CONTENTS

FINANCIAL HIGHLIGHTS

RESULTS OF OPERATIONS (RMB MILLION)

	For the six months ended 31 December		
	2008	2007	% change
Reported financial information			
Revenue	**293.3**	181.2	+62
Gross profit	**146.0**	104.3	+40
EBITDA	**184.9**	151.6	+22
Profit before tax	**150.8**	131.7	+15
Profit attributable to shareholders	**149.3**	163.7	-9
Pre-tax earnings per share (RMB)	**2.03**	1.77	+15
Basic earnings per share (RMB)	**2.01**	2.21	-9
Diluted earnings per share (RMB)	**2.01**	2.20	-9
Reported financial information adjusted to exclude biological gain			
EBITDA	**97.6**	63.6	+53
Profit before tax	**63.4**	43.7	+45
Profit attributable to shareholders	**62.0**	75.7	-18
Pre-tax earnings per share (RMB)	**0.85**	0.59	+44
Basic earnings per share (RMB)	**0.83**	1.02	-19
Diluted earnings per share (RMB)	**0.83**	1.02	-19

FINANCIAL RATIOS

Gross profit margin (%)	**49.8**	57.5	-13
Return on assets (%)	**5.6**	7.2	
Return on equity (%)	**5.7**	7.3	
Asset turnover (x)	**0.11**	0.08	

FINANCIAL POSITION (RMB MILLION)

	31 December 2008	30 June 2008
Total assets	**2,663.4**	2,527.3
Net current assets	**344.7**	345.5
Cash and bank balances	**323.6**	310.0
Shareholders' fund	**2,609.2**	2,469.3
Current ratio (x)	**7.36**	6.96

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 2008.

STRATEGIC OVERVIEW

During the last six months, the Group has continued to expand its direct sales to supermarkets with both increased volume and geographical coverage. In addition to the renewal of the supply contracts with all the existing supermarket customers, the Group entered into new contracts with two more supermarket customers; one in Beijing and the other in Guizhou province. We believe that expanding the geographical coverage of our products will help to increase brand awareness and build our product image amongst consumers.

During the six months ended 31 December 2008, we sold approximately 19,031 tonnes (2007: 12,516 tonnes) of oranges directly to supermarkets accounting for approximately 24% (2007: 21%) of the total volume of winter orange crop. The higher proportion of direct sales to supermarkets enhances Group profitability.

Benefiting from the accreditation of our oranges as "Organic Products", we were able to increase the average price of our winter crops by 11.2% even though the growth of the Chinese economy started to slow in the second half of 2008. Despite this year's continued slow down in the Chinese economy, which created a more challenging environment, we have negotiated an average price increase for the coming summer crops of approximately 3.7%.

As a result of the more challenging environment ahead, the Board has reviewed its strategy and adopted a more prudent view in order to ensure continuing attractive returns and to maintain a strong financial position; while maintaining the long term growth potential and leading market position of the Group.

CHAIRMAN'S STATEMENT

The Group commenced the basic infrastructure work on the Hunan plantation during the third quarter of 2008 and approximately RMB5.2 million was invested during the six months ended 31 December 2008. The original plan was to complete the Hunan Plantation within three years. However, in view of the anticipated slower growth of the economy in the People's Republic of China ("PRC") as a result of the global financial crisis, management has decided to lengthen the investment period of the Hunan Plantation from 3 years to 5 years in order to optimise the Group's annual capital expenditure during this challenging period.

As disclosed in the previous annual report, Phase 1 of the agricultural wholesalers' market and orange processing centre located in the Xinfeng County Zhongduan Industrial Park ("Xinfeng Development") was completed in the 2007-2008 financial year with approximately 99% of the units sold for a total consideration of RMB90.9 million. Although Phase 1 was very successful, the mainland real estate sector has weakened and management has decided to postpone starting Phase 2 of the development until conditions improve.

Management has taken a prudent view in light of the economic situation and has decided to delay the launch of the freshly-squeezed juice operation. Freshly-squeezed juice is regarded as a premium product by most Chinese people and therefore management considers it appropriate to adopt a conservative stance and keep this new development under review pending an assessment of the economic impact on consumer demand. Nevertheless, we still believe that there is considerable potential to develop a significant own-brand juice operation once the general economic environment improves and the Group remains committed to launching this product in the future.

Approximately 300,000 self-bred saplings of two different species are currently being grown in the nursery at the Hepu Plantation which are ready for planting. Originally, we planned to use these saplings in our new Hunan Plantation. However, in order to minimise the corresponding transportation costs and potential wastage during the transportation process, we intend to retain these saplings for the replanting programme in the Hepu Plantation and for sales to local farmers.

Meanwhile, construction work on a new nursery at the Hunan Plantation has commenced in March 2009 and is expected to be completed by May 2009. This new nursery occupies approximately 7,000 square metres and will provide the Hunan Plantation with new species of saplings for planting in the future. The first batch of saplings from this nursery will be available in 2010.

OPERATING REVIEW

The Hepu Plantation is fully developed with approximately 1.2 million orange trees. Output from Hepu was approximately 53,142 tonnes for the six months ended 31 December 2008 which represents an increase of approximately 8% over the previous year's production of 49,162 tonnes. Growth was mainly due to increased production from certain winter orange trees which are yet to achieve their full maturity.

The Xinfeng Plantation is now fully planted with 1.6 million winter orange trees. During the six months ended 31 December 2008, there were 800,000 trees producing oranges (2007: 400,000), yielding approximately 27,665 tonnes of oranges, which represents an increase of approximately 173% over the previous year's production of 10,119 tonnes. The growth was mainly due to the increased production from the initial planting of 400,000 winter oranges trees, which are still yet to achieve their full maturity, together with trial production from the next 400,000 trees. It is expected that a further 400,000 orange trees will start their trial production in the winter of 2009.

The Group's replanting programme in the Hepu Plantation is continuing. Since the half year, 81,261 winter orange trees have been removed and the corresponding land area has been replanted with the same number of the new species of summer orange trees. The ongoing replanting strategy is expected to equate to approximately 5% of Hepu's trees per annum and it will be principally focused around replacing the existing winter orange trees with new species of summer orange trees. It is expected that this ongoing replanting will take another three to four years to complete. We believe this will deliver long term economic benefits by increasing average yields and the achievable revenue per tonne from the improved species of trees being planted.

CHAIRMAN'S STATEMENT

TRADING RESULTS

The revenue from sales of oranges was RMB274.6 million (2007: RMB181.2 million) for the six months ended 31 December 2008 which represents growth of 51.5%. This was achieved by an increase of approximately 36.3% in the Group's production combined with a 11.2% increase in average selling prices to both wholesalers and supermarkets. For the six months ended 31 December 2008, sales to supermarkets accounted for approximately 23.6% and 31.6% of the Group's production volume and revenue respectively (against 21.1% and 29.3% in 2007). We expect that this proportion will continue to increase and the Group's products will achieve wider geographical exposure as more supermarket contracts in the PRC are secured.

The gross profit of the Hepu Plantation increased from RMB94.3 million for the six months ended 31 December 2007 to RMB115.2 million for the six months ended 31 December 2008, representing growth of 22.2%. The gross margin of the Hepu Plantation increased slightly to approximately 62.5% for the six months ended 31 December 2008 (2007: 62.1%) reflecting higher average selling prices to both wholesalers and supermarkets offsetting higher production costs related to organic farming and an increase in staff costs due to wage inflation.

The gross profit of the Xinfeng Plantation increased from RMB9.9 million for the six months ended 31 December 2007 to RMB26.3 million for the six months ended 31 December 2008, representing growth of 165.7%. However as the Xinfeng Plantation is still in its early stage of production, with a trial crop from the 400,000 trees which have just started to bear oranges in the period, the gross margin decreased to approximately 29.1% for the six months ended 31 December 2008 (2007: 33.8%). However, over the medium term, as production volume increases and economies of scale are achieved, the Xinfeng Plantation will demonstrate its potential for profitable growth.

The cost of production increased from approximately RMB77.0 million for the six months ended 31 December 2007 to RMB133.1 million for the six months ended 31 December 2008 reflecting the growth of production volume. The average unit cost of production increased by 26.9% to approximately RMB1.65 per Kg for the six months ended 31 December 2008 (2007: approximately RMB1.30 per Kg) principally as a result of the trial production of the 400,000 trees in the Xinfeng Plantation which was not yet profitable. In addition, there were the effects of higher costs relating to organic farming and wage inflation.

CHAIRMAN'S STATEMENT

HK LISTING

At the interims in 2008, the Board stated that it believed a Hong Kong listing was still desirable when the timing was appropriate. Whilst market conditions remain challenging, the Board is currently considering the initiation of work to investigate a dual primary Hong Kong listing by way of an introduction during the next twelve months.

INVESTOR RELATIONS

The Board is committed to maintaining good communications with shareholders and potential investors. The Group's management visited certain institutional and private client investment advisers during October and November 2008 to update existing shareholders on the Group's latest developments and introduce the Group to potential new investors.

OUTLOOK

Since the second half of 2008, the growth of the Chinese economy started to slow down in wake of the global financial crisis. Despite this, we believe the Group was able to achieve higher selling prices for both its winter and summer crops because of the outstanding species and quality of its oranges. Furthermore, the Group was able to expand its sales coverage to both Beijing and Guizhou province, further extending our coverage of the population.

Looking to the future, given the more challenging global and Chinese business environment, we intend to adopt a more conservative strategy by lengthening the investment period of the Hunan Plantation, delaying the launch of the freshly-squeezed juice business and postponing the start of Phase 2 of the Xinfeng Development.

Notwithstanding this, our business and cash resources have remained strong and we are optimistic that the Group will be able to achieve better profitability and diversification by securing supplier contracts with more supermarket customers and expanding its exposure to more areas across China in the near future. We are very confident in the development of Asian Citrus and we will continue to focus on delivering value to our shareholders.

Tony Tong

Chairman

18 March 2009

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING PERFORMANCE

Revenue

Revenue from sale of oranges grew by 51.5% to RMB274.6 million for the six months ended 31 December 2008. This was achieved by an increase of approximately 36.3% in the Group's production to 80,807 tonnes combined with an 11.2% increase in the average selling price of oranges.

In addition, for the six months ended 31 December 2008, approximately RMB18.7 million was recognised from the sales of the units of the Phase I of Xinfeng Development. Combining the two streams of revenue, the Group's revenue increaed by 61.8% to RMB293.3 million for the six months ended 31 December 2008.

The production yield from Hepu Plantation increased by 8.1% to 53,142 tonnes for the six months ended 31 December 2008. As the orange trees matured and more trees reached orange-bearing age, the production yield from the Xinfeng Plantation increased significantly by 173% to 27,665 tonnes for the six months ended 31 December 2008 from 10,119 tonnes in the comparable period.

The breakdown of sales by types of produce is as follows:

	For the six months ended 31 December			
	2008		2007	
	RMB'000	**% of total revenue**	*RMB'000*	% of total revenue
Sales of oranges	**274,597**	**93.6%**	181,227	100.0%
Sales of properties	**18,699**	**6.4%**	—	—
Total revenue	**293,296**	**100.0%**	181,227	100.0%

MANAGEMENT DISCUSSION AND ANALYSIS

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

	For the six months ended 31 December	
	2008	2007
	% of total revenue	
Types of customers		
Corporate customers	**49.0%**	44.8%
Supermarket chains	**31.6%**	29.3%
Wholesale customers	**19.1%**	25.0%
Other	**0.3%**	0.9%
Total	**100.0%**	100.0%

For the six months ended 31 December 2008, approximately 23.6% and 31.6% respectively of the Group's production volume and revenue was sold to supermarket chains , an increase from approximately 21.1% and 29.3% for the six months ended 31 December 2007.

For the Hepu Plantation, the production volume and revenue to supermarket continued to increase to 29.2% and 40.8% of the Group respectively (2007: 23.9% and 33.5%). As the Xinfeng Plantation was at an early stage, the oranges were mainly sold to corporate customers during the period.

Other income

The Group recorded a gain of RMB87.4 million from changes in fair value of its biological assets for the six months ended 31 December 2008, compared to a gain of RMB88 million for the corresponding period in 2007. This gain was mainly due to the higher selling price of the oranges achieved by the Group and increase in value of certain orange trees which have reached orange-bearing age in the current period.

Gross profit

The Group's overall gross profit increased by 40.0% to approximately RMB146.0 million for the six months ended 31 December 2008 (2007: RMB104.3 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 59,281 tonnes to 80,807 tonnes and a 11.2% increase in the average selling price of oranges.

The overall profit margin dropped to 49.8% (2007: 57.5%). The decrease was mainly due to the higher contribution from Xinfeng Plantation at a lower profit margin reflecting its early stage of development. In addition, there were higher costs relating to organic farming and wage inflation in the PRC. For Hepu Plantation alone, the gross profit margin increased slightly to 62.5% for the six months ended 31 December 2008 (2007: 62.1%).

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, depreciation and production overheads. The breakdown of cost of sales is as follows:

	For the six months ended 31 December			
	2008		2007	
	RMB'000	**% of Cost of sales**	*RMB'000*	% of Cost of sales
Inventories used				
Fertilisers	**63,988**	**43.4%**	28,798	37.4%
Packaging materials	**16,512**	**11.2%**	14,315	18.6%
Pesticides	**9,205**	**6.3%**	6,718	8.7%
	89,705	**60.9%**	49,831	64.7%
Production overheads				
Direct labour	**15,086**	**10.2%**	9,611	12.5%
Depreciation	**23,931**	**16.3%**	13,915	18.1%
Others	**4,406**	**3.0%**	3,607	4.7%
Cost of sales of oranges	**133,128**	**90.4%**	76,964	100.0%
Cost of sales of properties	**14,215**	**9.6%**	**—**	—
Total	**147,343**	**100%**	76,964	100%

The production costs of the core agricultural business increased 72.9% to RMB133.1 million (2007: RMB77.0 million). The increase in production costs was principally due to the increase in raw materials utilised for higher production volumes, trial production for the second batch of 400,000 orange trees in Xinfeng Plantation, higher costs relating to organic farming and wage inflation in the PRC. As a result, the average unit cost of oranges increased to RMB1.65 per kg from RMB1.30 per kg in the comparable period.

For Hepu Plantation alone, the average unit cost of oranges increased to RMB1.30 per kg (2007: RMB1.17 per kg).

Other operating expenses

Selling and distribution expenses mainly comprise sales commissions, advertising, salaries and welfare of sales personnel, travelling and transportation expenses. The selling and distribution expenses of the Group increased from approximately RMB13.7 million for the six months ended 31 December 2007 to approximately RMB17.9 million for the six months ended 31 December 2008, representing an increase of 30.7%, mainly resulting from the increased sale activities in Xinfeng Plantation.

General and administrative expenses comprise mainly salaries, office administration expenses, depreciation, amortisation, raw material utilised for infant trees and research costs. The general and administrative expenses of the Group were approximately RMB66.0 million for the six months ended 31 December 2008 (2007: RMB50.1 million). The Group increased the raw materials utilised for the infant trees in Xinfeng Plantation. Out of the 800,000 infant trees, 400,000 of them are expected to be fruit-bearing in the winter of 2009 which would require higher utilisation of fertilisers. The last batch of 400,000 infant trees is close to fruit-bearing stage with the trial harvest expected in the winter of 2010. In addition, the Group incurred certain start up costs for the Group's development in Hunan Plantation during the period.

Profit

Pre-tax profit was approximately RMB150.8 million for the six months ended 31 December 2008, representing an increase of 14.5% as compared to the corresponding period in 2007. The profit attributable to shareholders for the six month ended 31 December 2008 decreased to approximately RMB149.3 million, representing an decrease of 8.8% (RMB14.4 million) against the comparable period. It was mainly due to the one-off tax credit from the reversal of net deferred tax liabilities of RMB42.9 million recognised for the six months ended 31 December 2007 and, excluding this one-off, profits would have been up 23.6%.

PRODUCTIVITY

The increasing maturity of the oranges trees and more trees reached orange-bearing age, together with effective managerial planning and production supervision, has led to productivity gains.

The production volume of Winter Oranges increased to 80,807 tonnes for the six months ended 31 December 2008, representing an increase of 36.3%. The production volume of Winter Oranges in Hepu Plantation increased from 49,162 tonnes for the six months ended 31 December 2007 to 53,142 tonnes for the six months ended 31 December 2008, representing an increase of approximately 8.1%. As the orange trees matured and more trees reached orange-bearing age, the production volume of Winter Orange from Xinfeng Plantation increased significantly by 173% to 27,665 tonnes for the six months ended 31 December 2008 from 10,119 tonnes in the comparable period.

FINANCIAL PERFORMANCE

	31 December 2008	31 December 2007
Current ratio (x)	**7.36**	6.96
Quick ratio (x)	**6.58**	5.59
Net debt to equity (%)	**Net cash**	Net cash

	31 December 2008	31 December 2007
Asset turnover (x)	**0.11**	0.08
Pre-tax earnings per share (RMB)	**2.03**	1.77
Basic earnings per share (RMB)	**2.01**	2.21

Liquidity

The current ratio and quick ratio increased to 7.36 and 6.58 respectively. The liquidity of the Group remained healthy with sufficient reserves for both operation and development.

Profitability

The asset turnover of the Group improved to 0.11 (2007: 0.08) for the six months ended 31 December 2008.

The pre-tax earnings per share for the six months ended 31 December 2008 was RMB2.03 (2007: RMB1.77).

The basic earnings per share for the six months ended 31 December 2008 was RMB2.01 (2007: RMB2.21).

Debt ratio

The net cash positions of the Group were RMB323.6 million and RMB310.0 million at 31 December 2008 and 30 June 2008 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 2008.

INDEPENDENT REVIEW REPORT

BAKER TILLY
HONG KONG LIMITED
CERTIFIED PUBLIC ACCOUNTANTS

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CCIF
CCIF CPA LIMITED
20/F Sunning Plaza
10 Hysan Avenue
Causeway Bay Hong Kong

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

Introduction

We have reviewed the interim financial information of the Company and its subsidiaries (together the "Group") set out on pages 18 to 60 which comprises the condensed consolidated balance sheet as at 31 December 2008 and the related condensed consolidated statements of income, changes in equity and cash flows for the six-month period then ended, and selected explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board. Our responsibility is to express a conclusion on this interim financial information based on our review, 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.

INDEPENDENT REVIEW REPORT

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 enquiries, 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 interim financial information for the six months ended 31 December 2008 is not prepared, in all material respects, in accordance with IAS 34.

Baker Tilly Hong Kong Limited
Certified Public Accountants
Hong Kong, 18 March 2009

Chan Kwan Ho, Edmond
Practising Certificate Number P02092

CCIF CPA Limited
Certified Public Accountants
Hong Kong, 18 March 2009

Kwok Cheuk Yuen
Practising Certificate Number P02412

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

	Notes	**Six months ended 31 December 2008 (unaudited) *RMB'000***	Six months ended 31 December 2007 (unaudited) *RMB'000*	Year ended 30 June 2008 (audited) *RMB'000*
Revenue	4	**293,296**	181,227	533,775
Net gain on change in fair value of biological assets	12	**87,360**	88,000	165,000
Inventories used	4	**(118,248)**	(62,778)	(160,229)
Staff costs	4,6	**(25,521)**	(19,922)	(37,612)
Amortisation	4	**(2,740)**	(1,372)	(3,450)
Depreciation	4	**(32,967)**	(23,495)	(48,415)
Other operating expenses	4	**(51,771)**	(33,254)	(85,938)
Profit from operations	4	**149,409**	128,406	363,131
Interest income		**1,528**	4,904	5,982
Finance costs		**(5)**	(8)	(13)
Net finance income		**1,523**	4,896	5,969
Share of loss of associates		**(181)**	(1,650)	(1,359)
Profit before income tax		**150,751**	131,652	367,741
Income tax (expense)/credit	5	**(1,430)**	32,063	31,552
Profit for the period/year and attributable to shareholders		**149,321**	163,715	399,293
Proposed dividend	7	**—**	—	59,486
		RMB	RMB	RMB
Earnings per share	8			
- Basic		**2.01**	2.21	5.38
- Diluted		**2.01**	2.20	5.37

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

CONDENSED CONSOLIDATED BALANCE SHEET

AT 31 DECEMBER 2008

	Note	31 December 2008 (unaudited) RMB'000	31 December 2007 (unaudited) RMB'000	30 June 2008 (audited) RMB'000
ASSETS				
Non-current assets				
Property, plant and equipment	9	**1,105,401**	1,009,670	999,155
Land use rights	10	**56,702**	34,478	48,101
Construction-in-progress	11	**57,262**	23,674	120,468
Biological assets	12	**1,018,696**	854,141	931,209
Deferred development costs	13	**24,400**	24,000	22,600
Interests in associates	14	**2,059**	3,424	2,216
		2,264,520	1,949,387	2,123,749
Current assets				
Biological assets	12	**—**	—	16,787
Properties for sale	15	**41,635**	61,813	54,305
Inventories	16	**586**	920	1,487
Trade and other receivables	17	**32,954**	34,708	19,897
Income tax recoverable		**102**	—	1,073
Cash and cash equivalents	18	**323,613**	227,907	309,952
		398,890	325,348	403,501
Total assets		**2,663,410**	2,274,735	2,527,250

CONDENSED CONSOLIDATED BALANCE SHEET

AT 31 DECEMBER 2008

	Note	31 December **2008** (unaudited) *RMB'000*	31 December 2007 (unaudited) *RMB'000*	30 June 2008 (audited) *RMB'000*
EQUITY AND LIABILITIES				
Equity				
Share capital	19	**8,028**	7,769	7,785
Reserves		**2,601,209**	2,219,949	2,461,499
		2,609,237	2,227,718	2,469,284
Current liabilities				
Trade and other payables		**54,173**	36,193	56,166
Due to a related party	22(b)	**—**	—	1,800
Income tax payable		**—**	10,824	—
Total liabilities		**54,173**	47,017	57,966
Total equity and liabilities		**2,663,410**	2,274,735	2,527,250

Approved and authorised to issue by the Board of Directors on 18 March 2009.

Tong Wang Chow
Director

Cheung Wai Sun
Director

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

			Reserves					
	Note	Share capital (unaudited) *RMB'000*	Share premium (unaudited) *RMB'000* *(Note (a))*	Merger reserve (unaudited) *RMB'000* *(Note (b))*	Share option reserve (unaudited) *RMB'000* *(Note (c))*	Capital reserve (unaudited) *RMB'000* *(Note (d))*	Retained profits (unaudited) *RMB'000*	Total (unaudited) *RMB'000*
At 1 July 2008		7,785	491,586	(4,473)	12,999	482,519	1,478,868	2,469,284
Total recognised income for the period								
– Profit for the period		—	—	—	—	—	149,321	149,321
Issue of shares to shareholders participating in the scrip dividend	19(a)	243	46,267	—	—	—	—	46,510
Share-based payments		—	—	—	3,608	—	—	3,608
2007/08 final dividend	7	—	—	—	—	—	(59,486)	(59,486)
		243	46,267	—	3,608	—	(59,486)	(9,368)
At 31 December 2008		8,028	537,853	(4,473)	16,607	482,519	1,568,703	2,609,237

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

		Reserves					
	Share capital (unaudited) *RMB'000*	Share premium (unaudited) *RMB'000* *(Note (a))*	Merger reserve (unaudited) *RMB'000* *(Note (b))*	Share option reserve (unaudited) *RMB'000* *(Note (c))*	Capital reserve (unaudited) *RMB'000* *(Note (d))*	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
Total recognised income for the period							
– Profit for the period	—	—	—	—	—	163,715	163,715
Issue of shares upon exercise of share options	11	4,269	—	(2,057)	—	—	2,223
Share-based payments	—	—	—	3,751	—	—	3,751
2006/07 final dividend	—	—	—	—	—	(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.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

		Reserves					
	Share capital (audited) RMB'000	Share premium (audited) RMB'000 (Note (a))	Merger reserve (audited) RMB'000 (Note (b))	Share option reserve (audited) RMB'000 (Note (c))	Capital reserve (audited) RMB'000 (Note (d))	Retained profits (audited) RMB'000	Total (audited) RMB'000
At 1 July 2007	7,758	483,629	(4,473)	9,021	482,519	1,130,029	2,108,483
Total recognised income for the year – Profit for the year	—	—	—	—	—	399,293	399,293
Issue of shares upon exercise of share options	27	7,957	—	(2,928)	—	—	5,056
Share-based payments	—	—	—	6,906	—	—	6,906
2006/07 final dividend	—	—	—	—	—	(50,454)	(50,454)
	27	7,957	—	3,978	—	(50,454)	(38,492)
At 30 June 2008	7,785	491,586	(4,473)	12,999	482,519	1,478,868	2,469,284

Notes:

a) The application of the share premium account is governed by the Companies Act of Bermuda.

b) The merger reserve represents the excess of the value 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.

c) The share option reserve represents the fair value of the actual or estimated number of unexercised share options recognised in accordance with the accounting policy adopted for share-based payments.

d) The capital reserve represents amounts due to shareholders capitalised upon the Reorganisation.

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

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

	Six months ended 31 December		Year ended 30 June
	2008	2007	2008
	(unaudited)	(unaudited)	(audited)
	RMB'000	*RMB'000*	*RMB'000*
Cash flows from operating activities			
Profit before income tax	**150,751**	131,652	367,741
Adjustments for:			
Unrealised exchange gain	**—**	—	518
Interest income	**(1,528)**	(4,904)	(5,982)
Finance costs	**5**	8	13
Depreciation	**29,494**	21,564	50,240
Share-based payments	**3,608**	3,751	6,906
Amortisation of land use rights	**540**	372	1,050
Amortisation of deferred development costs	**2,200**	1,000	2,400
Net gain on change in fair value of biological assets	**(87,360)**	(88,000)	(165,000)
Write off of biological assets	**42**	—	—
Share of loss of associates	**181**	1,650	1,359
Operating profit before working capital changes	**97,933**	67,093	259,245
Movements in working capital elements:			
Properties for sale	**12,670**	(7,733)	(10,215)
Inventories	**901**	8,341	86
Biological assets	**16,787**	—	(9,099)
Trade and other receivables	**(22,198)**	(20,384)	(5,573)
Trade and other payables	**(1,993)**	17,448	37,421
Due to a related party	**(1,800)**	(2,610)	(810)
Cash generated from operations	**102,300**	62,155	271,055
Income tax paid	**(459)**	(30,306)	(42,714)
Net cash generated from operating activities	**101,841**	31,849	228,341

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

	Six months ended 31 December		Year ended 30 June
	2008	2007	2008
	(unaudited)	(unaudited)	(audited)
	RMB'000	*RMB'000*	*RMB'000*
Cash flows from investing activities			
Purchase of property, plant and equipment	**(5,755)**	(1,850)	(3,775)
Additions to construction-in-progress	**(66,779)**	(89,640)	(206,981)
Additions to biological assets	**(169)**	(630)	(698)
Additions to deferred development costs	**(4,000)**	(13,000)	(13,000)
Interest received	**1,528**	4,904	5,982
Net cash used in investing activities	**(75,175)**	(100,216)	(218,472)
Cash flows from financing activities			
(Advance to)/repayment from an associate	**(24)**	—	981
Proceeds from issue of new shares upon exercise of share options	**—**	2,223	5,056
Dividend paid	**(12,976)**	(50,454)	(50,454)
Finance costs paid	**(5)**	(8)	(13)
Net cash used in financing activities	**(13,005)**	(48,239)	(44,430)
Net increase/(decrease) in cash and cash equivalents	**13,661**	(116,606)	(34,561)
Cash and cash equivalents at beginning of period/year	**309,952**	344,513	344,513
Cash and cash equivalents at end of period/year	**323,613**	227,907	309,952

Non-cash transactions

Major non-cash transactions during the six months ended 31 December 2008 mainly include the following:

a) During the period, 2,561,000 share options were granted at an exercise price of £1.39 per share to certain directors and employees under the employee share option plan. The fair value of options vested during the period of RMB3,608,000 was recognised in the share option reserve.

b) During the period, additions to land use rights of RMB9,141,000 were credited to trade and other receivables as the consideration had been paid in the previous year.

NOTES TO THE CONDENSED 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 were admitted to trading on AIM of the London Stock Exchange on 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 sales 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.

1 GENERAL INFORMATION *(continued)*

Details of subsidiaries as at 31 December 2008 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
Indirectly held:			
Lucky Team Biotech Development (Hepu) Limited ("Lucky Team (Hepu)")	People's Republic of China ("PRC")	100%	Planting, cultivation and sales of oranges
Litian Biological Science & Technology Development (Xinfeng) Company Limited ("Litian (Xinfeng)")	PRC	100%	Planting, cultivation and sales of oranges
Asian Citrus Management Company Limited	BVI	100%	Dormant
Asian Citrus (H.K.) Company Limited	Hong Kong	100%	Dormant

1 GENERAL INFORMATION *(continued)*

Details of subsidiaries as at 31 December 2008 are as follows: (continued)

Name	Place of incorporation	Percentage of equity interest attributable to the Group	Principal activities
Indirectly held:			
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
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%	Planting, cultivation an sales of oranges

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

The condensed interim financial information is presented in Renminbi ("RMB"), rounded to the nearest thousand, which is the functional and presentation currency of the Group.

The condensed interim financial information has been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting", issued by the International Accounting Standards Board and the AIM Rules issued by the London Stock Exchange.

The condensed interim financial information has been prepared under the historical cost convention, as modified by the revaluation of biological assets which are carried at their fair values. The principal accounting policies adopted in the preparation of this condensed interim financial information are consistent with those followed in the audited financial statements for the year ended 30 June 2008.

The condensed interim financial information is unaudited, but has been reviewed by the Company's Audit Committee. This condensed interim financial information has also been reviewed by the Company's auditors in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

In the current period, the Group has adopted all the new and revised International Financial Reporting Standards ("IFRSs"), which comprise International Financial Reporting Standards; IAS; and Interpretations issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee, that are relevant to its operations and effective for accounting periods beginning on or after 1 July 2008. The adoption of these new and revised IFRSs did not result in substantial changes to the Group's accounting policies and amounts reported for the current period and prior periods.

Up to date of issue of this condensed interim financial information, a number of amendments, new standards and interpretations have been issued which are not yet effective for the six months ended 31 December 2008 and which have not been adopted in this condensed interim financial information.

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

The Group is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

3 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 sales 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.

4 PROFIT FROM OPERATIONS

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

	Six months ended 31 December		Year ended 30 June
	2008	2007	2008
	(unaudited)	(unaudited)	(audited)
	RMB'000	*RMB'000*	*RMB'000*
Revenue			
- sales of agricultural products	**274,597**	181,227	526,980
- sales of properties	**18,699**	—	6,795
	293,296	181,227	533,775
Inventories used			
- production	**89,705**	49,831	117,273
- general and administrative	**28,543**	12,947	42,956
	118,248	62,778	160,229
Staff costs			
- production	**15,086**	9,611	17,158
- selling and distribution	**529**	474	1,069
- general and administrative	**9,906**	9,837	19,385
	25,521	19,922	37,612
Amortisation			
- general and administrative	**2,740**	1,372	3,450
Depreciation			
- production	**23,931**	13,915	27,013
- general and administrative	**9,036**	9,580	21,402
	32,967	23,495	48,415

4 PROFIT FROM OPERATIONS *(continued)*

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

	Six months ended 31 December 2008 (unaudited) *RMB'000*	Six months ended 31 December 2007 (unaudited) *RMB'000*	Year ended 30 June 2008 (audited) *RMB'000*
Other operating expenses			
- production	**18,621**	3,607	13,283
- selling and distribution	**17,409**	13,237	34,423
- general and administrative	**15,741**	16,410	38,232
	51,771	33,254	85,938
Of which:			
Amortisation of land use rights	**540**	372	1,050
Amortisation of deferred development costs	**2,200**	1,000	2,400
Cost of properties sold	**14,215**	—	5,476
Depreciation of property, plant and equipment	**29,494**	21,564	50,240
Add: Realisation of depreciation previously capitalised as biological assets	**3,473**	1,931	1,931
Less: Amount capitalised as biological assets	**—**	—	(3,756)
	32,967	23,495	48,415
Exchange loss, net	**328**	6,036	15,147
Operating lease expenses			
- plantation base	**3,497**	3,663	6,300
- office premises	**599**	451	827
Research and development costs	**2,245**	1,300	4,558

5 INCOME TAX EXPENSE/(CREDIT)

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

	Six months ended 31 December		Year ended 30 June
	2008	2007	2008
	(unaudited)	(unaudited)	(audited)
	RMB'000	*RMB'000*	*RMB'000*
PRC enterprise income tax ("EIT") (Note (a))	**501**	10,824	11,164
Land appreciation tax ("LAT") (Note (b))	**929**	—	171
Deferred taxation	**—**	(42,887)	(42,887)
	1,430	(32,063)	(31,552)

a) EIT

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 enterprise income tax rates for domestic and foreign enterprises are unified at 25% effective from 1 January 2008. As a result, the enterprise income tax rate of all the subsidiaries of the Company incorporated in the PRC, except for Lucky Team (Hepu) and Litian (Xinfeng), has changed from 33% to 25% with effect from 1 January 2008.

The New Law came into effect on 1 January 2008, 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 condensed consolidated income statement for the previous period/year.

b) LAT

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

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

c) Hong Kong profits tax

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

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

	Six months ended 31 December		Year ended 30 June
	2008	2007	2008
	(unaudited)	(unaudited)	(audited)
	RMB'000	*RMB'000*	*RMB'000*
Profit before income tax	**150,751**	131,652	367,741
Notional tax at the applicable tax rate of 25% (31.12.2007 and 30.6.2008: 15%)	**37,688**	19,748	55,161
Tax effect of non-deductible expenses	**58,678**	1,016	19,414
Tax effect of non-taxable revenue	**(98,334)**	(14,986)	(64,624)
Tax effect of unused tax losses not recognised	**1,332**	5,046	873
LAT	**929**	—	171
Reversal of deferred tax recognised due to imposition of new tax policy	**—**	(42,887)	(42,887)
Others	**1,137**	—	340
Actual tax expense/(credit)	**1,430**	(32,063)	(31,552)

e) No provision for deferred taxation has been made as there were no material temporary differences as at 31 December 2008.

6 EMPLOYEES AND DIRECTORS

	Six months ended 31 December		Year ended 30 June
	2008	2007	2008
	(unaudited)	(unaudited)	(audited)
	RMB'000	*RMB'000*	*RMB'000*
Staff costs (including directors' emoluments)			
Wages and salaries	**21,712**	16,045	30,412
Share-based payments	**3,608**	3,751	6,906
Employee retirement benefits	**201**	126	294
	25,521	19,922	37,612
Average monthly number of people (including directors) employed:			
– production	**788**	340	864
– selling and distribution	**70**	70	70
– general and administrative	**205**	111	142
	1,063	521	1,076

6 EMPLOYEES AND DIRECTORS *(continued)*

	Salaries and bonus	Share-based payments	**Six months ended 31 December**		Year ended 30 June
			2008 (unaudited)	2007 (unaudited)	2008 (audited)
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	*RMB'000*
Directors' emoluments					
Executive Directors					
Tong Wang Chow	648	220	**868**	886	1,769
Tong Hung Wai	362	83	**445**	471	925
Cheung Wai Sun	302	75	**377**	392	770
Pang Yi	378	231	**609**	625	1,256
Sung Chi Keung	437	203	**640**	634	1,284
Non-executive Directors					
Ip Chi Ming	270	—	**270**	300	540
Ma Chiu Cheung	170	—	**170**	234	433
Lui Ming Wah	108	—	**108**	120	216
Yang Zhen Han	108	—	**108**	120	216
Nicholas Smith	170	—	**170**	234	433
Peregrine Moncreiffe	108	—	**108**	120	216
	3,061	812	**3,873**	4,136	8,058

7 DIVIDENDS

No dividend has been declared during the six months ended 31 December 2008 (six months ended 31 December 2007: RMBNil).

A final dividend of RMB0.80 (2007: RMB0.68) per ordinary share for the year ended 30 June 2008 was paid on 31 December 2008.

8 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
	2008	2007	2008
	(unaudited)	(unaudited)	(audited)
	RMB'000	*RMB'000*	*RMB'000*
Earnings			
Profit attributable to shareholders used in basic and diluted earnings per share calculation	**149,321**	163,715	399,293
Weighted average number of shares	**'000**	'000	'000
Issued ordinary shares at beginning of period/year	**74,357**	74,084	74,084
Effect of shares issued to shareholders participating in the scrip dividend	**14**	—	—
Effect of shares issued upon exercise of share options	**—**	89	110
Weighted average number of ordinary shares used in basic earnings per share calculation	**74,371**	74,173	74,194
Effect of dilutive potential shares in respect of share options	**85**	220	209
Weighted average number of ordinary shares used in diluted earnings per share calculation	**74,456**	74,393	74,403

9 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 2007 (audited)	10,101	3,062	3,063	3,094	886,621	905,941
Additions (audited)	—	—	310	2,748	717	3,775
Transfer from construction-in-progress (audited) *(Note 11)*	—	—	15	—	237,425	237,440
Transfer to properties for sale (audited)	—	—	—	—	(4,619)	(4,619)
At 30 June 2008 (audited)	10,101	3,062	3,388	5,842	1,120,144	1,142,537
Additions (unaudited)	24	—	40	75	5,616	5,755
Transfer from construction-in-progress (unaudited) *(Note 11)*	4,061	—	33	—	125,891	129,985
At 31 December 2008 (unaudited)	14,186	3,062	3,461	5,917	1,251,651	1,278,277
Accumulated depreciation						
At 1 July 2007 (audited)	1,433	344	857	1,239	89,577	93,450
Charge for the year (audited)	291	174	430	410	48,935	50,240
Transfer to properties for sale (audited)	—	—	—	—	(308)	(308)
At 30 June 2008 (audited)	1,724	518	1,287	1,649	138,204	143,382
Charge for the period (unaudited)	207	87	234	272	28,694	29,494
At 31 December 2008 (unaudited)	1,931	605	1,521	1,921	166,898	172,876
Carrying amount						
At 31 December 2008 (unaudited)	12,255	2,457	1,940	3,996	1,084,753	1,105,401
At 30 June 2008 (audited)	8,377	2,544	2,101	4,193	981,940	999,155

10 LAND USE RIGHTS

	31 December 2008 (unaudited) *RMB'000*	31 December 2007 (unaudited) *RMB'000*	30 June 2008 (audited) *RMB'000*
Cost			
At beginning of period/year	**52,512**	37,204	37,204
Additions	**9,141**	—	—
Transfer from properties for sale	**—**	—	15,308
At end of period/year	**61,653**	37,204	52,512
Accumulated amortisation			
At beginning of period/year	**4,411**	2,354	2,354
Charge for the period/year	**540**	372	1,050
Transfer from properties for sale	**—**	—	1,007
At end of period/year	**4,951**	2,726	4,411
Carrying amount	**56,702**	34,478	48,101

Land use rights represent the rights to use certain pieces of land which are located in the PRC, and are valid for a period of 50 years expiring from 2053 to 2056.

11 CONSTRUCTION-IN-PROGRESS

	31 December 2008 (unaudited) *RMB'000*	31 December 2007 (unaudited) *RMB'000*	30 June 2008 (audited) *RMB'000*
At beginning of period/year	**120,468**	150,927	150,927
Additions	**66,779**	89,640	206,981
Transfer to property, plant and equipment *(Note 9)*	**(129,985)**	(216,893)	(237,440)
At end of period/year	**57,262**	23,674	120,468

12 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*	Infant trees *RMB'000*	Orange trees *RMB'000*	Total *RMB'000*
At 1 July 2007 (audited)	142	12,369	760,688	773,199
Additions (audited)	698	—	—	698
Net increase due to cultivation (audited)	—	—	9,099	9,099
Net change in fair value (audited)				
– Gain due to price, yield, maturity and cost changes	—	—	210,200	210,200
– Decrease due to replanting programme	—	—	(45,200)	(45,200)
	—	—	165,000	165,000
At 30 June 2008 (audited)	840	12,369	934,787	947,996
Additions (unaudited)	169	—	—	169
Net decrease due to harvest (unaudited)	—	—	(16,787)	(16,787)
Intra transfer to orange trees (unaudited)	—	(4,369)	4,369	—
Write off (unaudited)	(42)	—	—	(42)
Net change in fair value (unaudited)				
– Gain due to price, yield, maturity and cost changes	—	—	150,926	150,926
– Decrease due to replanting programme	—	—	(63,566)	(63,566)
	—	—	87,360	87,360
At 31 December 2008 (unaudited)	967	8,000	1,009,729	1,018,696

12 BIOLOGICAL ASSETS *(continued)*

Represented by:

	Self-bred saplings RMB'000	Infant trees RMB'000	Orange trees RMB'000	31 December 2008 (unaudited) Total RMB'000	31 December 2007 (unaudited) Total RMB'000	30 June 2008 (audited) Total RMB'000
Non-current	967	8,000	1,009,729	**1,018,696**	854,141	931,209
Current	—	—	—	**—**	—	16,787
	967	8,000	1,009,729	**1,018,696**	854,141	947,996

The movements in biological assets can be summarised as follows:

	Self-bred saplings *Number*	Infant trees *Number*	Orange trees *Number*
At 1 July 2007	203,515	1,301,262	1,590,867
Additions	120,013	76,135	—
Decrease due to replanting programme	—	—	(76,135)
At 30 June 2008	323,528	1,377,397	1,514,732
Additions	442	—	—
Write off	(16,351)	—	—
Intra transfer to orange trees	—	(446,077)	446,077
Decrease due to replanting programme	—	—	(81,261)
At 31 December 2008	307,619	931,320	1,879,548

12 BIOLOGICAL ASSETS *(continued)*

The replanting programme replaces existing species with more advanced and better quality species that have greater resistance to disease and produce a higher yield. During the six months ended 31 December 2008, 81,261 winter orange trees have been removed and the corresponding land area will be replanted with the same number 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 and self-bred saplings are still undergoing biological transformation before they are able to produce oranges. Once the infant trees 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
	2008	2007	2008
	(unaudited)	(unaudited)	(audited)
Output of oranges	***Tonnes***	*Tonnes*	*Tonnes*
Total output for the period/year	**80,807**	59,281	130,308

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 operations. In doing so, the following major assumptions in 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 RMB4,530 (30 June 2008: RMB4,300) and RMB2,900 (30 June 2008: RMB2,700) per tonne respectively. The selling price of winter oranges in Xinfeng Plantation is assumed to be RMB3,260 (30 June 2008: RMB2,900) per tonne.

12 BIOLOGICAL ASSETS *(continued)*

b) Yield per tree generally increases from age 3 to 8, remains 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

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
	2008	2007	2008
	(unaudited)	(unaudited)	(audited)
	% of sales	% of sales	% of sales
Supplies and direct costs (excluding depreciation)	**30%**	28%	30%
Selling and distribution expenses	**6%**	5%	6%
General and administrative expenses	**4%**	3%	4%

d) The Capital Asset Pricing Model has been used to determine a discount rate of 19% (30 June 2008: 19%) applied to the orange tree operations.

12 BIOLOGICAL ASSETS *(continued)*

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 2008 for Hepu Plantation and Xinfeng Plantation are approximately RMB323 million (30 June 2008: RMB262 million) and RMB249 million (30 June 2008: RMB112 million) respectively.

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.

13 DEFERRED DEVELOPMENT COSTS

	31 December		30 June
	2008	2007	2008
	(unaudited)	(unaudited)	(audited)
	RMB'000	*RMB'000*	*RMB'000*
Cost			
At beginning of period/year	**32,000**	19,000	19,000
Additions	**4,000**	13,000	13,000
At end of period/year	**36,000**	32,000	32,000
Accumulated amortisation			
At beginning of period/year	**9,400**	7,000	7,000
Charge for the period/year	**2,200**	1,000	2,400
At end of period/year	**11,600**	8,000	9,400
Carrying amount	**24,400**	24,000	22,600

Deferred development costs relate to expenditure 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 RMB14 million (30 June 2008: RMB10 million) represents certain incomplete development projects, and the remaining balance of RMB10.4 million (30 June 2008: RMB12.6 million) has an average remaining amortisation period of 4.3 years (30 June 2008: 4.5 years) as at 31 December 2008.

14 INTERESTS IN ASSOCIATES

	31 December 2008 (unaudited) *RMB'000*	31 December 2007 (unaudited) *RMB'000*	30 June 2008 (audited) *RMB'000*
Share of net liabilities	**(2,631)**	(2,741)	(2,450)
Due from an associate	**4,690**	6,165	4,666
	2,059	3,424	2,216

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 its operations.

Details of associates as at 31 December 2008 are as follows:

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

14 INTERESTS IN ASSOCIATES *(continued)*

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

	31 December		30 June
	2008	2007	2008
	(unaudited)	(unaudited)	(audited)
	RMB'000	*RMB'000*	*RMB'000*
Total assets	**4,188**	6,254	4,625
Total liabilities	**(9,910)**	(12,215)	(9,953)

	Six months ended 31 December		Year ended 30 June
	2008	2007	2008
	(unaudited)	(unaudited)	(audited)
	RMB'000	*RMB'000*	*RMB'000*
Revenue	**—**	—	—
Loss for the period/year	**(394)**	(3,586)	(2,954)

15 PROPERTIES FOR SALE

	31 December 2008 (unaudited) *RMB'000*	31 December 2007 (unaudited) *RMB'000*	30 June 2008 (audited) *RMB'000*
Properties under development for sale	**2,036**	61,813	—
Completed properties for sale	**39,599**	—	54,305
	41,635	61,813	54,305

The analysis of carrying value of land use rights included in properties for sale is as follows:

	31 December 2008 (unaudited) *RMB'000*	31 December 2007 (unaudited) *RMB'000*	30 June 2008 (audited) *RMB'000*
In PRC, held on leases between 10 to 50 years	**8,234**	26,579	11,153

16 INVENTORIES

	31 December 2008 (unaudited) *RMB'000*	31 December 2007 (unaudited) *RMB'000*	30 June 2008 (audited) *RMB'000*
Agricultural materials	**511**	846	1,412
Packing materials	**75**	74	75
	586	920	1,487

17 TRADE AND OTHER RECEIVABLES

	31 December		30 June
	2008	2007	2008
	(unaudited)	(unaudited)	(audited)
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	**23,940**	14,292	2,498
Other receivables, deposits and prepayments	**9,014**	20,416	17,399
	32,954	34,708	19,897

The trade and other receivables are expected to be recovered or recognised as expense within one year.

Trade receivables are current debts and aged less than 30 days.

None of the receivables were past due or impaired and relate to a range of customers for whom there was no recent history of default.

18 CASH AND CASH EQUIVALENTS

	31 December 2008 (unaudited) *RMB'000*	31 December 2007 (unaudited) *RMB'000*	30 June 2008 (audited) *RMB'000*
Short-term bank deposits	**85,091**	136,702	119,279
Cash at bank and on hand	**238,522**	91,205	190,673
	323,613	227,907	309,952

Included in the cash and cash equivalents of the Group as at 31 December 2008 is an amount of approximately RMB232,025,000 (30 June 2008: RMB182,501,000) denominated in RMB. Conversion of RMB into foreign currencies is subject to PRC Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term bank deposits are made for terms of one month (30 June 2008: one month) depending on the immediate cash requirements of the Group.

19 SHARE CAPITAL

	Note	*Number of shares*	*HK$'000*	*RMB'000*
Authorised:				
Ordinary shares of HK$0.1 each				
At 1 July 2007, 30 June 2008 and 31 December 2008		200,000,000	20,000	20,900
Issued and fully paid:				
At 1 July 2007 (audited)		74,084,258	7,408	7,758
Issue of shares upon exercise of share options (audited)		272,700	27	27
At 30 June 2008 (audited)		74,356,958	7,435	7,785
Issue of shares to shareholders participating in the scrip dividend (unaudited)	(a)	2,699,022	270	243
At 31 December 2008 (unaudited)		77,055,980	7,705	8,028

19 SHARE CAPITAL *(continued)*

Notes:

a) On 31 December 2008, 2,699,022 new ordinary shares of HK$0.1 each were issued at the price of £1.576 per share to shareholders participating in the scrip dividend.

b) The ordinary shares issued during the period rank pari passu with the ordinary shares already in issue.

c) Capital management

The Group manages its capital to ensure that the Group has sufficient liquidity to support its operations and development while maximising shareholder value. The Group's overall strategy remains unchanged from the prior year.

The Group's major internal cash resource is its cash and cash equivalents. The Group did not have any outstanding bank borrowings as at 31 December 2008.

The management of the Group reviews its capital structure periodically by assessing budgets of major projects, taking into account the provision of funding. The Group is not subject to externally imposed capital requirements.

20 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	
		2008		2007		2008	
	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
Employees							
Outstanding at beginning of period/year		**2,517,800**	**£1.75**	2,287,500	£1.62	2,287,500	£1.62
Granted during the period/year	(a)	**2,561,000**	**£1.39**	353,000	£2.425	353,000	£2.425
Exercised during the period/year		**—**		(112,500)	£1.32	(122,700)	£1.38
Outstanding at end of period/year		**5,078,800**	**£1.57**	2,528,000	£1.75	2,517,800	£1.75
Exercisable at end of period/year		**678,100**	**£1.89**	252,600	£1.95	678,100	£1.89
Evolution Securities China Limited							
Outstanding at beginning of period/year		**—**		150,000	£1.12	150,000	£1.12
Exercised during the period/year		**—**		—		(150,000)	£1.12
Outstanding at end of period/year		**—**		150,000	£1.12	—	
Exercisable at end of period/year		**—**		150,000	£1.12	—	

20 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 under the Plan. 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 26 July 2014, subject to continuing employment and the satisfaction of certain performance conditions. No consideration was paid for the granting of the options. The 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 2 August 2015, subject to continuing employment and the satisfaction of certain performance conditions. No consideration was paid for the granting of the options. The fair value of options granted was approximately RMB4,870,000 (equivalent to £325,242).

20 SHARE-BASED PAYMENTS *(continued)*

Notes: *(continued)*

iv) On 15 October 2008, 2,561,000 share options were granted at an exercise price of £1.39 per share under the Plan. The options will normally vest and become exercisable annually at the rate of 20% for the period from 15 October 2009 to 2 August 2015, subject to continuing employment and the satisfaction of certain performance conditions. No consideration was paid for the granting of the options. The fair value of options granted was approximately RMB15,853,000 (equivalent to £1,467,915).

b) At 31 December 2008, the number of shares in respect of which options had been granted and remained outstanding under the Plan was 5,317,000 and 5,078,800, representing approximately 6.9% and 6.6% 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.

c) The options outstanding at the end of the period have a weighted average remaining contractual life of 6 years (30 June 2008: 6 years) and the exercise prices ranging from £1.12 to £2.425 (30 June 2008: £1.12 to £2.425).

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

	(Note (a)(i))	*(Note (a)(ii))*	*(Note (a)(iii))*	*(Note (a)(iv))*
Spot price	£1.12	£2.08	£2.435	£1.465
Expected life (years)	10	8	8	6.8
Exercise price	£1.12	£2.045	£2.425	£1.39
Expected volatility	43%	42%	41%	42%
Risk-free interest rate	4.39%	4.61%	4.91%	4.53%
Dividend yield	0%	0%	1.8%	1.8%

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

21 COMMITMENTS

a) Operating lease commitments

At 31 December 2008, the Group's total future minimum lease payments under non-cancellable operating leases are as follows:

	31 December 2008 (unaudited) *RMB'000*	31 December 2007 (unaudited) *RMB'000*	30 June 2008 (audited) *RMB'000*
Within one year	**7,074**	6,948	6,694
In the second to fifth years inclusive	**25,901**	24,985	25,205
After five years	**244,779**	238,317	240,462
	277,754	270,250	272,361

Operating lease payments represent rental payable by the Group for certain of its office premises and land on which the plantations are situated. The leases of the plantations are negotiated for a term of 50 years expiring from 2050 to 2058.

21 COMMITMENTS *(continued)*

b) Capital and other commitments

At 31 December 2008, the Group had the following capital and other commitments:

	31 December		30 June
	2008	2007	2008
	(unaudited)	(unaudited)	(audited)
	RMB'000	*RMB'000*	*RMB'000*
Contracted but not provided for			
Construction-in-progress	**23,865**	37,405	32,180
Properties under development for sale	**—**	8,010	—
Research and development	**22,600**	—	7,000
	46,465	45,415	39,180

22 RELATED PARTY TRANSACTIONS

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

	Note	**Six months ended 31 December 2008 (unaudited)**	Six months ended 31 December 2007 (unaudited)	Year ended 30 June 2008 (audited)
		RMB'000	*RMB'000*	*RMB'000*
Purchases of organic fertilisers from:				
Fujian Zhangzhou Chaoda Microbe Organic Fertiliser Company Limited ("Zhangzhou Chaoda")	(i)	**16,800**	6,180	22,635
Weizhou Chaoda Microbe Organic Fertiliser Company Limited ("Weizhou Chaoda")	(i)	**6,956**	3,000	10,800
		23,756	9,180	33,435
Operating lease expenses paid to:				
Alpha Best Limtied		**216**	103	291
Pan Air & Sea Forwarders (HK) Limited		**—**	92	15
		216	195	306

22 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 2008, the Group had the following amount due to a related party, which was trade in nature:

	31 December		30 June
	2008	2007	2008
	(unaudited)	(unaudited)	(audited)
	RMB'000	*RMB'000*	*RMB'000*
Weizhou Chaoda	**—**	—	1,800

22 RELATED PARTY TRANSACTIONS *(continued)*

c) Compensation of key management personnel

	Six months ended 31 December 2008 (unaudited) ***RMB'000***	2007 (unaudited) *RMB'000*	Year ended 30 June 2008 (audited) *RMB'000*
Short-term employee benefits	**3,701**	3,223	7,524
Share-based payments	**1,404**	1,570	3,069
Post-employment benefits	**22**	18	43
	5,127	4,811	10,636

23 EVENTS AFTER THE BALANCE SHEET DATE

There was no significant event after the balance sheet date.