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ASIAN CITRUS HOLDINGS LIMITED
亞洲果業控股有限公司*

(Incorporated in Bermuda with limited liability)

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

ANNOUNCEMENT OF THE ANNUAL RESULTS FOR THE YEAR ENDED 30 JUNE 2010

The board of directors (the "Board") of Asian Citrus Holdings Limited (the "Company" or "Asian Citrus") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 30 June 2010.

RESULTS HIGHLIGHTS

	Year ended 30 June			For illustration only Year ended 30 June	
	2010	**2009**	**% change**	**2010**	**2009**
	(RMBmillion)	*(RMBmillion)*		*(£million*)*	*(£million*)*
Reported financial information					
Revenue	**812.5**	668.5	**+21.5**	80.0	58.8
EBITDA	**652.4**	501.9	**+30.0**	64.2	44.1
Profit before tax	**587.3**	442.3	**+32.8**	57.8	38.9
Net profit	**585.5**	440.1	**+33.0**	57.6	38.7
Basic EPS	**RMB0.74**	RMB0.58	**+27.6**	7.3p	5.1p
Final Dividend	**RMB0.10**	RMB0.08	**+25.0**	1.0p	0.7p
Special Dividend	**RMB0.02**	Nil	**N/A**	0.2p	Nil

* *For identification purposes only*

	Year ended 30 June 2010 (RMBmillion)	2009 (RMBmillion)	% change	For illustration only Year ended 30 June 2010 (£million*)	2009 (£million*)
Reported financial information adjusted to exclude biological gain					
EBITDA	**346.4**	291.2	**+19.0**	34.1	25.6
Profit before tax	**281.3**	231.6	**+21.5**	27.7	20.4
Net profit	**279.5**	229.4	**+21.8**	27.5	20.2
Basic EPS	**RMB0.35**	RMB0.30	**+16.7**	3.4p	2.6p
Payout ratio	**37.0%**	26.9%			

* *Conversion at £1 = RMB10.16 and RMB11.37 for the year ended 30 June 2010 and 2009 respectively for reference only*

BUSINESS OVERVIEW

- Renewed all existing supermarket supply contracts for the year and added several new supermarkets in different areas in China, including Beijing and Shanghai

- Increased the number of supermarket customers from two in 2005 to 20 as of 30 June 2010

- 42.3% increase in sales of oranges to supermarkets to 61,157 tonnes (2008/09: 42,977 tonnes)

- Our brand "Royal Star" obtained the "Gold Award" at BioFach China 2010

- Sales of approximately 0.7 million self-bred saplings to local farmers during the year with the agreement for first right to purchase

- Listed by way of introduction on the Stock Exchange of Hong Kong Limited (the "HKEx") on 26 November 2009

- Entered into a non-legally binding memorandum of understanding in relation to the acquisition of a citrus fruit plantation with approximately 1.1 m citrus fruits trees occupied a land area of 10,000 mu in Fuchuan Country of Guangxi

- Entered into a conditional sale and purchase agreement in relation of the acquisition of 92.94% of the equity interest in Beihai Perfuming Juice Company Limited with estimated annual output production capacity of approximately 60,000 tonnes

OPERATIONAL HIGHLIGHTS

Hepu Plantation

- Fully developed with approximately 1.3 million orange trees, of which 1.1 million are fruit-bearing trees
- Production increased by 2.0% to 126,919 tonnes (2008/09: 124,394 tonnes)
- Replanting programme underway with 64,194 winter trees replaced

Xinfeng Plantation

- Fully planted with 1.6 million winter orange trees, of which 1.2 million are fruit-bearing trees
- Production increased by 117.0% to 60,019 tonnes (2008/09: 27,665 tonnes)
- Final batch of 400,000 orange trees will start its trial crops in the winter of 2010, thus completing the planting programme

Hunan Plantation

- New nursery completed in December 2009
- RMB101.0m invested which mainly represents expenditure for land clearing, land cultivation and farmland infrastructure
- Adjusted to plant 1.8 million orange trees from 2.4 million to achieve high degree of automation and mechanisation so as to further enhance our farming efficiency, leading to an anticipated improvement in yields, as well as greater return on investment
- First batch of trees will be planted before the end of 2010

Xinfeng Development (Agricultural wholesale market and processing centre)

- Phase I completed in 2007/08 financial year with approximately 99% of the units sold for a total consideration of RMB90.0 million
- Phase II of the development postponed until conditions in the real estate sector are more stable

Chairman's Statement

I am very pleased to present the annual results of Asian Citrus Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") for the year ended 30 June 2010. During this period, the Group's revenue increased by 21.5% from RMB668.5 million to RMB812.5 million while net profit increased by 33.0% from RMB440.1 million to RMB585.5 million.

STRATEGIC OVERVIEW

During the year ended 30 June 2010, the Group renewed supply contracts with all of its existing customers. Furthermore, the Group continued to develop its direct sales to supermarkets in China and added several new supermarket customers in different areas of China, including Shanghai and Beijing. The Group's supermarket customers have increased from two in 2005 to 20 as of 30 June 2010 and in terms of geographical coverage, such customers now essentially cover most major cities and coastal provinces in China. We are confident that our supermarket sales will continue to grow with increased volume and further addition of customers in the near future.

The Group is mass producing self-bred saplings from its Hepu Plantation. In addition to using these saplings for our own replanting programme in the Hepu Plantation, the Group sold approximately 700,000 saplings to local farmers during the year. Ongoing development of the nursery operation and sale of self-bred saplings enabled the Group to secure a long-term stable supply of high-quality oranges, since in the latter case, reciprocal agreements have been reached with local farmers, thus ensuring the Group has first right to purchase their oranges.

In order to strengthen further its leading position in species development, the Group expanded its nursery operation with the construction of a new nursery at the Hunan Plantation, which was completed in December 2009. This new nursery will produce a fresh supply of saplings principally aimed at meeting requirements of the Hunan Plantation, although once the Hunan Plantation is completed, it will also supply local farmers with orange saplings. We believe our strength in species development and ability to mass produce improved species of orange saplings will further bolster our leading position in China's orange market.

We are fully committed to maintaining strict quality control over our products. In addition to successfully achieving the annual renewal of the "Organic Products" accreditation from the China Organic Food Certification Center for both our Hepu Plantation and Xinfeng Plantation, our "Royal Star" branded oranges also obtained the "Gold Award" at BioFach China 2010 in May 2010, which is further evidence of the outstanding quality of our products.

OPERATING REVIEW

There are approximately 1.3 million orange trees in the Hepu Plantation and approximately 1.1 million trees were producing oranges during the year ended 30 June 2010. Production output for the year was approximately 126,919 tonnes, representing an increase of 2.0% over the previous year's production of 124,394 tonnes. This growth was due mainly to increased production from certain winter orange trees as they became more mature, offsetting the reduction in number of orange-producing trees due to the replanting programme.

The Group's replanting programme at the Hepu Plantation is ongoing, and 64,194 winter orange trees have been removed and replanted with the same number of the summer orange trees during the year under review. As at the date of this report, there are approximately 180,000 winter orange trees in the Hepu Plantation, all are due to be replaced over the next three years. We are very confident that the replanting programme will deliver long-term economic benefits by increasing average yields and therefore improve revenue per tonne. The first batch of orange trees replanted in 2007 is due to produce its first crop in 2011.

The Xinfeng Plantation is fully planted with 1.6 million winter orange trees, 1.2 million of which produced oranges during the year, yielding approximately 60,019 tonnes of oranges, an increase of approximately 117.0% over the previous year's production of 27,665 tonnes. This growth was mainly due to increased production from the first two batches of 800,000 winter orange trees, which have yet to reach full maturity, together with trial production from the third batch of 400,000 trees. The last batch of 400,000 orange trees is anticipated to begin trial production in the winter of 2010 and by that time the entire Xinfeng Plantation is expected to be producing oranges.

During the year, the Group continued construction of the Hunan Plantation, with approximately RMB80.2 million invested. As at 30 June 2010, approximately RMB101.0 million had been invested in the Hunan Plantation. In order to achieve a higher degree of automation and mechanisation, the number of trees to be planted in the plantation has been adjusted from 2.4 million to 1.8 million. The higher degree of automation and mechanisation will further enhance our farming efficiency, leading to an anticipated improvement in yields, as well as greater return on investment. The first batch of 550,000 trees will be planted at the Hunan Plantation before the end of 2010 and the entire plantation will be completed by 2013 as expected.

TRADING RESULTS

The Group's revenue from the sale of oranges was RMB777.7 million (2009: RMB634.9 million) for the year ended 30 June 2010, representing year-on-year growth of 22.5%. This was achieved mainly from increased production of approximately 22.9%. We anticipate that the proportion of sales to supermarkets will continue to increase over time and the Group's products will be able to achieve wider geographical exposure as more supermarket contracts are secured. During the year under review, we further strengthened our sales network in several major cities and coastal provinces in China, including Beijing, Shanghai, Shenzhen, Jiangsu province and Zhejiang province.

During the year ended 30 June 2010, the Group sold approximately 61,157 tonnes of oranges to supermarkets directly, representing an increase of 42.3% from 42,977 tonnes sold in the previous year. The volume and revenue derived from sales to supermarkets accounted for 32.7% and 40.8% of the Group's production and revenue from sales of oranges respectively.

The gross margin achieved by the Hepu Plantation decreased slightly to 67.7% for the year (2009: 68.6%), due mainly to higher costs associated with organic farming and wage inflation in China. The gross margin achieved by the Xinfeng Plantation was 31.3% for the year compared with 29.1% in the previous year. The higher gross margin at the Xinfeng Plantation was due mainly to the higher average maturity profile of the trees, thus achieving greater economies of scale. Over the medium term, as production volume increases and further economies of scale can be derived, the Group expects the Xinfeng Plantation to continue growing and realise greater profitability. Across the two plantations, the Group's gross margin for its core agricultural business was approximately 58.7% for the year ended 30 June 2010 (2009: 63.0%).

The cost of production for the core agricultural business increased from RMB235.0 million for the year ended 30 June 2009 to RMB321.5 million for the year ended 30 June 2010, principally due to increased consumption of raw materials accompanying the growth of the Group's production volume, higher costs associated with organic farming and wage inflation in China. The average unit cost of production at the Hepu Plantation increased from RMB1.38 per kg in the previous year to RMB1.49 per kg in the current year as a result of these higher costs. However, the average unit cost of production at the Xinfeng Plantation decreased from RMB2.31 per kg in previous year to RMB2.22 per kg in the current year due to greater economies of scale benefiting from the increased maturity of trees. Looking at the two plantations collectively, the Group's average unit cost of production increased from RMB1.55 per kg for the year ended 30 June 2009 to approximately RMB1.72 per kg for the year ended 30 June 2010.

During the year, the Group continued to sell some of its self-bred saplings to local farmers from the nursery at the Hepu Plantation. Approximately 700,000 orange saplings were sold and the Group recorded RMB7.0 million in revenue.

In addition to its core agricultural business the Group completed the transfer of ownership and title for 67 units of Phase 1 at the Xinfeng Development during the year. As a result, the Group realised revenue and incurred corresponding costs (excluding business tax and other relevant taxes and charges that may still be levied) of RMB27.8 million and RMB20.3 million respectively during the year.

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 industry position. More importantly, it will provide an additional platform to strengthen the Company's liquidity.

POTENTIAL DEVELOPMENTS

As announced on 15 April 2010, the Company and Guangxi Lixin State-owned Farm entered into a non-legally binding memorandum of understanding in relation to the acquisition of a citrus fruit plantation, with approximately 1.1 million citrus fruits trees and ancillary facilities. The plantation occupies a land area of approximately 10,000 mu and is located in Fuchuan County of the Guangxi Zhuang Autonomous Region in the PRC. We believe this proposed acquisition will further strengthen our own supply of high quality citrus fruit products and we will strive to complete this deal before the end of the exclusivity period which is due to expire on 31 January 2011.

Apart from expanding the size of our plantation with the view toward increasing production of citrus fruits, we also see the opportunity for the Group to invest in value-added processed products where there issignificant market demand and potential. On 11 October 2010, the Company announced that a conditional sale and purchase agreement was entered in respect of the acquisition (the "Proposed Acquisition") of 92.94% equity interest in Beihai Perfuming Garden Juice Company Limited ("Beihai BPG"). The consideration for this acquisition is approximately HK$2.04 billion. As the Proposed Acquisition will constitute a major acquisition under the Hong Kong Listing Rules, we will convene a special general meeting in late November 2010 for the purpose of obtaining shareholders' approval for the Proposed Acquisition.

Beihai BPG is a leading producer and wholesaler of tropical fruit juice concentrates in the PRC and processes over ten different varieties of tropical fruits, the most significant types of which include pineapples, passion fruits, lychees, mangoes and papayas. Beihai BPG was also the largest producer of pineapple juice concentrate and lychee juice concentrate between 2007 and 2009 and its current annual output production capacity is estimated to be over 60,000 tonnes. Leveraging on the Company's leading position in the production of oranges, increasing demand for healthy food in the PRC (including both fruits and fruit juice beverages) due to rapid urbanisation, continuous growth in household income and consumers' rising health consciousness, we believe the Proposed Acquisition will enable the Group to generate synergies resulting from the vertical integration of a citrus juice and fruit concentrates business and subsequent expansion into other tropical fruit juice concentrates.

After taking into account the leading position and scale of Beihai BPG, we consider the Proposed Acquisition will allow the Group to expand into the concentrated juice market in the PRC in an effective and efficient way.

SHARE PLACEMENT

In April 2010, 68,000,000 new ordinary shares were placed at HK$5.70 each, raising net proceeds of approximately RMB328.4 million. The proceeds will be used principally to finance the acquisition of the state-owned plantation mentioned above, should such an acquisition proceed.

DIVIDENDS

The Board recommends the payment of a final dividend of RMB0.10 per share and a special dividend of RMB0.02 per share for the financial year ended 30 June 2010. This equates to 37.0% of adjusted earnings excluding fair value gain on biological assets for the year ended 30 June 2010, which the Board views as an appropriate payout to provide shareholders with an attractive yield while leaving the Group with sufficient capital for further developments. The Company has decided to institute a Scrip Dividend Scheme whereby shareholders can elect to receive the final dividend for the year ended 30 June 2010 in the form of shares. A document providing further details of this Scrip Dividend Scheme will be sent to shareholders in due course.

The final dividend and special dividend, if approved at the Annual General Meeting on 3 December 2010, will be paid in sterling or HK Dollar on or before 31 December 2010, to shareholders whose names appear on the register on 5 November 2010, with an ex-dividend date of 4 November 2010 and 3 November 2010 on the HKEx and London Stock Exchange PLC respectively. The actual translation rate for the purpose of dividend payment in sterling or HK Dollar will be referenced to the exchange rate on 5 November 2010.

OUTLOOK

During the year, we made very good progress in expanding our direct sales to supermarkets, raising income from such activities as well as attracting a greater number of new supermarket customers. Alongside higher production volume from both the Hepu Plantation and Xinfeng Plantation, the Group aims to increase production of high quality citrus fruits through the possible acquisition of a plantation and by capitalising on the ongoing saplings programme with local farmers, which will enable the Group to source high-quality oranges from the farmers. In addition to the fresh fruits market, the Group is very confident that fruit juice consumption will continue to grow in China; hence the potential acquisition of Beihai BPG will provide the Group with the techniques, processing capacity and distribution network to more effectively and efficiently expand into the concentrated juice market in the PRC.

On behalf of the Board, I would like to express my deepest gratitude to the management and employees of the Group for their dedication and contribution to the growth of Asian Citrus. In addition, I would like to take this opportunity to thank all of our shareholders and investors for their ongoing support. We are very excited about the Group's growth, in both upstream and downstream businesses, and we are confident that Asian Citrus will make further progress and deliver good value to shareholders in the wake of continuing economic growth in China.

Tony Tong Wang Chow
Chairman

12 October 2010

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING PERFORMANCE

Revenue

Revenue from sale of oranges grew by 22.5% to RMB777.7 million for the year ended 30 June 2010. This was achieved by an increase of approximately 22.9% in the Group's production to 186,938 tonnes.

The production yield from Hepu Plantation increased by 2.0% to 126,919 tonnes for the year ended 30 June 2010. The orange trees continue to mature and more trees reached orange-bearing age, the production yield from the Xinfeng Plantation increased significantly by 117.0% to 60,019 tonnes for the year ended 30 June 2010 from 27,665 tonnes in the comparable year.

The following tables sets out the average selling prices of the Group's oranges for each of the years ended 30 June 2010 and 2009.

	Year ended 30 June	
	2010	2009
	RMB	*RMB*
	(per tonne)	*(per tonne)*
Hepu Plantation		
— Winter Oranges	**3,567**	3,470
— Summer Oranges	**5,516**	5,057
Xinfeng Plantation		
— Winter Oranges	**3,330**	3,260

The first sales of self-bred saplings developed from the nursery centre at the Hepu Plantation took place in April 2009. For the year ended 30 June 2010, RMB7.0 million from the sales of approximately 700,000 selfbred saplings to local farmers was recognised.

In addition to the core agricultural business, the transfer of 67 units of Phase I of the Xinfeng Development was completed during the year ended 30 June 2010. The Group recognised revenue and corresponding costs (excluding business tax and other relevant taxes and charges that may be levied) of approximately RMB27.8 million and RMB20.3 million respectively.

Combining the above, the Group's revenue increased by 21.5% to RMB812.5 million for the year ended 30 June 2010.

The breakdown of sales by types is as follows:

	For the year ended 30 June			
	2010		2009	
		% of total		*% of total*
	RMB'000	***revenue***	*RMB'000*	*revenue*
Hepu Plantation	**583,649**	**71.8%**	544,757	81.5%
Xinfeng Plantation	**194,016**	**23.9%**	90,188	13.5%
Sales of oranges	**777,665**	**95.7%**	634,945	95.0%
Sales of self-bred saplings	**7,056**	**0.9%**	2,246	0.3%
Sales of properties	**27,761**	**3.4%**	31,338	4.7%
Total revenue	**812,482**	**100.0%**	668,529	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 categories, namely corporate customers, wholesale customers, and supermarket chains. The breakdown of types of customers is as follows:

	For the year ended 30 June	
	2010	2009
	% of sale of oranges	
Types of customers		
Supermarket chains	**40.8%**	36.7%
Corporate customers	**34.5%**	38.9%
Wholesale customers	**23.8%**	23.9%
Other	**0.9%**	0.5%
Total	**100.0%**	100.0%

For the year ended 30 June 2010, the production volume and revenue to supermarket chains represented approximately 32.7% and 40.8% respectively of the Group, compared to approximately 28.3% and 36.7% respectively for the year ended 30 June 2009. 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 45,298 tonnes and 15,859 tonnes for the year ended 30 June 2010, increased from 39,475 tonnes and 3,502 tonnes for the year ended 30 June 2009 respectively.

Cost of sales

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

	For the year ended 30 June			
	2010		2009	
		% of Cost		*% of Cost*
	RMB'000	***of sales***	*RMB'000*	*of sales*
Inventories used				
Fertilisers	**164,613**	**47.8%**	105,072	40.5%
Packaging materials	**39,982**	**11.6%**	39,182	15.1%
Pesticides	**27,153**	**7.9%**	19,684	7.6%
	231,748	**67.3%**	163,938	63.2%
Production overheads				
Direct labour	**30,855**	**9.0%**	25,488	9.8%
Depreciation	**49,637**	**14.4%**	38,410	14.8%
Others	**9,266**	**2.7%**	7,203	2.8%
Cost of sales of oranges	**321,506**	**93.4%**	235,039	90.6%
Cost of sales of self-bred saplings	**2,262**	**0.7%**	562	0.2%
Cost of sales of properties	**20,337**	**5.9%**	23,704	9.2%
Total	**344,105**	**100%**	259,305	100%

The production costs of the core agricultural business increased 36.8% to RMB321.5 million (2009: RMB235.0 million). The increase in production costs was principally due to the increase in raw materials utilised for higher production volumes, the higher costs associated with organic farming and wage inflation in China.

The average unit cost of production in the Hepu Plantation increased by 8.7% to approximately RMB1.49 per kg for the year ended 30 June 2010 (2009: approximately RMB1.38 per kg) as a result of these higher costs.

The average unit cost of production in the Xinfeng Plantation decreased by 3.9% to approximately RMB2.22 per kg for the year ended 30 June 2010 (2009: approximately RMB2.31 per kg) as a result of better economies of scale achieved. As a result, the combined average unit cost of production increased by 11.3% to approximately RMB1.72 per kg for the year ended 30 June 2010 (2009: approximately RMB1.55 per kg).

Gross profit

The Group's overall gross profit increased by 14.5% to approximately RMB468.4 million for the year ended 30 June 2010 (2009: RMB409.2 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 152,059 tonnes to 186,938 tonnes.

Gross profit margin

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

	For the year ended 30 June	
	2010	2009
Hepu Plantation	**67.7%**	68.6%
Xinfeng Plantation	**31.3%**	29.1%

The gross profit margin of the Hepu Plantation slightly decreased to approximately 67.7% (2009: 68.6%) as a result of the higher costs mentioned above.

More trees in the Xinfeng Plantation have reached orange-bearing age and have continued to mature during the year. Benefiting from the increasing maturity of the orange trees in the Xinfeng Plantation, the gross profit margin of the Xinfeng Plantation increased to approximately 31.3% for the year ended 30 June 2010 (2009: 29.1%). As a result of the continuous growth in production volume and economies of scale, we expect that the margin of the Xinfeng Plantation will continue to improve over the medium term.

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

	For the year ended 30 June	
	2010	2009
Cost of sales of oranges	**58.7%**	63.0%
Cost of sales of self-bred saplings	**67.9%**	75.0%
Cost of sales of properties	**26.7%**	24.4%
Overall gross profit	**57.6%**	61.2%

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

The drop of the gross profit margin on the sales of self-bred saplings was due to the increase in overheads resulted from the full operation of the nursery centre.

The increase in gross profit margin on the sale of properties was mainly due to the higher price per sq.m. obtained for property sold. As at 30 June 2010, there were 49 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 RMB306.0 million from changes in fair value of biological assets for the year ended 30 June 2010, compared to a gain of RMB210.6 million for the last year. The increase was mainly due to the higher selling price of the oranges achieved by the Group and the transfer of 400,000 infant trees to orange trees and the increased maturity of orange trees in our plantations during the year.

Selling and distribution expenses

Selling and distribution expenses mainly comprise sales commissions, advertising, salaries and welfare of sales personnel, travelling and transportation expenses. The selling and distribution expenses of the Group increased from approximately RMB39.9 million for the year ended 30 June 2009 to approximately RMB45.5 million for the year ended 30 June 2010, representing an increase of 14.1%, mainly resulting from the increased sale activities in Xinfeng Plantation and more direct sales to supermarket customers during the year.

General and administrative expenses

General and administrative expenses comprise mainly salary, office administration expenses, depreciation, amortization, raw material utilised for infant trees and research costs. The general and administrative expenses of the Group were approximately RMB143.3 million for the year ended 30 June 2010 (2009: RMB137.5 million), representing an increase of 4.2%. 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 the Main Board of the HKEx. Excluding this one-off expense, the general and administrative expenses would have been decreased by RMB10.5 million as a result of less raw materials utilised for the infant trees in Xinfeng Plantation. The last batch of 400,000 infant trees is close to fruit-bearing stage with the trial harvest expected in the winter of 2010.

Profit

Pre-tax profit was approximately RMB587.3 million for the year ended 30 June 2010, representing an increase of 32.8% as compared to last year. The profit attributable to shareholders for the year ended 30 June 2010 increased to RMB585.5 million, compared to RMB440.1 million for 2009, up 33.0%. There were one-off listing expenses of RMB16.3 million for the year ended 30 June 2010 and excluding these one-off expenses, net profit would have been up by 36.7%.

Pre-tax profit excluding the biological gain was RMB281.3 million for the year ended 30 June 2010, representing an increase of 21.5% as compared to last year. The profit attributable to shareholders excluding the biological gain for the year ended 30 June 2010 was RMB279.5 million, compared to RMB229.4 million for 2009, up 21.8%. Excluding the one-off listing expenses as mentioned above, net profit excluding the biological gain would have been up by 28.9%.

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

FINAL DIVIDEND AND SPECIAL DIVIDEND

The Board has recommended a final dividend of RMB0.10 per share and a special dividend of RMB0.02 per share for the year ended 30 June 2010 (2009: RMB0.08 and nil respectively).

PRODUCTIVITY

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

	For the year ended 30 June			
	2010		2009	
Types of produce	***Tonnes***	***% of Total output***	*Tonnes*	*% of total output*
Winter Oranges	**114,530**	**61.3%**	80,807	46.9%
Summer Oranges	**72,408**	**38.7%**	71,252	53.1%
Total	**186,938**		152,059	

The production volume of Winter Oranges increased to 114,530 tonnes for the year ended 30 June 2010, representing an increase of 41.7%. The production volume of Winter Oranges in Hepu Plantation increased from 53,142 tonnes for the year ended 30 June 2009 to 54,511 tonnes for 2010, 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 year ended 30 June 2010 from 27,665 tonnes in the last year.

The production volume of Summer Oranges slightly increased to 72,408 tonnes for the year ended 30 June 2010 (2009: 71,252 tonnes).

CAPITAL STRUCTURE

As at 30 June 2010, there were 852,650,094 shares in issue. Based on the closing price of HK$5.47 as at 30 June 2010, the market capitalisation of the Company was approximately 4,664.0 million (GBP417.8 million).

HUMAN RESOURCES

There were a total of 1,368 employees of the Group as at 30 June 2010. 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

	30 June 2010	30 June 2009
Current ratio (x)	**21.33**	10.92
Quick ratio (x)	**19.21**	9.19
Asset turnover (x)	**0.21**	0.23
Basic earnings excluding revaluation gain from biological assets per share (RMB)	**0.35**	0.30
Basic earnings per share (RMB)	**0.74**	0.58
Net debt to equity (%)	**Net cash**	Net cash

Liquidity

The current ratio and quick ratio was 21.33 and 19.21 respectively. The liquidity of the Group is remained healthy with sufficient reserves for both current operation and future development.

Profitability

The asset turnover of the Group slightly decreased to 0.21 (2009: 0.23) for the year ended 30 June 2010.

The basic earnings per share for the year ended 30 June 2010 was RMB0.74 (2009: RMB0.58).

The basic earnings excluding biological gain per share for the year ended 2010 increased to RMB0.35 (2009: RMB0.30). 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 higher selling price of oranges.

Debt ratio

The net cash positions of the Group were RMB975.1 million and RMB461.2 million at 30 June 2010 and 2009 respectively.

Internal cash resource

The Group's major internal cash resource is its cash and bank balances. The Group did not have any outstanding bank borrowings as at 30 June 2010.

Charge on assets and contingent liabilities

None of the Group's assets were pledged and the Group did not have any material contingent liabilities as at 30 June 2010.

Capital Commitments

As at 30 June 2010, the Group had capital commitments of approximately RMB91.1 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 operation to which they related. The currencies giving rise to this risk are primarily Hong Kong dollars, United States dollars and British pounds.

The Group 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.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2010

	Note	2010 *RMB'000* *(Audited)*	2009 *RMB'000* *(Audited)*
Revenue	4	**812,482**	668,529
Net gain on change in fair value of biological assets		**306,000**	210,631
Inventories used		**(289,572)**	(222,917)
Staff costs		**(56,626)**	(49,382)
Amortisation		**(3,644)**	(4,557)
Depreciation		**(63,181)**	(57,141)
Other operating expenses		**(119,902)**	(102,726)
Profit from operations		**585,557**	442,437
Interest income		**1,845**	2,105
Finance costs		**(81)**	(12)
Net finance income		**1,764**	2,093
Share of loss of associates		**—**	(368)
Impairment loss on interests in associates		**—**	(1,896)
Profit before income tax		**587,321**	442,266
Income tax expense	7	**(1,854)**	(2,205)
Profit and total comprehensive income for the year attributable to shareholders of the Company		**585,467**	440,061
		RMB	*RMB*
Earnings per share	8		
- Basic		**0.741**	0.581
- Diluted		**0.735**	0.581

CONSOLIDATED BALANCE SHEET

As at 30 June 2010

	Note	**2010** **RMB'000** **(Audited)**	2009 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**1,161,437**	1,083,758
Land use rights		**54,841**	56,085
Construction-in-progress		**64,328**	79,021
Biological assets		**1,449,565**	1,142,025
Deferred development costs		**36,800**	30,700
Interests in associates		**—**	—
		2,766,971	2,391,589
Current assets			
Biological assets		**90,221**	54,638
Properties for sale		**18,497**	34,111
Inventories		**841**	639
Trade and other receivable	10	**19,629**	14,901
Cash and cash equivalents		**975,074**	461,241
		1,104,262	565,530
Total assets		**3,871,233**	2,957,119
EQUITY AND LIABILITIES			
Equity			
Share capital		**8,767**	8,028
Reserves		**3,810,687**	2,897,295
		3,819,454	2,905,323
Current liabilities			
Trade and other payables	11	**44,391**	48,735
Due to related parties		**7,110**	2,754
Income tax payables		**278**	307
Total liabilities		**51,779**	51,796
Total equity and liabilities		**3,871,233**	2,957,119
Net current assets		**1,052,483**	513,734
Total assets less current liabilities		**3,819,454**	2,905,323

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June 2010

	2010	2009
	RMB'000	*RMB'000*
	(Audited)	*(Audited)*
Cash flows from operating activities		
Profit before income tax	**587,321**	442,266
Adjustments for:		
Interest income	**(1,845)**	(2,105)
Finance costs	**81**	12
Depreciation	**68,492**	61,406
Share-based payments	**10,363**	8,954
Amortisation of land use rights	**1,244**	1,157
Amortisation of deferred development costs	**2,400**	3,400
Net gain on change in fair value of biological assets	**(306,000)**	(210,631)
Loss on disposal of property, plant and equipment	**—**	480
Write off of biological assets	**—**	42
Share of loss of associates	**—**	368
Impairment loss on interests in associates	**—**	1,896
Operating profit before working capital changes	**362,056**	307,245
Movements in working capital elements		
Properties for sales	**19,656**	20,194
Inventories	**(202)**	848
Biological assets	**(35,583)**	(37,851)
Trade and other receivables	**(4,728)**	(4,145)
Trade and other payables	**(4,344)**	7,431
Due to related parties	**4,356**	954
Cash generated from operations	**341,211**	279,814
Income tax paid	**(1,883)**	(825)
Net cash generated from operating activities	**339,328**	278,989

	2010	2009
	RMB'000	*RMB'000*
	(Audited)	*(Audited)*
Cash flows from investing activities		
Purchase of property, plant and equipment	**(1,698)**	(8,596)
Proceeds from disposal of property, plant and equipment	**—**	594
Additions to construction-in-progress	**(133,822)**	(97,040)
Net addition of biological assets	**(1,540)**	(227)
Additions to deferred development costs	**(8,500)**	(11,500)
Interest received	**1,845**	2,105
Net cash used in investing activities	**(143,715)**	(114,664)
Cash flows from financing activities		
Advance to an associate	**—**	(48)
Proceeds from issue of new shares from placement	**328,375**	
Proceeds from issue of new shares upon exercise of share options	**10,138**	—
Dividend paid	**(20,212)**	(12,976)
Finance costs paid	**(81)**	(12)
Net cash generated from/(used in) financing activities	**318,220**	(13,036)
Net increase in cash and cash equivalents	**513,833**	151,289
Cash and cash equivalents at beginning of year	**461,241**	309,952
Cash and cash equivalents at end of year	**975,074**	461,241

NOTES TO 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 HKEx, AIM of the London Stock Exchange and PLUS Markets plc.

The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton, Bermuda HM11. The address of its principal place of business is Rooms 1109-1112, Wayson Commercial Building, 28 Connaught Road West, Hong Kong.

The principal activities of the Company and its subsidiaries (together referred to as the "Group") are planting, cultivation and sale of agricultural produce, and developing and sale of property units 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 as at 30 June 2010.

2 SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

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

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

b) Basis of preparation of the financial statements

These financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Group, rounded to the nearest thousand, unless otherwise stated.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of biological assets which are carried at their fair values.

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

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

3 CHANGE IN ACCOUNTING POLICIES

The 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 these financial statements.

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 these statements 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 approval of these financial statements, the IASB has issued the following amendments, new standards and Interpretations which are not yet effective for the year ended 30 June 2010 and which have not been adopted in these financial statements.

	Effective for accounting periods beginning on or after
• Improvements to IFRSs (2009)	1 January 2010
• Amendments to IFRS 2 "Share-based Payment - Group Cash-settled Share-based Payment Transactions"	1 January 2010
• Improvements to IFRSs (2010)	1 July 2010 or 1 January 2011
• 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 REVENUE

	2010 *RMB'000* *(Audited)*	2009 *RMB'000* *(Audited)*
Sales of oranges	**777,665**	634,945
Sales of self-bred saplings	**7,056**	2,246
Sales of properties	**27,761**	31,338
	812,482	668,529

5 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 developing and sale of property units in an agricultural wholesale market and orange processing centre, both within the PRC.

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

Details regarding the Group's revenue from agricultural produces and properties are disclosed in note 4.

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

6 PROFIT FROM OPERATIONS

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

	2010	2009
	RMB'000	*RMB'000*
	(Audited)	*(Audited)*
Inventories used		
- production	**231,899**	164,000
- general and administrative	**57,673**	58,917
	289,572	222,917
Staff costs		
- production	**30,980**	25,568
- selling and distribution	**1,325**	1,163
- general and administrative	**24,321**	22,651
	56,626	49,382
Amortisation		
- general and administrative	**3,644**	4,557
Depreciation		
- production	**51,291**	38,804
- general and administrative	**11,890**	18,337
	63,181	57,141

	2010	2009
	RMB'000	*RMB'000*
	(Audited)	*(Audited)*
Other operating expenses		
- production	**29,935**	30,933
- selling and distribution	**44,177**	38,724
- general and administrative	**45,790**	33,069
	119,902	102,726
Of which:		
Amortisation of land use rights	**1,244**	1,157
Amortisation of deferred development costs	**2,400**	3,400
Auditors' remuneration	**1,319**	1,450
Cost of agricultural products sold	**321,506**	235,601
Cost of properties sold	**20,337**	23,704
Depreciation of property, plant and equipment	**68,492**	61,406
Add: Realisation of depreciation previously capitalised as biological assets	**8,021**	3,756
Less: Amount capitalised as biological assets	**(13,332)**	(8,021)
	63,181	57,141
Exchange losses, net	**1,277**	747
Loss on disposal of property, plant and equipment	**—**	480
Operating lease expenses		
- plantation base	**7,410**	6,222
- office premises	**775**	967
Research and development costs	**5,795**	6,198
Write off of biological assets	**—**	42

7 INCOME TAX EXPENSE

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

	2010	2009
	RMB'000	*RMB'000*
	(Audited)	*(Audited)*
PRC enterprise income tax ("EIT") (note a)	**1,041**	1,403
Land appreciation tax ("LAT") (note b)	**813**	802
	1,854	2,205

a) EIT

Pursuant to the PRC Enterprise Income Tax Law (the "New Tax 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.

According to Article 27 of the New Tax Law and Article 86(1) of the New Tax Law Implementation Rules, enterprises engaging in certain agricultural activities, including growing of fruits and selection and cultivation of new agricultural species, are exempt from EIT. Accordingly, Lucky Team Biotech Development (Hepu) Limited, Litian Biological Sciences & Technology Development (Xinfeng) Company Limited and Lucky Team (Hepu) Agriculture Development Limited are exempt from EIT from 1 January 2008.

b) LAT

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

c) Hong Kong profits tax

No Hong Kong profits tax has been provided (2009: RMBnil) as the Group had no assessable profit arising in or derived from Hong Kong during the year.

8 EARNINGS PER SHARE

	2010	2009
	RMB'000	*RMB'000*
	(Audited)	*(Audited)*
Earnings		
Profit attributable to shareholders used in basic and diluted earnings per share calculation	**585,467**	440,061
Weighted average number of shares	***'000***	*'000*
Issued ordinary shares at beginning of year	**770,560**	743,570
Effect of shares issued to shareholders participating in the scrip dividend	**3,981**	13,458
Effect of shares issued upon exercise of share options	**2,881**	—
Effect of shares issued upon placement	**13,227**	—
Weighted average number of ordinary shares used in basic earnings per share calculation	**790,649**	757,028
Effect of dilutive potential shares in respect of share options	**5,673**	573
Weighted average number of ordinary shares used in diluted earnings per share calculation	**796,322**	757,601

The weighted average number of shares in 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 DIVIDENDS

	2010	2009
	RMB'000	*RMB'000*
	(Audited)	*(Audited)*
Proposed final dividend of RMB0.10 and special dividend of RMB0.02 (2009: RMB0.08 and nil respectively) per ordinary share	**103,359**	61,645

The proposed final dividend and special dividend is not recognised as a liability as at 30 June 2010 as it is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

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

10 TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade receivables with the ageing analysis as follows:

	2010	2009
	RMB'000	*RMB'000*
	(Audited)	*(Audited)*
Neither past due nor impaired	**1,348**	1,544
Less than 1 month past due	**116**	493
1 to 3 months past due	**—**	274
3 to 6 months past due	**—**	—
6 to 12 months past due	**506**	—
Over 1 year past due	**545**	—
Amounts past due	**1,167**	767
	2,515	2,311

Trade receivables at the balance sheet date are mainly receivables from the sales of properties which are due for settlement in accordance with the terms of the related sale and purchase agreements.

Included in the Group's trade receivables are debtors with an aggregate carrying amount of RMB1,167,000 (2009: RMB767,000) which are past due at the balance sheet date and for which the Group has not provided for any impairment loss because the Group holds collateral over these balances.

11 TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables with the ageing analysis of trade payables including amount due to a related party, by due date as follows:

	2010	2009
	RMB'000	*RMB'000*
	(Audited)	*(Audited)*
Due within 3 months or on demand	**26,442**	17,232
Due after 3 months but within 6 months	**51**	297
Due after 6 months but within 1 year	**95**	—
Due over 1 year	**—**	11
	26,588	17,540
Represented by:		
Trade payables	**19,478**	14,786-
Amount due to a related party	**7,110**	2,754-
	26,588	17,540

12 FINANCIAL INFORMATION

The results announcement was approved by the board on 12 October 2010. The financial information has been prepared on a going concern basis in accordance with International Financial Reporting Standards. The accounting policies applied in preparing the financial information are consistent with those adopted and disclosed in the Group's statutory accounts for the year ended 30 June 2009.

The statutory accounts for the year ended 30 June 2010 will be delivered to the Registrar of Companies following the Company's annual general meeting. The auditors have reported on the accounts for the year ended 30 June 2010 and their report was unqualified and did not contain a statement under section 237 (2) or (3) of the Companies Act 1985.

OTHER INFORMATION

DIVIDENDS

The Board recommends the payment of a final dividend of RMB0.10 per share and a special dividend of RMB0.02 per share for the financial year ended 30 June 2010. This equates to 37.0% of adjusted earnings excluding fair value gain on biological assets for the year ended 30 June 2010, which the Board views as an appropriate payout to provide shareholders with an attractive yield while leaving the Group with sufficient capital for further developments. The Company has decided to institute a Scrip Dividend Scheme whereby shareholders can elect to receive the final dividend for the year ended 30 June 2010 in the form of shares. A document providing further details of this Scrip Dividend Scheme will be sent to shareholders in due course.

The final dividend and special dividend, if approved at the Annual General Meeting on 3 December 2010, will be paid in sterling or HK Dollar on or before 31 December 2010, to shareholders whose names appear on the register on 5 November 2010, with an ex-dividend date of 4 November 2010 and 3 November 2010 on the HKEx and London Stock Exchange PLC respectively. The actual translation rate for the purpose of dividend payment in sterling or HK Dollar will be referenced to the exchange rate on 5 November 2010.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year, except for the issue of 6,106,000 ordinary shares under the Share Option Scheme, the issue of 7,984,294 ordinary shares to shareholders participating in the scrip dividend and the placing of 68,000,000 ordinary shares to investors in April 2010 as set out below:

Fund Raising Activity

For the purpose of strengthening the capital base for further development of the Group, the Group completed the following fund raising activity during the year under review. The Company issued 68,000,000 ordinary shares to not less than six professional institutional and other investors who are independent third parties under a placing and subscription agreement with net proceeds of approximately RMB328.4 million, and mainly intends to apply to acquire a citrus fruit plantation with approximately 1.1 million citrus fruits trees and ancillary facilities which occupies a land area of approximately 10,000 mu located in the PRC, further details of which are stated in the announcement dated 21 April 2010.

CODE ON CORPORATE GOVERNANCE PRACTICES

During the year ended 30 June 2010, the Directors, where practicable, for an organisation of the Group's size and nature sought to comply with the 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: (i) Directors; (ii) Directors' remuneration; (iii) accountability and audit; (iv) relations with shareholders; and (v) 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 ("CCG") contained in Appendix 14 to the Hong Kong Listing Rules as its additional code on corporate governance practices on 17 November 2009. The Company has complied with the CCG since its listing on the HKSE on 26 November 2009, except the deviation from provision A.2.1 as described 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 form of this code is substantially the same as that set out in Appendix 10 of the Hong Kong Listing Rules.

In connection with the listing of the Company on the HKSE in November 2009, the Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Hong Kong Listing Rules as its own code of conduct regarding securities transactions by the Directors on 17 November 2009. Having made specific enquiry, the Company confirmed that all Directors have complied with the required standard set out in the Model Code for the year under review.

AUDIT COMMITTEE

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 audited financial statements for the year ended 30 June 2010.

PUBLICATION OF ANNUAL REPORT

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

BY ORDER OF THE BOARD
Asian Citrus Holdings Limited
Tong Wang Chow
Chairman

Hong Kong, 12 October 2010

As at the date of this announcement, the board of directors of the Company comprises five executive directors, namely Mr. Tong Wang Chow, Mr. Tong Hung Wai, Tommy, Mr. Cheung Wai Sun, Mr. Pang Yi and Mr. Sung Chi Keung; two non-executive directors, namely Mr. Ip Chi Ming and Hon Peregrine Moncreiffe and four independent non-executive directors, namely Mr. Ma Chiu Cheung, Andrew, Mr. Nicholas Smith, Mr. Yang Zhenhan and Dr. Lui Ming Wah, SBS JP.