ASIAN CITRUS HOLDINGS LIMITED

亞洲果業控股有限公司*

(incorporated in Bermuda with limited liability)

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

Interim Report 2009-2010

* *For identification purposes only*

Contents

FINANCIAL HIGHLIGHTS

RESULTS OF OPERATIONS (RMB MILLION)

	For the six months ended 31 December 2009 (Unaudited)	2008 (Unaudited)	% change
Reported financial information			
Revenue	**398.3**	293.3	+35.8
Gross profit	**179.4**	146.0	+22.9
EBITDA	**291.0**	184.9	+57.4
Profit before tax	**248.1**	150.8	+64.5
Profit attributable to shareholders	**247.5**	149.3	+65.8
Basic earnings per share (RMB)	**0.32**	0.20	+60.0
Diluted earnings per share (RMB)	**0.32**	0.20	+60.0
Reported financial information adjusted to exclude revaluation gain from biological assets			
EBITDA	**126.5**	97.6	+29.6
Profit before tax	**83.7**	63.4	+32.0
Profit attributable to shareholders	**83.0**	62.0	+33.9
Basic earnings per share (RMB)	**0.11**	0.08	+37.5
Diluted earnings per share (RMB)	**0.11**	0.08	+37.5
FINANCIAL RATIOS			
Gross profit margin (%)	**45.0**	49.8	-9.6
Return on assets (%)	**7.7**	5.6	
Return on equity (%)	**7.9**	5.7	
Asset turnover (x)	**0.12**	0.11	

FINANCIAL POSITION (RMB MILLION)

	31 December 2009 (Unaudited)	30 June 2009 (Audited)
Total assets	**3,209.0**	2,957.1
Net current assets	**582.0**	513.7
Cash and bank balances	**574.9**	461.2
Shareholders' fund	**3,142.1**	2,905.3
Current ratio (x)	**9.71**	10.92

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 2009, a period of continued expansion and development of the Group's business and the successful listing of its shares on the Main Board of The Stock Exchange of Hong Kong Limited ("HKEx"). For the six months ended 31 December 2009, the Group's revenue increased by 35.8% from RMB293.3 million to RMB398.3 million while the net profit increased by 65.8% from RMB149.3 million to RMB247.5 million.

Strategic overview

The Group continued to expand its direct sales to supermarkets with both increased volume, proportion and geographical coverage against the comparable period. New contracts to supply winter oranges to seven additional supermarkets located in Anhui province, the Guangxi Zhuang Autonomous Region, Hunan province, Jiangsu province, Shanghai and Zhejiang province were signed and all existing winter orange supply contracts with supermarkets were renewed during the period. We believe that expanding the geographical coverage of our products will help increase brand awareness and build our product image amongst consumers.

During the six months ended 31 December 2009, the Group sold approximately 31,632 tonnes of oranges directly to supermarkets, representing an increase of 66.2% over last year's comparable period's volume of sales to supermarkets of 19,031 tonnes. The volume of sales to supermarkets in the six months ended 31 December 2009 accounted for approximately 27.6% (2008: 23.6%) of the total volume of the winter orange crop.

In addition to the increased sales of winter oranges to supermarkets, we have also recently concluded the sales contracts for the upcoming crop of summer oranges. Alongside the renewal of all existing supply contracts with supermarket customers of summer oranges, the Group has entered into new summer orange supply contracts with three more supermarket customers, located in Shenzhen, Beijing and Zhejiang province. The contracted volume of summer oranges to supermarkets is 29,500 tonnes which represents an increase of 23.2% from the sales volume of 23,946 tonnes to supermarkets in the comparable period. The Group believes that the increasing proportion of direct sales to supermarkets and greater geographical coverage will not only provide the Group with enhanced profitability but also better product recognition within China.

Following the successful launch of the sales of our self-bred saplings from our nursery at the Hepu Plantation in the first half of 2009, the Group sold approximately 400,000 self-bred saplings to local farmers during the six months ended 31 December 2009. The sales of self-bred saplings provides the Group with a new, high margin revenue stream together with the capability to secure long-term supplies of high-quality oranges as there are reciprocal agreements in place with the farmers which offer the Group the first right to purchase their oranges.

In addition to the nursery at the Hepu Plantation, the new nursery at the Hunan Plantation has now been completed and mass production of high quality orange tree saplings has commenced during the six months ended 31 December 2009. The principal aim of this new nursery is to provide saplings for the Hunan Plantation. After the expected completion of the Hunan Plantation in 2013, this nursery will supply local farmers with orange tree saplings in a similar way to the nursery at the Hepu Plantation. We are firmly convinced that science and technology are indispensable to the development of modern agriculture. We believe that our strength in species development and our capability to mass produce high quality orange tree saplings will further strengthen our leading position in the Chinese orange market.

During the six months ended 31 December 2009, the Group continued to invest in the Hunan Plantation. As at 31 December 2009, the Group had invested approximately RMB50.8 million in the Hunan Plantation which mainly represents expenditure for land clearing, land cultivation and other farmland infrastructure. The Hunan Plantation is progressing in line with our expectations and the first batch of orange trees is expected to be planted before the end of 2010 and the first harvest of this batch of oranges trees is expected to be in 2014.

OPERATIONS REVIEW

The Hepu Plantation is fully developed with approximately 1.3 million orange trees of which 1.1 million are currently producing oranges. Output from the Hepu Plantation was approximately 54,511 tonnes for the six months ended 31 December 2009 which represents an increase of approximately 2.6% over the comparable year's production of 53,142 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 fully planted with 1.6 million winter orange trees. During the six months ended 31 December 2009, there were 1.2 million trees producing oranges (2008: 800,000), yielding approximately 60,019 tonnes of oranges, which represents an increase of approximately 117.0% over the previous year's production of 27,665 tonnes. Growth was mainly due to increased production from the first two phases of 800,000 winter oranges trees, which are still yet to achieve their full maturity, together with the trial production from the third 400,000 trees. It is expected that a further 400,000 orange trees will start trial production in the winter of 2010. By that time, the entire 1.6 million winter orange trees in the Xinfeng Plantation will be orange producing.

The Group's replanting programme in the Hepu Plantation continues. During January and February 2010, 64,194 winter orange trees have been removed and the corresponding land area will be replanted with the same number of the new species of summer orange trees. The ongoing replanting strategy is expected to equate to 5% of Hepu's trees every year and it will be principally focused around replacing the existing winter orange trees with a new species of summer orange tree. It is expected that this ongoing replanting will take another four years to complete and the first batch of 55,185 trees replanted during 2007 will commence production in 2010. At the beginning of this year, 242,000 winter orange trees remained to be replanted in the next four years. We believe the improved species of trees will deliver long-term economic benefits by increasing average yields and achievable revenue per tonne.

Hong Kong Listing

The Company's shares were successfully listed on the HKEx by way of introduction on 26 November 2009. Together with the original quotations on the AIM of the London Stock Exchange and PLUS Markets, the successful listing on the HKEx will facilitate the development of our business and highlight our leading position in the industry. More importantly, it will provide the Company an additional platform to strengthen the Company's liquidity.

Corporate Governance enhancements

Following the Hong Kong listing, for the purposes of compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Hong Kong Listing Rules") and for good corporate governance, the Company has redesignated Mr. Nicholas Smith from non-executive director to independent non-executive director of the Company. The independent non-executive directors will be required to confirm annually that each of them satisfies the independence requirements under the Hong Kong Listing Rules.

The Company has also reorganised the composition of the Audit Committee and the Remuneration Committee so that both committees are now comprised of three directors. We believe the reorganisation of the composition of the two committees with experienced professionals will demonstrate our commitment to transparency and high corporate governance standards.

Investor relations

The board of directors of the Company ("Board") is committed to maintaining good communications with shareholders and potential investors. The Group's management visited institutional investors and private client investment advisers during December 2009 to update existing shareholders on the Group's latest developments and introduce the Group to potential new investors.

Outlook

The Group is progressing well and is increasing its presence in the Chinese retail market with higher production volume and a great proportion of direct sales to supermarkets. With the expected growth of the Chinese economy, we are confident that demand for high quality fruit in China will continue to grow and we aim to expand and diversify our business when good opportunities appear. In addition, the Group will continue to build on its existing leading market position by expanding its distribution network, increasing its production capacity and enhancing its sourcing capacity through further development of its nursery business.

I would also like to take this opportunity to thank our shareholders, business partners, customers and employees for their continuous support of Asian Citrus. I am looking forward to the continued success of the Group and confident that Asian Citrus will continue to deliver a strong performance to our shareholders.

Tony Tong Wang Chow
Chairman
16 March 2010

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING PERFORMANCE

Revenue

Revenue from sale of oranges grew by 40.1% to RMB384.8 million for the six months ended 31 December 2009. This was mainly driven by an increase of approximately 41.7% in the Group's production to 114,530 tonnes.

The production yield from Hepu Plantation increased by 2.6% to 54,511 tonnes for the six months ended 31 December 2009. The orange trees continue to mature and as more trees reached orange-bearing age during the period, the production yield from the Xinfeng Plantation increased significantly by 117.0% to 60,019 tonnes for the six months ended 31 December 2009 from 27,665 tonnes in the comparable period.

The first sales of self-bred saplings developed from the nursery centre at the Hepu Plantation took place in April 2009. For the six months ended 31 December 2009, RMB4.0 million was recognised from the sales of approximately 400,000 self-bred saplings to local farmers.

In addition to the core agricultural business, the transfer of ownership and titles of 23 units of Phase 1 of the Xinfeng Development were completed during the six months ended 31 December 2009. The Group recognised revenue and corresponding costs (excluding business tax and other relevant taxes and charges that may be levied) of approximately RMB9.5 million and RMB5.9 million respectively.

Combining the above, the Group's revenue increased by 35.8% to RMB398.3 million for the six months ended 31 December 2009.

The breakdown of sales by types is as follows:

	For the six months ended 31 December			
	2009		2008	
	RMB'000 (Unaudited)	% of total revenue (Unaudited)	RMB'000 (Unaudited)	% of total revenue (Unaudited)
Hepu Plantation	190,768	47.9%	184,409	62.9%
Xinfeng Plantation	194,016	48.7%	90,188	30.7%
Sales of oranges	384,784	96.6%	274,597	93.6%
Sales of self-bred saplings	4,028	1.0%	–	–
Sales of properties	9,460	2.4%	18,699	6.4%
Total revenue	398,272	100.0%	293,296	100.0%

All of the Group's produce was sold domestically. The Group's customers from the sales of oranges can be divided into three main 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	
	2009	2008
	% of sale of oranges (Unaudited)	% of sale of oranges (Unaudited)
Types of customers		
Corporate customers	**43.2%**	49.0%
Supermarket chains	**33.3%**	31.6%
Wholesale customers	**22.3%**	19.1%
Other	**1.2%**	0.3%
Total	**100.0%**	100.0%

For the six months ended 31 December 2009, the production volume and revenue from sales to supermarket chains represented approximately 27.6% and 33.3% respectively of the Group, compared to approximately 23.6% and 31.6% for the six months ended 31 December 2008. 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.

For the Hepu Plantation and Xinfeng Plantation, the production volume sold to supermarkets was 15,773 tonnes and 15,859 tonnes respectively for the six months ended 31 December 2009, an increase from 15,529 tonnes and 3,502 tonnes respectively for the six months ended 31 December 2008.

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 other production overheads. The breakdown of cost of sales is as follows:

	For the six months ended 31 December			
	2009		2008	
	RMB'000 (Unaudited)	% of Cost of sales (Unaudited)	RMB'000 (Unaudited)	% of Cost of sales (Unaudited)
Inventories used				
Fertilisers	**117,436**	**53.6%**	63,988	43.4%
Packaging materials	**16,999**	**7.8%**	16,512	11.2%
Pesticides	**15,946**	**7.3%**	9,205	6.3%
	150,381	**68.7%**	89,705	60.9%
Production overheads				
Direct labour	**20,054**	**9.1%**	15,086	10.2%
Depreciation	**34,949**	**16.0%**	23,931	16.3%
Others	**6,298**	**2.9%**	4,406	3.0%
Cost of sales of oranges	**211,682**	**96.7%**	133,128	90.4%
Cost of sales of self-bred saplings	**1,270**	**0.6%**	–	–
Cost of sales of properties	**5,926**	**2.7%**	14,215	9.6%
Total cost of sales	**218,878**	**100%**	147,343	100%

The production costs of the core agricultural business increased by 59.0% to RMB211.7 million (2008: RMB133.1 million). This increase in production costs was principally due to the increase in raw materials utilised for higher production volumes, trial production for the third batch of 400,000 orange trees in Xinfeng Plantation and a higher pesticide cost during the period.

The average unit cost of production in the Hepu Plantation increased by 10.8% to approximately RMB1.44 per Kg for the six months ended 31 December 2009 (2008: approximately RMB1.30 per Kg) as a result of the higher amount of pesticides used due to generally warmer weather in southern China this year.

The average unit cost of production in the Xinfeng Plantation decreased by 3.9% to approximately RMB2.22 per Kg for the six months ended 31 December 2009 (2008: approximately RMB2.31 per Kg) as a result of better economies of scales achieved. As a result, the combined average unit cost of production increased by 12.1% to approximately RMB1.85 per Kg for the six months ended 31 December 2009 (2008: approximately RMB1.65 per Kg).

Gross profit

The Group's overall gross profit increased by 22.9% to approximately RMB179.4 million for the six months ended 31 December 2009 (2008: RMB146.0 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 80,807 tonnes to 114,530 tonnes.

Gross profit margin

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

	For the six months ended 31 December	
	2009 (Unaudited)	2008 (Unaudited)
Hepu Plantation	**58.9%**	62.5%
Xinfeng Plantation	**31.3%**	29.1%

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

	For the six months ended 31 December	
	2009 (Unaudited)	2008 (Unaudited)
Cost of sales of oranges	**45.0%**	51.5%
Cost of sales of self-bred saplings	**68.5%**	N/A
Cost of sales of properties	**37.3%**	24.0%
Overall gross profit margin	**45.0%**	49.8%

The gross margin of the Hepu Plantation decreased to approximately 58.9% for the six months ended 31 December 2009 (2008: 62.5%) as a result of higher pesticides use during the period due to the generally warmer weather in southern China this year.

More trees in the Xinfeng Plantation have reached orange-bearing age and have continued to mature during the period. Benefiting from the increasing maturity of the orange trees in the Xinfeng Plantation, the gross margins of the Xinfeng Plantation increased to approximately 31.3% for the six months ended 31 December 2009 (2008: 29.1%). As a result of the continuous growth in production volume and economies of scale, we expect the margins of the Xinfeng Plantation will continue to improve over the medium term.

The decrease in gross profit margin from sales of oranges was mainly due to the higher contribution from Xinfeng Plantation with its lower profit margin due to the early stage of its development.

The increase in gross profit margin on the sales of properties was mainly during to the higher price per sq.m. obtained for property sold. As at 31 December 2009, there were 93 units sold but not yet recognised in the income statement as the occupational permits were under application.

Other income

The Group recorded a gain of RMB164.5 million from changes in fair value of biological assets for the six months ended 31 December 2009, compared to a gain of RMB87.4 million for the corresponding period in 2008. The increase was mainly due to the higher selling price of oranges achieved by the Group, the transfer of 400,000 infant trees to orange trees and the increased maturity of orange trees in Xinfeng Plantation during the period.

Selling and distribution expenses

Selling and distribution expenses mainly comprise sales commissions, advertising, salaries and welfare of sales personnel, traveling and transportation expenses. The selling and distribution expenses of the Group increased from approximately RMB17.9 million for the six months ended 31 December 2008 to approximately RMB18.8 million for the six months ended 31 December 2009, representing an increase of 5.0%, mainly resulting from the increased sales activities in Xinfeng Plantation.

General and administrative expenses

General and administrative expenses comprise mainly salary, office administration expenses, depreciation, amortisation, raw materials utilised for infant trees and research costs. The general and administrative expenses of the Group were approximately RMB77.6 million for the six months ended 31 December 2009 (2008: RMB66.0 million). The increase was mainly due to the one-off expense of RMB16.3 million for the listing by the way of introduction of the share capital on HKEx. Excluding this one-off expense, the general and administrative expenses would have been decreased by RMB4.7 million as a result of less raw materials being utilised for the infant trees in Xinfeng Plantation. The last batch of 400,000 infant trees is now close to fruit-bearing stage, with the trial harvest expected in the winter of 2010.

Profit

Pre-tax profit was approximately RMB248.1 million for the six months ended 31 December 2009, representing an increase of 64.5% as compared to the corresponding period in 2008. The profit attributable to shareholders for the six months ended 31 December 2009 increased to RMB247.5 million, compared to RMB149.3 million for 2008, up 65.8%. There was a one-off expense of RMB16.3 million relating to the listing on the HKEx for the six months ended 31 December 2009. Excluding this one-off expense, net profit would have been up by 76.7%.

Pre-tax profit excluding the biological gain was RMB83.7 million for the six months ended 31 December 2009, representing an increase of 32.0% as compared to the corresponding period in 2008. The profit attributable to shareholders excluding the biological gain for the six months ended 31 December 2009 was RMB83.0 million, compared to RMB62.0 million for 2008, up 33.9%. Excluding the one-off listing expenses mentioned above, net profit excluding the biological gain would have been up by 60.2%.

The increase was mainly due to the higher operating profit from greater production volume as the increased maturity of orange trees in Xinfeng Plantation and the higher selling price of oranges.

INTERIM DIVIDEND

The Board does not propose to distribute an interim dividend for the six months ended 31 December 2009.

PRODUCTIVITY

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

The production volume of Winter Oranges increased to 114,530 tonnes for the six months ended 31 December 2009, representing an increase of 41.7%. The production volume of Winter Oranges in Hepu Plantation increased from 53,142 tonnes for the six months ended 31 December 2008 to 54,511 tonnes for the six months ended 31 December 2009, representing an increase of approximately 2.6%. As the orange trees matured, the production volume of Winter Oranges from Xinfeng Plantation increased significantly by 117.0% to 60,019 tonnes for the six months ended 31 December 2009 from 27,665 tonnes in the comparable period.

CAPITAL STRUCTURE

As at 31 December 2009, there were 781,440,094 shares in issue. Based on the closing price of HKD6.44 as at 31 December 2009, the market capitalisation of the Company was approximately HKD5,032.5 million as at 31 December 2009 (GBP404.5 million).

HUMAN RESOURCES

There were a total of 1,066 employees of the Group as at 31 December 2009. The Group aims to attract, retain and motivate high calibre individuals with a competitive remuneration package. Remuneration packages are performance-linked and business performance, market practices and competitive market conditions are all taken into consideration. The Group reviews the employees' remuneration packages on an annual basis. The Group also places heavy emphasis on staff training and development so that employees can reach their maximum potential.

FINANCIAL PERFORMANCE

	31 December 2009 (Unaudited)	30 June 2009 (Audited)
Current ratio (x)	**9.71**	10.92
Quick ratio (x)	**9.27**	9.19
Net debt to equity (%)	**Net cash**	Net cash

	For the six months ended	
	31 December 2009 (Unaudited)	31 December 2008 (Unaudited)
Asset turnover (x)	**0.12**	0.11
Basic earnings excluding revaluation gain from biological assets per share (RMB)	**0.11**	0.08
Basic earnings per share (RMB)	**0.32**	0.20

Liquidity

The current ratio and quick ratio were 9.71 and 9.27 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 0.12 (2008: 0.11) for the six months ended 31 December 2009. The basic earnings excluding biological gain per share for the six months ended 31 December 2009 was RMB0.11 (2008: RMB0.08).

The basic earnings per share for the six months ended 31 December 2009 was RMB0.32 (2008: RMB0.20). This was driven by the 65.8% increase in net profit for the period, but was partially offset by the dilution from the issuance of new ordinary shares to shareholders that participated in the 2009 scrip dividend.

Debt ratio

The net cash positions of the Group were RMB574.9 million and RMB461.2 million at 31 December 2009 and 30 June 2009 respectively.

Internal cash resources

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 2009.

Charge on assets and contingent liabilities

None of the Group's assets was pledged and the Group did not have any material contingent liabilities as at 31 December 2009.

Capital commitment

As at 31 December 2009, the Group had a capital commitment of approximately RMB36.7 million mainly in relation to the construction of the farmland infrastructure in the Hunan Plantation.

Foreign exchange risk

The Group is exposed to currency risk primarily through its cash and cash equivalents that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily Hong Kong dollars, United States dollars and British pounds.

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuation arise. The Group currently does not use any derivative contracts to hedge against its exposure to currency risk. Management manages its currency risk by closely monitoring the movement of the foreign currency rate and considers hedging significant foreign currency exposure should the need arise.

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INDEPENDENT REVIEW REPORT
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 set out on pages 15 to 50 which comprises the condensed consolidated balance sheet as at 31 December 2009 and the related condensed consolidated statements of comprehensive 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.

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 2009 is not prepared, in all material respects, in accordance with IAS 34.

Baker Tilly Hong Kong Limited
Certified Public Accountants
Hong Kong, 16 March 2010

Chan Kwan Ho, Edmond
Practising Certificate Number P02092

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2009

	Note	Six months ended 31 December 2009 RMB'000 (Unaudited)	2008 RMB'000 (Unaudited)	Year ended 30 June 2009 RMB'000 (Audited)
Revenue	5	**398,272**	293,296	668,529
Net gain on change in fair value of biological assets	12	**164,462**	87,360	210,631
Inventories used	5	**(178,297)**	(118,248)	(222,917)
Staff costs	5, 7	**(31,528)**	(25,521)	(49,382)
Amortisation	5	**(1,817)**	(2,740)	(4,557)
Depreciation	5	**(41,698)**	(32,967)	(57,141)
Other operating expenses	5	**(61,928)**	(51,771)	(102,726)
Profit from operations	5	**247,466**	149,409	442,437
Interest income		**668**	1,528	2,105
Finance costs		**(11)**	(5)	(12)
Net finance income		**657**	1,523	2,093
Share of loss of associates		**–**	(181)	(368)
Impairment loss on interests in associates		**–**	–	(1,896)
Profit before income tax		**248,123**	150,751	442,266
Income tax expense	6	**(648)**	(1,430)	(2,205)
Profit and total comprehensive income for the period/year and attributable to shareholders		**247,475**	149,321	440,061
		RMB	RMB	RMB
Earnings per share	8			
– Basic		**0.321**	0.201	0.581
– Diluted		**0.318**	0.201	0.581

Details of dividends to equity shareholders of the Company attributable to the profit for the period/year are set out in note 19(b).

The accompanying notes form part of this financial information.

CONDENSED CONSOLIDATED BALANCE SHEET

At 31 December 2009

	Note	31 December 2009 (unaudited) RMB'000	31 December 2008 (unaudited) RMB'000	30 June 2009 (audited) RMB'000
ASSETS				
Non-current assets				
Property, plant and equipment	9	**1,147,724**	1,105,401	1,083,758
Land use rights	10	**55,468**	56,702	56,085
Construction-in-progress	11	**19,328**	57,262	79,021
Biological assets	12	**1,306,098**	1,018,696	1,142,025
Deferred development costs	13	**31,500**	24,400	30,700
Interests in associates	14	**–**	2,059	–
		2,560,118	2,264,520	2,391,589
Current assets				
Biological assets	12	**–**	–	54,638
Properties for sale	15	**28,329**	41,635	34,111
Inventories	16	**672**	586	639
Trade and other receivable	17	**45,002**	32,954	14,901
Income tax recoverable		**–**	102	–
Cash and cash equivalents	18	**574,865**	323,613	461,241
		648,868	398,890	565,530
Total assets		**3,208,986**	2,663,410	2,957,119
EQUITY AND LIABILITIES				
Equity				
Share capital	19(c)	**8,126**	8,028	8,028
Reserves		**3,134,004**	2,601,209	2,897,295
		3,142,130	2,609,237	2,905,323
Current liabilities				
Trade and other payables	21	**61,183**	54,173	48,735
Due to a related party	23(b)	**5,250**	–	2,754
Income tax payables		**423**	–	307
Total liabilities		**66,856**	54,173	51,796
Total equity and liabilities		**3,208,986**	2,663,410	2,957,119
Net current assets		**582,012**	344,717	513,734
Total assets less current liabilities		**3,142,130**	2,609,237	2,905,323

Approved and authorised to issue by the Board of Directors on 16 March 2010

Tong Wang Chow
Director

Cheung Wai Sun
Director

The accompanying notes form part of this financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2009

	Note	Share capital RMB'000	Share premium RMB'000 *(Note (a))*	Merger reserve RMB'000 *(Note (b))*	Share option reserve RMB'000 *(Note (c))*	Capital reserve RMB'000 *(Note (d))*	Statutory reserve RMB'000 *(Note (e))*	Retained profits RMB'000	Total RMB'000
			Reserves						
At 1 July 2009 (audited)		**8,028**	**537,853**	**(4,473)**	**21,953**	**482,519**	**40,327**	**1,819,116**	**2,905,323**
Changes in equity for the six months ended 31 December 2009:									
Total comprehensive income for the period		–	–	–	–	–	–	247,475	247,475
Issue of shares to shareholders participating in the scrip dividend	19(c)	72	41,361	–	–	–	–	–	41,433
Issue of shares upon exercise of share options	19(c)	26	8,949	–	(3,716)	–	–	–	5,259
Share-based payments		–	–	–	4,285	–	–	–	4,285
2008/09 final dividend	19(b)	–	–	–	–	–	–	(61,645)	(61,645)
Appropriation to statutory reserve		–	–	–	–	–	4,112	(4,112)	–
At 31 December 2009 (unaudited)		**8,126**	**588,163**	**(4,473)**	**22,522**	**482,519**	**44,439**	**2,000,834**	**3,142,130**

The accompanying notes form part of this financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY *(Continued)*

For the six months ended 31 December 2009

			Reserves						
	Note	Share capital RMB'000	Share premium RMB'000 *(Note (a))*	Merger reserve RMB'000 *(Note (b))*	Share option reserve RMB'000 *(Note (c))*	Capital reserve RMB'000 *(Note (d))*	Statutory reserve RMB'000 *(Note (e))*	Retained profits RMB'000	Total RMB'000
At 1 July 2008 (audited)		**7,785**	**491,586**	**(4,473)**	**12,999**	**482,519**	**–**	**1,478,868**	**2,469,284**
Changes in equity for the six months ended 31 December 2008:									
Total comprehensive income for the period		–	–	–	–	–	–	149,321	149,321
Issue of shares to shareholders participating in the scrip dividend	19(c)	243	46,267	–	–	–	–	–	46,510
Share-based payments		–	–	–	3,608	–	–	–	3,608
2007/08 final dividend		–	–	–	–	–	–	(59,486)	(59,486)
At 31 December 2008 (unaudited)		**8,028**	**537,853**	**(4,473)**	**16,607**	**482,519**	**–**	**1,568,703**	**2,609,237**
At 30 June 2008 (audited)		**7,785**	**491,586**	**(4,473)**	**12,999**	**482,519**	**–**	**1,478,868**	**2,469,284**
Changes in equity for the year ended 30 June 2009:									
Total comprehensive income for the year		–	–	–	–	–	–	440,061	440,061
Issue of shares to shareholders participating in the scrip dividend	19(c)	243	46,267	–	–	–	–	–	46,510
Share-based payments		–	–	–	8,954	–	–	–	8,954
2007/08 final dividend		–	–	–	–	–	–	(59,486)	(59,486)
Appropriation to statutory reserve		–	–	–	–	–	40,327	(40,327)	–
At 30 June 2009 (audited)		**8,028**	**537,853**	**(4,473)**	**21,953**	**482,519**	**40,327**	**1,819,116**	**2,905,323**

Notes:

a) 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 on 29 June 2005 in preparation for the admission of the Company's shares to AIM of the London Stock Exchange (the "Group Reorganisation").

c) The share option reserve represents the fair value 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 Group Reorganisation.

e) The statutory reserve represents the appropriation of 10% of profit after taxation (after offsetting prior year losses) determined in accordance with the accounting standards and regulations of the People's Republic of China ("PRC") as required by the relevant PRC rules and regulations and the Articles of Association of the Company's PRC subsidiaries. The appropriation may cease if the balance of the statutory reserve has reached 50% of that PRC subsidiary's registered capital.

The accompanying notes form part of this financial information.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 31 December 2009

	Note	Six months ended 31 December 2009 (unaudited) RMB'000	Six months ended 31 December 2008 (unaudited) RMB'000	Year ended 30 June 2009 (audited) RMB'000
Cash flows from operating activities				
Profit before income tax		**248,123**	150,751	442,266
Adjustments for:				
Interest income		**(668)**	(1,528)	(2,105)
Finance costs		**11**	5	12
Depreciation	5	**33,677**	29,494	61,406
Share-based payments	7	**4,285**	3,608	8,954
Amortisation of land use rights	5	**617**	540	1,157
Amortisation of deferred development costs	5	**1,200**	2,200	3,400
Net gain on change in fair value of biological assets	12	**(164,462)**	(87,360)	(210,631)
Loss on disposal of property, plant and equipment	5	**–**	–	480
Write off of biological assets	5	**–**	42	42
Share of loss of associates		**–**	181	368
Impairment loss on interests in associates		**–**	–	1,896
Operating profit before working capital changes		**122,783**	97,933	307,245
Movements in working capital elements				
Properties for sales		**5,782**	12,670	20,194
Inventories		**(33)**	901	848
Biological assets		**54,638**	16,787	(37,851)
Trade and other receivables		**(30,101)**	(22,198)	(4,145)
Trade and other payables		**12,448**	(1,993)	(7,431)
Due to a related party		**2,496**	(1,800)	954
Cash generated from operations		**168,013**	102,300	279,814
Income tax paid		**(532)**	(459)	(825)
Net cash generated from operating activities		**167,481**	101,841	278,989

The accompanying notes form part of this financial information.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT *(Continued)*

For the six months ended 31 December 2009

	Note	Six months ended 31 December 2009 (unaudited) RMB'000	Six months ended 31 December 2008 (unaudited) RMB'000	Year ended 30 June 2009 (audited) RMB'000
Cash flows from investing activities				
Purchases of property, plant and equipment		**(1,159)**	(5,755)	(8,596)
Proceeds from disposal of property, plant and equipment		**–**	–	594
Additions to construction-in-progress		**(36,791)**	(66,779)	(97,040)
Net disposal/(addition) of biological assets		**389**	(169)	(227)
Additions to deferred development costs		**(2,000)**	(4,000)	(11,500)
Interest received		**668**	1,528	2,105
Net cash used in investing activities		**(38,893)**	(75,175)	(114,664)
Cash flows from financing activities				
Advance to an associate		**–**	(24)	(48)
Proceeds from issue of new shares upon exercise of share options		**5,259**	–	–
Dividend paid		**(20,212)**	(12,976)	(12,976)
Finance costs paid		**(11)**	(5)	(12)
Net cash used in financing activities		**(14,964)**	(13,005)	(13,036)
Net increase in cash and cash equivalents		**113,624**	13,661	151,289
Cash and cash equivalents at beginning of period/year		**461,241**	309,952	309,952
Cash and cash equivalents at end of period/year	18	**574,865**	323,613	461,241

The accompanying notes form part of this financial information.

NOTES TO THE INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

Asian Citrus Holdings Limited (the "Company") was incorporated in Bermuda on 4 June 2003 as an exempted company with limited liability under the Companies Act of Bermuda and its shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited ("HKEx"), AIM of the London Stock Exchange and PLUS Markets.

The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The address of its principal place of business is Rooms 1109–1111, 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 the planting, cultivation and sale of agricultural produce, and the development and sale of properties in an agricultural wholesale market and orange processing centre.

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 2009 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 sale of oranges
Litian Biological Sciences & Technology Development (Xinfeng) Company Limited ("Litian (Xinfeng)")	PRC	100%	Planting, cultivation and sale of oranges
Asian Citrus Management Company Limited	BVI	100%	Proprietor and licensor of the Group's intellectual property rights
Asian Citrus (H.K.) Company Limited	Hong Kong	100%	General commercial and leasing of properties

NOTES TO THE INTERIM FINANCIAL INFORMATION *(Continued)*

1 GENERAL INFORMATION *(Continued)*

Details of subsidiaries as at 31 December 2009 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%	Potential development of nursery, wholesale market and orange processing centre
Lucky Team (Hepu) Agriculture Development Limited ("Lucky Team Agriculture")	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 Biotech Development Yongzhou Limited	PRC	100%	Planting, cultivation and sale of oranges

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

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

The interim financial information has been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting", issued by the International Accounting Standards Board, the applicable disclosure provisions of the Rules Governing the Listing of Securities on the HKEx and the AIM Rules issued by the London Stock Exchange.

The interim financial information 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 interim financial information are consistent with those followed in the Group's annual financial statements for the year ended 30 June 2009, except for the accounting policy changes that are expected to be reflected in the Group's annual financial statements for the year ending 30 June 2010. Details of these changes in accounting policies are set out in note 3.

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

The preparation of interim financial information in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2009 annual financial statements. The condensed consolidated financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs").

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

3 CHANGES IN ACCOUNTING POLICIES

The International Accounting Standards Board ("IASB") has issued one new IFRS, a number of amendments to IFRSs and new Interpretations that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

- IAS 1 (revised 2007) *"Presentation of Financial Statements"*
- IFRS 3 (revised 2008) *"Business Combinations"*
- IFRS 8 *"Operating Segments"*
- IFRIC 15 *"Agreements for the Construction of Real Estate"*
- Improvements to IFRSs (2008)
- Amendments to IAS 27 *"Consolidated and Separate Financial Statements"*
- Amendments to IFRS 7 *"Financial instruments: Disclosures" – Improving Disclosures about Financial Instruments*

With exception for IAS 1 (revised 2007), the new or amendments to IFRSs and Interpretations above have had no material impact on the Group's results of operations and financial position, or do not contain any additional disclosure requirements specifically applicable to the interim financial information.

3 CHANGES IN ACCOUNTING POLICIES *(Continued)*

As a result of the adoption of IAS 1 (revised 2007), details of changes in equity during the period arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expenses are presented in the consolidated income statement if they are recognised as part of profit or loss for the period, or otherwise in a new primary statement, the consolidated statement of comprehensive income. The new format for the consolidated statement of comprehensive income and the consolidated statement of changes in equity has been adopted in this interim financial information and corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

Up to the date of issue of this interim financial information, the IASB has issued the following amendments, new standards and Interpretations which are not yet effective for the year ending 30 June 2010 and which have not been adopted in the interim financial information.

	Effective for accounting periods beginning on or after
• Improvements to IFRSs 2009	1 January 2010
• IAS 24 (revised 2009) *"Related Party Disclosures"*	1 January 2011
• IFRS 9 *"Financial Instruments"*	1 January 2013

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

4 SEGMENT INFORMATION

The Group manages its businesses by lines of business. For the purposes of resource allocation and performance assessment, the Group's most senior executive management is regularly presented with information on the two principal activities comprising the business of the Group, namely, the planting, cultivation and sale of agricultural produce, and the development and sale of properties in an agricultural wholesale market and orange processing centre.

Over 90% of the Group's revenue, expenses, assets, liabilities and capital expenditure is attributable to planting, cultivation and sale of agricultural produce. The balance is attributable to the development and sale of properties in an agricultural wholesale market and orange processing centre. Consequently, business segment information is unnecessary and is not presented.

Further details regarding the Group's revenue from agricultural produces and properties are disclosed in Note 5.

5 PROFIT FROM OPERATIONS

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

	Six months ended 31 December		Year ended 30 June
	2009 (unaudited) RMB'000	2008 (unaudited) RMB'000	2009 (audited) RMB'000
Revenue			
– sales of oranges	**384,784**	274,597	634,945
– sales of self–bred saplings	**4,028**	–	2,246
– sales of properties	**9,460**	18,699	31,338
	398,272	293,296	668,529
Inventories used			
– production	**150,452**	89,705	164,000
– general and administrative	**27,845**	28,543	58,917
	178,297	118,248	222,917
Staff costs			
– production	**20,133**	15,086	25,568
– selling and distribution	**567**	529	1,163
– general and administrative	**10,828**	9,906	22,651
	31,528	25,521	49,382
Amortisation			
– general and administrative	**1,817**	2,740	4,557
Depreciation			
– production	**36,024**	23,931	38,804
– general and administrative	**5,674**	9,036	18,337
	41,698	32,967	57,141
Other operating expenses			
– production	**12,269**	18,621	30,933
– selling and distribution	**18,220**	17,409	38,724
– general and administrative	**31,439**	15,741	33,069
	61,928	51,771	102,726

5 PROFIT FROM OPERATIONS *(Continued)*

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

	Six months ended 31 December 2009 (unaudited) RMB'000	Six months ended 31 December 2008 (unaudited) RMB'000	Year ended 30 June 2009 (audited) RMB'000
Of which:			
Amortisation of land use rights	**617**	540	1,157
Amortisation of deferred development costs	**1,200**	2,200	3,400
Auditor's remuneration	**612**	646	1,450
Cost of agricultural produce sold	**212,952**	133,128	235,601
Cost of properties sold	**5,926**	14,215	23,704
Depreciation of property, plant and equipment	**33,677**	29,494	61,406
Add: Realisation of depreciation previously capitalised as biological assets	**8,021**	3,473	3,756
Less: Amount capitalised as biological assets	**–**	–	(8,021)
	41,698	32,967	57,141
Exchange loss, net	**1,073**	328	747
Expenses relating to listing on the HKEx	**16,311**	–	–
Loss on disposal of property, plant and equipment	**–**	–	480
Operating lease expenses			
– plantation base	**4,634**	3,497	6,222
– office premises	**399**	599	967
Research and development costs	**2,323**	2,245	6,198
Write off of biological assets	**–**	42	42

6 INCOME TAX EXPENSE

The amount of income tax expense charged to the consolidated statement of comprehensive income represents:

	Six months ended 31 December		Year ended 30 June
	2009	2008	2009
	(unaudited)	(unaudited)	(audited)
	RMB'000	RMB'000	RMB'000
PRC enterprise income tax ("EIT") (Note (a))	**355**	501	1,403
Land appreciation tax ("LAT") (Note (b))	**293**	929	802
	648	1,430	2,205

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 PRC income tax rates for domestic and foreign enterprises are unified at 25% effective from 1 January 2008. As a result, the PRC subsidiaries of the Group, except for Lucky Team (Hepu), Litian (Xinfeng) and Lucky Team Agriculture, are subject to an EIT rate of 25% from 1 January 2008 onwards.

According to Article 27 of the New Law and Article 86(1) of the New Law Implementation Rules, enterprises engaging in certain agricultural activities, including the growing of fruit and the development and cultivation of new agricultural varieties, are exempt from EIT. Accordingly, Lucky Team (Hepu), Litian (Xinfeng) and Lucky Team Agriculture are exempt from EIT with effect from 1 January 2008.

b) LAT

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

c) Hong Kong profits tax

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

6 INCOME TAX EXPENSE *(Continued)*

d) PRC withholding income tax

Pursuant to the New Tax Law Implementation Rules, overseas investor to the foreign investment companies shall be liable for withholding income tax at 10% on the dividend derived from the profits of the PRC subsidiaries with effect from 1 January 2008 (the "post-2008 profits"). In addition, pursuant to the grandfathering arrangement, dividends received by the overseas investor from its PRC subsidiaries in respect of the undistributed profits derived prior to 31 December 2007 are exempt from the withholding income tax. As at the respective balance sheet dates, no deferred tax liability has been accrued for taxes that would be payable on the PRC subsidiaries' post-2008 profits as no dividend is expected to be declared from the PRC subsidiaries' post-2008 profits in the foreseeable future.

e) The actual tax expense may be reconciled to the profit before income tax in the consolidated statement of comprehensive income as follows:

	Six months ended 31 December		Year ended 30 June
	2009 (unaudited) RMB'000	2008 (unaudited) RMB'000	2009 (audited) RMB'000
Profit before income tax	**248,123**	150,751	442,266
Notional tax at the rates applicable to the PRC operations	**69,588**	37,688	117,395
Tax effect of non-deductible expenses	**55**	58,678	233
Tax effect of non-taxable revenue	**(69,951)**	(98,334)	(118,858)
Tax effect of unused tax losses not recognised	**679**	1,332	2,482
LAT	**293**	929	802
Others	**(16)**	1,137	151
Actual tax expense	**648**	1,430	2,205

f) No provision for deferred taxation has been made as there were no material temporary differences as at 31 December 2009.

7 EMPLOYEES AND DIRECTORS

	Six months ended 31 December 2009 (unaudited) RMB'000	Six months ended 31 December 2008 (unaudited) RMB'000	Year ended 30 June 2009 (audited) RMB'000
Staff costs (including directors' emoluments)			
Salaries, wages and other benefits	**26,956**	21,712	39,993
Share-based payments	**4,285**	3,608	8,954
Employee retirement benefits	**287**	201	435
	31,528	25,521	49,382
Average monthly number of people (including directors) employed:			
– production	**811**	788	842
– selling and distribution	**70**	70	70
– general and administrative	**183**	205	162
	1,064	1,063	1,074

	Directors' fees RMB'000	Salaries, allowance and benefits in kinds RMB'000	Share-based payments RMB'000	Retirement scheme contributions RMB'000	Six months ended 31 December 2009 (unaudited) RMB'000	Six months ended 31 December 2008 (unaudited) RMB'000	Year ended 30 June 2009 (audited) RMB'000
Directors' remunerations							
Executive Directors							
Tong Wang Chow	–	648	251	–	**899**	868	1,948
Tong Hung Wai, Tommy	–	380	98	5	**483**	445	1,040
Cheung Wai Sun	–	297	92	5	**394**	377	847
Pang Yi	–	378	245	3	**626**	609	1,363
Sung Chi Keung	–	432	226	5	**663**	640	1,436
Non-executive Directors							
Ip Chi Ming	270	–	–	–	**270**	270	540
Ma Chiu Cheung	166	–	–	–	**166**	170	343
Lui Ming Wah	108	–	–	–	**108**	108	216
Yang Zhenhan	108	–	–	–	**108**	108	216
Nicholas Smith	166	–	–	–	**166**	170	343
Peregrine Moncreiffe	108	–	–	–	**108**	108	216
	926	2,135	912	18	**3,991**	3,873	8,508

8 EARNINGS PER SHARE

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

	Six months ended 31 December 2009 (unaudited) RMB'000	Six months ended 31 December 2008 (unaudited) RMB'000	Year ended 30 June 2009 (audited) RMB'000
Earnings			
Profit attributable to shareholders used in diluted earnings per share calculation	**247,475**	149,321	440,061
	'000	'000	'000
Weighted average number of shares			
Issued ordinary shares at beginning of period/year	**770,560**	743,570	743,570
Effect of new shares issued to shareholders participating in the scrip dividend	**43**	140	13,458
Effect of new shares issued upon exercise of share options	**173**	–	–
Weighted average number of ordinary shares used in basic earnings per share calculation	**770,776**	743,710	757,028
Effect of dilutive potential shares in respect of share options	**6,514**	849	573
Weighted average number of ordinary shares used in diluted earnings per share calculation	**777,290**	744,559	757,601

The weighted average number of shares in each of the six months period ended 31 December 2009 and 2008 and the year ended 30 June 2009 for the purpose of calculating the basic and diluted earnings per share has been retrospectively adjusted for the one-to-ten share subdivision which took place on 2 November 2009.

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 2008 (audited)	10,101	3,062	3,388	5,842	1,120,144	1,142,537
Additions	24	–	228	1,541	6,803	8,596
Transfer from construction-in-progress (Note 11)	4,061	–	33	–	134,393	138,487
Disposals	–	–	–	(1,373)	–	(1,373)
At 30 June 2009 (audited)	14,186	3,062	3,649	6,010	1,261,340	1,288,247
Additions	–	–	306	37	816	1,159
Transfer from construction-in-progress (Note 11)	24,798	–	4,198	–	67,488	96,484
At 31 December 2009 (unaudited)	38,984	3,062	8,153	6,047	1,329,644	1,385,890
Accumulated depreciation						
At 1 July 2008 (audited)	1,724	518	1,287	1,649	138,204	143,382
Charge for the year	421	147	446	558	59,834	61,406
Written back on disposals	–	–	–	(299)	–	(299)
At 30 June 2009 (audited)	2,145	665	1,733	1,908	198,038	204,489
Charge for the period	438	47	353	289	32,550	33,677
At 31 December 2009 (unaudited)	2,583	712	2,086	2,197	230,588	238,166
Carrying amount						
At 31 December 2009 (unaudited)	36,401	2,350	6,067	3,850	1,099,056	1,147,724
At 30 June 2009 (audited)	12,041	2,397	1,916	4,102	1,063,302	1,083,758

10 LAND USE RIGHTS

	31 December		30 June
	2009	2008	2009
	(unaudited)	(unaudited)	(audited)
	RMB'000	RMB'000	RMB'000
Cost			
At beginning of period/year	**61,653**	52,512	52,512
Additions	**–**	9,141	9,141
At end of period/year	**61,653**	61,653	61,653
Accumulated amortisation			
At beginning of period/year	**5,568**	4,411	4,411
Charge for the period/year	**617**	540	1,157
At end of period/year	**6,185**	4,951	5,568
Carrying amount	**55,468**	56,702	56,085

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 46 to 50 years from respective dates of grant and will be expiring in the years from 2053 to 2056.

11 CONSTRUCTION-IN-PROGRESS

	31 December		30 June
	2009	2008	2009
	(unaudited)	(unaudited)	(audited)
	RMB'000	RMB'000	RMB'000
At beginning of period/year	**79,021**	120,468	120,468
Additions	**36,791**	66,779	97,040
Transfer to property, plant and equipment (Note 9)	**(96,484)**	(129,985)	(138,487)
At end of period/year	**19,328**	57,262	79,021

12 BIOLOGICAL ASSETS

Biological assets represent orange trees, infant trees 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 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 2008 (audited)	840	12,369	934,787	947,996
Additions	789	–	–	789
Sales of self-bred saplings	(562)	–	–	(562)
Intra-transfer to infant trees	(203)	203	–	–
Intra-transfer to orange trees	–	(4,369)	4,369	–
Written off	(42)	–	–	(42)
Net increase due to cultivation	–	–	37,851	37,851
Net change in fair value				
– Gain due to price, yield, maturity and cost changes	–	–	274,197	274,197
– Decrease due to replanting programme	–	–	(63,566)	(63,566)
	–	–	210,631	210,631
At 30 June 2009 (audited)	822	8,203	1,187,638	1,196,663
Additions	881	–	–	881
Sales of self-bred saplings	(1,270)	–	–	(1,270)
Intra-transfer to orange trees	–	(4,000)	4,000	–
Net decrease due to harvest	–	–	(54,638)	(54,638)
Net change in fair value				
– Gain due to price, yield, maturity and cost changes	–	–	209,000	209,000
– Decrease due to replanting programme	–	–	(44,538)	(44,538)
	–	–	164,462	164,462
At 31 December 2009 (unaudited)	**433**	**4,203**	**1,301,462**	**1,306,098**

12 BIOLOGICAL ASSETS *(Continued)*

Represented by:

	Self-bred saplings RMB'000	Infant trees RMB'000	Orange trees RMB'000	31 December 2009 (unaudited) Total RMB'000	31 December 2008 (unaudited) Total RMB'000	30 June 2009 (audited) Total RMB'000
Non-current	433	4,203	1,301,462	**1,306,098**	1,018,696	1,142,025
Current	–	–	–	**–**	–	54,638
	433	4,203	1,301,462	**1,306,098**	1,018,696	1,196,663

The movements in biological assets can be summarised as follows:

	Self-bred saplings Number	Infant trees Number	Orange trees Number
At 1 July 2008	323,528	1,377,397	1,514,732
Additions	448,332	–	–
Sales of self-bred saplings	(224,600)	–	–
Intra-transfer to infant trees	(81,261)	81,261	–
Intra-transfer to orange trees	–	(446,077)	446,077
Written off	(16,698)	–	–
Decrease due to replanting programme	–	–	(81,261)
At 30 June 2009	449,301	1,012,581	1,879,548
Additions	1,128,100	–	–
Sales of self-bred saplings	(402,782)	–	–
Intra-transfer to orange trees	–	(400,000)	400,000
At 31 December 2009	1,174,619	612,581	2,279,548

12 BIOLOGICAL ASSETS *(Continued)*

The replanting programme replaces existing varieties with more advanced and better quality varieties that have greater resistance to disease and produce a higher yield. Subsequent to 31 December 2009, 64,194 winter orange trees have been identified to be removed and the corresponding land area will be replanted with the same number of new varieties.

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 Council 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 leading to them being 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.

The fair value of orange trees less estimated point-of-sale costs is calculated by deducting the fair value of plantation-related machinery and equipment and land improvements from the fair value of the orange tree operation. In doing so, the following major assumptions when using the Valuation Methodology were made:

a) The market price variables represent the assumed market price for the Summer Oranges and Winter Oranges produced by the Group. The valuation adopted the market sales prices prevailing as of the relevant balance sheet date for each type of oranges produced by the Group as the sales price estimation. Such estimation is based on real terms without considering inflationary effect and planned future business activity that may impact the future prices of oranges from the Group's plantations.

b) The yield per tree variables represent the harvest level of the orange trees. The yield of orange trees is affected by the age, varieties and health of the orange trees, as well as the climate, location, soil condition, topography and infrastructure. In general, yield per tree increases from age 3 to 8, remains stable for about 22 years, and then decreases until age 35.

c) The direct production cost variables represent the direct costs necessary to bring the oranges to their sales condition, which mainly include raw material costs, and direct labour costs. The direct production cost variable is determined by reference to actual costs incurred for areas that have been previously harvested and cost information for comparable areas with regards to areas that have not been harvested previously.

d) The Capital Asset Pricing Model has been used to determine a discount rate of 20.1% (year ended 30 June 2009: 20.1%) to be applied to the orange tree operations.

12 BIOLOGICAL ASSETS *(Continued)*

e) Other key assumptions which have been taken into account in valuing the Group's biological assets include, among other things,

i) Cash flows calculated from the current rotation of orange trees only, without taking into account the projected revenue or costs related to the re-establishment of new orange trees;

ii) Projected cash flows have not taken into account finance costs and taxation and are based on real terms without considering inflationary effects;

iii) Discounted cash flows are based on current orange prices and the planned future business activities that may affect the future prices of oranges harvested from the Group's plantations are not considered; and

iv) No allowance is made for cost improvements in future operations.

The land currently occupied by the Group is leased from third parties, and has no commercial value. With reference to the fair value of plantation-related machinery and equipment and land improvements (represented by improvements in the structures and buildings, wind breakers, etc.) the total value of the assets involved as at 31 December 2009 for Hepu Plantation is approximately RMB303 million (30 June 2009: RMB316 million) and for Xinfeng Plantation is approximately RMB378 million (30 June 2009: RMB242 million).

The quantity and amount of agricultural produce harvested measured at fair value less estimated point-of-sale costs were as follows.

	Six months ended 31 December				Year ended 30 June	
	2009		2008		2009	
	Quantity Tonnes	**Amount RMB'000**	Quantity Tonnes	Amount RMB'000	Quantity Tonnes	Amount RMB'000
Oranges	**114,530**	**382,494**	80,807	270,622	152,059	622,634

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

1) Regulatory and environmental risks

The Group is subject to laws and regulations in the jurisdiction 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.

12 BIOLOGICAL ASSETS *(Continued)*

2) Supply and demand risks

The Group is exposed to risks arising from fluctuations in the price and sales volume of oranges. Where possible the Group manages this risk by aligning its harvest 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.

3) 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
	2009	2008	2009
	(unaudited)	(unaudited)	(audited)
	RMB'000	RMB'000	RMB'000
Cost			
At beginning of period/year	**43,500**	32,000	32,000
Additions	**2,000**	4,000	11,500
At end of period/year	**45,500**	36,000	43,500
Accumulated amortisation			
At beginning of period/year	**12,800**	9,400	9,400
Charge for the period/year	**1,200**	2,200	3,400
At end of period/year	**14,000**	11,600	12,800
Carrying amount	**31,500**	24,400	30,700
Represent by			
Incomplete development projects	**23,500**	14,000	21,500
Completed development projects	**8,000**	10,400	9,200
	31,500	24,400	30,700
	Years	Years	Years
Average remaining amortisation period for completed development projects	**3.3**	4.3	3.8

Deferred development costs represent expenditure incurred in developing techniques relating to the cultivation of orange trees, which will increase the productivity of the biological assets in future periods.

14 INTERESTS IN ASSOCIATES

	31 December		30 June
	2009	2008	2009
	(unaudited)	(unaudited)	(audited)
	RMB'000	RMB'000	RMB'000
Share of net liabilities	**(2,818)**	(2,631)	(2,818)
Due from an associate	**4,714**	4,690	4,714
	1,896	2,059	1,896
Impairment loss	**(1,896)**	–	(1,896)
	–	2,059	–

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

Due to the cessation of business of associates, an impairment loss of RMB1,896,000 was recognised in respect of interests in associates in the year ended 30 June 2009. The directors consider that no further recognition of losses is necessary as the interests in associates are now nil and the Group has not incurred any legal or constructive obligations in relation to the associates and will not be required to make any further payments on behalf of the associates.

Details of the associates as at 31 December 2009 are as follows:

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

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

	31 December		30 June
	2009	2008	2009
	(unaudited)	(unaudited)	(audited)
	RMB'000	RMB'000	RMB'000
Total assets	**3,596**	4,188	3,830
Total liabilities	**(10,129)**	(9,910)	(9,957)

14 INTERESTS IN ASSOCIATES *(Continued)*

Details of the associates as at 31 December 2009 are as follows: *(Continued)*

	Six months ended 31 December		Year ended 30 June
	2009	2008	2009
	(unaudited)	(unaudited)	(audited)
	RMB'000	RMB'000	RMB'000
Revenue	**–**	–	–
Loss for the period/year	**(406)**	(394)	(799)

15 PROPERTIES FOR SALE

	31 December		30 June
	2009	2008	2009
	(unaudited)	(unaudited)	(audited)
	RMB'000	RMB'000	RMB'000
Properties being developed for sale	**2,176**	2,036	2,046
Completed properties for sale	**26,153**	39,599	32,065
	28,329	41,635	34,111

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

	31 December		30 June
	2009	2008	2009
	(unaudited)	(unaudited)	(audited)
	RMB'000	RMB'000	RMB'000
In PRC, held on leases between 10 to 50 years	**5,068**	8,234	6,285

16 INVENTORIES

	31 December		30 June
	2009	2008	2009
	(unaudited)	(unaudited)	(audited)
	RMB'000	RMB'000	RMB'000
Agricultural materials	**561**	511	515
Packing materials	**111**	75	124
	672	586	639

17 TRADE AND OTHER RECEIVABLES

	31 December 2009 (unaudited) RMB'000	31 December 2008 (unaudited) RMB'000	30 June 2009 (audited) RMB'000
Trade receivables	**28,456**	23,940	2,311
Other receivables, deposits and prepayments	**16,546**	9,014	12,590
	45,002	32,954	14,901

The amount of the Group's other receivables, deposits and prepayments expected to be recovered or recognised as an expense after more than one year is RMB12,484,000 (30 June 2009: RMB6,085,000). All of the other trade and other receivables are expected to be recovered or recognised as an expense within one year.

Trade receivables from sales of agricultural produce are normally due for settlement within 30 days from the date of billing, while trade receivables from sales of properties are due for settlement in accordance with the terms of the relevant sale and purchase agreements.

The ageing analysis of trade receivables is as follows:

	31 December 2009 (unaudited) RMB'000	31 December 2008 (unaudited) RMB'000	30 June 2009 (audited) RMB'000
Neither past due nor impaired	**27,702**	23,940	1,544
Less than 1 month past due	**132**	–	493
1 to 3 months past due	**–**	–	274
More than 3 months but less than 12 months past due	**622**	–	–
Amounts past due	**754**	–	767
	28,456	23,940	2,311

Included in the Group's trade receivables are debtors with an aggregate carrying amount of RMB754,000 (30 June 2009: RMB767,000) which are past due at the balance sheet date and for which the Group has not provided any impairment loss as the Group holds collateral over those balances.

18 CASH AND CASH EQUIVALENTS

	31 December		30 June
	2009	2008	2009
	(unaudited)	(unaudited)	(audited)
	RMB'000	RMB'000	RMB'000
Short-term bank deposits	**1,350**	85,091	55,893
Cash at bank and on hand	**573,515**	238,522	405,348
	574,865	323,613	461,241

Included in the cash and cash equivalents of the Group as at 31 December 2009 is an amount of approximately RMB560,267,000 (30 June 2009: RMB391,203,000) denominated in RMB. Conversion of RMB into foreign currencies is subject to the 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 a term of one month (30 June 2009: terms ranging from one week to three months).

19 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the condensed consolidated statement of changes in equity.

(b) Dividends

No dividend has been declared during the six months ended 31 December 2009 (six months ended 31 December 2008: RMBnil).

A final dividend of RMB0.08 (2008: RMB0.08) per ordinary share for the year ended 30 June 2009 was paid on 31 December 2009.

19 CAPITAL, RESERVES AND DIVIDENDS *(Continued)*

(c) Share capital

	Note	Number of shares	HK$'000	RMB'000
Authorised:				
Ordinary shares of HK$0.10 each				
At 1 July 2008 and 30 June 2009		200,000,000	20,000	20,900
Ordinary shares of HK$0.01 each				
At 31 December 2009	(i)	2,000,000,000	20,000	20,900
Issued and fully paid:				
At 1 July 2008 (audited)		74,356,958	7,435	7,785
Issue of shares to shareholders participating in the scrip dividend		2,699,022	270	243
At 30 June 2009 (audited)		77,055,980	7,705	8,028
Effect of subdivision of shares	(i)	693,503,820	–	–
Issue of shares upon exercise of share options	(ii)	2,896,000	29	26
Issue of shares to shareholders participating in the scrip dividend	(iii)	7,984,294	80	72
At 31 December 2009 (unaudited)		781,440,094	7,814	8,126

19 CAPITAL, RESERVES AND DIVIDENDS *(Continued)*

(c) Share capital *(Continued)*

Notes:

(i) Pursuant to a resolution of the shareholders passed on 2 November 2009, the Company's issued and unissued shares of HK$0.10 each were subdivided into ten shares of HK$0.01 each. Following this share subdivision, the authorised share capital of the Company is HK$20,000,000 divided into 2,000,000,000 shares of HK$0.01 each, of which 770,559,800 shares were in issued and fully paid. The shares after the share subdivision rank pari passu in all respects with each other.

(ii) On 21 December 2009, 710,000, 1,284,000 and 902,000 new ordinary shares of HK$0.01 each were issued at £0.112, £0.2045 and £0.139 per share respectively to certain directors and employees upon exercise of a total of 2,896,000 share options (Note 20(A)(b)).

(iii) On 31 December 2009, 7,984,294 new ordinary shares of HK$0.01 each were issued at the price of £0.4495 per share to shareholders participating in the scrip dividend.

(iv) The ordinary shares issued during the period rank pari passu in all respects with the ordinary shares already in issue.

(d) 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 2009 and 30 June 2009.

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

20 SHARE-BASED PAYMENTS

(A) Share Option Scheme

The Company adopted a share option scheme (the "Share Option Scheme") on 29 June 2005 for the purpose of providing incentives or rewards to directors and full-time employees of the Group. Under the Share Option Scheme, the directors of the Company may grant options to directors and full-time employees of the Group to subscribe for shares in the Company at a price equal to the higher of: (i) average middle-market quotations of the shares as stated in the AIM Daily Official List on the dealing day immediately preceding the date of grant of the options; or (ii) the average middle-market quotations of the shares as stated in the AIM Daily Official List for the three dealing days immediately preceding the date of grant of the options; or (iii) the nominal value of the shares.

An option will not normally be exercisable before the expiry of one year from the date of grant of the option. The exercise period for the share options granted is determinable by the directors of the Company and should not expire later than 10 years from the date of grant. No consideration is payable by the grantee upon acceptance of the grant of an option under the Share Option Scheme.

With the listing of the Company's shares on the HKEx on 26 November 2009, the Share Option Scheme terminated. No further options may be granted under the Share Option Scheme after such termination. The provisions of the Share Option Scheme will continue to apply to options granted before such termination.

(a) The terms and conditions of the grants are as follows:

	Number of instruments	Vesting conditions	Contractual life of options	Expiry date
Options granted to directors:				
– on 25 July 2005	2,700,000	(i)	10 years	2 August 2015
– on 27 July 2006	4,700,000	(ii)	8 years	26 July 2014
– on 15 October 2008	5,100,000	(ii)	7 years	2 August 2015
Options granted to employees:				
– on 25 July 2005	8,850,000	(i)	10 years	2 August 2015
– on 27 July 2006	7,780,000	(ii)	8 years	26 July 2014
– on 14 September 2007	3,530,000	(ii)	8 years	2 August 2015
– on 15 October 2008	20,510,000	(ii)	7 years	2 August 2015
Total share options granted	53,170,000			

Notes:

(i) become exercisable annually at the rate of 10% over 10 years, subject to continuing employment

(ii) become exercisable annually at the rate of 20% over 5 years, subject to continuing employment

20 SHARE-BASED PAYMENTS *(Continued)*

(A) Share Option Scheme *(Continued)*

(b) Details of the outstanding share options are as follows:-

	Six months ended 31 December 2009 Number of share options	Six months ended 31 December 2009 Weighted average exercise price	Six months ended 31 December 2008 Number of share options	Six months ended 31 December 2008 Weighted average exercise price	Year ended 30 June 2009 Number of share options	Year ended 30 June 2009 Weighted average exercise price
Outstanding at beginning of period/year	**50,788,000**	**£0.157**	25,178,000	£0.175	25,178,000	£0.175
Granted during the period/year	**–**	**N/A**	25,610,000	£0.139	25,610,000	£0.139
Exercised during the period/year	**(2,896,000)**	**£0.161**	–	N/A	–	N/A
Outstanding at end of period/year	**47,892,000**	**£0.157**	50,788,000	£0.157	50,788,000	£0.157
Exercisable at end of period/year	**13,364,000**	**£0.175**	6,781,000	£0.189	6,781,000	£0.189

The numbers of share options for the movements and the weighted average exercise prices in the six-month period ended 31 December 2008 and year ended 30 June 2009 have been retrospectively adjusted for the one-to-ten share subdivision which took place on 2 November 2009 (see note 19(c)(i)).

On 21 December 2009, 710,000, 1,284,000 and 902,000 new ordinary shares of HK$0.01 each were issued at an exercise price of £0.112, £0.2045 and £0.139 per share respectively upon exercise of a total of 2,896,000 share options.

The options outstanding at the end of the period have a weighted average remaining contractual life of 6 years (30 June 2009: 6 years) and exercise prices ranging from £0.112 to £0.2425 (30 June 2009: £0.112 to £0.2425).

(c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on a binomial model. The contractual life of the share option is used as an input into this model. Expectations of early exercise are incorporated into the binomial mode.

20 SHARE-BASED PAYMENTS *(Continued)*

(A) Share Option Scheme *(Continued)*

(c) Fair value of share options and assumptions (Continued)

The inputs into the model were as follows:

Grant date	25 July 2005	27 July 2006	14 September 2007	15 October 2008
Spot price	£0.112	£0.208	£0.2435	£0.1465
Expected life (years)	10	8	8	6.8
Exercise price	£0.112	£0.2045	£0.2425	£0.139
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 spot prices and exercise prices set out in the above table have been retrospectively adjusted for the one-to-ten share subdivision which took place on 2 November 2009 (see note 19(c)(i)).

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

(B) Post Listing Share Option Scheme

Pursuant to a resolution of the shareholders on 2 November 2009, a new share option scheme ("Post Listing Scheme") was adopted and will expire on the tenth anniversary of the date on which the Post Listing Scheme becomes unconditional upon fulfilment of certain conditions. The Post Listing Scheme has taken effect upon the commencement of dealings of the Company's shares on the HKEx on 26 November 2009. Under the Post Listing Scheme, the directors of the Company may grant options to the directors and full time employees of the Group and any advisers, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, or service providers of any member of the Group who the Board considers, in its sole discretion, have contributed or will contribute to the development and growth of the Group to subscribe for shares in the Company at a price no less than the greatest of: (i) the closing price of the shares as stated in the daily quotations sheet issued by the HKEx on the date of grant, which must be a business day; or (ii) the average closing price of the shares as stated in the daily quotations sheets issued by the HKEx for the five business days immediately preceding the date of grant; or (iii) the nominal value of the shares.

An option will not normally be exercisable before the expiry of one year from the date of grant of the option. The exercise period for the share options granted is determinable by the directors of the Company and should not expire later than 10 years from the date of grant. No consideration is payable by the grantee upon acceptance of the grant of option under the Post Listing Scheme.

20 SHARE-BASED PAYMENTS *(Continued)*

(B) Post Listing Share Option Scheme *(Continued)*

The total number of shares of the Company issued and to be issued upon exercise of the options under the Post Listing Scheme and any other share option scheme of the Company must not, in aggregate, exceed 77,055,980 shares.

As at 31 December 2009, no option has been granted or agreed to be granted under the Post Listing Scheme.

21 TRADE AND OTHER PAYABLES

	31 December		30 June
	2009	2008	2009
	(unaudited)	(unaudited)	(audited)
	RMB'000	RMB'000	RMB'000
Trade payables	**16,154**	6,119	14,786
Other payables and accruals	**45,029**	48,054	33,949
	61,183	54,173	48,735

All of the trade and other payables are expected to be settled within one year or are repayable on demand.

The ageing analysis of trade payables, including amount due to a related party, by due date is as follows:

	31 December		30 June
	2009	2008	2009
	(unaudited)	(unaudited)	(audited)
	RMB'000	RMB'000	RMB'000
Due within 3 months or on demand	**19,999**	4,752	17,232
Due after 3 months but within 6 months	**1,405**	1,367	297
Due after 6 months but within 1 year	**–**	–	–
Due over 1 year	**–**	–	11
	21,404	6,119	17,540
Represented by:			
Trade payables	**16,154**	6,119	14,786
Amount due to a related party	**5,250**	–	2,754
	21,404	6,119	17,540

22 COMMITMENTS

a) Operating lease commitments

At 31 December 2009, the Group's total future minimum lease payments under non-cancellable operating leases are payable as follows:

	31 December 2009 (unaudited) RMB'000	31 December 2008 (unaudited) RMB'000	30 June 2009 (audited) RMB'000
Within 1 year	**6,609**	7,074	5,957
After 1 year but within 5 years	**24,663**	25,901	24,732
After 5 years	**302,324**	244,779	272,395
	333,596	277,754	303,084

Operating lease payments represent rentals 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.

b) Capital and other commitments

At 31 December 2009, the Group had the following capital and other commitments:

	31 December 2009 (unaudited) RMB'000	31 December 2008 (unaudited) RMB'000	30 June 2009 (audited) RMB'000
Contracted but not provided for			
Construction-in-progress	**23,559**	23,865	26,678
Research and development	**13,100**	22,600	15,100
	36,659	46,465	41,778

23 RELATED PARTY TRANSACTIONS

a) In addition to those disclosed elsewhere in the interim financial information, the Group had the following significant related party transactions during the period/year:

	Six months ended 31 December 2009 (unaudited) RMB'000	Six months ended 31 December 2008 (unaudited) RMB'000	Year ended 30 June 2009 (audited) RMB'000
Purchases of organic fertilisers from:			
Fujian Zhangzhou Chaoda Microbe Organic Fertiliser Company Limited ("Zhangzhou Chaoda")	**17,550**	16,800	35,220
Weizhou Chaoda Microbe Organic Fertiliser Company Limited ("Weizhou Chaoda")	**7,875**	6,956	12,110
	25,425	23,756	47,330
Operating lease expenses paid to:			
Alpha Best Limited	**254**	216	406

Zhangzhou Chaoda and Weizhou Chaoda are related parties of Lucky Team (Hepu) by virtue of Mr. Kwok Ho's interests. 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 substantial shareholder of the Company. The purchases from these two related parties were charged at prices and terms comparable with those charged to and contracted with independent third parties.

Alpha Best Limited is related to the Group by virtue of Mr. Tong Wang Chow's interest in its share capital.

b) At 31 December 2009, the Group had the following amount due to a related party, which was trade in nature:

	31 December 2009 (unaudited) RMB'000	31 December 2008 (unaudited) RMB'000	30 June 2009 (audited) RMB'000
Weizhou Chaoda	**5,250**	–	2,754

23 RELATED PARTY TRANSACTIONS *(Continued)*

c) Compensation of key management personnel

	Six months ended 31 December		Year ended 30 June
	2009	2008	2009
	(unaudited)	(unaudited)	(audited)
	RMB'000	RMB'000	RMB'000
Short-term employee benefits	**3,716**	3,701	7,857
Share-based payments	**1,516**	1,404	3,394
Post-employment benefits	**30**	22	50
	5,262	5,127	11,301

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.

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

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 31 December 2009.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2009, the interests or short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong ("SFO")) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were notified to the Company and the HKEx, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code"), are set out below:

		Number of shares held					
Name	Class of shares	Personal interests	Family interests	Corporate interests	Number of underlying shares held under equity derivatives	Total	Approximate percentage of the Company's total issued share capital
Tong Wang Chow	Ordinary shares/ Share options	–	–	271,223,153 *(Note 1)*	3,000,000 *(Note 2)*	274,223,153	35.09%
Tong Hung Wai Tommy	Share options	–	–	–	1,150,000 *(Note 3)*	1,150,000	0.15%
Cheung Wai Sun	Share options	–	–	–	1,050,000 *(Note 4)*	1,050,000	0.13%
Pang Yi	Share options	–	–	–	3,750,000 *(Note 5)*	3,750,000	0.48%
Sung Chi Keung	Ordinary shares/ Share options	600,000	–	–	2,680,000 *(Note 6)*	3,280,000	0.42%
Nicholas Smith	Ordinary shares	744,491	–	–	–	744,491 *(Note 7)*	0.10%

Notes:

(1) The 271,223,153 shares were held by Market Ahead Investments Limited ("Market Ahead"), the issued share capital of which is beneficially owned by the following persons:

Mr Tong Wang Chow	76%
Mr Tong Hung Wai, Tommy	6%
Mrs Tong Lee Fung Kiu	6%
Ms Tong Mei Lin	6%
Mr Lee Kun Chung	6%

Mr Tong Wang Chow is deemed to be interested in 271,223,153 shares held by Market Ahead by virtue of the SFO. Mr Tong Wang Chow is also a director of Market Ahead.

(2) 1,500,000 shares would be allotted and issued to Mr. Tong Wang Chow upon the exercise in full of the share options granted to Mr. Tong Wang Chow under the Share Option Scheme. These share options, all of which remained exercisable as at 31 December 2009, were exercisable at the subscription price of £0.2045 per share during the period from 27 July 2007 to 26 July 2014.

1,500,000 shares would be allotted and issued to Mr. Tong Wang Chow upon the exercise in full of the share options granted to Mr. Tong Wang Chow under the Share Option Scheme. These share options, all of which remained exercisable as at 31 December 2009, were exercisable at the subscription price of £0.139 per share during the period from 15 October 2009 to 2 August 2015.

(3) 550,000 shares would be allotted and issued to Mr. Tong Hung Wai Tommy upon the exercise in full of the share options granted to Mr. Tong Hung Wai Tommy under the Share Option Scheme. These share options, all of which remained exercisable as at 31 December 2009, were exercisable at the subscription price of £0.2045 per share during the period from 27 July 2007 to 26 July 2014.

600,000 shares would be allotted and issued to Mr. Tong Hung Wai Tommy upon the exercise in full of the share options granted to Mr. Tong Hung Wai Tommy under the Share Option Scheme. These share options, all of which remained exercisable as at 31 December 2009, were exercisable at the subscription price of £0.139 per share during the period from 15 October 2009 to 2 August 2015.

(4) 450,000 shares would be allotted and issued to Mr. Cheung Wai Sun upon the exercise in full of the share options granted to Mr. Cheung Wai Sun under the Share Option Scheme. These share options, all of which remained exercisable as at 31 December 2009, were exercisable at the subscription price of £0.2045 per share during the period from 27 July 2007 to 26 July 2014.

600,000 shares would be allotted and issued to Mr. Cheung Wai Sun upon the exercise in full of the share options granted to Mr. Cheung Wai Sun under the Share Option Scheme. These share options, all of which remained exercisable as at 31 December 2009, were exercisable at the subscription price of £0.139 per share during the period from 15 October 2009 to 2 August 2015.

(5) 1,200,000 shares would be allotted and issued to Mr. Pang Yi upon the exercise in full of the share options granted to Mr. Pang Yi under the Share Option Scheme. These share options, all of which remained exercisable as at 31 December 2009, were exercisable at the subscription price of £0.2045 per share during the period from 27 July 2007 to 26 July 2014.

1,350,000 shares would be allotted and issued to Mr. Pang Yi upon the exercise in full of the share options granted to Mr. Pang Yi under the Share Option Scheme. These share options, all of which remained exercisable as at 31 December 2009, were exercisable at the subscription price of £0.112 per share during the period from 3 August 2006 to 2 August 2015.

1,200,000 shares would be allotted and issued to Mr. Pang Yi upon the exercise in full of the share options granted to Mr. Pang Yi under the Share Option Scheme. These share options, all of which remained exercisable as at 31 December 2009, were exercisable at the subscription price of £0.139 per share during the period from 15 October 2009 to 2 August 2015.

(6) 1,000,000 shares would be allotted and issued to Mr. Sung Chi Keung upon the exercise in full of the share options granted to Mr. Sung Chi Keung under the Share Option Scheme. These share options, all of which remained exercisable as at 31 December 2009, were exercisable at the subscription price of £0.2045 per share during the period from 27 July 2007 to 26 July 2014.

720,000 shares would be allotted and issued to Mr. Sung Chi Keung upon the exercise in full of the share options granted to Mr. Sung Chi Keung under the Share Option Scheme. These share options, all of which remained exercisable as at 31 December 2009, were exercisable at the subscription price of £0.112 per share during the period from 3 August 2006 to 2 August 2015.

960,000 shares would be allotted and issued to Mr. Sung Chi Keung upon the exercise in full of the share options granted to Mr. Sung Chi Keung under the Share Option Scheme. These share options, all of which remained exercisable as at 31 December 2009, were exercisable at the subscription price of £0.139 per share during the period from 15 October 2009 to 2 August 2015.

(7) The 744,491 shares were held as to 319,066 shares by Carey Pensions & Benefits Limited as trustee of InterRetire - Smith Executive Retirement Plan (the "Plan") and as to 425,425 shares by Nicholas Smith in his own name. As at 31 December 2009, Nicholas Smith was a direct beneficiary of the Plan and is deemed to have an interest in the shares held by the Plan.

Save as disclosed above, none of the Directors, the chief executive of the Company or their associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations as at 31 December 2009 as defined in Part XV of SFO as recorded in the register to be kept under section 352 of the SFO or as otherwise notified to the Company and the HKEx pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2009, so far as is known to the Directors, the following persons or companies (other than the Directors and the chief executive) had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:

Name	Number of shares held	Nature of interest	Approximate percentage of issued shares as at 31 December 2009
			(%)
Market Ahead *(Note 1)*	271,223,153	Beneficial owner	34.71%
Tong Lee Fung Kiu *(Note 1)*	271,223,153	Interest of spouse	34.71%
Huge Market Investments Limited ("Huge Market") *(Note 2)*	221,448,026	Beneficial owner	28.34%
Chaoda Modern Agriculture (Holdings) Limited ("Chaoda") *(Note 2)*	221,448,026	Interest of controlled corporation	28.34%

Note:

(1) Market Ahead is a company incorporated in the BVI, the issued share capital of which is beneficially owned by the following persons:

Mr. Tong Wang Chow	76%
Mr. Tong Hung Wai, Tommy	6%
Mrs. Tong Lee Fung Kiu	6%
Ms. Tong Mei Lin	6%
Mr. Lee Kun Chung	6%

Mr. Tong Wang Chow is deemed to be interested in 271,223,153 shares held by Market Ahead by virtue of the SFO.

Mrs. Tong Lee Fung Kiu is the spouse of Mr. Tong Wang Chow. By virtue of the SFO, Mrs. Tong Lee Fung Kiu is also deemed, as spouse, to be interested in all the Shares in which Mr. Tong Wang Chow is deemed to be interested.

Mr. Tong Wang Chow is also a director of Market Ahead.

(2) The entire issued share capital of Huge Market is held by Chaoda. Chaoda is deemed to be interested in 221,448,026 shares held by Huge Market by virtue of the SFO.

Mr Ip. Chi Ming is a director of Huge Market and Chaoda.

Save as disclosed above, the Directors are not aware of any other persons who have interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

SHARE OPTION SCHEME AND POST LISTING SHARE OPTION SCHEME

A share option scheme (the "Share Option Scheme") was adopted by the Company on 29 June 2005. A post listing share option scheme (the "Post Listing Scheme") was adopted by the Company on 2 November 2009. A summary of the principal terms of the Share Option Scheme and the Post Listing Scheme was included in the Company's Listing document dated 23 November 2009 under the section "Appendix IV Statutory and General Information – D. Other Information – I. Share Option Scheme".

Movements of the share options granted under the Share Option Scheme during the period ended 31 December 2009 are as follows:

	Number of shares in respect of Options								
Name or Category of participant	Balance as at 1 July 2009	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding as at 31 December 2009	Date of grant	Exercisable period	Exercise price per share	Weighted average closing price
								GBP	HKD
Directors									
Tong Wang Chow	1,500,000	–	–	–	1,500,000	27/7/2006	27/7/2007-26/7/2014	0.2045	–
	1,500,000	–	–	–	1,500,000	15/10/2008	15/10/2009-2/8/2015	0.139	–
Tong Hung Wai, Tommy	550,000	–	–	–	550,000	27/7/2006	27/7/2007-26/7/2014	0.2045	–
	600,000	–	–	–	600,000	15/10/2008	15/10/2009-2/8/2015	0.139	–
Cheung Wai Sun	450,000	–	–	–	450,000	27/7/2006	27/7/2007-26/7/2014	0.2045	–
	600,000	–	–	–	600,000	15/10/2008	15/10/2009-2/8/2015	0.139	–
Pang Yi	1,350,000	–	–	–	1,350,000	3/8/2005	3/8/2006-2/8/2015	0.112	–
	1,200,000	–	–	–	1,200,000	27/7/2006	27/7/2007-26/7/2014	0.2045	–
	1,200,000	–	–	–	1,200,000	15/10/2008	15/10/2009-2/8/2015	0.139	–

Name or Category of participant	Number of Shares in respect of Options: Balance as at 1 July 2009	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding as at 31 December 2009	Date of grant	Exercisable period	Exercise price per share	Weighted average closing price
								GBP	HKD
Sung Chi Keung	1,080,000	–	360,000	–	720,000	3/8/2005	3/8/2006-2/8/2015	0.112	6.57
	1,000,000	–	–	–	1,000,000	27/7/2006	27/7/2007-26/7/2014	0.2045	–
	1,200,000	–	240,000	–	960,000	15/10/2008	15/10/2009-2/8/2015	0.139	6.57
Employees:									
In aggregate	7,080,000	–	350,000	–	6,730,000	3/8/2005	3/8/2006-2/8/2015	0.112	6.57
	7,438,000	–	1,284,000	–	6,154,000	27/7/2006	27/7/2007-26/7/2014	0.2045	6.57
	3,530,000	–	–	–	3,530,000	14/9/2007	14/9/2008-2/8/2015	0.2425	–
	20,510,000	–	662,000	–	19,848,000	15/10/2008	15/10/2009-2/8/2015	0.139	6.57
	50,788,000	–	2,896,000	–	47,892,000				

Other than as disclosed above, no other share option was granted, cancelled, lapsed or exercised pursuant to the Share Option Scheme and Post Listing Scheme of the Company during the period ended 31 December 2009.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Directors, where practicable for an organisation of the Group's size and nature, sought to comply with the UK Combined Code. The Combined Code is the key source of corporate governance recommendations for UK listed companies. It consists of principles of good governance covering the following areas:–

1. Directors;
2. Directors' Remuneration;
3. Accountability and Audit;
4. Relations with Shareholders; and
5. Institutional Investors.

In connection with the listing of the Company on the HKSE in November 2009, the Company adopted the code provisions set out in the Code on Corporate Governance Practices ("Code") contained in Appendix 14 to the Hong Kong Listing Rules as its additional code on corporate governance practices on 17 November 2009. The Company complied with applicable code provisions in the Code throughout six months ended 31 December 2009, with deviation(s) listed below:

– Code Provision A.2.1.

  The roles of Chairman and Chief Executive Officer are performed by the same individual, Mr. Tong Wang Chow, and are not separated. The Board meets regularly to consider issues related to corporate matters affecting operations of the Group. The Board considers the structure will not impair the balance of power and authority of the Board and the Company's management and thus, the Board believes this structure will enable effective planning and implementation of corporate strategies and decisions.

Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted a code for Directors' dealings appropriate for a company whose shares are admitted to trading on AIM and takes all reasonable steps to ensure compliance by the Directors and any relevant employees. The Company also adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Hong Kong Listing Rules.

The Directors have confirmed, following a specific enquiry by the Company, that they have fully complied with the required standard as set out in the Model Code throughout the interim period ended 31 December 2009.

REVIEW OF FINANCIAL STATEMENTS

The Audit Committee comprises of three independent non-executive directors. Mr. Ma Chiu Cheung Andrew acts as Chairman of the committee with Mr. Nicholas Smith and Mr. Yang Zhenhan act as members. The arrangement of Audit Committee is in compliance with Rule 3.21 of the Hong Kong Listing Rules.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group, and discussed auditing, internal control and financial reporting matters including the review of the Company's unaudited financial statements for the period ended 31 December 2009.

PUBLICATION OF INTERIM REPORT

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

By Order of the Board of
Asian Citrus Holdings Limited
Tong Wang Chow
Chairman

Hong Kong, 16 March 2010