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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2010

The board of directors (the "Board") of Asian Citrus Holdings Limited (the "Company" or "Asian Citrus") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 31 December 2010.

Key Highlights

				For illustration only	
	Six months ended 31 December			**Six months ended 31 December**	
	2010 (RMBm)	**2009 (RMBm)**	**% change**	***2010* (£m**)**	***2009* (£m**)**
Reported financial information					
Revenue	**624.0**	398.3	*+56.7%*	*61.7*	*36.4*
Gross profit	**275.4**	179.4	+53.5%	*27.2*	*16.4*
EBITDA	**578.5**	291.6	*+98.4%*	*57.2*	*26.6*
Profit before tax	**526.4**	248.1	+112.2%	*52.0*	*22.7*
Profit attributable to shareholders	**523.4**	247.5	*+111.5%*	*51.7*	*22.6*
Basic EPS	**RMB 0.59**	RMB 0.32	*+84.4%*	*5.8p*	*2.9p*
Interim dividend	**RMB 0.02**	-	*N/A*	*0.2p*	-
Reported financial information adjusted to exclude biological gain					
EBITDA	**240.3**	127.2	+88.9%	23.7	*11.6*
Profit before tax	**188.2**	83.7	+124.9%	18.6	*7.6*
Profit attributable to shareholders	**185.1**	83.0	+123.0%	18.3	*7.6*
Basic EPS	**RMB 0.21**	RMB 0.11	+90.9%	*2.1p*	*1.0p*

*** Conversion at £1 = RMB10.12 and RMB10.95 for the six months ended 31 December 2010 and 2009 respectively for reference only*

**For identification purposes only*

Business Highlights

- Revenue from the sale of oranges grew by approximately 36.6% to approximately RMB525.7m (1H 2009/10: RMB: 384.8 m)
- Increased direct sales volumes to supermarkets up by approximately 21.9% to 38,572 tonnes (1H 2009/10: 31,632 tonnes). Renewed supply contracts with all existing supermarket customers
- Expansion into concentrated juice markets in China through an approximate HK$2,040 million acquisition of 92.94% equity interest in Beihai Perfuming Garden Juice Company ("Beihai BPG") with subsequent share placing of 175,000,000 new ordinary shares in December 2010 raising net proceeds of approximately HK$1,510 million for repayment of cash consideration for acquisition of Beihai BPG, financing expansion and additional working capital requirements for Beihai BPG
- Sold 270,000 self-bred saplings to local farmers – high margin revenue stream offering security of long term supply through the reciprocal arrangements giving Asian Citrus first right to purchase the oranges
- Since the year end, extension of the exclusivity period to 30 April 2011 in respect of the acquisition of a 10,000 mu citrus fruit plantation in Fuchuan County of Guangxi
- Declaration of first interim dividend of RMB0.02 per share, reflecting reduced seasonality of revenues and cashflows following acquisition of Beihai BPG

Hepu Plantation

- Fully developed with approximately 1.3 million orange trees, of which approximately 1.0 million are fruit bearing
- Replanting programme replacing 63,584 winter orange trees with improved species of summer orange trees, designed to increase average yields and achievable revenue per tonne. As expected, production decreased by approximately 7.3% during the replanting programme

Xinfeng Plantation

- Fully planted with 1.6 million winter orange trees all of which are now orange producing
- Production increased by approximately 55.3% to 93,181 tonnes (1H 2009/10: 60,019 tonnes)

Hunan Plantation

- Continued investment, in line with expectations. As at 31 December 2010, approximately RMB209.0 million was invested for land clearing and cultivation, plantation costs and farmland infrastructure. Approximately 120,000 orange trees were planted and a further approximately 320,000 orange trees to be planted in Q1 2011

Beihai BPG

- Intention to expand production capacity through constructing a new production facility by the end of 2011 with expected annual production capacity of 40,000 tonnes

Chairman's Statement

I am very pleased to report the results of the Group for the six months ended 31 December 2010. For the six months ended 31 December 2010, the Group's revenue increased by 56.7% from RMB398.3 million to RMB624.0 million while the net profit increased by 111.5% from RMB247.5 million to RMB523.4 million.

STRATEGIC OVERVIEW

The Group continued to expand its direct sales to supermarkets and renewed supply contracts with all of its existing supermarket customers. During the six months ended 31 December 2010, the Group sold 38,572 tonnes of oranges directly to supermarkets, representing an increase of approximately 21.9% over the comparable period's volume of sales to supermarkets of 31,632 tonnes. The Group believes that the increasing volume of direct sales to supermarkets will not only provide the Group with enhanced profitability but also lead to better product recognition within China.

The Group is mass producing self-bred saplings from both the Hepu and Hunan Plantations. In addition to using these saplings for our own replanting programme at the Hepu Plantation and the new planting at our Hunan Plantation, the Group sold approximately 270,000 self-bred saplings to local farmers during the six months ended 31 December 2010. The sales of self-bred saplings provide the Group with a high margin revenue stream and the capability to secure long-term supplies of high-quality oranges through reciprocal agreements with the farmers which offer the Group the first right to purchase their oranges.

During the six months ended 31 December 2010, the Group continued to invest in the Hunan Plantation. As at 31 December 2010, the Group had invested approximately RMB209.0 million in the Hunan Plantation which mainly represents expenditure for land clearing, land cultivation, planting costs for the orange trees and other farmland infrastructure. The development of this plantation is in line with our expectations and approximately 120,000 orange trees have been planted as at 31 December 2010 with another approximately 320,000 orange trees to be planted in the first quarter of 2011.

The Group formally completed the acquisition of 92.94% equity interest in Beihai BPG on 30 November 2010 and this represents a major milestone for the Group to expand into the concentrated juice market in China. In addition to the existing production facilities of Beihai BPG in Beihai city and Hepu county of Guangxi Zhuang Autonomous Region (the "Guangxi Region"), we intend to expand the production capacity of Beihai BPG by constructing a new production facility by the end of 2011 in the Baise county of the Guangxi Region. The annual production output capacity of this new facility, which we plan to open in early 2012, is expected to be approximately 40,000 tonnes.

OPERATIONS REVIEW

The Hepu Plantation is fully developed with approximately 1.3 million orange trees of which 1.0 million are currently producing oranges. Output from the Hepu Plantation was 50,517 tonnes for the six months ended 31 December 2010 which represents a decrease of approximately 7.3% over the comparable year's production of 54,511 tonnes. The decrease in production volume was anticipated and due to the ongoing replanting programme at the plantation where 64,194 winter orange trees were replaced with the same number of summer orange trees during the year ended 30 June 2010.

The Xinfeng Plantation is fully planted with 1.6 million winter orange trees. During the six months ended 31 December 2010, all the 1.6 million trees were producing oranges (2009: 1.2 million), yielding 93,181 tonnes of oranges, which represents an increase of approximately 55.3% over the previous year's production of 60,019 tonnes. Growth was mainly due to increased production from the first three phases of 1.2 million winter oranges trees, which are yet to achieve their full maturity, together with the trial production from the final 400,000 trees.

The Group's replanting programme in the Hepu Plantation continues and there were approximately 178,000 winter oranges trees as at 31 December 2010 which are expected to be replanted in the next three years. Since the period end, 63,584 winter orange trees have been removed and the corresponding land area has been replanted with the same number of the new species of summer orange trees. We believe the improved species of trees being planted will deliver long term economic benefits by increasing average yields and achievable revenue per tonne. It is expected that the first batch of 55,185 trees replanted during 2007 will commence production in the coming summer of 2011 which will add to our existing summer orange production.

We have consolidated the trading results of Beihai BPG since the completion of the acquisition on 30 November 2010, and we are in the process of integrating the Beihai BPG's business with our own. Whilst tropical fruit juice concentrates continue to be its major products, Beihai BPG started to increase the production of orange juice concentrate in December 2010. Although the orange juice concentrate production only accounts for a relatively small part of Beihai BPG's operation for now, we are keen to increase the production of orange juice concentrate which is one of the most popular and in-demand fruit juice products in China.

Potential development

The Group entered into a non-legally binding memorandum of understanding in relation to the acquisition of a state-owned citrus fruit plantation with approximately 1.1 million fruit trees and ancillary facilities in the Fuchuan county of the Guangxi Region on 15 April 2010 and the exclusivity period of this memorandum of understanding was extended to 30 April 2011 following the execution of the supplementary memorandum of understanding on 31 January 2011. Whilst we will strive to complete this deal before the end of the exclusivity period, we will continue to investigate other suitable fruit plantations for potential acquisition in order to further strengthen our own supply of high quality fruit products.

Share placement

In December 2010, 175,000,000 new ordinary shares were placed at HK$8.88 each, raising net proceeds of approximately HK$1,510 million. The proceeds are intended to be used for (i) paying the cash consideration of HK$780 million in relation to the acquisition of Beihai BPG; (ii) financing the expansion of the production capacity of Beihai BPG; and (iii) financing the corresponding additional working capital requirement resulting from the expansion of its production capacity.

Dividends

Following the completion of the acquisition of Beihai BPG, the Board acknowledges that the Group is now subject to less seasonality of its revenue and cashflows. In view of this change, the Board recommends the payment of an interim dividend of RMB0.02 per share for the six months ended 31 December 2010. This is the first interim dividend declared by the Group since it became a public listed company in 2005.

The Company has decided to institute a Scrip Dividend Scheme whereby shareholders can elect to receive the dividends for the six months ended 31 December 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 interim dividend will be paid in sterling or HK Dollar on or before 3 May 2011, to shareholders whose names appear on the register on 11 March 2011, with an ex-dividend date of 10 March 2011 and 9 March 2011 on The Stock Exchange of Hong Kong Limited 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 11 March 2011.

In order to qualify for receiving the interim dividend, shareholders registered on the Hong Kong branch register of the Company are reminded to ensure that all transfers of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30p.m. on 11 March 2011.

Investor relations

A key priority of the Board is the maintenance of good communications with shareholders and potential investors. The Group's management pays regular visits to institutional investors and private client investment advisers and attends investor conferences in order to update existing shareholders and potential investors on the Group's latest business developments.

Outlook

The Group is progressing well and is increasing its presence in the Chinese retail market with higher production volume of direct sales to supermarkets. The completion of the acquisition of Beihai BPG is an important milestone for the Group in moving downstream and offers the Group better flexibility in dealing with the ever-changing needs of the consumer market. With the expected growth of the Chinese economy, we are confident that the demand for high quality oranges and juice concentrates in China will continue to grow, providing the Group with an exciting opportunity to further expand its business in both the agricultural and fruits processing businesses. The Group will continue to build on its existing market leading position by expanding its distribution network, increasing its production capacity and enhancing its sourcing capability through further development of its nursery business.

On behalf of the Board, I would also like to take this opportunity to thank our shareholders, business partners, customers and employees for their continuous support and contribution to the growth of Asian Citrus. I look forward to the further integration of the Asian Citrus and Beihai BPG businesses and I am confident that the Group will continue to deliver strong performance and create a platform for greater success in the future.

Tony Tong Wang Chow
Chairman
25 February 2011

Management Discussion and Analysis

OPERATING PERFORMANCE

Revenue

The breakdown of revenue by types is as follows:

	For the six months ended 31 December			
	2010		2009	
	RMB'000	**% of total revenue**	RMB'000	% of total revenue
Hepu Plantation	**194,736**	**31.2%**	190,768	47.9%
Xinfeng Plantation	**330,988**	**53.0%**	194,016	48.7%
Sales of oranges	**525,724**	**84.2%**	384,784	96.6%
Sales of processed fruits	**69,410**	**11.1%**	-	-
Sales of self-bred saplings	**2,705**	**0.5%**	4,028	1.0%
Sales of properties	**26,198**	**4.2%**	9,460	2.4%
Total revenue	**624,037**	**100.0%**	398,272	100.0%

Revenue from the sale of oranges grew by 36.6% to RMB525.7 million for the six months ended 31 December 2010. This was achieved by an increase of approximately 25.5% in the Group's production to 143,698 tonnes combined with increase in average selling price of oranges of approximately 9% year on year.

The production yield from the Hepu Plantation decreased by 7.3% from 54,511 tonnes to 50,517 tonnes for the six months ended 31 December 2010 due to the ongoing replanting programme. During the year ended 30 June 2010, 64,194 winter orange trees were removed and replanted with the same number of the summer orange trees. As the orange trees continue to mature and more trees reached orange-bearing age, the production yield from the Xinfeng Plantation increased significantly by 55.3% to 93,181 tonnes for the six months ended 31 December 2010 from 60,019 tonnes in the comparable period last year.

After the completion of acquistion of 92.94% equity interest of Beihai BPG on 30 November 2010, the results of Beihai BPG have been consolidated into the Group. For the month ended 31 December 2010, the revenue from the sale of processed fruit was approximately RMB69.4 million.

For the six months ended 31 December 2010, RMB2.7 million was recognised from the sales of the approximately 270,000 self-bred saplings to local farmers.

In addition, the transfer of ownership and titles of 49 wholesale units of Phase I of the Xinfeng Development was completed during the six months ended 31 December 2010. The Group recognised revenue and corresponding costs (excluding business tax and other relevant taxes and charges that may be levied) of approximately RMB26.2 million and RMB13.7 million respectively.

Combining the above, the Group's revenue increased by 56.7% to RMB624.0 million for the six months ended 31 December 2010.

All of the Group's oranges were 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 six months ended 31 December	
	2010	2009
	% of sale of oranges	% of sale of oranges
Types of customers		
Corporate customers	**40.3%**	43.2%
Supermarket chains	**31.4%**	33.3%
Wholesale customers	**27.6%**	22.3%
Others	**0.7%**	1.2%
Total	**100.0%**	100.0%

For the six months ended 31 December 2010, the production volume and revenue to supermarket chains represented approximately 26.8% and 31.4% respectively of the Group, compared to approximately 27.6% and 33.3% for the six months ended 31 December 2009. For the Hepu Plantation, the production volume and revenue to supermarket chains increased to 32.2% and 44.1% respectively (12/2009: 28.9% and 40.4%). As the Xinfeng Plantation was still at its early stage, the oranges were mainly sold to corporate and wholesale customers, thereby negatively impacting the percentage of sales to supermarket chains.

For the Hepu Plantation and Xinfeng Plantation, the production volume sold to supermarkets was 16,248 tonnes and 22,324 tonnes for the six months ended 31 December 2010, increasing from 15,773 tonnes and 15,859 tonnes for the six months ended 31 December 2009 respectively.

Cost of sales
The breakdown of cost of sales is as follows:

	For the six months ended 31 December			
	2010		2009	
	RMB'000	**% of cost of sales**	RMB'000	% of cost of sales
Inventories used				
Fertilisers	**158,326**	**55.6%**	117,436	55.5%
Packaging materials	**16,643**	**5.8%**	16,999	8.0%
Pesticides	**25,095**	**8.8%**	15,946	7.5%
	200,064	**70.2%**	150,381	71.0%
Production overheads				
Direct labour	**26,902**	**9.5%**	20,054	9.5%
Depreciation	**41,546**	**14.6%**	34,949	16.3%
Others	**16,127**	**5.7%**	6,298	3.2%
Cost of sales of oranges	**284,639**	**100%**	211,682	100%
Cost of sales of processed fruits	**49,110**		-	
Cost of sales of self-bred saplings	**1,109**		1,270	
Cost of sales of properties	**13,742**		5,926	
Total cost of sales	**348,600**		218,878	

Cost of sale of oranges principally consists of the costs of raw materials such as fertilisers, packaging materials, pesticides, and other direct costs such as direct labour, depreciation and production overheads. The production cost of sale of oranges increased by 34.5% to RMB284.6 million (12/2009: RMB211.7 million). The increase in production costs was principally due to the increase in raw materials utilised for higher production volumes and the trial production for the final batch of 400,000 orange trees in Xinfeng Plantation during the period.

The unit cost of production in the Hepu Plantation increased by 19.4% to approximately RMB1.72 per kg for the six months ended 31 December 2010 (12/2009: RMB1.44 per kg) as a result of the decrease in production volume of winter oranges due to the ongoing replanting programme.

The unit cost of production in the Xinfeng Plantation decreased by 4.5% to approximately RMB2.12 per kg for the six months ended 31 December 2010 (12/2009: RMB2.22 per kg) as a result of the better economies of scale achieved from the increased maturity of the oranges trees.

The combined unit cost of production increased by 7.0% to RMB1.98 per kg from RMB1.85 per kg in the comparable period.

Cost of sale of processed fruit mainly includes the costs of fruit and other direct costs such as direct labour, depreciation and production overheads. For the one month ended 31 December 2010, the cost of processed fruit was approximately RMB49.1 million.

Gross profit

The Group's overall gross profit increased by 53.5% to approximately RMB275.4 million for the six months ended 31 December 2010 (12/2009: RMB179.4 million). The improvement in gross profit was the result of an increase in the production output of the Group's winter orange trees of 25.5%, an increase in the average price of oranges of approximately 9% year on year and inclusion of the one month gross profit of Beihai BPG of RMB20.3 million.

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

	For the six months ended 31 December	
	2010	2009
Hepu Plantation	**55.4%**	58.9%
Xinfeng Plantation	**40.2%**	31.3%

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

	For the six months ended 31 December	
	2010	2009
Sales of oranges	**45.9%**	45.0%
Sales of processed fruits	**29.2%**	N/A
Sales of self-bred saplings	**59.0%**	68.5%
Sales of properties	**47.5%**	37.3%
Overall gross profit	**44.1%**	45.0%

The gross margin of the Hepu Plantation dropped to approximately 55.4% for the six months ended 31 December 2010 (12/2009: 58.9%) as a result of the decrease in the production volume of winter oranges from the ongoing replanting programme.

The Xinfeng Plantation, benefiting from trees continuing to mature and more trees reaching orange bearing age, saw the gross margin increasing to approximately 40.2% for the six months ended 31 December 2010 (12/2009: 31.3%). As a result of the continuous growth in production volume and better economies of scale, we expect margins of the Xinfeng Plantation will continue to grow over the medium term.

Combining the above, the overall gross profit margin from sales of oranges slightly increased to approximately 45.9% (12/2009: 45.0%) for the six months ended 31 December 2010.

Other income

The Group recorded a gain of RMB338.2 million from a net gain on change in fair value of biological assets for the six months ended 31 December 2010, compared to a gain of RMB164.5 million for the last corresponding period in 2009. 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 Xinfeng Plantation during the period.

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 RMB18.8 million for the six months ended 31 December 2009 to approximately RMB27.4 million for the six months ended 31 December 2010, representing an increase of 45.7%, mainly resulting from the increased sale activities at the Xinfeng Plantation and Beihai BPG.

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 RMB63.4 million for the six months ended 31 December 2010 (12/2009: RMB77.6 million). The decrease was mainly due to less raw materials of RMB22.9 million, being utilised for the infant trees in Xinfeng Plantation as all trees became fruit bearing during the period and there was an one-off listing expense of RMB16.3 million in the corresponding period last year. However, the decrease was partially offset by the increase of the share based payment of RMB15.2 million in relation to the employee share options, more raw materials of RMB4.0 million being utilised for the infant trees in Hepu Plantation due to the replanting programme and professional fees of RMB2.1 million arising from the acquisition of Beihai BPG.

Profit

Pre-tax profit was approximately RMB526.4 million for the six months ended 31 December 2010, representing an increase of 112.2% as compared to the corresponding period in 2009. The profit attributable to shareholders for the six months ended 31 December 2010 increased to RMB523.4 million, compared to RMB247.5 million for 2009, up 111.5%.

Pre-tax profit excluding the net gain on change in fair value of biological assets was RMB188.2 million for the six months ended 31 December 2010, representing an increase of 124.9% as compared to the corresponding period in 2009. The profit attributable to shareholders excluding the net gain on change in fair value of biological assets for the six months ended 31 December 2010 was RMB185.1 million, compared to RMB83.0 million for 2009, up 123.0%.

The increase was mainly attributable to the increase in production volume of winter oranges, the increase in average selling price of oranges year on year, the results of Beihai BPG having been consolidated into the Group after the completion of acquisition of 92.94% equity interest of Beihai BPG on 30 November 2010 and the net gain on change in fair value of the biological assets.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of RMB0.02 per share for the six months end 31 December 2010 (12/2009: Nil).

PRODUCTIVITY

The production volume of winter oranges increased to 143,698 tonnes for the six months ended 31 December 2010, representing an increase of 25.5%.

The production volume of winter oranges in Hepu Plantation dropped from approximately 54,511 tonnes last year to approximately 50,517 tonnes in the current year, representing a decrease of approximately 7.3%, which was due to the ongoing replanting programme. During the year ended 30 June 2010, 64,194 winter orange trees were removed and replanted with the same number of the summer orange trees.

In addition, the production volume of winter oranges from the Xinfeng Plantation increased from approximately 60,019 tonnes last year to approximately 93,181 tonnes in the current year, representing an increase of approximately 55.3% due to increased maturity and more trees becoming fruit bearing during the period.

CAPITAL STRUCTURE

As at 31 December 2010, there were 1,213,336,378 shares in issue. Based on the closing price of HKD9.64 as at 31 December 2010, the market capitalisation of the Company was approximately HKD11,696.6 million as at 31 December 2010 (GBP975.9 million).

HUMAN RESOURCES

There were a total of 1,381 employees of the Group as at 31 December 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

	31 December 2010	30 June 2010
Current ratio (x)	**3.34**	21.33
Quick ratio (x)	**3.30**	19.21
Net debt to equity (%)	**Net cash**	Net cash

	For the six months ended	
	31 December 2010	31 December 2009
Asset turnover (x)	**0.08**	0.12
Basic earnings excluding net on change in fair value of biological assets per share (RMB)	**0.21**	0.11
Basic earnings per share (RMB)	**0.59**	0.32

Liquidity

The current and quick ratios were 3.34 and 3.30 respectively. The liquidity of the Group remained healthy with sufficient reserves for both operation and development after the acquisition of Beihai BPG.

Profitability

The asset turnover of the Group dropped to 0.08 (12/2009: 0.12) for the six months ended 31 December 2010 as we only consolidated one month results of Beihai BPG during the period.

The basic earnings excluding net gain on change in fair value of biological assets per share for the six months ended 31 December 2010 was RMB0.21 (12/2009: RMB0.11).

The basic earnings per share for the six months ended 31 December 2010 was RMB0.59 (12/2009: RMB0.32). This was driven by the 123.0% increase in profit attributable to shareholders for the period, but was partially offset by the dilution from the issuance of new ordinary shares.

Debt ratio

The net cash positions of the Group were RMB2,051.3 million and RMB975.1 million at 31 December 2010 and 30 June 2010 respectively.

Internal cash resource

The Group's major internal cash resource is its cash and bank balances. The Group did not have any outstanding bank borrowings as at 31 December 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 31 December 2010.

Capital commitment

As at 31 December 2010, the Group had a capital commitment of approximately RMB137.1 million mainly in relation to the construction of the farmland infrastructure in the Hunan Plantation and a new processing plant of Beihai BPG.

Foreign exchange risk

The Group is exposed to currency risk primarily through its cash and cash equivalents that are denominated in a currency other than the functional currency of the 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.

Condensed Consolidated Income Statement
For the six months ended 31 December 2010

	Note	Six months ended 31 December 2010 (Unaudited) RMB'000	Six months ended 31 December 2009 (Unaudited) RMB'000	Year ended 30 June 2010 (Audited) RMB'000
Turnover	5	**624,037**	398,272	812,482
Cost of sales		**(348,600)**	(218,878)	(344,105)
Gross profit		**275,437**	179,394	468,377
Other income	6	**4,201**	668	1,845
Net gain on change in fair value of biological assets		**338,204**	164,462	306,000
Selling and distribution expenses		**(27,434)**	(18,787)	(45,502)
General and administrative expenses		**(63,458)**	(77,603)	(143,318)
Other operating expenses		**(479)**	-	-
Profit from operations		**526,471**	248,134	587,402
Finance costs		**(25)**	(11)	(81)
Profit before income tax	7	**526,446**	248,123	587,321
Income tax expense	8	**(1,785)**	(648)	(1,854)
Profit for the period/year		**524,661**	247,475	585,467
Attributable to				
Equity shareholders of the Company		**523,351**	247,475	585,467
Non-controlling interest		**1,310**	-	-
		524,661	247,475	585,467
		RMB	RMB	RMB
Earnings per share	9			
- Basic		**0.586**	0.321	0.741
- Diluted		**0.583**	0.318	0.735

Details of dividends payable to equity shareholders of the Company attributable to the profit for the period/year are set out in note 10.

Condensed Consolidated Statement of Comprehensive Income
For the six months ended 31 December 2010

	Six months ended 31 December		Year ended 30 June
	2010	2009	2010
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	RMB'000	RMB'000
Profit for the period/year	**542,661**	247,475	585,467
Other comprehensive income for the period/year			
Exchange differences on translation of financial statements of foreign operations, net of nil tax	**2,045**	-	-
Total comprehensive income for the period/year	**526,706**	247,475	585,467
Attributable to			
Equity shareholders of the Company	**525,396**	247,475	585,467
Non-controlling interest	**1,310**	-	-
	526,706	247,475	585,467

Condensed Consolidated Statement of Financial Position
At 31 December 2010

	Note	31 December **2010** **(Unaudited)** **RMB'000**	2009 (Unaudited) RMB'000	30 June 2010 (Audited) RMB'000
ASSETS				
Non-current assets				
Property, plant and equipment		**1,479,227**	1,147,724	1,161,437
Land use rights		**70,569**	55,468	54,841
Construction-in-progress		**131,943**	19,328	64,328
Biological assets		**1,791,810**	1,306,098	1,449,565
Intangible assets		**52,598**	31,500	36,800
Interest in an associate		**-**	-	-
Deposits		**161,888**	-	-
Goodwill	13(d)	**1,157,261**	-	-
		4,845,296	2,560,118	2,766,971
Current assets				
Biological assets		**3,412**	-	90,221
Properties for sale		**5,280**	28,329	18,497
Inventories		**20,446**	672	841
Trade and other receivable	11	**141,088**	45,002	19,629
Cash and cash equivalents		**2,929,439**	574,865	975,074
		3,099,665	648,868	1,104,262
Total assets		**7,944,961**	3,208,986	3,871,233
EQUITY AND LIABILITIES				
Equity				
Share capital		**12,013**	8,126	8,767
Reserves		**6,924,690**	3,134,004	3,810,687
Total equity attributable to equity shareholders		**6,936,703**	3,142,130	3,819,454
Non-controlling interest		**79,120**	-	-
		7,015,823	3,142,130	3,819,454
Current liabilities				
Trade and other payables	12	**928,966**	61,183	44,391
Due to related parties		**-**	5,250	7,110
Income tax payables		**172**	423	278
Total liabilities		**929,138**	66,856	51,779
Total equity and liabilities		**7,944,961**	3,208,986	3,871,233
Net current assets		**2,170,527**	582,012	1,052,483
Total assets less current liabilities		**7,015,823**	3,142,130	3,819,454

Condensed Consolidated Statement of Cash Flows
For the six months ended 31 December 2010

	Six months ended 31 December		Year ended 30 June
	2010	2009	2010
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	RMB'000	RMB'000
Cash flows from operating activities			
Profit before income tax	**526,446**	248,123	587,321
Adjustments for:			
Interest income	**(2,290)**	(668)	(1,845)
Finance costs	**25**	11	81
Depreciation	**38,887**	33,677	68,492
Share-based payments	**19,542**	4,285	10,363
Amortisation of land use rights	**632**	617	1,244
Amortisation of intangible assets	**1,651**	1,200	2,400
Net gain on change in fair value of biological assets	**(338,204)**	(164,462)	(306,000)
Write off of property, plant and equipment	**71**	-	-
Operating profit before working capital changes	**246,760**	122,783	362,056
Movements in working capital elements			
Properties for sales	**13,217**	5,782	19,656
Inventories	**1,982**	(33)	(202)
Biological assets	**86,809**	54,638	(35,583)
Trade and other receivables	**(9,700)**	(30,101)	(4,728)
Trade and other payables	**(19,286)**	12,448	(4,344)
Due to related parties	**(7,110)**	2,496	4,356
Cash generated from operations	**312,672**	168,013	341,211
Income tax paid	**(1,891)**	(532)	(1,883)
Net cash generated from operating activities	**310,781**	167,481	339,328

Condensed Consolidated Statement of Cash Flows (continued)
For the six months ended 31 December 2010

	Six months ended 31 December		Year ended 30 June
	2010	2009	2010
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	RMB'000	RMB'000
Cash flows from investing activities			
Purchase of property, plant and equipment	**(2,338)**	(1,159)	(1,698)
Additions to construction-in-progress	**(101,998)**	(36,791)	(133,822)
Net (addition)/disposal of biological assets	**(4,041)**	389	(1,540)
Deposits paid for acquisition of property, plant and equipment	**(21,538)**	-	-
Additions to intangible assets	**(2,000)**	(2,000)	(8,500)
Interest received	**2,290**	668	1,845
Acquisition of subsidiaries	**505,427**	-	-
Net cash generated from/(used in) investing activities	**375,802**	(38,893)	(143,715)
Cash flows from financing activities			
Proceeds from issue of new shares from placement	**1,284,878**	-	328,375
Proceeds from issue of new shares upon exercise of share options	**28,122**	5,259	10,138
Dividends paid	**(45,193)**	(20,212)	(20,212)
Finance costs paid	**(25)**	(11)	(81)
Net cash generated from/(used in) financing activities	**1,267,782**	(14,964)	318,220
Net increase in cash and cash equivalents	**1,954,365**	113,624	513,833
Cash and cash equivalents at beginning of period/year	**975,074**	461,241	461,241
Cash and cash equivalents at end of period/year	**2,929,439**	574,865	975,074

Notes to the Interim Financial Information

1 GENERAL INFORMATION

Asian Citrus Holdings Limited 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 Market plc.

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 1109-1112, 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, developing and sale of property units in an agricultural wholesale market and orange processing centre, manufacture and sale of fruit juice concentrates, fruit purees and others, and manufacture and sale of frozen fruits and vegetables.

2 BASIS OF PREPARATION

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 ("IASB"), 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 2010, 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 2011. Details of these changes in accounting policies are set out in note 3.

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 2010 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 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:

- Amendments to IFRS 2 "Share-based Payment – Group Cash-settled Share-based Payment Transactions"

- Improvements to IFRSs (2009)

- Amendments to IFRSs contained in Improvements to IFRSs (2010) and effective for accounting periods on or after 1 July 2010

The above amendments to IFRSs 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.

Up to the date of issue of this interim financial information, the IASB has issued a number of amendments, new standards and Interpretations which are not yet effective for the year ending 30 June 2011 and which have not been adopted in the interim financial information. Of these developments, the following relates to matters that may be relevant to the Group's operation and financial statements:

	Effective for accounting periods beginning on or after
Amendments to IFRSs contained in Improvements to IFRSs (2010)	1 January 2011
IAS 24 (Revised 2009) "Related Party Disclosures"	1 January 2011
Amendments to IAS 12 "Income Taxes - IAS 12 Deferred Tax: Recovery of Underlying Assets"	1 January 2012
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 but is not yet in a position to determine whether their adoption will 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. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following reportable segments:

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

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

- Other – developing and sale of property units in an agricultural wholesale market and orange processing centre

Following the completion of acquisition of BPG Food & Beverage Holdings Ltd. and its subsidiaries (together the "BPG group"), the Group expanded its business to processed fruits operation.

(a) Segment results, assets and liabilities

Six months ended 31 December 2010:

	Agricultural produce	**Processed fruits**	**Other**	**Total**
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
Revenue from external customers	**528,429**	**69,410**	**26,198**	**624,037**
Reportable segment profit	**499,105**	**18,031**	**9,310**	**526,446**
Reportable segment assets	**6,642,734**	**1,141,093**	**162,033**	**7,945,860**
Additions to non-current segment assets during the period	**109,671**	**22,195**	**-**	**131,866**
Reportable segment liabilities	**700,564**	**229,697**	**81,287**	**1,011,548**

Six months ended 31 December 2009:

	Agricultural produce	Processed fruits	Other	Total
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue from external customers	388,812	-	9,460	398,072
Reportable segment profit	246,639	-	1,484	248,123
Reportable segment assets	3,037,790	-	172,096	3,209,886
Additions to non-current segment assets during the period	39,439	-	120	39,559
Reportable segment liabilities	43,026	-	98,891	141,917

Year ended 30 June 2010:

	Agricultural produce	Processed fruits	Other	Total
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue from external customers	784,721	-	27,761	812,482
Reportable segment profit	584,614	-	2,707	587,321
Reportable segment assets	3,705,608	-	166,525	3,872,133
Additions to non-current segment assets during the period	140,641	-	307	140,948
Reportable segment liabilities	38,180	-	93,304	131,484

(b) Reconciliation of reportable segment assets and liabilities

	Six months ended 31 December		Year ended 30 June
	2010	2009	2010
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	RMB'000	RMB'000
Assets			
Reportable segment assets	**7,945,860**	3,209,886	3,872,133
Elimination of inter-segment receivables	**(899)**	(900)	(900)
Total assets	**7,944,961**	3,208,986	3,871,233
Liabilities			
Reportable segment liabilities	**1,011,548**	141,917	131,484
Elimination of inter-segment payables	**(82,410)**	(75,061)	(79,705)
Total liabilities	**929,138**	66,856	51,779

5 TURNOVER

Turnover represented the total invoiced value of goods supplied to customers and completed property units delivered to buyers. The amount of each significant category of revenue recognised in turnover is as follows:

	Six months ended 31 December		Year ended 30 June
	2010	2009	2010
	(unaudited)	(unaudited)	(audited)
	RMB'000	RMB'000	RMB'000
Sales of oranges	**525,724**	384,784	777,665
Sales of self-bred saplings	**2,705**	4,028	7,056
Sales of processed fruits	**69,410**	-	-
Sales of property units	**26,198**	9,460	27,761
	624,037	398,272	812,482

6 OTHER INCOME

	Six months ended 31 December		Year ended 30 June
	2010	2009	2010
	(unaudited)	(unaudited)	(audited)
	RMB'000	RMB'000	RMB'000
Interest income	**2,290**	668	1,845
Reversal of impairment loss on interest in an associate	**1,703**	-	-
Sundry income	**208**	-	-
	4,201	668	1,845

7 PROFIT BEFORE INCOME TAX

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

	Six months ended 31 December		Year ended 30 June
	2010	2009	2010
	(unaudited)	(unaudited)	(audited)
	RMB'000	RMB'000	RMB'000
Staff costs (including directors' emoluments)			
- Salaries, wages and other benefits	**36,429**	26,956	45,632
- Share-based payments	**19,542**	4,285	10,363
- Employee retirement benefits	**446**	287	631
	56,417	31,528	56,626
Amortisation of land use rights	**632**	617	1,244
Amortisation of intangible assets	**1,651**	1,200	2,400
Auditor's remuneration	**650**	612	1,319
Cost of agricultural produce sold #	**285,748**	212,952	321,506
Cost of property units sold	**13,742**	5,926	20,337
Cost of inventories of processed fruits recognised as expenses	**48,700**	-	-
Depreciation of property, plant and equipment	**38,887**	33,677	68,492
Add: Realisation of depreciation previously capitalised as biological assets	**12,746**	8,021	8,021
Less: Amount capitalised as biological assets	**(1,891)**	-	(13,332)
	49,742	41,698	63,181
Exchange losses, net	**1,218**	1,073	1,277
Operating lease expenses			
- plantation base	**4,378**	4,634	7,410
- office premises	**1,525**	399	775
Research and development costs	**4,753**	2,323	5,795
Write off of property, plant and equipment	**71**	-	-

Cost of agricultural produce sold includes RMB73,097,000 (six months ended 31 December 2009: RMB59,686,000, year ended 30 June 2010: RMB87,205,000) relating to staff costs, depreciation and operating lease charges, which amount is also included in the respective total amounts disclosed separately above for each of these types of expenses.

8 INCOME TAX EXPENSE

Income tax expense in the condensed consolidated income statement represents:

	Six months ended 31 December		Year ended 30 June
	2010	2009	2010
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	RMB'000	RMB'000
PRC enterprise income tax			
- provision for the period/year	**983**	355	1,041
Land appreciation tax			
- provision for the period/year	**802**	293	813
	1,785	648	1,854

(i) Pursuant to the rules and regulations of Bermuda and the BVI, the Group is not subject to any income tax in Bermuda and BVI.

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

(iii) The provision for PRC enterprise income tax is based on the respective applicable rates on the estimated assessable income of the Group's subsidiaries in the PRC as determined in accordance with the relevant income tax rules and regulations of the PRC.

According to the PRC tax law, its rules and regulations, enterprises that engage in certain qualifying agricultural business are eligible for certain tax benefits, including full enterprise income tax exemption on profits derived from such business. Certain operating subsidiaries of the Group in the PRC engaged in qualifying agricultural business are entitled to full exemption of enterprise income tax.

The applicable enterprise income tax rate of the Group's other operating subsidiaries in the PRC is 25%.

(iv) Land appreciation tax 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.

(v) PRC withholding income tax

Under the PRC tax law, profits of the Group's subsidiaries in the PRC derived since 1 January 2008 is subject to withholding income tax at rates of 5% or 10% upon the distribution of such profits to foreign investors or companies incorporated in Hong Kong, or for other foreign investors, respectively. Pursuant to the grandfathering arrangements of the PRC tax law, dividends receivable by the Group from its PRC subsidiaries in respect of the undistributed profits derived prior to 31 December 2007 are exempt from the withholding income tax. As at 31 December 2010, no deferred tax liabilities have been recognised in respect of the tax that would be payable on the unremitted profits of the PRC subsidiaries derived since 1 January 2008 profits as the Company is in a position to control the dividend policy of the PRC subsidiaries and no distribution of such profits is expected to be declared from the PRC subsidiaries in the foreseeable future.

9 EARNINGS PER SHARE

	Six months ended 31 December		Year ended 30 June
	2010	2009	2010
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	RMB'000	RMB'000
Earnings			
Profit attributable to shareholders used in basic and diluted earnings per share calculation	**523,351**	247,475	585,467
Weighted average number of shares	**'000**	'000	'000
Issued ordinary shares at beginning of period/year	**852,650**	770,560	770,560
Effect of shares issued to shareholders participating in the scrip dividend	**38**	43	3,981
Effect of shares upon exercise of share options	**8,308**	173	2,881
Effect of shares issued as part of the consideration for acquisition of subsidiaries	**28,549**	-	-
Effect of shares upon placement	**3,804**	-	13,227
Weighted average number of ordinary shares used in basic earnings per share calculation	**893,349**	770,776	790,649
Effect of dilutive potential shares in respect of share options	**3,690**	6,514	5,673
Weighted average number of ordinary shares used in diluted earnings per share calculation	**897,039**	777,290	796,322

10 DIVIDENDS

An interim dividend of RMB0.02 per ordinary share in respect of the six months ended 31 December 2010 (six months ended 31 December 2009: RMBnil) was declared after the end of reporting period. The interim dividend has not been recognised as liability at 31 December 2010.

A final dividend of RMB0.10 and special dividend of RMB0.02 per ordinary share in respect of the year ended 30 June 2010 was paid on 31 December 2010.

11 TRADE AND OTHER RECEIVABLES

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

	31 December 2010 (unaudited) RMB'000	31 December 2009 (unaudited) RMB'000	30 June 2010 (audited) RMB'000
Neither past due nor impaired	**57,972**	27,702	1,348
Less than 1 month past due	**-**	132	116
1 to 3 months past due	**-**	-	-
3 to 6 months past due	**43**	-	-
6 to 12 months past due	**35**	622	506
over 1 year past due	**105**	-	545
Amount past due but not impaired	**183**	754	1,167
	58,155	28,456	2,515

Included in the Group's trade receivables are debtors with an aggregate carrying amount of RMB183,000 (31 December 2009: RMB754,000, 30 June 2010: RMB1,167,000) which are past due at the end of the reporting period and for which the Group has not provided any impairment loss as the Group holds collateral over those balances.

12 TRADE AND OTHER PAYABLES

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

	31 December 2010 (unaudited) RMB'000	31 December 2009 (unaudited) RMB'000	30 June 2010 (audited) RMB'000
Due within 3 months on demand	**11,612**	19,999	26,442
Due after 3 months but within 6 months	**413**	1,405	51
Due after 6 months but within 1 year	**104**	-	95
Due over 1 year	**59**	-	-
	12,188	21,404	26,588
Represented by:			
Trade payables	**12,188**	16,154	19,478
Amounts due to related parties	**-**	5,250	7,110
	12,188	21,404	26,588

13 ACQUISITION OF SUBSIDIARIES

On 30 November 2010, the Company completed the acquisition of the entire issued share capital of BPG Food & Beverage Holdings Ltd. which, through its wholly-owned subsidiaries, holds a total of 92.94% indirect equity interest in Beihai BPG. Beihai BPG, together with its subsidiaries, is principally engaged in manufacture and sales of fruits juice concentrates, fruit purees, frozen fruits and vegetables in the PRC. Details of this acquisition are set out in the Company's circular dated 1 November 2010.

(a) Consideration transferred

	HK$'000	Equivalent to RMB'000
Cash consideration payable included in other payables	780,000	666,510
Fair value of 164,153,646 ordinary shares issued	1,526,629	1,304,504
	2,306,629	1,971,014

Cash consideration of HK$780,000,000 (equivalent to RMB666,510,000) was settled in January 2011.

The fair value of 164,153,646 ordinary shares issued as part of the consideration was determined based on the published share price available on 30 November 2010.

Acquisition-related costs amounting to RMB2,129,000 have been excluded from the cost of acquisition and have been recognised as an expense, within the general and administrative expenses in the condensed consolidated income statement.

(b) The fair value of the identifiable assets and liabilities arising from the acquisition as at the date of acquisition is as follows:

	Fair value RMB'000
Non-current assets	
Property, plant and equipment	315,892
Land use rights	16,360
Construction-in-progress	4,135
Intangible assets	15,449
Deposits	140,350
Current assets	
Inventories	21,587
Trade and other receivables	111,759
Cash and cash equivalents	505,427
Current liabilities	
Trade and other payables	(239,396)
	891,563

(c) Non-controlling interest

The non-controlling interest (7.06%) in certain subsidiaries of BPG Food & Beverage Holdings Ltd. recognised at the acquisition date was measured at the non-controlling interest's proportionate share of the referent's net identifiable assets as at the acquisition date.

(d) Goodwill arising on acquisition

	RMB'000
Consideration transferred	1,971,014
Non-controlling interest	77,810
Less: Fair value of net identifiable net assets acquired	(891,563)
Goodwill arising on acquisition	1,157,261

The goodwill arising on this acquisition is attributable to the expected earnings growth of BPG group and synergies expected to be achieved as a result of combining BGP group with the rest of the Group, and not expected to be deductible for tax purposes.

(e) Cash inflow arising on acquisition

	RMB'000
Cash and cash equivalent balances acquired	505,427

(f) Impact of acquisition on the results of the Group

From the date of acquisition to 31 December 2010, the BPG group contributed RMB69,410,000 to turnover and RMB18,031,000 to profit for the period.

Had this acquisition been effected on from 1 July 2010, the BPG group would have contributed RMB426,237,000 to turnover and RMB125,463,000 to profit for the period. This pro-forma information is for illustration purposes and should not be viewed as an indication of the results of operations that actually would have occurred if the acquisition had been completed on 1 July 2010.

14 COMPARATIVE FIGURES

Certain expenses for the six-month period ended 31 December 2010 have been classified according to the function rather than the nature as in previous reporting periods. The Group's management considers this revised presentation more appropriately reflects the results of the Group's expanded operations. In order to conform to the current period's presentation, certain comparative figures for prior reporting periods have been reclassified.

15 FINANCIAL INFORMATION

The results announcement was approved by the Board on 25 February 2011. The financial information has been prepared on a going concern basis in accordance with International Financial Reporting Standards. The accounting policies applied in preparing the financial information are consistent with those adopted and disclosed in the Group's consolidated financial statements for the year ended 30 June 2010.

Other Information

DIVIDENDS

Following the completion of the acquisition of Beihai BPG, the Board acknowledges that the Group is now subject to less seasonality of its revenue and cashflows. In view of this change, the Board recommends the payment of an interim dividend of RMB0.02 per share for the six months ended 31 December 2010. This is the first interim dividend declared by the Group since it became a public listed company in 2005.

The Company has decided to institute a Scrip Dividend Scheme whereby shareholders can elect to receive the dividends for the six months ended 31 December 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 interim dividend will be paid in sterling or HK Dollar on or before 3 May 2011, to shareholders whose names appear on the register on 11 March 2011, with an ex-dividend date of 10 March 2011 and 9 March 2011 on The Stock Exchange of Hong Kong Limited 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 11 March 2011.

In order to qualify for receiving the interim dividend, shareholders registered on the Hong Kong branch register of the Company are reminded to ensure that all transfers of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30p.m. on 11 March 2011.

Purchase, Sale and 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 six months ended 31 December 2010, except for the issue of 14,479,000 ordinary shares under the Share Option Scheme, the issue of 7,053,638 ordinary shares to shareholders participating in the scrip dividend scheme and the placing of 175,000,000 ordinary shares to investors in December 2010 as set out below:

Fund Raising Activity

For the purpose of strengthening the shareholder base and capital base for further expansion and growth, the Group completed the following fund raising activity during the period under review. The Company issued 175,000,000 ordinary shares to eight placees who and whose ultimate beneficial owners are independent third parties under a placing agreement with net proceeds of approximately HK$1,510 million which is intended to be used for (i) paying the cash consideration of HK$780 million in relation to the acquisition of the entire issued share capital of BPG Food & Beverage Holdings Ltd.; (ii) financing the expansion of the production capacity of BPG Food & Beverage Holdings Ltd.; and (iii) financing the corresponding additional working capital requirement for BPG Food & Beverage Holdings Ltd. due to the expansion of its production capacity, further details of which are stated in the Company's circular dated 3 December 2010.

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 HKEx 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 the six months ended 31 December 2010, 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 period ended 31 December 2010.

REVIEW OF FINANCIAL STATEMENTS

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

The Audit Committee has reviewed with 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 2010.

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
Asian Citrus Holdings Limited
Tong Wang Chow
Chairman

Hong Kong, 25 February 2011

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.