	—	803	(2,093)
Construction-in-progress	—	(14,118)	(46,208)
Biological assets	—	38,984	46,634
Deferred development costs	—	—	1,605
Inventories	—	18	1,162
Other receivables and prepayments	—	259	(849)
Trade payables and accrued expenses	—	(164)	888
Other items	—	(4,231)	(4,238)
	—	33,728	42,887

Represented by:

Deferred tax assets	—	(18,513)	(4,672)
Deferred tax liabilities	—	52,241	47,559
	—	33,728	42,887

18 INVENTORIES

	31 December		30 June
	2007	2006	2007
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	*RMB'000*	*RMB'000*
Agricultural materials	**846**	412	1,498
Packing materials	**74**	76	75
Expenditures capitalised for immature crops	**—**	—	7,688
	920	488	9,261

19 TRADE RECEIVABLES

	31 December		30 June
	2007	2006	2007
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	**14,292**	29,396	—

The trade receivables are expected to be recovered within one year.

Trade receivables are current debts and due within 30 days from the date of billing.

All the receivables were neither past due nor impaired and relate to a range of customers for whom there was no recent history of default.

20 SHARE CAPITAL

	Note	Number of shares	HK$'000	RMB'000
Authorised:				
Ordinary shares of HK$0.10 each				
At 1 July 2006, 30 June 2007 and 31 December 2007		200,000,000	20,000	20,900
Issued and fully paid:				
At 1 July 2006		62,201,949	6,220	6,569
Issue of new shares upon exercise of share options	*(a)*	115,500	12	12
Conversion of convertible bonds	*(b)*	3,433,476	343	344
Issue of new shares	*(c)*	8,333,333	833	833
At 30 June 2007		74,084,258	7,408	7,758
Issue of new shares upon exercise of share options	*(d)*	112,500	11	11
At 31 December 2007		74,196,758	7,419	7,769

Notes:

a) On 10 August 2006, 115,500 new ordinary shares of HK$0.10 each were issued at £1.12 per share to a director and certain employees upon exercise of 115,500 share options (Note 21(b)).

20 SHARE CAPITAL *(continued)*

Notes: (continued)

b) On 29 March 2007, 3,433,476 new ordinary shares of HK$0.10 each were issued to the holders of the convertible bonds upon conversion of convertible bonds with nominal value of HK$56,000,000.

c) On 29 March 2007, 8,333,333 new ordinary shares of HK$0.10 each were issued at £2.40 per share pursuant to the placing agreement.

d) On 6 August 2007, 88,500 and 24,000 new ordinary shares of HK$0.10 each were issued at £1.12 and £2.045 per share respectively to certain directors and employees upon exercise of 112,500 share options (Note 21(c)).

e) The ordinary shares issued rank pari passu with the existing ordinary shares in issue.

f) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a sufficient liquidity to support its operation and development and maximise shareholder's value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. The Group is not subject to externally imposed capital requirements.

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 2007. The Group was in net cash position of RMB227.9 million as at 31 December 2007 (30 June 2007: RMB344.5 million).

21 SHARE-BASED PAYMENTS

Details of the share options outstanding during the period/year are as follows:—

		Six months ended 31 December				Year ended 30 June	
		2007		2006		2007	
		Number of share options	**Weighted average exercise price**	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
	Note						
Employees							
Outstanding at beginning of period/year		**2,287,500**	**£1.62**	1,155,000	£1.12	1,155,000	£1.12
Granted during the period/year	(a)(iii)	**353,000**	**£2.425**	1,248,000	£2.045	1,248,000	£2.045
Exercised during the period/year	(c)	**(112,500)**	**£1.32**	(115,500)	£1.12	(115,500)	£1.12
Outstanding at end of period/year		**2,528,000**	**£1.75**	2,287,500	£1.62	2,287,500	£1.62
Exercisable at end of period/year		**252,600**	**£1.95**	—		—	

21 SHARE-BASED PAYMENTS *(continued)*

		Six months ended 31 December				Year ended 30 June	
		2007		2006		2007	
	Note	**Number of share options**	**Weighted average exercise price**	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Evolution Securities China Limited ("ESCL")							
Outstanding at beginning and end of period/year	(g)	**150,000**	**£1.12**	150,000	£1.12	150,000	£1.12
Exercisable at end of period/year		**150,000**	**£1.12**	150,000	£1.12	150,000	£1.12

21 SHARE-BASED PAYMENTS *(continued)*

Notes:

Employees

a) The Company's share option plan (the "Plan") is established for the primary purpose of providing incentives to the directors and employees of the Group.

   i) On 27 July 2005, 1,155,000 share options were granted at an exercise price of £1.12 per share. The options will normally vest and become exercisable annually at the rate of 10% over 10 years, subject to continuing employment. No consideration was paid for the granting of the options. All options were issued upon the Company's shares were admitted to trading on AIM of the London Stock Exchange on 3 August 2005. The fair value of options granted was approximately RMB9,189,000 (equivalent to £651,000).

   ii) On 27 July 2006, 1,248,000 share options were granted at an exercise price of £2.045 per share under the Plan. The options will normally vest and become exercisable annually at the rate of 20% for the period from 27 July 2007 to 27 July 2014, subject to continuing employment and the satisfaction of certain performance conditions. No consideration was paid for the granting of the options. The estimated fair value of options granted was approximately RMB16,359,000 (equivalent to £1,110,043).

   iii) On 14 September 2007, 353,000 shares options were granted at an exercise price of £2.425 per share under the Plan. The options will normally vest and become exercisable annually at the rate of 20% for the period from 14 September 2008 to 14 September 2015, subject to continuing employment and the satisfaction of certain performance conditions. No consideration was paid for the granting of the options. The estimated fair value of options granted was approximately RMB4,870,000 (equivalent to £325,242).

b) On 10 August 2006, 115,500 new ordinary shares of HK$0.10 each were issued at an exercise price of £1.12 per share upon exercise of 115,500 share options (Note 20(a)).

21 SHARE-BASED PAYMENTS *(continued)*

c) On 6 August 2007, 88,500 and 24,000 new ordinary shares of HK$0.10 each were issued at an exercise price of £1.12 and £2.045 per share respectively upon exercise of 112,500 share options (Note 20(d)).

d) Subsequent to the balance sheet date, 10,200 new ordinary shares of HK$0.10 each were issued at an exercise price of £2.045 per share upon exercise of 10,200 share options on 4 January 2008.

e) At 31 December 2007, the number of shares in respect of which options had been granted and remained outstanding under the Plan was 2,756,000 and 2,528,000, representing approximately 3.7% and 3.4% of the issued shares of the Company at that date respectively. The total number of shares in respect of which options may be granted under the Plan is not permitted to exceed 10% of the issued shares of the Company from time to time.

f) The weighted average share price at the date of exercise for share options exercised during the period was £2.815 (30 June 2007: £1.94). The options outstanding at the end of the period have a weighted average remaining contractual life of 6 years (30 June 2007: 7 years) and the exercise prices ranging from £1.12 to £2.425 (30 June 2007: £1.12 to £2.045).

ESCL

g) Additionally, share options are also granted to outside third parties for settlement in respect of goods or services provided to the Group.

On 27 July 2005, 350,000 share options were granted at an exercise price of £1.12 per share to ESCL as corporate finance fee and commission pursuant to the placing agreement. The options are exercisable for the period from 28 July 2005 to 28 July 2008. All options were issued upon the Company's shares were admitted to trading on AIM of the London Stock Exchange on 3 August 2005. The fair value of options granted was approximately RMB1,383,000 (equivalent to £98,000).

On 16 March 2006, 200,000 new ordinary shares of HK$0.10 each were issued at an exercise price of £1.12 per share to ESCL upon exercise of 200,000 share options.

21 SHARE-BASED PAYMENTS *(continued)*

The fair value was calculated using the binomial model. The inputs into the model were as follows:

	Employees			ESCL
	(Note (a)(i))	*(Note (a)(ii))*	*(Note (a)(iii))*	
Spot price	£1.12	£2.08	£2.435	£1.12
Expected life (years)	10	8	8	3
Exercise price	£1.12	£2.045	£2.425	£1.12
Expected volatility	43%	42%	41%	43%
Rise-free interest rate	4.39%	4.61%	4.908%	4.24%
Dividend yield	0%	0%	1.8%	0%

The expected volatility is based on the historical volatility of the Company's share price and it is assumed the volatility is constant throughout the option life.

There was no service conditions or market conditions associated with the share options granted.

22 COMMITMENTS

a) Operating lease commitments

At 31 December 2007, the Group's total future minimum lease payments under non-cancellable operating leases are as follows:

	31 December		30 June
	2007	2006	2007
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	*RMB'000*	*RMB'000*
Within one year	**6,948**	6,741	6,573
In the second to fifth years inclusive	**24,985**	24,865	25,072
After five years	**238,317**	242,288	241,060
	270,250	273,894	272,705

Operating lease payments represent rental payable by the Group for certain of its office premises and land on which the Hepu Plantation and Xinfeng Plantation are situated. The leases of two plantations are negotiated for a term of 50 years expiring in 2050 and 2052 respectively.

22 COMMITMENTS *(continued)*

b) Capital and other commitments

At 31 December 2007, the Group had the following capital and other commitments:

	31 December		30 June
	2007	2006	2007
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	*RMB'000*	*RMB'000*
Contracted but not provided for			
Construction-in-progress	**37,405**	125,654	8,469
Immature seedlings	**—**	1,000	—
Land use rights	**—**	6,856	—
Properties under development for sale	**8,010**	17,420	12,675
Research and development	**—**	3,000	3,000
	45,415	153,930	24,144

23 RELATED PARTY TRANSACTIONS

a) Save as disclosed elsewhere in the interim financial information, the Group had the following significant related party transactions during the period/ year:

	Note	**Six months ended 31 December 2007 (Unaudited)** *RMB'000*	Six months ended 31 December 2006 (Unaudited) *RMB'000*	Year ended 30 June 2007 (Audited) *RMB'000*
Purchases of organic fertilisers from:				
Fujian Zhangzhou Chaoda Microbe Organic Fertiliser Company Limited ("Zhangzhou Chaoda")	(i)	**6,180**	7,238	17,378
Weizhou Chaoda Microbe Organic Fertiliser Company Limited ("Weizhou Chaoda")	(i)	**3,000**	—	2,213
		9,180	7,238	19,591
Operating lease expenses paid to:				
Alpha Best Limtied		**103**	—	—
Pan Air & Sea Forwarders (HK) Limited		**92**	101	194
		195	101	194

23 RELATED PARTY TRANSACTIONS *(continued)*

Note:

i) The purchases were charged at prices and terms comparable with those charged to and contracted with independent third parties.

Zhangzhou Chaoda and Weizhou Chaoda are related parties of Lucky Team (Hepu) by virtue of Mr. Kwok Ho's interest. The entire registered capital of Zhangzhou Chaoda and Weizhou Chaoda is indirectly held by Mr. Kwok Ho, a director of Lucky Team (Hepu) and a substantial shareholder in Chaoda Modern Agriculture (Holdings) Limited ("Chaoda"). Chaoda is in turn the holding company of Huge Market Investments Limited, a major shareholder of the Company.

Alpha Best Limited and Pan Air & Sea Forwarders (HK) Limited are related to the Group by virtue of Mr. Tong Wang Chow's interest in their share capital.

b) At 31 December 2007, the Group had the following amount due to a related party, which was trade in nature:

	31 December		30 June
	2007	2006	2007
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	*RMB'000*	*RMB'000*
Zhangzhou Chaoda	**—**	—	2,610

23 RELATED PARTY TRANSACTIONS *(continued)*

c) Compensation of key management personnel

	Six months ended 31 December		Year ended 30 June
	2007	2006	2007
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	*RMB'000*	*RMB'000*
Wages and salaries	**3,223**	3,674	7,664
Share-based payments	**1,570**	2,162	3,983
Employee retirement benefits	**18**	—	111
	4,811	5,836	11,758

The Directors are of the opinion that the related party transactions were conducted in the ordinary course of business.

24 EVENTS AFTER THE BALANCE SHEET DATE

Save as disclosed elsewhere in the interim financial information, there was no significant event after the balance sheet date.

25 COMPARATIVE FIGURES

As a result of adopting IFRS 7, Financial instruments: Disclosures, and the amendments to IAS 1, Presentation of financial statements: Capital disclosures, certain comparative figures have been adjusted to conform with changes in disclosures in the current period and to show separately comparative amounts in respect of items disclosed for the first time in the current period. Further details are disclosed in note 2.

26 APPROVAL OF THE INTERIM FINANCIAL INFORMATION

The interim financial information was approved and authorised for issue by the Board of Directors on 18 March 2008.