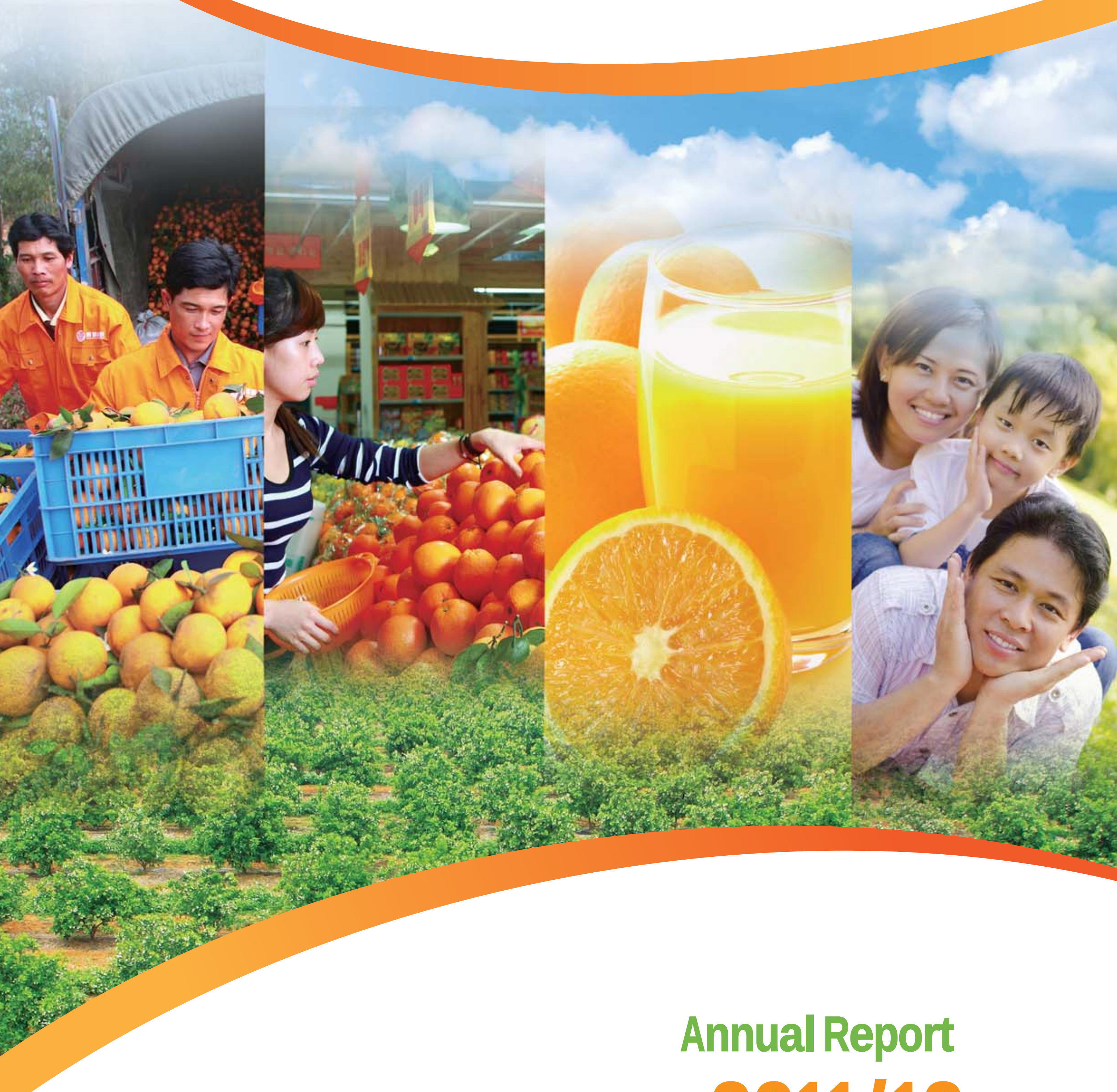
ASIAN CITRUS HOLDINGS LIMITED
亞洲果業控股有限公司*

(incorporated in Bermuda with limited liability)
(Stock Code: HKSE: 73; AIM: ACHL)

** For identification purposes only*



Annual Report
2011/12

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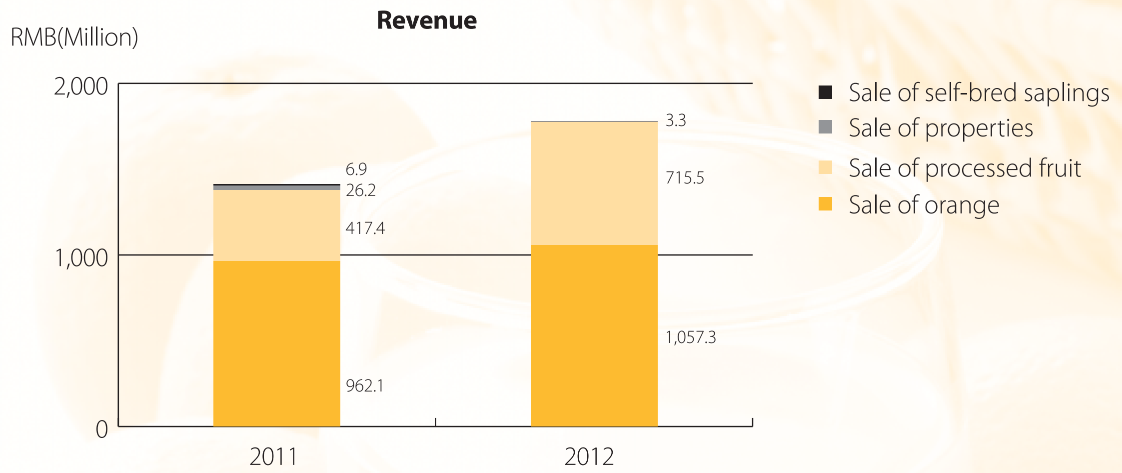
FINANCIAL HIGHLIGHTS

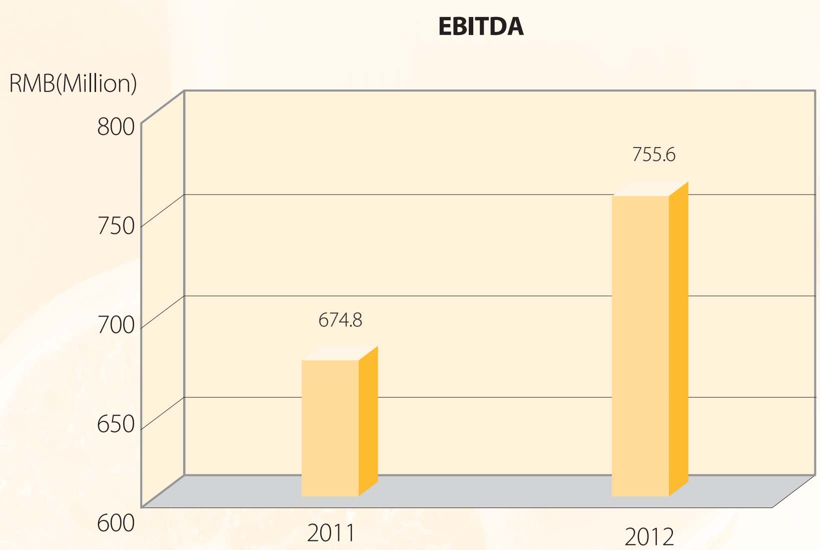
RESULTS OF OPERATIONS (RMB MILLION)

	For the year ended 30 June		
	2012	2011 (restated)	% change
Reported financial information			
Revenue	**1,776.1**	1,412.6	+25.7
Gross profit	**792.4**	738.6	+7.3
EBITDA	**876.7**	1,134.8	-22.7
Profit before tax	**765.1**	1,050.2	-27.1
Profit attributable to shareholders	**750.2**	1,039.0	27.8
Basic earnings per share (RMB)	**0.62**	0.99	-37.4
Interim Dividend per share (RMB)	**0.03**	0.02	+50.0
Interim Special Dividend per share	**0.02**	–	N/A
Final Dividend per share (RMB)	**0.13**	0.10	+30.0
Final Special Dividend per share (RMB)	**–**	0.03	-100.0
Total Dividend per share (RMB)	**0.18**	0.15	+20.0
Core net profit#			
EBITDA	**755.6**	674.8	+12.0
Profit before tax	**644.0**	590.2	+9.1
Profit attributable to shareholders	**629.1**	579.0	+8.7
Basic earnings per share (RMB)	**0.52**	0.55	-5.5
FINANCIAL RATIOS			
Gross profit margin (%)	**44.6**	52.3	
Return on assets (%)	**9.0**	13.5	
Return on equity (%)	**9.2**	13.7	
Asset turnover (x)	**0.21**	0.18	
Current ratio (x)	**47.49**	41.05	
FINANCIAL POSITION (RMB million)			
Total assets	**8,310.1**	7,716.9	
Net current assets	**2,645.6**	2,465.0	
Cash and cash equivalents	**2,388.1**	2,232.2	
Shareholders' fund	**8,150.1**	7,567.0	

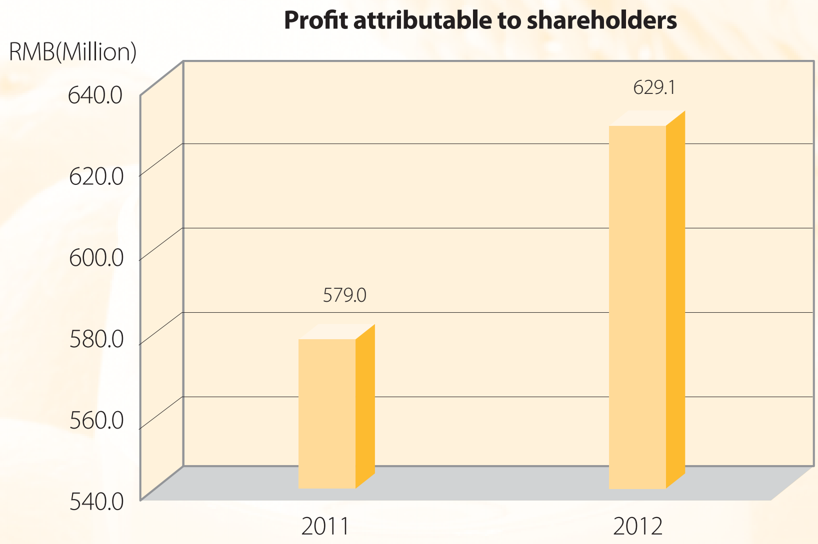
Core net profit refers to profit for the period excluding net gain on change in fair value of biological assets and share-based payment. The Group's management considers this revised presentation more appropriately reflects the performance of the core operations. In order to conform to the current period's presentation, certain comparative figures for prior reporting period have been reclassified.

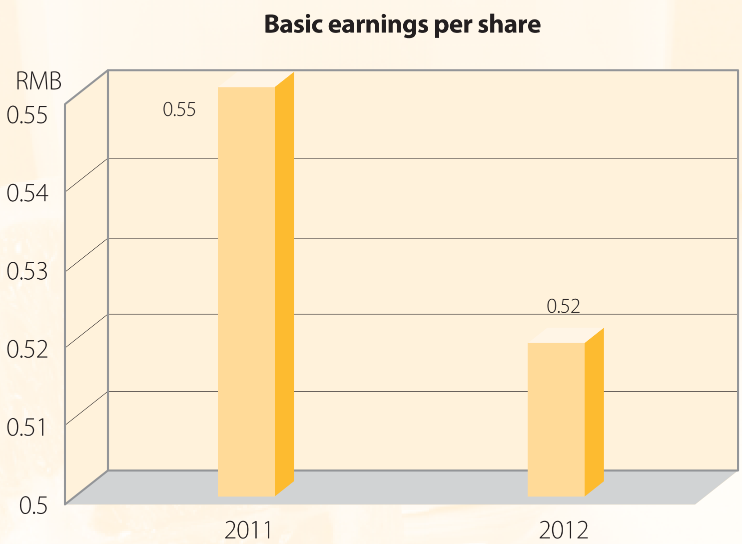
Financial Highlights





Financial Highlights





CHAIRMAN'S STATEMENT

I am pleased to present the annual results of Asian Citrus Holdings Limited (the "Company" or "Asian Citrus") and its subsidiaries (collectively referred to as the "Group") for the year ended 30 June 2012.

The past year was a challenging one for both our core plantation business and our juice processing business, owing to heavier than usual rainfall in South China and depressed prices for oranges and juice concentrates. Although our performance was less than optimal, I remain confident about our Company's ability to grow our business and deliver exceptional shareholder value.

FINANCIAL HIGHLIGHTS

For the year ended 30 June 2012, the Group's total revenues increased by approximately 25.7% from RMB1,412.6 million to RMB1,776.1 million, while core net profit for the year increased by approximately 8.7% from RMB579.0 million to RMB629.1 million.

Our two operating plantations contributed to a volume increase of 12.2% in our plantation business. This was offset by a decrease of 1.9% in the average selling prices of oranges, the first time we have experienced a drop in orange prices. Reflecting the need to apply additional fertiliser and pesticides for our summer oranges during the heavy rains this year, operating profit from the plantation business decreased by 1.9% from RMB463.4 million to RMB454.7 million.

The year was also a challenging one for our fruit juice concentrates business, Beihai Perfuming Garden Juice Co., Ltd. ("BPG"). Although BPG showed a 54.6% rise in operating profit from RMB131.8 million to RMB203.7 million over the previous year, we expected better contribution from this business as its operating results were consolidated for a full 12 months in FY2012 compared with only 7 months in FY2011. The reason for this unexpected shortfall was primarily caused by a squeeze on margins in pineapple juice concentrate, BPG's main product. During the year, average selling prices for pineapple concentrate fell as a result of destocking by Thai and Philippine producers – the world's two largest producers of pineapple concentrate – and lower demand amongst European consumers because of the financial crisis. We anticipate that prices for pineapple concentrate will rise again by the end of 2012 once the destocking has finished, although they are unlikely to bounce back quickly to the high levels that prevailed in 2011.

OPERATIONAL REVIEW

Asian Citrus currently owns three orange plantations occupying a total area of around 103 square kilometres with 3.9 million planted trees. Of these three plantations, two are in operation: the Hepu Plantation in Guangxi Zhuang Autonomous Region ("Guangxi"), which is essentially now operating at full maturity; and the Xinfeng Plantation in Jiangxi Province, which is gradually approaching full maturity and is expected to contribute towards a substantial and steady increase in our overall orange supply over the coming few years.

The Xinfeng Planation is planted with winter oranges trees, whilst the Hepu Plantation is planted with both winter and summer orange trees. We are continuing to replant certain existing winter orange trees with new species of summer orange trees at the Hepu Plantation.

The total winter orange crop yield from our operational plantations was approximately 171,607 tonnes during the year, representing an increase of approximately 19.4% over our total winter orange crop yield of approximately 143,698 tonnes the year before. As I previously mentioned, we are continuing to replace certain existing winter orange trees with new species of summer orange trees at the Hepu Plantation and thus there was less winter orange production from the Hepu Plantation compared with the previous year. The summer orange crop at our Hepu Plantation was 71,814 tonnes compared with 73,194 tonnes for the harvest at the same time last year, representing a decrease of 1.9%. This small decline was principally due to the unexpectedly heavy rainfall during the harvest season which increased the wastage of the summer crop. This is not indicative, however, of any downward trend in production. The annual production volume from our two operating plantations increased approximately 12.2% from 216,892 tonnes to about 243,421 tonnes.

Chairman's Statement

The first harvest from our third plantation in Hunan province, which we started to develop in 2007, is expected to be in 2014. This plantation will specialise in summer oranges with an extended harvesting season. As at 30 June 2012, we had invested approximately RMB458.3 million in this plantation and planted 1.0 million summer orange trees. Planting of an additional 750,000 trees at the Hunan plantation is scheduled for completion before end of 2013.

In 2010, we acquired a 92.94% equity interest in BPG, which has enabled us to diversify our revenue sources and potentially achieve greater synergies through vertical integration. The existing plants in Beihai city and Hepu county in Guangxi are currently operating close to full capacity with an annual output of approximately 60,000 tonnes. To increase our overall production capacity, we are building a third plant in Baise City, Guangxi, with an annual output capacity of approximately 40,000 tonnes. Originally scheduled to begin operating in the third quarter of 2012, trial production is now planned in December 2012 and the plant is expected to become operational in the first quarter of 2013.

BUILDING OUR BRAND

Since 2005, we have been selling our graded oranges under our Royal Star brand directly to supermarket chains in China. These branded oranges, because of their higher quality, are able to command a premium price in the market.

I am proud to say that our Royal Star brand has been very well received by our supermarket chain customers, whose number has increased to 24 from the original 2 we began with in 2005. This is up from 20 last year. We are continuing an aggressive expansion of our distribution network in China for our Royal Star branded oranges by seeking direct contracts with different supermarket chains or, where more appropriate, gaining access to major domestic and international supermarket chains through sizeable distributors. I would like to highlight that recently we began selling our branded summer oranges to a major international supermarket chain and a national supermarket chain in Guangxi. As of this writing, we are currently in negotiations to sell our branded winter oranges to these customers' outlets in Guangdong and Zhejiang province as well as in Shanghai. If successful, this will mark a tremendous milestone in the development of Asian Citrus and the continuing growth of our orange business as well as recognition for our Royal Star brand in China.

Customers recognise the quality of our graded oranges, which since 2008 have been certified under China's Organic Food Standard. To achieve this standard, which is much more rigorous than other food certifications, we must use pesticides and fertilisers approved by the COFCC (China Organic Food Certification Center). Both of our operating plantations have had their certifications successfully renewed every year since we began receiving them four years ago.

CORPORATE GOVERNANCE

We are strongly committed to good corporate governance and seek to be as transparent as possible with investors about our operations. In addition to regular updates on sales orders and harvest figures, we continue to provide new information on our biological assets so that investors can better understand our business.

During the year, we addressed a common concern that investors have about forestry and plantation companies – how we account accurately for our biological assets. To provide independent confirmation to the market, we commissioned an independent third party, with Nationwide Grade A Mapping and Surveying Qualification and is officially qualified to undertake mapping and surveying assignments in the PRC, to carry out an aerial survey of our plantations. Using GPS and digital photography, the surveyor took more than 50,000 digital photos of each operational plantation and processed them with a sophisticated software programme to provide a precise measurement of the land area occupied by our respective plantations and an exact count of the number of orange trees in our plantations.

I am pleased to confirm that the survey shows that the land area occupied by our plantations and the number of trees in our plantations are consistent with our records.

Chairman's Statement

ENHANCING SHAREHOLDER VALUE

We are in the fortunate position of being a cash rich company – as of June 2012 we had RMB2.3 billion on hand – with no debt. In an economic environment where credit continues to be very tight, this gives us great flexibility in terms of how we grow and add value for our shareholders.

We instituted a share repurchase programme in February of this year under which the repurchased shares are for cancellation. To date, we have spent close to HK$60 million in share buybacks and have repurchased about 1% of our outstanding share capital. Consideration is being given as to how the execution of this programme can be improved. Under the Repurchasing Mandate from our Board, we may buy up to a total of HK$250 million in outstanding shares, which will be entirely funded from the internal resources of the Company.

DIVIDEND

The Board recommends the payment of a final dividend of RMB0.13 for the financial year ended 30 June 2012. Together with the interim and special dividends of RMB0.05 paid previously, this equates to approximately 35.0% of the core net profit for the year ended 30 June 2012 (2011: 31.5%). This represents an increase of 20% over last year's RMB0.15. The Board is committed to maintaining a dividend payout ratio of at least 30% of core net profit.

The final dividend, if approved at the Annual General Meeting on 6 November 2012, will be paid in sterling or HK Dollars on or before 31 December 2012, to shareholders on the register at the close of business of 9 November 2012, with an ex-dividend date of 8 November 2012 and 7 November 2012 on The Stock Exchange of Hong Kong Limited ("HKEx") and London Stock Exchange PLC, respectively. The actual translation rate for the purpose of dividend payment in sterling or HK Dollars will be determined by reference to the exchange rate on 13 November 2012.

The Company has decided to institute a Scrip Dividend Scheme whereby shareholders will be offered the opportunity to elect to receive the final dividend for the year ended 30 June 2012 in the form of shares. A document providing further details of this Scrip Dividend Scheme will be sent to shareholders in due course.

THE YEAR AHEAD

Although China's economy is predicted to grow at a slower pace, the market for oranges should remain generally stable as they are regarded as a consumer product rather than a luxury good. Our main challenge will be whether we can increase orange prices in a slower-growth economy. I believe this will be possible starting in the fourth quarter of 2012, due to the expected decrease in supply of winter oranges resulting from this year's unstable weather as well as the consistently high quality of our oranges.

Our sound foundations augur well for our long-term success. We are one of the world's very few listed plantation companies with orange plantation assets and fruit processing facilities, operating in a highly fragmented market dominated by small farmers. The barriers to growth for these famers are prohibitively high. In addition to the cost of land and biological assets, the capital expenditures required to operate a large, profitable plantation are out of reach for most of our competitors – at our Hunan plantation alone, the total investment is expected to be RMB585 million.

Chairman's Statement

Our shareholders recognise that plantations do not offer an immediate return. When trees are first planted, they do not begin producing until the fourth year. A typical orange tree in year 4 yields only 8 kilogrammes of oranges; when it reaches maturity in year 10, it will begin producing an average of 130 kilogrammes of oranges for the next 15 years and decline slightly afterwards for the remainder of its 35-year lifespan. As more orange trees come on-stream at our three plantations, we can look forward to many years of high productivity, high margins and high profitability.

For our fruit concentrates business, we will continue leveraging on our experience and expertise developed in our plantation business to achieve greater vertical integration and economies of scale. We see excellent potential for this market, given the growing demand for healthy food, rising household incomes and increasing awareness of health issues amongst Chinese consumers. We are always alert to expansion opportunities in the fruit processing business. If the price is reasonable, and will consider adding other fruit juice concentrates to our existing product lines in order to capitalise on this market.

Finally, on behalf of the Board, I would like to express my heartfelt appreciation of our management team and employees for their dedication and hard work which have contributed so much to our growth at Asian Citrus. I would also like to take this opportunity to thank all our shareholders, business partners and investors for their continuing support. Despite the challenging circumstances we faced during the year, I am as enthusiastic and confident as ever in our ability to deliver business growth and shareholder value.

TONY TONG
Chairman
21 September 2012

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING PERFORMANCE

Revenue

The breakdown of revenue by types is as follows:

	For the year ended 30 June			
	2012		2011	
	RMB'000	**% of total revenue**	RMB'000	% of total revenue
Hepu Plantation	593,454	33.4%	631,139	44.7%
Xinfeng Plantation	463,873	26.1%	330,988	23.4%
Sale of oranges	1,057,327	59.5%	962,127	68.1%
Sale of processed fruit	715,473	40.3%	417,393	29.5%
Sale of self-bred saplings	3,344	0.2%	6,903	0.5%
Sale of properties	–	–	26,198	1.9%
Total revenue	1,776,144	100.0%	1,412,621	100.0%

The Group's revenue increased by 25.7% from RMB1,412.6 million to RMB1,776.1 million for the year ended 30 June 2012.

Sale of oranges

Revenue from sale of oranges grew by 9.9% to RMB1,057.3 million for the year ended 30 June 2012. This was achieved by an increase of approximately 12.2% in the Group's production to 243,421 tonnes but offset by 1.9% decrease in average selling price of the Group.

The production yield from Hepu Plantation decreased by 5.7% to 116,720 tonnes for the year ended 30 June 2012 mainly due to the ongoing replanting programme. During the year, 66,449 (2011: 63,584) winter orange trees were removed and replanted with the same number of the summer orange trees. As the orange trees continue to mature, the production yield from the Xinfeng Plantation increased significantly by 36.0% to 126,701 tonnes for the year ended 30 June 2012 from 93,181 tonnes in the comparable year.

The following table and chart set out the average selling prices of oranges in different plantations:

	Year ended 30 June				
	2008 (RMB/tonne)	2009 (RMB/tonne)	2010 (RMB/tonne)	2011 (RMB/tonne)	**2012 (RMB/tonne)**
Hepu plantation					
Winter oranges	3,089	3,470	3,567	3,922	4,085
Summer oranges	4,868	5,057	5,516	6,061	5,856
Xinfeng plantation					
Winter oranges	2,900	3,260	3,330	3,660	3,770

Management Discussion and Analysis

Unseasonably warm weather in winter time of 2011 resulted in an unusually strong winter orange crop in China, and consequently a short-term over supply of winter oranges to the market and direct competition to the Group's summer oranges. As a result, the average selling price of summer orange in Hepu Plantation was 3.4% lower respectively year on year.

All of the Group's oranges were sold domestically. The Group's customers from the sale 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	
	2012	2011
	% of sale of oranges	
Types of customers		
Supermarket chains	34.8%	39.0%
Corporate customers	36.6%	30.5%
Wholesale customers	28.0%	30.0%
Other	0.6%	0.5%
Total	100.0%	100.0%

For the year ended 30 June 2012, the production volume and revenue to supermarket chains represented approximately 29.5% and 34.8% respectively of the Group, compared to approximately 31.6% and 39.0% respectively for the year ended 30 June 2011. As the Xinfeng Plantation was still at the early stage, the oranges were mainly sold to corporate and wholesale customers, thereby negatively impacting the percentage of sale to supermarket chains.

For the Hepu Plantation and Xinfeng Plantation, the production volume sold to supermarkets was 39,423 tonnes and 32,347 tonnes for the year ended 30 June 2012, compared to 46,156 tonnes and 22,324 tonnes for the year ended 30 June 2011 respectively. The decrease of the production volume sold to supermarket in Hepu Planation was mainly due to the short-term over supply of winter oranges to the market and direct competition to the Group's summer oranges in Hepu Plantation.

Management Discussion and Analysis

The Company is selling two types of oranges to customers, namely ungraded oranges and graded oranges. Ungraded oranges are neither packaged nor branded and the customers have to arrange for the transportation of the oranges at their own cost. Usually, the ungraded oranges are sold to wholesale and corporate customers. Graded oranges are oranges that the Company grades, packages and delivers to the customers at its cost, usually to supermarket customers. The graded oranges are sold under the "Royal Star" brand at a premium price compared to the selling price of ungraded oranges without brand. The breakdown of types of oranges is as follows:

	For the year ended 30 June 2012	2011
	% of sale of oranges	
Types of oranges		
Graded oranges	25.7%	30.7%
Ungraded oranges	74.3%	69.3%
Total	100.0%	100.0%

As the Xinfeng Plantation was still at the early stage, the oranges were mainly sold to corporate and wholesale customers without grading, thereby negatively impacting the percentage of sale of graded oranges.

Sale of processed fruits

The table sets out the volume and revenue from the sale of processed fruit:

	For the year ended 30 June 2012 Volume (Tonnes)	2012 Revenue RMB'000	2011 Volume (Tonnes)	2011 Revenue RMB'000
Pineapple juice concentrates	24,348	271,650	16,636	222,283
Other fruit juice concentrates	10,017	162,239	4,017	87,340
Other fruit purees	17,472	125,555	3,616	25,783
Frozen and fried fruits and vegetables	18,170	119,087	9,634	81,987
	70,007	678,531	33,903	417,393
Fruit juice trading	N/A	36,942	–	–
Total	70,007	715,473	33,903	417,393

Beihai BPG processes over 22 different types of tropical fruits, including pineapples, passion fruit, lychees, mangoes and papayas. Only single products accounting for over 10% of the revenue from the sale of processed fruits are shown separately in the table above.

Revenue from the sale of processed fruits increased by 71.4% to RMB715.5 million for the year ended 30 June 2012. It is mainly attributable by the full year results of Beihai BPG which are consolidated into the Group for the year ended 30 June 2012 compared to seven month results being consolidated into the Group in last year follow by the completion of acquisition as of 30 November 2010.

The utilisation rate of two existing processing plants in Beihai and Hepu is approximately 91.8% and 93.6% for the year ended 30 June 2012.

Beihai BPG currently generates most of its sales from the People's Republic of China ("PRC") market, with key customers being beverage mixers supplying major beverage groups.

Sale of self-bred saplings

For the year ended 30 June 2012, RMB3.3 million was recognised from the sale of approximately 284,000 self-bred saplings to local farmers.

Cost of sales

The breakdown of cost of sales of the Group is as follows:

	For the year ended 30 June			
	2012		2011	
	RMB'000	% of cost of sales of respective segment	RMB'000	% of cost of sales of respective segment
Inventories used				
Fertilisers	252,868	51.8%	193,713	50.8%
Packaging materials	40,420	8.3%	42,907	11.2%
Pesticides	54,844	11.2%	32,010	8.4%
	348,132	71.3%	268,630	70.4%
Production overheads				
Direct labour	45,123	9.3%	37,140	9.7%
Depreciation	61,638	12.6%	50,498	13.2%
Others	33,250	6.8%	25,481	6.7%
Cost of sales of oranges	488,143	100.0%	381,749	100.0%
Fruit	308,783	62.4%	205,920	74.8%
Packaging materials	34,103	6.9%	18,136	6.6%
Direct labour	26,169	5.3%	15,041	5.5%
Other production overheads	125,695	25.4%	36,196	13.1%
Cost of sales of processed fruit	494,750	100.0%	275,293	100.0%
Cost of sales of self-bred saplings	850		3,235	
Cost of sales of properties	–		13,742	
Total	983,743		674,019	

The cost of sales 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 27.9% from RMB381.7 million to RMB488.1 million. The increase in production costs was mainly due to the increase in raw materials utilised for 12.2% increase in the production volume, slight increase in the average price of fertiliser and higher consumption of pesticides and fertilisers due to adverse weather conditions during the year.

The unit cost of production in the Hepu Plantation increased by 21.5% to approximately RMB1.81 per kg for the year ended 30 June 2012 (2011: RMB1.49 per kg) as a result of the decrease in production volume of winter oranges due to ongoing replanting programme and higher amount of fertilisers used as a result of the heavy rainfall in the second quarter of 2012.

Management Discussion and Analysis

The unit cost of production in the Xinfeng Plantation slightly increased by 2.8% to RMB2.18 per kg for the year ended 30 June 2012 (2011: RMB2.12 per kg) as a result of higher amount of pesticides used and related expenses due to generally warmer weather in winter time of 2011.

The combined unit cost of production increased by 14.2% to RMB2.01 per kg from RMB1.76 per kg in the comparable period due to higher contribution from Xinfeng Plantation with relatively higher unit cost and increase in unit cost in Hepu Plantation.

Cost of sales of processed fruit mainly includes the costs of fruit and packaging materials and other direct costs such as direct labour and production overheads. For the six months ended 30 June 2012, the cost of processed fruits increased by 79.7% from RMB275.3 million to RMB494.8 million. The increase was mainly due to full year results of Beihai BPG which are consolidated into the Group for the year ended 30 June 2012 compared to seven month results of Beihai BPG being consolidated into the Group in last year following the completion of the acquisition as of 30 November 2010.

Gross profit

The Group's overall gross profit increased by 7.3% to approximately RMB792.4 million for the year ended 30 June 2012 (2011: RMB738.6 million). The improvement in gross profit was due to an increase in the production yield of the orange trees of 12.2% and inclusion of the full year gross profit of Beihai BPG of RMB220.7 million.

The overall gross profit margin decreased from 52.3% to 44.6% for the year ended 30 June 2012 due to higher contribution from processed fruits segment and Xinfeng Plantation which has a relatively lower margin, decrease of gross profit margin of the Hepu Plantation and decrease of gross profit margin of the processed fruits segment.

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

	For the year ended 30 June	
	2012	2011
Hepu Plantation	64.3%	70.1%
Xinfeng Plantation	40.4%	40.2%

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

	For the year ended 30 June	
	2012	2011
Sale of oranges	53.8%	60.3%
Sale of processed fruit	30.8%	34.0%
Sale of self-bred saplings	75.0%	53.1%
Sale of properties	–	47.5%
Overall gross profit margin	44.6%	52.3%

The gross profit margin of the Hepu Plantation decreased to approximately 64.3% (2011: 70.1%) due to the decrease of the production volume of winter oranges from the ongoing replanting programme, lower average selling price of summer oranges and higher amount of fertilisers used as a result of the heavy rainfall in the second quarter of 2012.

Management Discussion and Analysis

Despite better economies of scale being achieved, the gross profit margin of Xinfeng Plantation only grew to 40.4% (2011: 40.2%) due to a higher amount of pesticides used and related expenses as a result of generally warmer weather in winter time of 2011. Over the medium term, as the continuous growth in production volume and better economies of scale, we expect the margin of the Xinfeng Plantation to continue to improve.

Due to higher contribution from Xinfeng Plantation with a relatively lower margin and the decrease in gross profit margin of the Hepu Plantation, the overall gross profit margin from sales of oranges dropped to approximately 53.8% (2011: 60.3%) for the year ended 30 June 2012.

Beihai BPG processes over 22 different types of fruit with different gross profit margins. The normalised gross profit margin of Beihai BPG for the year ended 30 June 2012 decreased to 30.8% compared to 34.0% in last year. This was mainly due to the inclusion of the trading of fruit juice with minimal gross margin at special request by customers during the year and lower selling price of the pineapple juice concentrates as a result of the decrease in prices in the international market.

Gain on change in fair value of biological assets

The Group recorded a gain of RMB166.9 million from net gain on change in fair value of biological assets for the year ended 30 June 2012, compared to a gain of RMB507.7 million in last year. The lower increase was mainly due to the fact that all the orange trees in the Xinfeng Plantation became fruit bearing in the previous year and there was substantially less infant trees becoming fruit bearing in current year.

The net gain on change in fair value of biological assets does not have any effect on the cash flow of the Group for the year ended 30 June 2012.

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 decreased from approximately RMB63.3 million for the year ended 30 June 2011 to approximately RMB60.6 million for the year ended 30 June 2012, representing an decrease of 4.3%, mainly resulting from the decrease of the production volume sold to supermarket from Hepu Plantation.

As a result, selling and distribution expenses represented 3.4% of the Group's revenue, a decrease of 1.1 percentage points as compared to 4.5% in last 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 RMB157.6 million for the year ended 30 June 2012 (2011: RMB142.4 million), representing an increase of 10.7%. The increase was mainly due to more expenses for the continued development of Hunan Plantation and inclusion of the administrative expenses amounting to RMB11.6 million of Beihai BPG.

General and administrative expenses represented 8.9% of the Group's revenue, a decrease of 1.2 percentage points as compared to 10.1% in last year, demonstrating the Group's ability to control costs effectively during rapid business expansion.

Profit

The profit attributable to shareholders for the year ended 30 June 2012 decreased to approximately RMB750.2 million, compared to approximately RMB1,039.0 million in last year, representing a decrease of approximately 27.8%. The decrease in profit is mainly due to lower increase in the net gain on change in fair value of biological assets as all the orange trees in the Xinfeng Plantation became fruit bearing in the previous year and there was substantially less infant trees becoming fruit bearing in current year.

The core net profit, which refers to profit for the period excluding net gain on change in fair value of biological assets and share-based payments, for the year ended 30 June 2012 was approximately RMB629.1 million, compared to approximately RMB579.0 million in last year, representing an increase of approximately 8.7%. The increase was mainly attributable to the increase in production volume of oranges and a full year results of Beihai BPG consolidated into the Group during the year compared to seven month results in corresponding period last year.

CHANGE IN ACCOUNTING POLICY

In the year ended 30 June 2012, the Group changed its accounting policy with respect to the costing of infant trees. Cost of fertilisers and pesticides, the principal directly attributable costs incurred during the period of biological growth to the stage the trees start bearing fruits (i.e. from age 0 to 3), are now capitalised as additions to the relevant biological assets. In prior years, these costs were expensed as incurred and included in general and administrative expenses in profit or loss. The management believes the new policy is preferable as it will provide relevant and reliable information and more fairly reflects the financial results of the Group's agricultural activities.

This change in accounting policy has been applied retrospectively. The effects of the change in the consolidated income statement for the year ended 30 June 2011 and in the consolidated statements of financial position at 30 June 2011 and 1 July 2010 are set out in Note 4 to the Consolidated Financial Statements.

FINAL AND SPECIAL DIVIDENDS

The Directors are pleased to recommend a final dividend of RMB0.13 (2011: final dividend of RMB0.10 and special dividend of RMB0.03) per share. The final dividend, together with the interim and special dividend of RMB0.03 (2011: RMB0.02) and RMB0.02 (2011: RMBNil) per share respectively, will make a total of RMB0.18 (2011: RMB0.15) per share for the whole year ended 30 June 2012.

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			
	2012		2011	
Types of produce	Tonnes	% of Total output	Tonnes	% of total output
Winter oranges	171,607	70.5%	143,698	66.3%
Summer oranges	71,814	29.5%	73,194	33.7%
Total	243,421		216,892	

The production volume of winter oranges increased to 171,607 tonnes for the year ended 30 June 2012, representing an increase of 19.4%. The production volume of winter oranges in Hepu Plantation dropped from approximately 50,517 tonnes last year to approximately 44,906 tonnes in the current year, representing a decrease of approximately 11.1%, which was due to the ongoing replanting programme. In the year to 30 June 2011, 63,584 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 93,181 tonnes last year to approximately 126,701 tonnes in the current year, representing an increase of approximately 36.0% due to increased maturity during the year.

The production volume of summer oranges decreased slightly to 71,814 tonnes for the year ended 30 June 2012 (2011: 73,194 tonnes) due to the unusual heavy rainfall at the time of the harvesting season.

CAPITAL STRUCTURE

As at 30 June 2012 there were 1,221,097,182 shares in issue. Based on the closing price of HK$4.35 as at 30 June 2012, the market capitalisation of the Company was approximately HK$5,311.8 million (GBP437.6 million).

HUMAN RESOURCES

There were a total of 1,692 employees of the Group as at 30 June 2012. 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 2012	30 June 2011 (restated)
Current ratio (x)	**47.49**	41.05
Quick ratio (x)	**43.49**	37.83
Asset turnover (x)	**0.21**	0.18
Core net profit per share (RMB)	**0.52**	0.55
Basic earnings per share (RMB)	**0.62**	0.99
Net debt to equity (%)	**Net cash**	Net cash

Liquidity

The current ratio and quick ratio was 47.49 and 43.49 respectively. The liquidity of the Group continues to be healthy with sufficient reserves for both current operation and future development.

Profitability

The asset turnover of the Group improved to 0.21 (2011: 0.18) for the year ended 30 June 2012. The higher asset turnover was mainly due to full year results of Beihai BPG being consolidated into Group in current period compared to seven month results in last corresponding period.

The basic earnings per share for the year ended 30 June 2012 was RMB0.62 (2011: RMB0.99). This was because of the 35.5% decrease in profit attributable to shareholders for the year and the dilution effect from the issuance of new ordinary shares in FY2011. However, the decrease in profit attributable to shareholders is mainly due to a substantial decrease in the net gain on change in fair value of biological assets as all the orange trees in the Xinfeng Plantation became fruit bearing in the previous year and there was substantially less infant trees becoming fruit bearing in current year.

The core net profit per share for the six months ended 30 June 2012 was RMB0.52 (2011: RMB0.55).

Debt ratio

The net cash positions of the Group were RMB2,388.1 million and RMB2,232.2 million at 30 June 2012 and 2011 respectively.

Internal cash resource

The Group's major internal cash resource is its cash and cash equivalents. The effective interest rate for bank deposits during the year ended 30 June 2012 is approximately 0.93% (2011: 0.35%) per annum.

The Group did not have any outstanding bank borrowings as at 30 June 2012.

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 2012.

Capital commitments

As at 30 June 2012, the Group had capital commitments of approximately RMB87.7 million mainly in relation to the construction of the farmland infrastructure in the Hunan Plantation and the new juicing plant in Baise city.

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.

PLANTATIONS

The Group has three orange plantations in the PRC occupying in total approximately 155,000 mu (equivalent to approximately 103.3 sq.km.) of land, with approximately 46,000 mu (equivalent to approximately 30.7 sq.km.) in the Hepu county of the Guangxi Zhuang Autonomous Region, the Hepu Plantation, approximately 56,000 mu (equivalent to approximately 37.3 sq.km.) in the Xinfeng county of the Jiangxi province, the Xinfeng Plantation and approximately 53,000 mu (equivalent to approximately 35.3 sq.km.) in the Dao county of the Hunan province, the Hunan Plantation.

Hepu Plantation

The Hepu Plantation is fully planted and comprises approximately 1.3 million orange trees of which approximately 1.1 million trees were producing oranges during the current year. During the year, 66,449 winter orange trees were removed and the same number of summer orange trees were replanted as part of the ongoing replanting programme.

Xinfeng Plantation

The Xinfeng Plantation is fully planted and comprises 1.6 million winter orange trees and all of which are producing oranges during the current year.

Hunan Plantation

The Hunan Plantation is still under development and comprises approximately 1.0 million summer orange trees planted as at 30 June 2012. During the year ended 30 June 2012, approximately 622,000 summer orange trees were planted with approximately 750,000 summer orange trees to be planted in the financial year ending 30 June 2013. By that time, the construction of Hunan Plantation is expected to be completed.

The first batch of the 427,400 summer orange trees is expected to begin trial production in the summer of 2014.

Management Discussion and Analysis

The below table sets out the age profile as at 30 June 2012 and the production volume of the plantations for the year ended 30 June 2012:

Summer orange trees

Age	Hepu Plantation No. of trees	Hepu Plantation Yield (tonnes)	Hunan Plantation No. of trees	Hunan Plantation Yield (tonnes)	Total No. of trees	Total Yield (tonnes)
0	66,449	–	622,475	–	688,924	–
1	63,584	–	427,400	–	490,984	–
2	64,194	–	–	–	64,194	–
3	81,261	–	–	–	81,261	–
4	76,135	877	–	–	76,135	877
5	55,185	2,818	–	–	55,185	2,818
15	29,996	2,955	–	–	29,996	2,955
16	128,966	15,161	–	–	128,966	15,161
17	186,003	21,133	–	–	186,003	21,133
18	223,741	28,870	–	–	223,741	28,870
	975,514	71,814	1,049,875	–	2,025,389	71,814

Winter orange trees

Age	Hepu Plantation No. of trees	Hepu Plantation Yield (tonnes)	Xinfeng Plantation No. of trees	Xinfeng Plantation Yield (tonnes)	Total No. of trees	Total Yield (tonnes)
5	–	–	400,000	23,243	400,000	23,243
6	–	–	400,000	28,023	400,000	28,023
7	46,077	3,364	400,000	33,604	446,077	36,968
9	180,180	19,597	400,000	41,831	580,180	61,428
10	42,300	4,974	–	–	42,300	4,974
15*	24,937	13,469	–	–	24,937	13,469
16	10,133	1,524	–	–	10,133	1,524
17	12,988	1,978	–	–	12,988	1,978
	316,615	44,906	1,600,000	126,701	1,916,615	171,607
Grand total					3,942,004	243,421

*Note: 66,449 winter orange trees (age: 15) were removed and replanted with the same number of summer orange trees (age: 0) during the year ended 30 June 2012.

Management Discussion and Analysis

The below table sets out the age profile as at 30 June 2011 and the production volume of the plantations for the year ended 30 June 2011:

Summer orange trees

Age	Hepu Plantation No. of trees	Hepu Plantation Yield (tonnes)	Hunan Plantation No. of trees	Hunan Plantation Yield (tonnes)	Total No. of trees	Total Yield (tonnes)
0	63,584	–	427,400	–	490,984	–
1	64,194	–	–	–	64,194	–
2	81,261	–	–	–	81,261	–
3	76,135	–	–	–	76,135	–
4	55,185	646	–	–	55,185	646
14	29,996	2,775	–	–	29,996	2,775
15	128,966	15,552	–	–	128,966	15,552
16	186,003	23,676	–	–	186,003	23,676
17	223,741	30,545	–	–	223,741	30,545
	909,065	73,194	427,400	–	1,336,465	73,194

Winter orange trees

Age	Hepu Plantation No. of trees	Hepu Plantation Yield (tonnes)	Xinfeng Plantation No. of trees	Xinfeng Plantation Yield (tonnes)	Total No. of trees	Total Yield (tonnes)
4	–	–	400,000	3,600	400,000	3,600
5	–	–	400,000	23,200	400,000	23,200
6	46,077	1,935	400,000	28,800	446,077	30,735
8	180,180	17,742	400,000	37,581	580,180	55,323
9	42,300	4,221	–	–	42,300	4,221
14*	91,386	23,107	–	–	91,386	23,107
15	10,133	1,536	–	–	10,133	1,536
16	12,988	1,976	–	–	12,988	1,976
	383,064	50,517	1,600,000	93,181	1,983,064	143,698
Grand total					3,319,529	216,892

*Note: 63,584 winter orange trees (age: 14) were removed and replanted with the same number of summer orange trees (age: 0) during the year ended 30 June 2011.

VALUATION OF BIOLOGICAL ASSETS

The Group has engaged an independent valuer to determine the fair value of the orange trees less costs to sell as at 30 June 2012.

The valuations of the Group's orange trees were conducted on the basis of discounted cash flow. The discount rate being applied to the discounted cash flow model is based on Capital Asset Pricing Model. The independent valuer begins with the appraised value of the Group's orange trees by discounting the future income streams attributable to the Group's orange trees to arrive at a present value and deducts the tangible assets (including plantation related machinery and equipment and land improvements) from the appraised value which are employed in the operation of the Group's plantations.

The independent valuer conducted inspections of the plantations in connection with the valuation exercise of the Group's orange trees.

Major assumptions

The discounted cash flow method adopted a number of key assumptions, which include the discount rate, market prices of oranges, production yield per tree, related production costs, etc. The values of such variables are determined by the independent valuer using information supplied by the Group, as well as proprietary and third-party data, as follows:

1) The discount rate applied for the year ended 30 June 2012 was 18.0% (2011: 20.0%). The discount rate reflected the expected market return on the asset and can be affected by the interest rate, market sentiments and risk of the asset versus the general market risk.

2) The yield per tree variables represent the harvest level of the orange trees. The yield of orange trees is affected by the age, species and health of the orange trees, the climate, location, soil conditions, topography and infrastructure. In general, the yield per tree increases from age 3 to 10, remains stable for about 22 years, and then decreases until age 32. An agricultural consultant of the independent valuer estimates that the yield per tree based on field inspection of general growth conditions of orange trees and average yield data of typical orange plantations in the PRC.

3) The market prices variables represent the assumed market price for the summer oranges and winter oranges produced by the Group. The independent valuer adopted the market sales prices prevailing as of the relevant balance sheet date for each type of orange produced by the Group as the sales price estimate. The selling prices of winter oranges and summer oranges from the Hepu Plantation and winter oranges from the Xinfeng Plantation adopted were RMB3,310 per tonne, RMB5,200 per tonne and RMB3,730 per tonne, respectively, for the year ended 30 June 2012 and RMB3,230 per tonne, RMB5,300 per tonne and RMB3,660 per tonne, respectively, for the year ended 30 June 2011.

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

Sensitive analysis

1) Changes in the discount rate applied result in significant fluctuations in the Group's gain from changes in fair value of orange trees less estimated costs to sell. The following table illustrates the sensitivity of the Group's gain from changes in fair value of orange trees less estimated costs to sell to increases or decreases by 100 basis points in the discount rate of 18.0% applied by the independent valuer for the year ended 30 June 2012:

	100 basis point Decrease	Base Case	100 basis points Increase
Discount rate	17.0	18.0	19.0
Net gain on change in fair value of biological assets (RMB'000)	339,900	166,900	7,900

2) Changes in the yield per orange trees can also result in significant fluctuations in gain from changes in fair value of orange trees less estimated costs to sell. The following table illustrates the sensitivity of the Group's gain from changes in fair value of orange trees less estimated costs to sell to a 5.0% increase or decrease in the yield per tree applied for the year ended 30 June 2012:

	5.0% Decrease	Base Case	5.0% Increase
Net (loss)/gain on change in fair value of biological assets (RMB'000)	(10,100)	166,900	344,900

3) Changes in assumed market prices of the oranges can also result in significant fluctuations in gain from changes in fair value of orange trees less estimated costs to sell. The following table illustrates the sensitivity of the Group's gain from changes in fair value of orange trees less estimated costs to sell to a 5.0% increase or decrease in the assumed market prices of oranges as at 30 June 2012 used to calculate gain from changes in fair value of orange trees less estimated costs to sell for the year ended 30 June 2012:

	5.0% Decrease	Base Case	5.0% Increase
Net (loss)/gain on change in fair value of biological assets (RMB'000)	(188,100)	166,900	522,900

4) Changes in the assumed direct production costs can also result in significant fluctuations in gain from changes in fair value of orange trees less estimated costs to sell. The following table illustrates the sensitivity of the Group's gain from changes in fair value of orange trees less estimated costs to sell to a 5.0% increase or decrease in the Group's assumed direct production costs used to calculate gain from changes in fair value of orange trees less estimated costs to sell for the year ended 30 June 2012:

	5.0% Decrease	Base Case	5.0% Increase
Net gain/(loss) on change in fair value of biological assets (RMB'000)	355,900	166,900	(34,100)

The above sensitivity analyses are intended for illustrative purposes only, and any variation could exceed the amounts shown above.

Valuation

According to the valuation report of the independent valuer, the aggregate value of the orange trees in the Hepu Plantation and Xinfeng Plantation as at 30 June 2012 was estimated to be approximately RMB2,226 million (2011: RMB2,045 million).

DIRECTORS AND SENIOR MANAGEMENT PROFILE

EXECUTIVE DIRECTORS

Mr. TONG Wang Chow, *Executive Chairman and Chief Executive Officer and a member of the Remuneration Committee*

Mr. Tong Wang Chow, age 73, is the founder of the Group in 2000. Mr. Tong was appointed as an Executive Director on 18 November 2003. He is responsible for the overall strategic planning and direction of the Group. Mr. Tong has over 20 years of business development experience in the PRC and has over 10 years of experience in the plantation and food industry. He is a distinguished member of the Chinese People's Political Consultative Conference Guangdong Province Shantou Municipal Committee, the Permanent Honorary Chairman of the Hong Kong Shantou Merchants Association, a general committee member of the Chinese Manufacturers Association of Hong Kong and the Consultant of the Federation of HK Chiu Chow Community Organisation. He is an Honorary President of the Association for the Promotion of Hong Kong Heilongjiang Economy and the Honorary Chairman of the Ganzhou Navel Orange Association. He was the Honorary Consul of Mongolia in the Hong Kong Special Administrative Region from 2006 to June 2008. Mr. Tong is the father of Mr. Tong Hung Wai, Tommy.

Mr. TONG Hung Wai, Tommy, *Sale and Marketing Director*

Mr. Tong Hung Wai, Tommy, age 43, is the co-founder of the Group. Mr. Tong was appointed as an Executive Director on 18 November 2003. He is responsible for the sales and marketing of the Group and has approximately 10 years of experience in marketing and business management with the Group. Mr. Tong obtained a bachelor of business degree in international business in 1996 from Queensland University of Technology, Australia. He is the son of Mr. Tong Wang Chow.

Mr. CHEUNG Wai Sun, *Executive Director*

Mr. Cheung Wai Sun, age 53, joined the Board on 18 November 2003. He has over 10 years extensive knowledge and experience in the agricultural business in the PRC. He was a member of the Chinese People's Political Consultative Conference Guangdong Province Meizhou Municipal Committee and a general committee member of the Hong Kong Federation of Guangdong Hakka Associations.

Mr. PANG Yi, *Deputy General Manager of the Hepu Plantation*

Mr. Pang Yi, age 43, joined the Group in 2000 as the Deputy General Manager of the Hepu Plantation and was appointed as an Executive Director on 16 June 2005. He is responsible for the Group's overall operation and management in the PRC. He obtained a bachelor's degree in plantation economic management from the Northwest Sci-Tech University of Agriculture and Forestry in 1995. Mr. Pang had been appointed by Guangxi Foreign Trade and Economic Cooperation Department as investment service supervisor of Guangxi Zhuang Autonomous Region from 2002 to 2005.

Mr. SUNG Chi Keung, *Finance Director and Company Secretary*

Mr. Sung Chi Keung, age 37, joined the Company in 2004 as the financial controller of the Group and was appointed as the Company Secretary and an Executive Director on 7 August 2004 and 15 January 2007, respectively. Mr. Sung holds a bachelor's degree in business administration, majoring in professional accountancy, from The Chinese University of Hong Kong and a master's degree in corporate finance from The Hong Kong Polytechnic University. He is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants. Mr. Sung has over 10 years of experience in financial management, accounting, taxation, auditing and corporate finance and previously worked for KPMG, PricewaterhouseCoopers Ltd. and Deloitte & Touche Corporate Finance Ltd., before joining the Group in August 2004.

Directors and Senior Management Profile

NON-EXECUTIVE DIRECTORS

Mr. IP Chi Ming, *Vice Chairman*

Mr. Ip Chi Ming, age 51, joined the Group in August 2001 and was appointed as a Non-Executive Director on 18 November 2003. Mr. Ip is also a Non-Executive Director of Chaoda Modern Agriculture (Holdings) Limited ("Chaoda") and an Executive Director of Suncorp Technologies Limited. Mr. Ip was introduced to the Company due to his position in Chaoda. Mr. Ip has around 14 years of experience in trading and marketing at Chaoda as well as extensive experience in corporate strategic planning, overall management, business development and sales and marketing.

Hon Peregrine MONCREIFFE

Hon Peregrine Moncreiffe, age 61, was appointed to the Board on 1 February 2006 by Metage Funds Limited and Metage Special Emerging Markets Fund Limited, acting jointly, pursuant to the terms of the convertible bonds issued by the Company on 14 July 2005. Mr. Moncreiffe owns less than 2% interests in each of Metage Funds Limited and Metage Special Emerging Markets Fund Limited. Mr. Moncreiffe is also on the board of Metage Funds Limited and Metage Special Emerging Markets Fund Limited. After graduating from Oxford University, Mr. Moncreiffe spent much of his career in investment management and banking in London, New York and East Asia. Mr. Moncreiffe has worked for Credit Suisse First Boston Group, and was a managing director of Lehman Brothers in New York before helping to found Buchanan Partners, a London based investment company of which he was chief executive. He currently serves as Chairman of North Atlantic Smaller Companies Investment Trust Plc and director of NR Nordic and Russia Properties Ltd.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. MA Chiu Cheung, Andrew, *the Chairman of the Audit Committee and a member of the Remuneration Committee*

Mr. Ma Chiu Cheung, Andrew, age 70, joined the Board on 7 August 2004. Mr. Ma is a founder and former Director of AMA CPA Limited (formerly known as Andrew Ma DFK (CPA) Limited). He is presently a Director of Mayee Management Limited. He has more than 30 years of experience in accounting, auditing and finance. He obtained a bachelor's degree in economics from the London School of Economics and Political Science, University of London in England in 1966. Mr. Ma is a fellow of the Institute of Chartered Accountants in England and Wales, the Hong Kong Institute of Certified Public Accountants, The Hong Kong Institute of Directors and The Taxation Institute of Hong Kong. He is currently also an Independent Non-Executive Director of several other listed companies in Hong Kong including Asia Financial Holdings Limited (Stock code: 662), Beijing Properties (Holdings) Ltd, (Stock code: 925) C.P. Pokphand Co. Ltd., (Stock code: 43) China Resources Power Holdings Company Limited (Stock code: 836), Chong Hing Bank Limited (Stock code: 1111) and Tanrich Financial Holdings Limited (Stock code: 812). Mr. Ma has the professional qualifications and accounting expertise as required under Rule 3.10(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Hong Kong Listing Rules").

Mr. Nicholas SMITH, *the Chairman of the Remuneration Committee and a member of the Audit Committee*

Mr. Nicholas Smith, age 60, joined the Board on 1 July 2005. Mr. Smith has over 20 years experience in investment banking, having worked in Europe and Asia for Flemings, Jardine Fleming and HSBC. His roles have included Co-Head of Investment Banking and Chief Financial Officer of the Jardine Fleming Group. Mr. Smith is a Chartered Accountant and previously worked for KPMG and Ernst & Young. He currently serves as Chairman of Ophir Energy PLC., and non-executive director of Schroder AsiaPacific Fund plc, Sorbic International Ltd and Japan Opportunities Fund II Ltd.

Directors and Senior Management Profile

Mr. YANG Zhen Han, *a member of the Audit Committee*

Mr. Yang Zhenhan, age 80, joined the Board on 2 June 2004. Mr. Yang obtained a bachelor's degree in chemical engineering from Shanghai Jiao-Tong University in 1953. Mr. Yang is a machine-building specialist with over 30 years of experience. Mr. Yang was a director of the Foreign Economic Relations and Trade Commission of Shanghai Municipality, responsible for the international trade and foreign investment affairs of Shanghai city from 1983 to 1985. Mr. Yang had been a member of Guangzhou Chinese People's Political Consultative Conference from 2002 to 2007.

Dr. LUI Ming Wah, SBS JP

Dr. Lui Ming Wah, SBS JP, age 74, joined the Board on 2 June 2004. Dr. Lui is an industrialist serving as the honorary chairman, the Honorary President and the Honorary President of the Hong Kong Electronic Industries Association, Hong Kong Shandong Chamber of Commerce and The Chinese Manufacturers Association of Hong Kong, respectively. He is a member of the Chinese People's Political Consultative Conference. Dr. Lui was elected to the Legislative Council of Hong Kong in May 1998 for a term of two years. In the 2000 and 2004 Legislative Council elections, he was elected again for a term of four years each. He is the observer of the Hong Kong Independent Police Complaints Council and is an Adviser Professor of Shandong University. Dr. Lui obtained his master of science and doctor of philosophy degrees from the University of New South Wales in Australia and the University of Saskatchewan in Canada, respectively. He is currently the Managing Director of Keystone Electronics Co. Limited. Dr. Lui is currently an Independent Non-Executive Director of a few other companies which are listed on the Main Board and/or GEM Board of the Stock Exchange, including AV Concept Holdings Limited (stock code: 595), Gold Peak Industries (Holdings) Limited (stock code: 40), S.A.S. Dragon Holdings Limited (stock code: 1184), Glory Mark Hitech (Holdings) Limited (stock code: 8159) and L.K. Technology Holdings Limited (stock code: 558).

SENIOR MANAGEMENT

Mr. HUANG Xin, aged 57, is a director of BPG Food and Beverage Holdings Limited, responsible for the overall business management and operations of the Group's processed fruit business. He has over 10 years of experience in the processing of tropical fruit juice business and related products. Mr. Huang obtained a bachelor's degree in Arts from Guangxi University in 1982 and a master of Laws from Minzu University of China in 1997. Mr. Huang is a Vice President of the China Beverage Industry Association Juice Branch and Head of Beihai Comprehensive Test Station of the China Modern Agricultural Lychee Industry. He was appointed as the general manager in Beihai Perfuming Garden Juice Company Limited from 2000 and Hepu Perfuming Garden Food Company Limited in 2005, respectively.

Mr. MAN Guifu, aged 52, is a director of BPG Food and Beverage Holdings Limited, responsible for the daily operation and management of the Group's processed fruit business. Mr. Man has over 10 years of experience in the processing of tropical fruit juice business and related products. He was appointed as the deputy general manager in Beihai Perfuming Garden Juice Company Limited in 2000 and Hepu Perfuming Garden Food Company Limited in 2005, respectively. Mr. Man obtained a bachelor's degree in Light Industry Machinery from Guangxi Engineering College in 1981.

Mr. LIU Geng Feng, age 71, is the head of the Group's research and development team. Mr. Liu joined the Group in January 2000. Before joining the Group, he supervised the PhD programme at the Hunan Agriculture Research Institute for 36 years.

Madam ZHAO Li Na, age 53, is the financial controller of the Hepu Plantation. Madam Zhao joined the Group in January 2003 and has over 20 years of experience in the financial management and accounting field in the PRC.

Directors and Senior Management Profile

Mr. XIAN Jia Xu, age 48, is the assistant general manager of the Hepu Plantation. Mr. Xian joined the Group in January 2000. Mr. Xian obtained his bachelor's degree in agriculture from the University of Guangxi in 1986 and has worked for Tropicana China Beihai Food Company Limited. He has over 15 years of experience in agricultural and cultivation management.

Mr. ZHONG Kun He, age 48, joined the Group in March 2000 and is the executive controller of the Xinfeng Plantation. Mr. Zhong graduated from the Zhanjiang Agriculture Professional School specializing in fruits tree management. Mr. Zhong previously worked for Tropicana China Beihai Food Company Limited. He has over 20 years of experience in agricultural and cultivation management.

Mr. WU Feng, age 43, joined the Group in August 2007 and is the deputy general manager of the Hunan Plantation. Mr. Wu graduated from Zhanjiang Agriculture Professional School specialising in fruits tree management. Prior to joining the Group, he has worked in various agricultural companies in the PRC responsible for plantation management. He has over 10 years of experience in agricultural and cultivation management.

Dr. WANG Shaoke, age 60, joined the Group in April 2006 and is the chief scientist of the Group. He obtained the degree of Doctor of Philosophy (Agronomy) at Colorado State University in the United States in 1987. Dr. Wang is a Faculty Affiliate of the Department of Soil and Crop Sciences at Colorado State University in the United States. He was a Chief Scientist of China Agricultural Development (Hong Kong) Ltd from 1997 to 2006, which has developed a large-scale new citrus farm of grapefruits, limes, oranges and many new healthy crops in Southern China. Dr. Wang has been active in the international scientific activities. He was appointed by the International Barley Genetic Committee as an International Coordinator for the barley Chromosome 2 and served in that position from 1990 to 1992. He has also authored numerous papers in the scientific journals published in the United States, Germany, Canada, Japan, Italy and the PRC. He is an Honorary Professor of the Inner-Mongolian Academy of Agricultural Sciences and the Xinjiang Academy of Agricultural Sciences in the PRC. He has been invited to the PRC to lecture and give scientific advices during the past 20 years.

Mr. LAU Hak Kin, age 34, joined the Company in December 2005 and is the financial controller of the Group. Mr. Lau holds a bachelor's degree in business administration, majoring in accountancy, from the Chinese University of Hong Kong. He is an associate member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants and a CFA charterholder. He has 10 years of experience in financial management, risk management, accounting, taxation and auditing and previously worked for PricewaterhouseCoopers before joining the Group.

DIRECTORS' REPORT

The Directors are pleased to present their report on the affairs of the Company, together with the consolidated financial statements and auditor's report, for the year ended 30 June 2012.

PRINCIPAL ACTIVITIES

The Company is an exempted company incorporated under the laws of Bermuda with limited liability on 4 June 2003. The principal activities of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") are planting, cultivation and selling of agricultural produce, manufacturing and sale of fruit juice concentrates, fruit purees and frozen fruits and vegetables. The Group currently owns and operates three orange plantations and two processing plants in the People's Republic of China ("PRC").

BUSINESS REVIEW

A review of Group's performance, business activities and development is included in the Chairman's Statement and the Management Discussion and Analysis on page 5 to 22.

RESULTS

The profit attributable to shareholders for the year is set out in the Consolidated Income Statement on page 50.

DIVIDENDS

The Directors are pleased to recommend the payment of a final dividend of RMB0.13 (2011: final dividend of RMB0.10 and special dividend of RMB0.03) per share on or before 31 December 2012, subject to the approval of the forthcoming annual general meeting on 6 November 2012. The final dividend, together with the interim and special dividends of RMB0.03 (2011: RMB0.02) and RMB0.02 (2011: RMBNil) per share, will make a total of RMB0.18 (2011: RMB0.15) per share for the whole year ended 30 June 2012. The actual translation rate for the purpose of dividend payment in sterling and HK Dollar will be referenced to exchange rate on 13 November 2012.

Only shareholders that appear on the Company's register of members at the close of business on the record date of 9 November 2012 will be qualified for the proposed dividend, with an ex-dividend date of 8 November 2012 and 7 November 2012 on HKEx and London Stock Exchange PLC respectively.

In order to qualify for receiving the final 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 9 November 2012.

The shareholders will receive their cash dividends in sterling or HK Dollar. It is also intended that the scrip dividend alternative to the cash dividend will be offered during 2012. A document providing further details of the Scrip Dividend Scheme will be sent to shareholders in due course.

RESERVES

Details of the movements in the reserves of the Group and of the Company during the year are set out in the Consolidated Statement of Changes of Equity on page 55 and Note 27(a) to the Consolidated Financial Statements respectively. As at 30 June 2012, the Company's reserves available for distribution amounted to approximately RMB3,734,694,000 (2011: RMB3,968,134,000).

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment during the financial year are set out in Note 15 to the Consolidated Financial Statements.

PRE-EMPTIVE RIGHTS

No pre-emptive rights exist under the laws of Bermuda, being the jurisdiction in which the Company is incorporated.

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

During the year ended 30 June 2012, the Company repurchased 10,950,000 ordinary shares of HK$0.01 on the HKEx at an aggregate consideration of HK$52,065,380 before expenses. Out of the 10,950,000 repurchased shares, 10,455,000 repurchased shares were cancelled during the year, and the remaining 495,000 repurchased shares were cancelled subsequent to the year end date. The repurchases were effected by the Board for the enhancement of shareholder value in the long term. Details of the repurchases are as follows:

Month of purchase	No. of shares purchased	Purchase consideration per share Highest price paid HK$	Purchase consideration per share Lowest price paid HK$	Aggregate consideration paid HK$
October 2011	2,000,000	5.20	5.09	10,362,420
November 2011	1,500,000	5.00	4.69	7,271,270
February 2012	1,161,000	4.60	4.43	5,272,830
March 2012	1,452,000	5.65	4.65	7,768,190
April 2012	1,301,000	5.49	4.64	6,488,420
May 2012	1,963,000	4.76	3.82	8,294,330
June 2012	1,573,000	4.38	3.91	6,607,920
Total	10,950,000			52,065,380

On 23 November 2011, 885,000, 1,502,000, 660,000 and 3,892,000 ordinary shares of HK$0.01 were issued at the exercise price of GBP0.112, GBP0.2045, GBP0.2425 and GBP0.139 respectively upon exercise of a total of 6,939,000 share options under the Share Option Scheme.

On 30 December 2011, 9,456,219 ordinary shares of HK$0.01 were issued at the price of HK$5.358 per share to shareholder participating in the scrip dividend.

Saved as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 30 June 2012.

Directors' Report

DIRECTORS

The Directors of the Company during the year and up to the date of this report are set out below:

Director	Date of appointment
Executive Directors	
Mr. Tong Wang Chow	18 November 2003
Mr. Tong Hung Wai, Tommy	18 November 2003
Mr. Cheung Wai Sun	18 November 2003
Mr. Pang Yi	16 June 2005
Mr. Sung Chi Keung	15 January 2007
Non-Executive Directors	
Mr. Ip Chi Ming	18 November 2003
Hon Peregrine Moncreiffe	1 February 2006
Independent Non-Executive Directors	
Dr. Lui Ming Wah, SBS JP	2 June 2004
Mr. Yang Zhen Han	2 June 2004
Mr. Ma Chiu Cheung, Andrew	7 August 2004
Mr. Nicholas Smith	1 July 2005

In accordance with Bye-laws 88(1) of the Company's Bye-laws, at each annual general meeting, one third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one third) will retire from office by rotation. The Directors to retire every year will be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

This year, in accordance with the Company's Bye-laws, Mr. Cheung Wai Sun, Mr. Pang Yi, Mr. Ip Chi Ming and Dr. Lui Ming Wah, SBS, JP will retire at the forthcoming annual general meeting of the Company and all of them, being eligible, offer themselves for re-election.

Details of the Directors' service contracts and appointment letters are described in the "Corporate Governance Report" on page 45.

Save as disclosed above, none of the Directors proposed for re-election at the AGM has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

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

As at 30 June 2012, the interests or short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong ("SFO")) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were notified to the Company and the HKEx, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Hong Kong Listing Rules ("Model Code"), are set out below:

		Number of shares held					
Name	Class of shares	Personal interests	Family interests	Corporate interests	Number of underlying shares held under equity derivatives	Total	Approximate percentage of the Company's total issued share capital
Tong Wang Chow	Ordinary shares/Share options	320,000	—	275,069,919 *(Note 1)*	3,850,000 *(Note 2)*	279,239,919	22.87%
Tong Hung Wai, Tommy	Share options	—	—	—	1,900,000 *(Note 3)*	1,900,000	0.16%
Cheung Wai Sun	Share options	—	—	—	1,200,000 *(Note 4)*	1,200,000	0.10%
Pang Yi	Ordinary shares/ Share options	452,043	—	—	5,740,000 *(Note 5)*	6,192,043	0.51%
Sung Chi Keung	Ordinary shares/ Share options	520,000	—	—	4,560,000 *(Note 6)*	5,080,000	0.42%
Nicholas Smith	Ordinary shares/ Share options	982,458 *(Note 7)*	—	—	500,000 *(Note 8)*	1,482,458	0.12%
Ip Chi Ming	Share options	—	—	—	500,000 *(Note 9)*	500,000	0.04%
Peregine Moncreiffe	Ordinary shares/ Share options	846,560 *(Note 10)*	128,000 *(Note 10)*	—	500,000 *(Note 11)*	1,474,560	0.12%
Lui Ming Wah	Share options	—	—	—	500,000 *(Note 12)*	500,000	0.04%
Yang Zhen Han	Share options	—	—	—	500,000 *(Note 13)*	500,000	0.04%
Ma Chiu Cheung, Andrew	Share options	—	—	—	500,000 *(Note 14)*	500,000	0.04%

Directors' Report

Notes:

(1) The 275,069,919 shares were held by Market Ahead Investments Limited ("Market Ahead"), the issued share capital of which is beneficially owned by the following persons:

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

Mr. Tong Wang Chow is deemed to be interested in 275,069,919 shares held by Market Ahead by virtue of the SFO. Mr. Tong Wang Chow is also a director of Market Ahead.

(2) 1,500,000 shares would be allotted and issued to Mr. Tong Wang Chow upon the exercise in full of the share options granted to Mr. Tong Wang Chow under the share option scheme of the Company adopted by the Shareholders on 29 June 2005 and terminated upon the commencement of dealings of the shares on the HKEx on 26 November 2009 (the "Share Option Scheme"). These share options, all of which remained exercisable as at the 30 June 2012, were exercisable at the subscription price of £0.2045 per Share during the period from 27 July 2007 to 26 July 2014.

1,500,000 shares would be allotted and issued to Mr. Tong Wang Chow upon the exercise in full of the share options granted to Mr. Tong Wang Chow under the Share Option Scheme. These share options, all of which remained exercisable as at 30 June 2012, were exercisable at the subscription price of £0.139 per Share during the period from 15 October 2009 to 2 August 2015.

850,000 shares would be allotted and issued to Mr. Tong Wang Chow upon the exercise in full of the share options to Mr. Tong Wang Chow under the share option scheme of the Company conditionally adopted by the Shareholders on 2 November 2009 and became effective upon the commencement of dealings of the shares on the HKEx on 26 November 2009 (the "Post Listing Share Option Scheme"). These share options, all of which remained exercisable as at 30 June 2012, were exercisable at the subscription price of HK$5.68 per Share during the period from 27 May 2011 to 26 May 2018.

(3) 550,000 shares would be allotted and issued to Mr. Tong Hung Wai, Tommy upon the exercise in full of the share options granted to Mr. Tong Hung Wai, Tommy under the Share Option Scheme. These share options, all of which remained exercisable as at 30 June 2012, were exercisable at the subscription price of £0.2045 per Share during the period from 27 July 2007 to 26 July 2014.

600,000 shares would be allotted and issued to Mr. Tong Hung Wai, Tommy upon the exercise in full of the share options granted to Mr. Tong Hung Wai, Tommy under the Share Option Scheme. These share options, all of which remained exercisable as at 30 June 2012, were exercisable at the subscription price of £0.139 per Share during the period from 15 October 2009 to 2 August 2015.

750,000 shares would be allotted and issued to Mr. Tong Hung Wai, Tommy upon the exercise in full of the share options to Mr. Tong Hung Wai, Tommy under the Post Listing Share Option Scheme. These share options, all of which remained exercisable as at 30 June 2012, were exercisable at the subscription price of HK$5.68 per Share during the period from 27 May 2011 to 26 May 2018.

(4) 90,000 shares would be allotted and issued to Mr. Cheung Wai Sun upon the exercise in full of the share options granted to Mr. Cheung Wai Sun under the Share Option Scheme. These share options, all of which remained exercisable as at 30 June 2012, were exercisable at the subscription price of £0.2045 per Share during the period from 27 July 2007 to 26 July 2014.

360,000 shares would be allotted and issued to Mr. Cheung Wai Sun upon the exercise in full of the share options granted to Mr. Cheung Wai Sun under the Share Option Scheme. These share options, all of which remained exercisable as at the 30 June 2012, were exercisable at the subscription price of £0.139 per Share during the period from 15 October 2009 to 2 August 2015.

750,000 shares would be allotted and issued to Mr. Cheung Wai Sun upon the exercise in full of the share options to Mr. Cheung Wai Sun under the Post Listing Share Option Scheme. These share options, all of which remained exercisable as at 30 June 2012, were exercisable at the subscription price of HK$5.68 per Share during the period from 27 May 2011 to 26 May 2018.

(5) 900,000 shares would be allotted and issued to Mr. Pang Yi upon the exercise in full of the share options granted to Mr. Pang Yi under the Share Option Scheme. These share options, all of which remained exercisable as at 30 June 2012, were exercisable at the subscription price of £0.112 per Share during the period from 3 August 2006 to 2 August 2015.

480,000 shares would be allotted and issued to Mr. Pang Yi upon the exercise in full of the share options granted to Mr. Pang Yi under the Share Option Scheme. These share options, all of which remained exercisable as at 30 June 2012, were exercisable at the subscription price of £0.2045 per Share during the period from 27 July 2007 to 26 July 2014.

960,000 shares would be allotted and issued to Mr. Pang Yi upon the exercise in full of the share options granted to Mr. Pang Yi under the Share Option Scheme. These Share options, all of which remained exercisable as at 30 June 2012, were exercisable at the subscription price of £0.139 per Share during the period from 15 October 2009 to 2 August 2015.

3,400,000 shares would be allotted and issued to Mr. Pang Yi upon the exercise in full of the share options to Mr. Pang Yi under the Post Listing Share Option Scheme. These share options, all of which remained exercisable as at 30 June 2012, were exercisable at the subscription price of HK$5.68 per Share during the period from 27 May 2011 to 26 May 2018.

(6) 600,000 shares would be allotted and issued to Mr. Sung Chi Keung upon the exercise in full of the share options granted to Mr. Sung Chi Keung under the Share Option Scheme. These share options, all of which remained exercisable as at 30 June 2012, were exercisable at the subscription price of £0.112 per Share during the period from 3 August 2006 to 2 August 2015.

1,000,000 shares would be allotted and issued to Mr. Sung Chi Keung upon the exercise in full of the share options granted to Mr. Sung Chi Keung under the Share Option Scheme. These share options, all of which remained exercisable as at 30 June 2012, were exercisable at the subscription price of £0.2045 per Share during the period from 27 July 2007 to 26 July 2014.

960,000 shares would be allotted and issued to Mr. Sung Chi Keung upon the exercise in full of the share options granted to Mr. Sung Chi Keung under the Share Option Scheme. These share options, all of which remained exercisable as at 30 June 2012, were exercisable at the subscription price of £0.139 per Share during the period from 15 October 2009 to 2 August 2015.

2,000,000 shares would be allotted and issued to Mr. Sung Chi Keung upon the exercise in full of the share options to Mr. Sung Chi Keung under the Post Listing Share Option Scheme. These share options, all of which remained exercisable as at 30 June 2012, were exercisable at the subscription price of HK$5.68 per Share during the period from 27 May 2011 to 26 May 2018.

(7) The 982,458 shares were held as to 334,091 shares by Carey Pensions & Benefits Limited as trustee of InterRetire – Smith Executive Retirement Plan (the "Plan") and as to 648,367 shares by Mr. Nicholas Smith in his own name. As at 30 June 2012, Mr. Nicholas Smith was a direct beneficiary of the Plan and is deemed to have an interest in the shares held by the Plan.

(8) 500,000 shares would be allotted and issued to Mr. Nicholas Smith upon the exercise in full of the share options to Mr. Nicholas Smith under the Post Listing Share Option Scheme. These share options, all of which remained exercisable as at 30 June 2012, were exercisable at the subscription price of HK$5.68 per Share during the period from 27 May 2011 to 26 May 2018.

(9) 500,000 shares would be allotted and issued to Mr. Ip Chi Ming upon the exercise in full of the share options to Mr. Ip Chi Ming under the Post Listing Share Option Scheme. These share options, all of which remained exercisable as at 30 June 2012, were exercisable at the subscription price of HK$5.68 per Share during the period from 27 May 2011 to 26 May 2018.

(10) The 846,560 shares were held as to 268,560 shares by Winterthur Pension Management Limited (the "Pension") and as to 578,000 shares by Hon Peregrine Moncreiffe in his own name. 128,000 shares were held by Ms. Miranda Mary Moncreiffe, the spouse of Hon Peregrine Moncreiffe. As at 30 June 2012, Hon Peregrine Moncreiffe is a direct beneficiary of the Pension and is consequently taken as having an interest in all shares in the Pension.

(11) 500,000 shares would be allotted and issued to Hon Peregrine Moncreiffe upon the exercise in full of the share options to Hon Peregrine Moncreiffe under the Post Listing Share Option Scheme. These share options, all of which remained exercisable as at 30 June 2012, were exercisable at the subscription price of HK$5.68 per Share during the period from 27 May 2011 to 26 May 2018.

(12) 500,000 shares would be allotted and issued to Dr. Lui Ming Wah, SBS, JP upon the exercise in full of the share options to Dr. Lui Ming Wah, SBS, JP under the Post Listing Share Option Scheme. These share options, all of which remained exercisable as at 30 June 2012, were exercisable at the subscription price of HK$5.68 per Share during the period from 27 May 2011 to 26 May 2018.

(13) 500,000 shares would be allotted and issued to Mr. Yang Zhen Han upon the exercise in full of the share options to Mr. Yang Zhen Han under the Post Listing Share Option Scheme. These share options, all of which remained exercisable as at 30 June 2012, were exercisable at the subscription price of HK$5.68 per Share during the period from 27 May 2011 to 26 May 2018.

(14) 500,000 shares would be allotted and issued to Mr. Ma Chiu Cheung, Andrew upon the exercise in full of the share options to Mr. Ma Chiu Cheung, Andrew under the Post Listing Share Option Scheme. These share options, all of which remained exercisable as at 30 June 2012, were exercisable at the subscription price of HK$5.68 per Share during the period from 27 May 2011 to 26 May 2018.

Save as disclosed above, none of the Directors, the chief executive of the Company or their associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations as at 30 June 2012 as defined in Part XV of SFO as recorded in the register to be kept under section 352 of the SFO or as otherwise notified to the Company and the HKEx pursuant to the Model Code.

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

As at 30 June 2012, so far as is known to the Directors, the following persons or companies (other than the Directors and the chief executive) had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:

Name	Number of shares held	Nature of business	Approximate percentage of the Company's total issued share capital
Market Ahead *(Note 1)*	275,069,919	Beneficial owner	22.53%
Tong Lee Fung Kiu *(Note 1)*	275,069,919	Interest of spouse	22.53%
Sunshine Hero Limited ("Sunshine Hero") *(Note 2)*	116,692,681	Beneficial owner	9.56%
Xu Xuefeng *(Note 2)*	116,692,681	Interest of controlled corporation	9.56%
Wellington Management Company, LLP	74,270,059	Investment manager	6.08%
Value Partners Limited *(Note 3)*	73,929,000	Investment manager	6.05%
Value Partners Hong Kong Limited *(Note 3)*	73,929,000	Interest of controlled corporation	6.05%
Value Partners Group Limited *(Note 3)*	73,929,000	Interest of controlled corporation	6.05%
Cheah Capital Management Limited *(Note 3)*	73,929,000	Interest of controlled corporation	6.05%
Cheah Company Limited *(Note 3)*	73,929,000	Interest of controlled corporation	6.05%
Hang Seng Bank Trustee International Limited *(Note 3)*	73,929,000	Trustee	6.05%
To Hau Yin *(Note 3)*	73,929,000	Interest of spouse	6.05%
Cheah Cheng Hye *(Note 3)*	73,929,000	Founder of a discretionary trust	6.05%
Huge Market Investments Limited *(Note 4)*	65,761,540	Beneficial owner	5.39%
Chaoda Modern Agriculture (Holdings) Limited ("Chaoda") *(Note 4)*	65,761,540	Interest of controlled corporation	5.39%

Note:

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

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

Mr Tong Wang Chow is deemed to be interested in 275,069,919 Shares held by Market Ahead by virtue of the SFO. Mrs Tong Lee Fung Kiu is the spouse of Mr Tong Wang Chow. By virtue of the SFO, Mrs Tong Lee Fung Kiu is also deemed, as spouse, to be interested in all the Shares in which Mr Tong Wang Chow is deemed to be interested.

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

(2) Ms Xu Xuefeng is the sole owner of Sunshine Hero and is deemed to be interested in 116,692,681 Shares held by Sunshine Hero by virtue of the SFO.

(3) The 73,929,000 Shares were held by Value Partners Limited in the capacity as investment manager. These Shares were interests of a discretionary trust of which Mr. Cheah Cheng Hye is the founder. The trustee of the trust was Hang Seng Bank Trustee International Limited, which held the interests in the Company through its indirect control over Value Partners Limited. Value Partners Limited is 100% controlled by Value Partners Hong Kong Limited. Value Partners Hong Kong Limited is 100% controlled by Value Partners Group Limited, which in turn is 28.47% controlled by Cheah Capital Management Limited. Cheah Capital Management Limited is 100% controlled by Cheah Company Limited, which in turn is 100% controlled by Hang Seng Bank Trustee International Limited. Accordingly, Mr. Cheah Cheng Hye, Ms. To Hau Yin (spouse of Mr. Cheah Cheng Hye), Hang Seng Bank Trustee International Limited, Cheah Company Limited, Cheah Capital Management Limited, Value Partners Group Limited and Value Partners Hong Kong Limited are deemed to have interests in the 73,929,000 Shares in the Company by virtue of the SFO.

(4) The entire issued share capital of Huge Market Investments Limited is held by Chaoda. Chaoda is deemed to be interested in 65,761,540 Shares held by Huge Market Investments Limited by virtue of the SFO.

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

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

SHARE OPTION SCHEME AND POST LISTING SHARE OPTION SCHEME

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

Movements of the share options granted under the Share Option Scheme and Post Listing Share Option Scheme during the year ended 30 June 2012 are as follows:

Name or Category of participant	Number of Shares in respect of Options: Balance as at 1 July 2011	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding as at 30 June 2012	Date of grant	Exercisable period	Exercise price per share	Weighted average closing price
Directors									
Tong Wang Chow	1,500,000	—	—	—	1,500,000	27/7/2006	27/7/2007 – 26/7/2014	GBP0.2045	—
	1,500,000	—	—	—	1,500,000	15/10/2008	15/10/2009 – 2/8/2015	GBP0.139	—
	850,000	—	—	—	850,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Tong Hung Wai, Tommy	550,000	—	—	—	550,000	27/7/2006	27/7/2007 – 26/7/2014	GBP0.2045	—
	600,000	—	—	—	600,000	15/10/2008	15/10/2009 – 2/8/2015	GBP0.139	—
	750,000	—	—	—	750,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Cheung Wai Sun	90,000	—	—	—	90,000	27/7/2006	27/7/2007 – 26/7/2014	GBP0.2045	—
	360,000	—	—	—	360,000	15/10/2008	15/10/2009 – 2/8/2015	GBP0.139	—
	750,000	—	—	—	750,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Pang Yi	900,000	—	—	—	900,000	3/8/2005	3/8/2006 – 2/8/2015	GBP0.112	—
	480,000	—	—	—	480,000	27/7/2006	27/7/2007 – 26/7/2014	GBP0.2045	—
	960,000	—	—	—	960,000	15/10/2008	15/10/2009 – 2/8/2015	GBP0.139	—
	3,400,000	—	—	—	3,400,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Sung Chi Keung	600,000	—	—	—	600,000	3/8/2005	3/8/2006 – 2/8/2015	GBP0.112	—
	1,000,000	—	—	—	1,000,000	27/7/2006	27/7/2007 – 26/7/2014	GBP0.2045	—
	960,000	—	—	—	960,000	15/10/2008	15/10/2009 – 2/8/2015	GBP0.139	—
	2,000,000	—	—	—	2,000,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Nicholas Smith	500,000	—	—	—	500,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Ip Chi Ming	500,000	—	—	—	500,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Peregrine Moncreiffe	500,000	—	—	—	500,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Lui Ming Wah	500,000	—	—	—	500,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Yang Zhen Han	500,000	—	—	—	500,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Ma Chiu Cheung, Andrew	500,000	—	—	—	500,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Employees:									
In aggregate	4,425,000	—	885,000	—	3,540,000	3/8/2005	3/8/2006 – 2/8/2015	GBP0.112	HKD4.69
	1,772,000	—	1,502,000	—	270,000	27/7/2006	27/7/2007 – 26/7/2014	GBP0.2045	HKD4.69
	1,550,000	—	660,000	—	890,000	14/9/2007	14/9/2008 – 2/8/2015	GBP0.2425	HKD4.69
	12,456,000	—	3,892,000	—	8,564,000	15/10/2008	15/10/2009 – 2/8/2015	GBP0.139	HKD4.69
	18,884,000	—	—	—	18,884,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
	20,000,000	—	—	—	20,000,000	28/2/2011	28/2/2012 – 27/2/2019	HKD9.00	—
	79,337,000	—	6,939,000	—	72,398,000				

Directors' Report

Movements of the share options granted under the Share Option Scheme and Post Listing Share Option Scheme during the year ended 30 June 2011 are as follows:

	Number of Shares in respect of Options								
Name or Category of participant	Balance as at 1 July 2010	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding as at 30 June 2011	Date of grant	Exercisable period	Exercise price per share	Weighted average closing price
Directors									
Tong Wang Chow	1,500,000	—	—	—	1,500,000	27/7/2006	27/7/2007 – 26/7/2014	GBP0.2045	—
	1,500,000	—	—	—	1,500,000	15/10/2008	15/10/2009 – 2/8/2015	GBP0.139	—
	850,000	—	—	—	850,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Tong Hung Wai, Tommy	550,000	—	—	—	550,000	27/7/2006	27/7/2007 – 26/7/2014	GBP0.2045	—
	600,000	—	—	—	600,000	15/10/2008	15/10/2009 – 2/8/2015	GBP0.139	—
	750,000	—	—	—	750,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Cheung Wai Sun	180,000	—	90,000	—	90,000	27/7/2006	27/7/2007 – 26/7/2014	GBP0.2045	HKD6.03
	480,000	—	120,000	—	360,000	15/10/2008	15/10/2009 – 2/8/2015	GBP0.139	HKD7.11
	750,000	—	—	—	750,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Pang Yi	1,350,000	—	450,000	—	900,000	3/8/2005	3/8/2006 – 2/8/2015	GBP0.112	HKD5.17
	1,200,000	—	720,000	—	480,000	27/7/2006	27/7/2007 – 26/7/2014	GBP0.2045	HKD5.17
	1,200,000	—	240,000	—	960,000	15/10/2008	15/10/2009 – 2/8/2015	GBP0.139	HKD5.17
	3,400,000	—	—	—	3,400,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Sung Chi Keung	720,000	—	120,000	—	600,000	3/8/2005	3/8/2006 – 2/8/2015	GBP0.112	HKD6.03
	1,000,000	—	—	—	1,000,000	27/7/2006	27/7/2007 – 26/7/2014	GBP0.2045	—
	960,000	—	—	—	960,000	15/10/2008	15/10/2009 – 2/8/2015	GBP0.139	—
	2,000,000	—	—	—	2,000,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Nicholas Smith	500,000	—	—	—	500,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Ip Chi Ming	500,000	—	—	—	500,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Peregrine Moncreiffe	500,000	—	—	—	500,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Lui Ming Wah	500,000	—	—	—	500,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Yang Zhen Han	500,000	—	—	—	500,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Ma Chiu Cheung, Andrew	500,000	—	—	—	500,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Employees:									
In aggregate	5,610,000	—	1,185,000	—	4,425,000	3/8/2005	3/8/2006 – 2/8/2015	GBP0.112	HKD7.30
	6,154,000	—	4,382,000	—	1,772,000	27/7/2006	27/7/2007 – 26/7/2014	GBP0.2045	HKD6.84
	3,530,000	—	1,980,000	—	1,550,000	14/9/2007	14/9/2008 – 2/8/2015	GBP0.2425	HKD7.12
	18,148,000	—	5,692,000	—	12,456,000	15/10/2008	15/10/2009 – 2/8/2015	GBP0.139	HKD8.21
	19,250,000	—	366,000	—	18,884,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	HKD7.11
	—	20,000,000	—	—	20,000,000	28/2/2011	28/2/2012 – 27/2/2019	HKD9.00	—
	74,682,000	20,000,000	15,345,000	—	79,337,000				

Other than as disclosed above, no other share option was granted, cancelled, lapsed or exercised pursuant to the Share Option Scheme and Post Listing Share Option Scheme of the Company during the years ended 30 June 2011 and 30 June 2012 and none of Directors or chief executives of the Company or their spouses or children under 18 years of age were granted or exercised any right to subscribe for any equity or debt securities of the Company or any of its associated corporations.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information available to the Company and within the knowledge of the Directors, the Company maintained sufficient public float as required under the Hong Kong Listing Rules as at the date of this annual report.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTEREST IN CONTRACTS

Apart from the information disclosed under the heading "Connected Transactions" below, there was no other contract of significance in relation to the Company's business, to which the Company or any of its subsidiaries was a party, subsisted at the end of the financial year or at any time during the financial year, and in which the Directors had direct or indirect material interest, nor there was any other contract of significance in relation to the Company's business between the Company or any of the Company's subsidiaries and a controlling shareholder or any of its subsidiaries.

DIRECTORS' RIGHT TO ACQUIRE SHARES

Save as disclosed in this report, at no time during the year was the Company, or any of its holding companies, its subsidiaries or its fellow subsidiaries a party to any arrangement to enable the Directors and chief executives of the Company (including their spouses and children under 18 years of age) to hold any interest or short positions in the shares or underlying shares in, or debentures of, the Company or any of its associated corporations (with the meaning of Part XV of the SFO).

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the financial year ended 30 June 2012, none of the Directors were interested in any business which competes or was likely to compete directly or indirectly, which the Company's business.

CONNECTED TRANSACTIONS

Details of the significant related party transactions undertaken in the ordinary course of business are provided under Note 33 to the Consolidated Financial Statements. The transactions stated below constitute continuing connected transactions as defined in Chapter 14A of the Hong Kong Listing Rules.

On 17 November 2009, the Company and Fujian Chaoda Group entered into an organic fertilisers supply agreement ("Fertilisers Supply Agreement"), pursuant to which Fujian Chaoda Group agreed to supply (or procure its wholly-owned subsidiaries to supply) and the Company agreed to purchase (or procure its wholly-owned subsidiaries to purchase) biological organic fertilisers and high efficiency organic fertilisers (or such other types of organic fertilisers as may be agreed between the parties in writing from time to time) from time to time at a price to be agreed between the parties at the time when a purchase order is placed by any member of the Group with Fujian Chaoda Group, provided that it shall not exceed the ex-factory price (net of delivery costs) at which the same type of organic fertilisers is supplied by Fujian Chaoda Group to independent third parties at the time when the purchase order is placed, for a period of three years commencing from 1 July 2009 and ending on 30 June 2012.

To the best of the Board's knowledge, Fujian Chaoda Group is a limited liability company established in the PRC, which is owned as to 95% by Mr. Kwok Ho who is the Chairman, Executive Director and substantial shareholder of Chaoda. Chaoda was in turn the holding company of Huge Market Investments Limited, a substantial shareholder of the Company until 25 November 2011.

For the year ended 30 June 2012, the annual total purchase of the organic fertilisers made by the Group amounted to RMB5,321,000 (2011: RMB34,185,000) which was within the applicable annual cap of RMB120,423,000.

The Directors (including the independent non-executive Directors), have reviewed and opined that the continuing connected transactions contemplated above were carried out (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Hong Kong Listing Rule 14A.38.

In view of the prevailing market conditions of organic fertilizers supply, the Company considered that sufficient organic fertilizers could readily be sourced from other independent suppliers at competitive prices without any material impact on the Group's cost of production. In order to enhance the Group's corporate governance and minimize any dispensable connected transactions, the Company decided not to renew the Fertilizer Supply Agreement with Fujian Chaoda Group when it expired on 30 June 2012 as stated in the announcement dated 10 October 2011.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, sales to the Group's five largest customer accounted for approximately 13.5% of the Group's total sales for the year and sales to the Group's largest customer amounting to approximately 3.8%.

Purchases from the Group's five largest suppliers accounted for approximately 27.1% to the Group's total cost of sales for the year and purchases from the Group's largest supplier amounted to approximately 8.6%.

At no time during the year, none of the Directors, their associates or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had an interest in any of the Group's five largest customers or suppliers.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

COMMUNICATIONS WITH SHAREHOLDERS

The Board attaches great importance to maintaining good relationships with its shareholders. Extensive information about the Company's activities is included in the annual and interim reports, which will be sent to all shareholders. Market sensitive information is regularly released to all shareholders concurrently in accordance with the Hong Kong Listing Rules and AIM rules. The annual general meeting will provide an opportunity for all shareholders to communicate with and to question the Board on any aspect of the Group's activities. Corporate website (www.asian-citrus.com) where information on the Company will regularly updated and all announcements will be posted.

The executives of the Company meet regularly with institutional investors, fund managers and analysts, as part of an active investor-relations program to discuss long-term issues and receive feedback.

CORPORATE GOVERNANCE

A report on the Company's corporate governance practices is set out on page 41 to 47 of this annual report.

EVENTS AFTER THE REPORTING PERIOD

Details of significant events after the reporting period are provided in Note 34 to the Consolidated Financial Statements.

AUDITOR

The Consolidated Financial Statements were audited by Baker Tilly Hong Kong Limited who will retire at the forthcoming annual general meeting. A resolution will be proposed at the forthcoming general meeting to re-appoint Baker Tilly Hong Kong Limited as auditor and authorise the Board to fix the remuneration.

By order of the Board

Tong Wang Chow
Director

21 September 2012

Cheung Wai Sun
Director

21 September 2012

CORPORATE GOVERNANCE REPORT

The information set out on pages 41 to 47 and information incorporated by reference constitutes the Corporate Governance Report of the Company.

The Company is committed to the principles of corporate governance and corporate responsibility consistent with prudent management. It is the belief of the Board that such commitment will in the long term serve to enhance shareholders' value.

During the year ended 30 June 2012, 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) Leadership; (ii) Effectiveness; (iii) Accountability; (iv) Remuneration; and (v) Relations with shareholders.

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 ("Old Code") contained in Appendix 14 to the Hong Kong Listing Rules as its code on corporate governance practices on 17 November 2009. On 23 February 2012, the Company also adopted the code provisions set out in Corporate Governance Code and Corporate Governance Report ("New Code") contained in amended Appendix 14 to the Hong Kong Listing Rules which took effect on 1 April 2012 as its additional code on corporate governance practices. The Company has complied with the applicable Code Provisions as set out in the Old Code (for the period from 1 July 2011 to 31 March 2012) and the New Code (for the period from 1 April 2012 to 30 June 2012) except the deviations set out 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.

Code Provision A.5.1

The Companies does not have the Nomination Committee. The Directors does not consider that, given the size of the Group and stage of its development, it is necessary to have a Nomination Committee, however, this will be kept under regular review by the Board. The Board as a whole regularly reviews the plans for orderly succession for appointments to the Board and its structure, size and composition. If the Board considers that it is necessary to appoint new Director(s), it will set down the relevant appointment criteria which may include, where applicable, the background, experience, professional skills, personal qualities, availability to commit to the affairs of the Company and, in case of Independent Non-Executive Director, the independence requirements set out in the Hong Kong Listing Rules from time to time. Nomination of new Director(s) will normally be made by the Executive Directors and subject to the Board's approval. External consultants may be engaged, if necessary, to access a wider range of potential candidate(s).

DIRECTORS' SECURITIES TRANSACTIONS

In connection with the listing of the Company on the HKEx 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.

BOARD OF DIRECTORS

The Board meets regularly during the year and the Directors receive information between meetings about the activities of the Group. All Directors have full and timely access to all relevant information of the Group. In addition to the meetings of the Board, the senior management also communicates frequently to review and discuss the daily operation of the Group.

Board Composition

The Board is comprised of five Executive Directors, two Non-Executive Directors and four Independent Non-Executive Directors. Each of the Executive Directors has a wealth of agricultural experience and the Non-Executive Directors have a wealth of experience in finance and corporate development. The Directors are satisfied that the composition of the Board meets the objective of ensuring checks and balances in the Company's management. This diversity of experiences enables the Board to enhance good corporate governance and performance standard and to bring in valuable contributions and objective advices for the development of the Group.

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.

Responsibilities of the Board

The Board formulates the long term strategies of the Group and is responsible for leading the Group in the areas of management, businesses, research and innovation as well as financial performance. There is a clear division of responsibilities between the Board and the management. Decisions delegated by the Board to the management include implementation of the policy and direction determined by the Board, monitoring the business operation, preparation of financial statements, corporate governance and compliance with applicable laws and regulations.

The Bye-laws of the Company set out the responsibilities and proceedings of the Board. Significant operational policies have to be discussed and approved by the Board. To enable the Directors to meet their obligations, an appropriate organisational structure is in place with clearly defined responsibilities and limits of authority.

Board Meetings

During the year ended 30 June 2012, there were 8 Board meetings held by the Company. The attendance records of the Director are shown on the table below:

	Number of meetings attended Board meetings	Annual general meeting
Executive Director		
Mr. Tong Wang Chow *(Chairman and Chief Executive Officer)*	8 out of 8	1 out of 1
Mr. Tong Hung Wai, Tommy	8 out of 8	1 out of 1
Mr. Cheung Wai Sun	6 out of 8	0 out of 1
Mr. Pang Yi	8 out of 8	0 out of 1
Mr. Sung Chi Keung	8 out of 8	1 out of 1
Non-Executive Director		
Mr. Ip Chi Ming	8 out of 8	0 out of 1
Hon Peregrine Moncreiffe	7 out of 8	0 out of 1
Independent Non-Executive Directors		
Mr. Ma Chiu Cheung, Andrew	8 out of 8	1 out of 1
Dr. Lui Ming Wah, SBS JP	7 out of 8	0 out of 1
Mr. Yang Zhen Han	8 out of 8	0 out of 1
Mr. Nicholas Smith	7 out of 8	0 out of 1

Under the Code Provision A.6.7, Independent Non-Executive Directors and Non-Executive Directors should also attend general meetings and develop a balanced understanding of the views of shareholders. However, two Executive Directors, two Non-Executive Directors and three Independent Non-Executive Directors of the Company were unable to attend the annual general meeting of the Company held on 8 November 2011 (the "2011 AGM") due to other business engagements.

Under the Code Provision E.1.2, the chairman of the Board should attend the annual general meeting. He should also invite the chairman of the Audit Committee and Remuneration Committee to attend. However, the chairman of the Remuneration Committee was unable to attend the 2011 AGM and have appointed the Company Secretary of the Company to attend the meeting and to answer questions at the meeting.

Profile of the Directors are set out on pages 23 to 25 of this annual report. Mr. Tong Wang Chow is the father of Mr. Tong Hung Wai, Tommy. Save as disclosed, none of the Directors has any relationship including financial, business, family or other material relationship with each other.

All Directors have access to the advice and services of the Company's solicitors and the Company Secretary who is responsible for ensuring that all Board procedures are followed. Any Director may take independent professional advice at the Company's expense in the furtherance of his duties.

To assist Directors' continuing professional development, the Company recommends Directors to attend relevant seminars to develop and refresh their knowledge and skills. At the Board meeting held on 23 February 2012, the Directors were given a briefing on the recent amendments to the Listing Rules relating to the New Code and associated Hong Kong Listing Rules so as to ensure that they fully understood their responsibilities. In addition to their own participation in professional training, relevant training material is to be provided to the Directors by the Company commencing on 1 April 2012.

Independent Non-Executive Directors

In compliance with Rule 3.10(1) of the Hong Kong Listing Rules, there are four Independent Non-Executive Directors representing more than one-third of the Board. Among the four Independent Non-Executive Directors, one has appropriate professional qualification in accounting or related financial management expertise as required by Rule 3.10(2) of the Hong Kong Listing Rules. The Company has received from each of its Independent Non-Executive Directors the written annual confirmation of his independence pursuant to Rule 3.13 of the Hong Kong Listing Rules. The Company, based on such confirmations, considers Mr. Ma Chiu Cheung, Andrew, Dr. Lui Ming Wah, SBS JP, Mr. Yang Zhen Han and Mr. Nicholas Smith independent.

BOARD COMMITTEES

The Board has established two committees, the Remuneration Committee and the Audit Committee, with specific responsibilities as set out in their respective terms of reference.

Remuneration Committee

The Remuneration Committee has adopted the approach under B.1.2(c)(i) of the Code Provisions to determine and review the scale and structure of the Executive Directors' remuneration and terms of their service agreements. It also administers the share option plan. The remuneration committee is chaired by Mr. Nicholas Smith and comprises Mr. Ma Chiu Cheung, Andrew and Mr. Tong Wang Chow. The revised terms of reference of the Remuneration Committee in compliance with the requirements of the Hong Kong Listing Rules was adopted by the Board on 23 February 2012 and is published on the Company's website and on the HKEx's website.

The Group's remuneration policy provides competitive rewards for its Executive Directors and senior executives. The policy takes into account the Group's performance, the individual performance, and the prevailing remuneration packages of the markets in which the Group operates. The committee aims to attract, retain and motivate high caliber individuals with competitive remuneration packages.

The remuneration package provides a balance between fixed and variable rewards. Therefore, remuneration packages for Directors and senior executives normally include basic salary, discretionary bonuses, benefits and share options.

Salaries and benefits are reviewed annually and are set to reflect the responsibilities, knowledge, skill and experience of the individual.

During the year, the Remuneration Committee has duly discharged the responsibility mentioned above. There were 2 Remuneration Committee meetings held by the Company during the year ended 30 June 2012. The attendance records of each of the Remuneration Committee member are shown in the table below:

Remuneration Committee members	Number of meetings attended
Mr. Nicholas Smith	2 out of 2
Mr. Ma Chiu Cheung, Andrew	2 out of 2
Mr. Tong Wang Chow	2 out of 2

Service Contracts

The following Executive Directors have entered into service agreements with the Company, details of which are set out below:

Executive Director	Title	Date of service agreement	Remuneration per annum
Mr. Tong Wang Chow	Chairman and Chief Executive Officer	17 November 2009	HKD1,950,000
Mr. Tong Hung Wai, Tommy	Executive Director	17 November 2009	HKD975,000
Mr. Cheung Wai Sun	Executive Director	17 November 2009	HKD780,000
Mr. Pang Yi	Executive Director	17 November 2009	HKD1,300,000
Mr. Sung Chi Keung	Finance Director	17 November 2009	HKD1,380,000

The following Non-Executive Directors have entered into letters of appointment in connection with services to be provided to the Company, details of which are set out below:

Non-Executive Director	Date of Appointment	Term (years)	Fee per annum
Mr. Ip Chi Ming	17 November 2009	3	HKD600,000
Hon Peregrine Moncreiffe	17 November 2009	3	HKD240,000

Independent Non-Executive Director	Date of Appointment	Term (years)	Fee per annum
Mr. Ma Chiu Cheung, Andrew	17 November 2009	3	GBP31,000
Dr. Lui Ming Wah, SBS, JP	17 November 2009	3	HKD240,000
Mr. Yang Zhen Han	17 November 2009	3	HKD240,000
Mr. Nicholas Smith	17 November 2009	3	GBP31,000

Emoluments of Directors

Directors	Salaries, bonus and benefits Year ended 30 June 2012 RMB'000
Executive Directors	
Mr. Tong Wang Chow	2,326
Mr. Tong Hung Wai, Tommy	1,387
Mr. Cheung Wai Sun	1,163
Mr. Pang Yi	3,157
Mr. Sung Chi Keung	2,465
Non-Executive Directors	
Mr. Ip Chi Ming	1,083
Hon Peregrine Moncreiffe	759
Independent Non-Executive Directors	
Mr. Ma Chiu Cheung, Andrew	886
Dr. Lui Ming Wah, SBS JP	759
Mr. Yang Zhen Han	759
Mr. Nicholas Smith	886

Share option scheme and Post Listing Share Option Scheme

Details of the share option scheme are shown in the pages of 35 to 37 of this annual report.

Audit Committee

The Audit Committee has primary responsibility for monitoring the quality of internal control and ensuring that the financial performance of the Company is properly measured and reported on, receiving and reviewing reports from management and the auditors relating to the annual and interim accounts, and monitoring the accounting and internal control systems in use throughout the Group. The Audit Committee is chaired by Mr. Ma Chiu Cheung, Andrew and comprises Mr. Nicholas Smith and Mr. Yang Zhen Han. The revised terms of reference of the Audit Committee in compliance with the requirements of the Hong Kong Listing Rules was adopted by the Board on 23 February 2012 and is published on the Company's website and on the HKEx's website.

During the year, the Audit Committee has duly discharged the responsibility mentioned above. There were 4 Audit Committee meetings held by the Company during the year ended 30 June 2012. The attendance records of each of the Audit Committee member are shown in the table below:

Audit Committee members	Number of meetings attended
Mr. Ma Chiu Cheung, Andrew	4 out of 4
Mr. Nicholas Smith	4 out of 4
Mr. Yang Zhen Han	4 out of 4

CORPORATE GOVERNANCE FUNCTIONS

No corporate governance committee has been established and the Board is responsible for performing the corporate governance functions such as developing and reviewing the Company's policies, practices on corporate governance, training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements etc. During the year ended 30 June 2012, the Board has reviewed the Company's policies and practices on corporate governance.

AUDITOR REMUNERATION

For the year ended 30 June 2012, the remuneration in respect of audit services and non-audit service assignment provided by the auditor of the Company, Baker Tilly Hong Kong Limited, amounted to RMB2,390,000 and RMBNil respectively.

DIRECTOR'S AND AUDITOR'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Board acknowledges its responsibility to prepare the Group's financial statements for each financial period to give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing the financial statements for the year ended 30 June 2012, the Board has selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the financial statements on a going concern basis. The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors must keep proper accounting records, which disclose, with reasonable accuracy at any time, the financial position of the Group and the Company. The Directors must ensure that the financial statements comply with applicable laws and follow International Financial Reporting Standards. The Directors must also safeguard the assets of the Group and the Company, and take reasonable steps to prevent and detect fraud or other irregularities.

The reporting responsibility of the external auditor of the Company on the consolidated financial statements of the Group for the year ended 30 June 2012 are set out in the Independent Auditor's Report.

INTERNAL CONTROL

The Directors acknowledge their responsibility for the Group's systems of internal controls and for reviewing their effectiveness. These internal controls are designed to safeguard the assets of the Company and to ensure the reliability of financial information for both internal use and external publication. Since the Company was formed, the Directors are satisfied that, given the current size and activities of the Company, adequate internal controls have been established. Whilst they are aware that no system can provide absolute assurance against material misstatement or loss, in light of increased activity and further development of the Company, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.

The internal control consultant, Deloitte Touche Tohmatsu has conducted independent review on specific areas of the internal control system of the Group for the year ended 30 June 2012 and submitted their report to the Audit Committee and the Board. No significant weaknesses in internal controls were found during their review.

SHAREHOLDER' RIGHTS

Shareholder(s) holding at the date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition sent to the Board or Company Secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition.

Shareholder(s) of the Company holding (i) not less than one-twentieth of the total voting rights of all shareholders having the right to vote at the general meeting; or (ii) not less than 100 shareholders, can submit a written request to the Company Secretary of the Company stating the resolution intended to be moved at the general meeting or a statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at a particular general meeting.

As regards proposing a person for election as a director, please refer to the procedures available on the websites of the Company.

The above procedures are subject to the Company's Bye-laws, the Bermuda Companies Act 1981 and applicable legislation and regulation (as amended from time to time). Shareholders who have enquiries about the above procedures or have enquiries to put to the Board may write to the Company Secretary of the Company at the principal place of business at Rooms 1109-1111, Wayson Commerical Building, 28 Connaught Road West, Hong Kong.

INVESTOR RELATIONS

Save as disclosed, there was no significant change in the constitutional documents during the year.

INDEPENDENT AUDITOR'S REPORT

BAKER TILLY
HONG KONG LIMITED
CERTIFIED PUBLIC ACCOUNTANTS
天職香港會計師事務所有限公司
2nd Floor, 625 King's Road
North Point, Hong Kong
香港北角英皇道625號2樓

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

We have audited the consolidated financial statements of Asian Citrus Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 50 to 114, which comprise the consolidated and company statements of financial position as at 30 June 2012, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and the disclosure requirements of Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 90 of the Companies Act of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

Independent Auditor's Report

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of the affairs of the Company and of the Group as at 30 June 2012, and of the Group's profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Baker Tilly Hong Kong Limited
Certified Public Accountants
Hong Kong, 21 September 2012

Chan Kwan Ho, Edmond
Practising certificate number P02092

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2012

	Note	2012 RMB'000	2011 RMB'000 (restated)
Turnover	8	1,776,144	1,412,621
Cost of sales		(983,743)	(674,019)
Gross profit		792,401	738,602
Other income	9	24,089	9,787
Net gain on change in fair value of biological assets	18	166,900	507,712
Selling and distribution expenses		(60,579)	(63,314)
General and administrative expenses		(157,607)	(142,372)
Profit from operations		765,204	1,050,415
Finance costs	10(a)	(146)	(177)
Profit before income tax	10	765,058	1,050,238
Income tax expense	11	–	(1,785)
Profit for the year		765,058	1,048,453
Attributable to			
Equity shareholders of the Company		750,200	1,038,953
Non-controlling interest		14,858	9,500
		765,058	1,048,453
		RMB	RMB (restated)
Earnings per share	14		
– Basic		0.615	0.988
– Diluted		0.613	0.983

Details of the dividends payable to equity shareholders of the Company attributable to profit for the year are disclosed in note 27(c).

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2012

	2012 ***RMB'000***	2011 *RMB'000* (restated)
Profit for the year	**765,058**	1,048,453
Other comprehensive (expense)/income for the year		
Exchange differences on translation of financial statements of foreign operations, net of nil tax	**(636)**	901
Total comprehensive income for the year	**764,422**	1,049,354
Attributable to		
Equity shareholders of the Company	**749,564**	1,039,854
Non-controlling interest	**14,858**	9,500
	764,422	1,049,354

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2012

	Note	30 June 2012 *RMB'000*	30 June 2011 *RMB'000* (restated)	1 July 2010 *RMB'000* (restated)
ASSETS				
Non-current assets				
Property, plant and equipment	15	1,835,518	1,638,339	1,161,437
Land use rights	16	68,527	69,889	54,841
Construction-in-progress	17	178,302	70,611	64,328
Biological assets	18	2,305,224	2,086,497	1,551,803
Intangible assets	19	58,506	53,287	36,800
Deposits	21	4,251	114,500	–
Goodwill	22	1,157,261	1,157,261	–
		5,607,589	5,190,384	2,869,209
Current assets				
Biological assets	18	158,636	145,561	90,221
Properties for sale	23	5,830	5,830	18,497
Inventories	24	63,094	46,407	841
Trade and other receivables	25	86,865	96,503	19,629
Cash and cash equivalents	26	2,388,114	2,232,203	975,074
		2,702,539	2,526,504	1,104,262
Total assets		8,310,128	7,716,888	3,973,471
EQUITY AND LIABILITIES				
Equity				
Share capital	27(b)	12,083	12,030	8,767
Reserves		8,138,036	7,554,963	3,912,925
Total equity attributable to equity shareholders of the Company		8,150,119	7,566,993	3,921,692
Non-controlling interest		102,168	87,310	–
		8,252,287	7,654,303	3,921,692

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Financial Position

At 30 June 2012

	Note	30 June 2012 RMB'000	30 June 2011 RMB'000 (restated)	1 July 2010 RMB'000 (restated)
Non-current liability				
Obligation under finance lease	29	937	1,034	–
Current liabilities				
Trade and other payables	30	56,807	58,461	44,391
Due to a related party	30, 33(a)	–	3,000	7,110
Obligation under finance lease	29	97	90	–
Income tax payable		–	–	278
		56,904	61,551	51,779
Total liabilities		57,841	62,585	51,779
Total equity and liabilities		8,310,128	7,716,888	3,973,471
Net current assets		2,645,635	2,464,953	1,052,483
Total assets less current liabilities		8,253,224	7,655,337	3,921,692

Approved and authorised to issue by the Board of Directors on 21 September 2012

Tong Wang Chow
Director

Cheung Wai Sun
Director

The accompanying notes form part of these consolidated financial statements.

STATEMENT OF FINANCIAL POSITION

At 30 June 2012

	Note	30 June 2012 RMB'000	30 June 2011 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	1,675	1,898
Interests in subsidiaries	20	3,567,393	3,499,742
		3,569,068	3,501,640
Current assets			
Other receivables		6	12
Cash and cash equivalents	26	278,629	536,799
		278,635	536,811
Total assets		3,847,703	4,038,451
EQUITY AND LIABILITIES			
Equity			
Share capital	27(b)	12,083	12,030
Reserves	27(a)	3,831,711	4,024,078
		3,843,794	4,036,108
Current liabilities			
Other payables		3,909	2,343
Total equity and liabilities		3,847,703	4,038,451
Net current assets		274,726	534,468
Total assets less current liabilities		3,843,794	4,036,108

Approved and authorised to issue by the Board of Directors on 21 September 2012

Tong Wang Chow
Director

Cheung Wai Sun
Director

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2012

	Attributable to equity shareholders of the Company										
	Share capital RMB'000	Share premium RMB'000 (note (b))	Merger reserve RMB'000 (note (c))	Share option reserve RMB'000 (note (d))	Capital reserve RMB'000 (note (e))	Statutory reserve RMB'000 (note (f))	Exchange reserve RMB'000 (note (g))	Retained profits RMB'000	Total RMB'000	Non-controlling interest RMB'000	Total equity RMB'000
At 1 July 2010, as restated	8,767	924,116	(4,473)	25,260	482,519	44,216	–	2,441,287	3,921,692	–	3,921,692
Changes in equity for the year ended 30 June 2011:											
Profit for the year, as restated	–	–	–	–	–	–	–	1,038,953	1,038,953	9,500	1,048,453
Exchange differences on translation of financial statements of foreign operations	–	–	–	–	–	–	901	–	901	–	901
Total comprehensive income for the year, as restated	–	–	–	–	–	–	901	1,038,953	1,039,854	9,500	1,049,354
Transfer to statutory reserve	–	–	–	–	–	54,859	–	(54,859)	–	–	–
	–	–	–	–	–	54,859	901	984,094	1,039,854	9,500	1,049,354
Issue of shares to shareholders participating in the scrip dividend	72	65,964	–	–	–	–	–	–	66,036	–	66,036
Share-based payments	–	–	–	47,715	–	–	–	–	47,715	–	47,715
Issue of shares upon exercises of share options	138	47,786	–	(17,031)	–	–	–	–	30,893	–	30,893
Issue of shares as part of the consideration for acquisition of subsidiaries	1,478	1,303,026	–	–	–	–	–	–	1,304,504	–	1,304,504
Issue of shares on placement	1,575	1,283,046	–	–	–	–	–	–	1,284,621	–	1,284,621
Acquisition of subsidiaries	–	–	–	–	–	–	–	–	–	77,810	77,810
2009/10 final and special dividends	–	–	–	–	–	–	–	(104,055)	(104,055)	–	(104,055)
2010/11 interim dividend	–	–	–	–	–	–	–	(24,267)	(24,267)	–	(24,267)
	3,263	2,699,822	–	30,684	–	54,859	901	855,772	3,645,301	87,310	3,732,611
At 30 June 2011, as restated	12,030	3,623,938	(4,473)	55,944	482,519	99,075	901	3,297,059	7,566,993	87,310	7,654,303

Consolidated Statement of Changes in Equity

For the year ended 30 June 2012

		Attributable to equity shareholders of the Company											
	Note	Share capital *RMB'000*	Treasury share *RMB'000* *(note (a))*	Share premium *RMB'000* *(note (b))*	Merger reserve *RMB'000* *(note (c))*	Share option reserve *RMB'000* *(note (d))*	Capital reserve *RMB'000* *(note (e))*	Statutory reserve *RMB'000* *(note (f))*	Exchange reserve *RMB'000* *(note (g))*	Retained profits *RMB'000*	Total *RMB'000*	Non-controlling interest *RMB'000*	Total equity *RMB'000*
At 1 July 2011, as restated		12,030	–	3,623,938	(4,473)	55,944	482,519	99,075	901	3,297,059	7,566,993	87,310	7,654,303
Changes in equity for the year ended 30 June 2012:													
Profit for the year		–	–	–	–	–	–	–	–	750,200	750,200	14,858	765,058
Exchange differences on translation of financial statements of foreign operations		–	–	–	–	–	–	–	(636)	–	(636)	–	(636)
Total comprehensive income for the year		–	–	–	–	–	–	–	(636)	750,200	749,564	14,858	764,422
Transfer to statutory reserve		–	–	–	–	–	–	80,756	–	(80,756)	–	–	–
		–	–	–	–	–	–	80,756	(636)	669,444	749,564	14,858	764,422
Issue of shares to shareholders participating in the scrip dividend	27(b)(i)	85	–	41,107	–	–	–	–	–	–	41,192	–	41,192
Share-based payments		–	–	–	–	45,812	–	–	–	–	45,812	–	45,812
Issue of shares upon exercises of share options	28A(b)	62	–	17,130	–	(4,735)	–	–	–	–	12,457	–	12,457
Shares repurchased	27(b)(ii)	(94)	(4)	(46,761)	–	–	–	–	–	–	(46,859)	–	(46,859)
2010/11 final and special dividends	27(c)(ii)	–	–	–	–	–	–	–	–	(157,710)	(157,710)	–	(157,710)
2011/12 interim dividend	27(c)(ii)	–	–	–	–	–	–	–	–	(61,330)	(61,330)	–	(61,330)
		53	(4)	11,476	–	41,077	–	80,756	(636)	450,404	583,126	14,858	597,984
At 30 June 2012		**12,083**	**(4)**	**3,635,414**	**(4,473)**	**97,021**	**482,519**	**179,831**	**265**	**3,747,463**	**8,150,119**	**102,168**	**8,252,287**

Notes:

a) During the year, the Company repurchased in aggregate 10,950,000 its own shares on The Stock Exchange of Hong Kong Limited (the "HKEx"). The premium paid on these repurchases of shares of RMB46,761,000 was charged to share premium. 10,455,000 repurchased shares were cancelled before the end of the reporting period and the remaining 495,000 repurchased shares were subsequently cancelled in July 2012. The 495,000 repurchased shares were held as treasury shares at the end of the reporting period.

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

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

d) The share option reserve represents the fair value of the unexercised share options recognised in accordance with the accounting policy adopted for share-based payments in note 2(q)(ii).

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

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

g) The exchange reserve comprises all foreign exchange differences on translation of the financial statements of foreign operations. The reserve is dealt with in accordance with accounting policies set out in note 2(u).

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June 2012

	Note	2012 RMB'000	2011 RMB'000 (restated)
Cash flows from operating activities			
Profit before income tax		765,058	1,050,238
Adjustments for:			
Interest income	9	(21,559)	(7,308)
Finance costs	10(a)	146	177
Depreciation	10(c)	126,044	94,830
Share-based payments	10(b)	45,812	47,715
Amortisation of land use rights	10(c)	1,362	1,312
Amortisation of intangible assets	10(c)	9,781	5,562
Loss on disposal of property, plant and equipment	10(c)	4,828	148
Net gain on change in fair value of biological assets	18	(166,900)	(507,712)
Operating profit before working capital changes		764,572	684,962
Movements in working capital elements:			
Properties for sale		–	12,667
Inventories		(16,687)	(23,979)
Biological assets		(13,075)	(55,340)
Trade and other receivables		25,150	34,885
Trade and other payables		(2,290)	(10,623)
Due to a related party		(3,000)	(4,110)
Cash generated from operations		754,670	638,462
Income tax paid		–	(2,063)
Net cash generated from operating activities		754,670	636,399
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		6,258	46
Purchase of property, plant and equipment		(38,098)	(8,832)
Additions to construction-in-progress		(305,115)	(201,976)
Deposits paid for acquisition of property, plant and equipment		(4,050)	(21,538)
Net additions to biological assets		(51,827)	(26,982)
Additions to intangible assets		(15,000)	(6,600)
Decrease/(increase) in time deposits with terms over three months		103,040	(166,000)
Interest received		21,559	7,308
Acquisition of subsidiaries	32(e)	–	(161,083)
Net cash used in investing activities		(283,233)	(585,657)

The accompanying notes form part of these consolidated financial statements.

Consolidated Cash Flow Statement

For the year ended 30 June 2012

	Note	2012 RMB'000	2011 RMB'000 (restated)
Cash flows from financing activities			
Proceeds from issue of new shares from placement, net of shares issuance costs		–	1,284,621
Proceeds from issue of new shares upon exercises of share options		12,457	30,893
Obligation under finance lease		(90)	1,124
Repayment of amount due to a shareholder	32(b)	–	(213,788)
Dividends paid		(177,848)	(62,286)
Repurchase of shares		(46,859)	–
Finance costs paid		(146)	(177)
Net cash (used in)/generated from financing activities		(212,486)	1,040,387
Net increase in cash and cash equivalents		258,951	1,091,129
Cash and cash equivalents at beginning of year		2,066,203	975,074
Cash and cash equivalents at end of year	26	2,325,154	2,066,203

Major non-cash transactions

During the year, purchase of property, plant and equipment included an amount of RMB98,787,000 (2011: RMBNil) transferred from non-current deposits, and additions to construction-in-progress included an amount of RMBNil (2011: RMB47,388,000) transferred from non-current deposits.

The accompanying notes form part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

The principal activities of the Company and its subsidiaries (together the "Group") are planting, cultivation and sale of agricultural produce, manufacture and sale of fruit juice concentrates, fruit purees, frozen fruits and vegetables, and developing and sale of property units in an agricultural wholesale market and orange processing centre.

2 SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs"), which comprise International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations, 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. The consolidated 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 consolidated financial statements.

b) Basis of preparation of the consolidated financial statements

These consolidated financial statements are presented in Renminbi ("RMB"), the functional currency of the Group, rounded to the nearest thousand, unless otherwise stated. They have been prepared under the historical cost convention, as modified by the revaluation of certain biological assets which are carried at their fair values.

The preparation of consolidated 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.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

b) Basis of preparation of the consolidated financial statements *(continued)*

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.

Judgements made by management in the application of IFRSs that have significant effect on the consolidated financial statements and major sources of estimation uncertainty are discussed in note 5.

c) Subsidiaries and non-controlling interest

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interest represents the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiaries' net identifiable assets.

Non-controlling interest is presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interest in the results of the Group is presented on the face of the consolidated income statement and the consolidated statement of comprehensive income as an allocation of the total profit and total comprehensive income for the year between non-controlling interest and the equity shareholders of the Company.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(k)(ii)).

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

d) Goodwill

Goodwill represents the excess of

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the Group's interest in the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or group of cash-generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 2(k)(ii)).

On disposal of a cash-generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 2(k)(ii)).

Depreciation of property, plant and equipment is calculated, using the straight-line basis, to write off the cost of each asset less residual value over its estimated useful life at the following principal annual rates:

Buildings	2.22% to 5%
Leasehold improvements	3.33% to 5%
Plant and machinery	10% to 20%
Furniture, fixtures and equipment	20%
Motor vehicles	10% to 25%
Farmland infrastructure and machinery	2% to 20%

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when the cost of the item can be measured reliably and it is probable that future economic benefits will flow to the entity. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

The gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the item and is recognised in profit or loss.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

f) Land use rights

The up-front payments made for the land use rights are amortised to profit or loss using the straight-line basis over the terms of the leases.

g) Construction-in-progress

Construction in progress represents infrastructure and land improvements under construction, property, plant and equipment under construction and equipment pending installation and is stated at cost less impairment losses (see note 2(k)(ii)). The cost of completed construction work is transferred to the appropriate category of property, plant and equipment. Depreciation commences when the relevant assets are available for use.

h) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

i) Classification of assets leased to the Group

Assets that are held by Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are included in property, plant and equipment and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset, as set out in note 2(e). Impairment losses are accounted for in accordance with the accounting policy as set out in note 2(k)(ii). Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

iii) Operating leases charges

Where the Group has the use of assets, including plantation bases, held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

i) Biological assets

Biological assets consist of orange trees, infant trees and self-bred saplings in the Group's orange plantations.

Orange trees are stated at their fair values less costs to sell, where the fair values are based on the present value of expected net cash flows from the orange trees discounted at a current market-determined pre-tax rate.

In the absence of an active open market, self-bred saplings are stated at cost at the end of the reporting period and will be transferred to the category of infant trees upon planting at their carrying value.

The infant trees transferred from the category of self-bred saplings are stated at cost less accumulated impairment losses (see note 2(k)(ii)). Costs of fertilisers and pesticides consumed during the period of biological growth of infant trees are recognised as additions to biological assets until the stage such trees start bearing fruits.

A gain or loss arising on initial recognition of biological assets at fair value less costs to sell and from a change in fair value less costs to sell is recognised in profit or loss in the period in which it arises.

Agricultural produce harvested from the biological assets is measured at its fair value less costs to sell at the point of harvest. The fair value of agricultural produce is based on market prices of agricultural produce of similar size and weight or alternative estimates of fair value.

Biological assets that are expected to be realised in the next harvest within the next twelve months are classified under current assets.

j) Intangible assets (other than goodwill)

i) Research and development costs

Costs associated with research activities are charged to profit or loss as incurred. Costs associated with development activities are expensed as incurred, or recognised as intangible assets provided they meet the following recognition requirements:

- demonstration of technical feasibility of the prospective product for internal use or sale;
- there is intention to complete the intangible asset and use or sell it;
- the Group's ability to use or sell the intangible asset is demonstrated;
- the intangible asset will generate probable economic benefits through internal use or sale;
- sufficient technical, financial and other resources are available for completion; and
- the expenditure attributable to the intangible asset can be reliably measured.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

j) Intangible assets (other than goodwill) *(continued)*

i) Research and development costs *(continued)*

Capitalised development costs are stated at cost less accumulated amortisation and any impairment losses (see note 2(k)(ii)). Amortisation of capitalised development costs is charged to profit or loss on straight-line method over the assets' estimated useful lives of 5 to 10 years. Both the period and method of amortisation are reviewed annually. Development costs previously recognised as expenses are not recognised as an asset in the subsequent period.

ii) Trademark

Trademark is stated at cost less accumulated amortisation and any impairment losses (see note 2(k)(ii)). Amortisation of trademark is provided on straight-line method over its estimated useful life of 10 years.

k) Impairment

i) Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

ii) Non-financial assets

The carrying amounts of the non-financial assets, other than inventories (see note 2(m)) and deferred tax assets (see note 2(r)), are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

k) Impairment *(continued)*

ii) Non-financial assets *(continued)*

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

l) Properties for sale

Properties under development for sale are stated at cost less impairment losses (see note 2(k)(ii)). Costs include costs of land use rights, construction costs and other direct costs attributable to such properties. On completion, the properties are reclassified to completed properties for sale at the carrying amount.

Completed properties for sale are stated at the lower of cost and net realisable value. Costs include costs of land use rights, construction costs and other direct costs attributable to such properties. Net realisable value is determined by reference to sales proceeds received after the end of the reporting period less selling expenses, or by estimates based on prevailing market condition.

m) Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is computed using first-in, first-out method or, where appropriate, the weighted average method and includes all costs incurred in acquiring the inventories to bring them to their present location and condition. In case of manufactured inventories, cost includes direct labour and appropriate share of overheads. Net realisable value is based on anticipated sales proceeds less estimated cost of completion and selling expenses.

n) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less allowance for impairment of doubtful debts (see note 2(k)(i)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

o) Cash and cash equivalents

Cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and short-term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

p) Trade and other payables

Trade and other payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would not be material, in which case they are stated at cost.

q) Employee benefits

i) Short-term employee benefits and contributions to defined contributions retirement plans

Salaries, wages, annual bonuses, paid annual leave and contributions to defined contributions retirement plans are accrued in the year in which the associated services are rendered by employees of the Group.

The Group operates a mandatory provident fund scheme in Hong Kong for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. This scheme is a defined contribution retirement scheme administered by independent trustee. In addition, the subsidiaries in the PRC are required to participate in the defined contribution retirement schemes operated by the relevant government authorities for employees in the PRC and make contributions to the retirement schemes at certain rates of the basic salary of its employees in the PRC. Contributions to all these schemes are charged to profit or loss when incurred.

ii) Share-based payments

The Company operates equity-settled, share-based compensation plans. The cost of share options is charged to profit or loss and the corresponding amount is recognised in the share option reserve under equity. Where the grantees are required to meet vesting conditions before they become entitled to the share options or shares, the Company recognises the fair value, determined at the grant date, of the share options or shares granted as an expense on a straight-line basis over the vesting period. If the grantees choose to exercise share options, the respective amount in the share option reserve is transferred to share capital and share premium, together with exercise price, net of any directly attributable transaction costs. At the end of each reporting period, the Company revises its estimates of the number of share options expected to vest. The impact of the revision of original estimates, if any, is recognised in profit and loss with a corresponding adjustment to the share option reserve over the remaining vesting period.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

r) Taxation

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised for the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the end of the reporting period.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

  - the same taxable entity; or

  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

s) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

t) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as described below.

Sales of goods, including agricultural produce and processed fruits, are recognised upon transfer of significant risks and rewards of ownership to the customer. This is usually taken to be the point in time when the goods are delivered and the customer has accepted the goods.

Sales of properties are recognised upon the execution of a binding sale agreement or upon the issue of a real estate title certificate by the relevant government authorities, whichever is the later, which is taken to be the point in time when the risks and rewards of ownership of the property have passed to the buyer. Deposits and instalments received on properties sold prior to the date of revenue recognition are carried in the statement of financial position under trade and other payables.

Interest income is recognised as it accrues using the effective interest method.

u) Translation of foreign currencies

Transactions in foreign currencies are translated into RMB using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated into RMB at the rates ruling at the end of the reporting period. Profits and losses resulting from this translation policy are recognised in profit or loss.

In the consolidated financial statements, the results of foreign operations are translated into RMB at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Items in statements of financial position are translated into RMB at the closing foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

v) Government grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match with the costs that the grants are intended to compensate. Government grants relating to income is presented in gross under "other income" in profit or loss.

w) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member).

(iii) Both entities are joint venture of a third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the group or an entity related to the group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealing with the entity.

x) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the consolidated financial statements provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

x) Segment reporting *(continued)*

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 APPLICATIONS OF NEW AND REVISED IFRSs

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 consolidated financial statements:

- Amendments to IFRSs contained in improvements to IFRS (2010)
- Amendments to IFRS 7, Disclosures – Transfers of financial assets
- IAS 24 (Revised 2009), Related party disclosures

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 consolidated financial statements.

Up to the date of issue of the consolidated financial statements, the IASB has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 30 June 2012 and which have not been adopted in the consolidated financial statements. Of these developments, the following relate to matters that may be relevant to the Group's operations and consolidated financial statements:

Improvements to IFRSs	Annual improvements to IFRSs 2009–2011 cycle[3]
IFRS 7 (Amendments)	Disclosures – Offsetting financial assets and financial liabilities[3]
	Disclosures – Mandatory effective date of IFRS 9 and transition disclosures[5]
IFRS 9	Financial instruments[5]
IFRS 10	Consolidated financial statements[3]
IFRS 12	Disclosure of interests in other entities[3]
IFRS 13	Fair value measurement[3]
IAS 1 (Amendments)	Presentation of financial statements – Presentation of items of other comprehensive income[2]
IAS 12 (Amendments)	Income taxes – Deferred tax: Recovery of underlying assets[1]
IAS 27 (2011)	Separate financial statements[3]
IAS 32 (Amendments)	Presentation offsetting financial assets and financial liabilities[4]

1 Effective for annual periods beginning on or after 1 January 2012.
2 Effective for annual periods beginning on or after 1 July 2012.
3 Effective for annual periods beginning on or after 1 January 2013.
4 Effective for annual periods beginning on or after 1 January 2014.
5 Effective for annual periods beginning on or after 1 January 2015.

The Group is in the process of making an assessment of what the impact of these amendments and new standards 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 or financial position.

4 CHANGE IN ACCOUNTING POLICY

In the year ended 30 June 2012, the Group changed its accounting policy with respect to the costing of infant trees. Cost of fertilisers and pesticides, the principal directly attributable costs incurred during the period of biological growth to the stage the trees start bearing fruits (i.e. from age 0 to 3), are now capitalised as additions to the relevant biological assets. In prior years, these costs were expensed as incurred and included in general and administrative expenses in profit or loss. The management believes the new policy is preferable as it more fairly reflects the financial results of the Group's agricultural activities.

This change in accounting policy has been applied retrospectively. The effects of the change in the consolidated income statement for the year ended 30 June 2011 and in the consolidated statements of financial position at 30 June 2011 and 1 July 2010 are set out below.

Consolidated income statement for the year ended 30 June 2011

	2011 (as previously reported) *RMB'000*	Effect of change in accounting policy *RMB'000*	2011 (as restated) *RMB'000*
Turnover	1,412,621	–	1,412,621
Cost of sales	(674,019)	–	(674,019)
Gross profit	738,602	–	738,602
Other income	9,787	–	9,787
Net gain on change in fair value of biological assets	598,000	(90,288)	507,712
Selling and distribution expenses	(63,314)	–	(63,314)
General and administrative expenses	(161,621)	19,249	(142,372)
Profit from operations	1,121,454	(71,039)	1,050,415
Finance costs	(177)	–	(177)
Profit before income tax	1,121,277	(71,039)	1,050,238
Income tax expense	(1,785)	–	(1,785)
Profit for the year	1,119,492	(71,039)	1,048,453
Attributable to			
Equity shareholders of the Company	1,109,992	(71,039)	1,038,953
Non-controlling interest	9,500	–	9,500
	1,119,492	(71,039)	1,048,453
Earnings per share	RMB	RMB	RMB
– Basic	1.056	(0.068)	0.988
– Diluted	1.050	(0.067)	0.983

Notes to the Consolidated Financial Statements

4 CHANGE IN ACCOUNTING POLICY *(continued)*

Consolidated statement of financial position as at 30 June 2011

	30 June 2011 (as previously reported) *RMB'000*	Effect of change in accounting policy *RMB'000*	30 June 2011 (as restated) *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment	1,638,339	–	1,638,339
Land use rights	69,889	–	69,889
Construction-in-progress	70,611	–	70,611
Biological assets	2,055,298	31,199	2,086,497
Intangible assets	53,287	–	53,287
Deposits	114,500	–	114,500
Goodwill	1,157,261	–	1,157,261
	5,159,185	31,199	5,190,384
Current assets			
Biological assets	145,561	–	145,561
Properties for sale	5,830	–	5,830
Inventories	46,407	–	46,407
Trade and other receivables	96,503	–	96,503
Cash and cash equivalents	2,232,203	–	2,232,203
	2,526,504	–	2,526,504
Total assets	7,685,689	31,199	7,716,888
EQUITY AND LIABILITIES			
Equity			
Share capital	12,030	–	12,030
Reserves	7,523,764	31,199	7,554,963
Total equity attributable to equity shareholders of the Company	7,535,794	31,199	7,566,993
Non-controlling interest	87,310	–	87,310
	7,623,104	31,199	7,654,303
Non-current liability			
Obligation under finance lease	1,034	–	1,034
Current liabilities			
Trade and other payables	58,461	–	58,461
Due to a related party	3,000	–	3,000
Obligation under finance lease	90	–	90
	61,551	–	61,551
Total liabilities	62,585	–	62,585
Total equity and liabilities	7,685,689	31,199	7,716,888
Net current assets	2,464,953	–	2,464,953
Total assets less current liabilities	7,624,138	31,199	7,655,337

4 CHANGE IN ACCOUNTING POLICY *(continued)*

Consolidated statement of financial position as at 1 July 2010

	1 July 2010 (as previously reported) *RMB'000*	Effect of change in accounting policy *RMB'000*	1 July 2010 (as restated) *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment	1,161,437	–	1,161,437
Land use rights	54,841	–	54,841
Construction-in-progress	64,328	–	64,328
Biological assets	1,449,565	102,238	1,551,803
Intangible assets	36,800	–	36,800
	2,766,971	102,238	2,869,209
Current assets			
Biological assets	90,221	–	90,221
Properties for sale	18,497	–	18,497
Inventories	841	–	841
Trade and other receivables	19,629	–	19,629
Cash and cash equivalents	975,074	–	975,074
	1,104,262	–	1,104,262
Total assets	3,871,233	102,238	3,973,471
EQUITY AND LIABILITIES			
Equity			
Share capital	8,767	–	8,767
Reserves	3,810,687	102,238	3,912,925
Total equity attributable to equity shareholders of the Company	3,819,454	102,238	3,921,692
Current liabilities			
Trade and other payables	44,391	–	44,391
Due to a related party	7,110	–	7,110
Income tax payable	278	–	278
	51,779	–	51,779
Total equity and liabilities	3,871,233	102,238	3,973,471
Net current assets	1,052,483	–	1,052,483
Total assets less current liabilities	3,819,454	102,238	3,921,692

5 KEY SOURCES OF ESTIMATION UNCERTAINTY

The methods, estimates and judgements the directors used in applying the Group's accounting policies have a significant impact on the Group's financial position and operating results. Some of the accounting policies require the Group to apply estimates and judgements on matters that are inherently uncertain. The critical accounting judgements in applying the Group's accounting policies are described below.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which goodwill has been allocated. The value in use calculation requires the Group to estimate the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Fair values of biological assets

Management estimates the fair values of biological assets less costs to sell at the end of the reporting period with reference to market prices and professional valuations. Management considers that there is presently an absence of effective financial instruments for hedging against the pricing risks associated with the underlying agricultural produce. Unexpected volatility in market prices of the underlying agricultural produce could significantly affect the fair values of these biological assets and result in fair value re-measurement changes in future accounting periods.

The Group's business is subject to the usual agricultural hazards from fire, wind, insects and other natural phenomena/occurrences. Forces of nature such as temperature and rainfall may also affect harvest efficiency. Management considers adequate preventive measures are in place. Nevertheless, unexpected factors affecting harvestable agricultural produce may result in re-measurement or changes in harvests in future accounting periods.

Property, plant and equipment and depreciation

Management determines the estimated useful lives and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions.

Capitalised development costs

Careful judgement by the management is applied when deciding whether the recognition requirements for capitalised development costs have been met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems at the time of recognition. Judgements are based on the best information available at the end of each reporting period. In addition, all internal activities related to the development of new product are continuously monitored by the management.

Impairment of receivables

The impairment loss on receivables of the Group is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The Group's management determines impairment of its receivables on a regular basis and reassesses the impairment of receivables at the end of each reporting period.

5 KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and applicable selling expenses. These estimates are based on the current market condition and the historical experience of selling products of similar nature. It could change significantly as a result of competitor actions in response to severe industry cycles. The Group's management reassesses the estimations at the end of each reporting period.

6 FINANCIAL RISK MANAGEMENT

Except as disclosed elsewhere in the consolidated financial statements, the Group's activities expose it to a variety of financial risks: currency risk, credit risk, liquidity risk and interest rate risk. The Group's risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

a) Categories of financial instruments

	Group		Company	
	2012	2011	**2012**	2011
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Financial assets				
Loans and receivables (including cash and cash equivalents)	2,470,160	2,269,497	278,635	536,811
Financial liabilities				
Financial liabilities at amortised cost	(57,841)	(62,585)	(34,981)	(33,415)

b) Currency 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 ("HKD"), United States dollars ("USD") and British pounds ("GBP").

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.

6 FINANCIAL RISK MANAGEMENT *(continued)*

b) Currency risk *(continued)*

(i) Exposure to currency risk

The following table details the Group's and the Company's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

Group

	Assets		Liabilities	
	2012	2011	**2012**	2011
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
HKD	196,046	536,110	3,186	1,788
USD	1,191	4,026	–	–
GBP	1,682	18,646	723	715

Company

	Assets		Liabilities	
	2012	2011	**2012**	2011
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
HKD	23,318	267,388	3,186	1,628
USD	382	899	–	–
GBP	1,682	18,646	723	715

6 FINANCIAL RISK MANAGEMENT *(continued)*

b) Currency risk *(continued)*

(ii) Sensitivity analysis

The following table indicates the approximate change in the Group's profit after income tax (and retained profits) and other components of consolidated equity in response to reasonably possible changes in the foreign exchange rates to which the Group and the Company have significant exposure at the end of the reporting period.

Group

	2012 Increase/ (decrease) in foreign exchange rates	2012 Effect on profit after income tax and retained profits *RMB'000*	2012 Effect on other components of equity *RMB'000*	2011 Increase/ (decrease) in foreign exchange rates	2011 Effect on profit after income tax and retained profits *RMB'000*	2011 Effect on other components of equity *RMB'000*
HKD	10%	17,869	1,415	10%	49,970	1,862
	(10%)	(17,869)	(1,415)	(10%)	(49,970)	(1,862)
USD	10%	119	–	10%	403	–
	(10%)	(119)	–	(10%)	(403)	–
GBP	10%	96	–	10%	1,793	–
	(10%)	(96)	–	(10%)	(1,793)	–

Company

	2012 Increase/ (decrease) in foreign exchange rates	2012 Effect on loss after income tax and retained profits *RMB'000*	2012 Effect on other components of equity *RMB'000*	2011 Increase/ (decrease) in foreign exchange rates	2011 Effect on profit after income tax and retained profits *RMB'000*	2011 Effect on other components of equity *RMB'000*
HKD	10%	(2,013)	–	10%	26,576	–
	(10%)	2,013	–	(10%)	(26,576)	–
USD	10%	(38)	–	10%	89	–
	(10%)	38	–	(10%)	(89)	–
GBP	10%	(96)	–	10%	1,793	–
	(10%)	96	–	(10%)	(1,793)	–

6 FINANCIAL RISK MANAGEMENT *(continued)*

b) Currency risk *(continued)*

(ii) Sensitivity analysis *(continued)*

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and had been applied to each of the group entities' exposure to currency risk for the financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the end of next annual reporting period. Results of the analysis as presented in the above table represent an aggregation of the effects on each of the group entities' profit after income tax and equity measured in the respective functional currencies, translated into RMB at the exchange rate ruling at the end of the reporting period for presentation purpose. The analysis is performed on the same basis for 2011.

c) Credit risk

The Group's maximum exposure to credit risk is the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The credit risk on cash and cash equivalents is limited because the counterparties are authorised banks located in the PRC and Hong Kong, which management believes are of high credit quality.

In order to minimise the credit risk on trade receivables, the Group has policies in place to ensure that sales are made to customers with appropriate credit history or in cash. In addition, the Group reviews the recoverable amount of each individual debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors consider that the Group's credit risk is significantly reduced.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk but to a lesser extent.

The maximum exposure to credit risk without taking account of any collateral held is represented by the carrying amount of each financial asset in the statements of financial position after deducting any impairment allowance.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 25.

d) Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and development and to mitigate the effect of fluctuations in cash flows.

6 FINANCIAL RISK MANAGEMENT *(continued)*

d) Liquidity risk *(continued)*

The following table details the remaining contractual maturities at the end of the reporting period of the Group's and the Company's financial liabilities, which are based on contractual undiscounted cash outflows and the earliest date the Group and the Company can be required to pay:

Group

2012	Carrying amount *RMB'000*	Total contractual undiscounted cash outflow *RMB'000*	Within 1 year or on demand *RMB'000*	After 1 year but within 2 years *RMB'000*	After 2 years but within 5 years *RMB'000*	After 5 years *RMB'000*
Trade and other payables	56,807	56,807	56,057	–	750	–
Obligation under finance lease	1,034	1,440	180	180	540	540
Total	57,841	58,247	56,237	180	1,290	540

2011	Carrying amount *RMB'000*	Total contractual undiscounted cash outflow *RMB'000*	Within 1 year or on demand *RMB'000*	After 1 year but within 2 years *RMB'000*	After 2 years but within 5 years *RMB'000*	After 5 years *RMB'000*
Trade and other payables	58,461	58,461	57,711	–	750	–
Due to a related party	3,000	3,000	3,000	–	–	–
Obligation under finance lease	1,124	1,620	180	180	540	720
Total	62,585	63,081	60,891	180	1,290	720

Company

2012	Carrying amount *RMB'000*	Total contractual undiscounted cash outflow *RMB'000*	Within 1 year or on demand *RMB'000*
Other payables	3,909	3,909	3,909
Due to a subsidiary	31,072	31,072	31,072
	34,981	34,981	34,981

6 FINANCIAL RISK MANAGEMENT *(continued)*

d) Liquidity risk *(continued)*

Company *(continued)*

2011	Carrying amount *RMB'000*	Total contractual undiscounted cash outflow *RMB'000*	Within 1 year or on demand *RMB'000*
Other payables	2,343	2,343	2,343
Due to a subsidiary	31,072	31,072	31,072
	33,415	33,415	33,415

e) Interest rate risk

The Group's interest rate risk primarily arises from short term bank deposits. The Group's interest income is dependent on changes in market interest rates. A reasonably possible change of 100 basis points in interest rates would have no significant impact on the Group's profit for the year.

f) Fair value

The carrying amounts of the financial assets and financial liabilities as reflected in the statements of financial position approximate their respective fair values.

7 SEGMENT INFORMATION

The Group manages its business 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 resources allocation and performance assessment, the Group has three reportable segments. The segments are managed separately as each business offers different products and requires different business strategies. The following summary describes the operations in each of the Group's 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
- Others – developing and sale of property units in an agricultural wholesale market and orange processing centre

No inter-segment transactions incurred between the companies in the Group.

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

As majority of the Group's non-current assets and revenue are located in/derived from the PRC, geographical information is not presented.

The directors assess the performance of the operating segments based on a measure of reportable segment results. This measurement basis excludes the central other income, expenses and finance costs.

7 SEGMENT INFORMATION *(continued)*

Segment assets mainly exclude goodwill, certain property, plant and equipment, land use rights and other assets that are managed on a central basis. Segment liabilities mainly exclude liabilities that are managed on a central basis.

	Agricultural produce		Processed fruits		Others		Total	
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011
	RMB'000	*RMB'000* (restated)	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000* (restated)
RESULTS								
Reportable segment revenue and revenue from external customers	1,060,671	969,030	715,473	417,393	–	26,198	1,776,144	1,412,621
Reportable segment results	621,600	971,153	203,714	131,845	(3,125)	6,035	822,189	1,109,033
Unallocated corporate expenses							(64,065)	(63,073)
Unallocated corporate other revenue							6,934	4,278
Profit before income tax							765,058	1,050,238
Income tax expense							–	(1,785)
Profit for the year							765,058	1,048,453
ASSETS								
Segment assets	5,173,015	4,339,682	1,544,498	1,341,034	79,164	158,962	6,796,677	5,839,678
Unallocated corporate assets							1,513,451	1,877,210
Total assets							8,310,128	7,716,888
LIABILITIES								
Segment liabilities	(34,047)	(40,244)	(17,655)	(17,268)	(2,217)	(2,687)	(53,919)	(60,199)
Unallocated corporate liabilities							(3,922)	(2,386)
Total liabilities							(57,841)	(62,585)
OTHER INFORMATION								
Additions to segment non-current assets	213,099	236,521	149,881	28,197	–	–	362,980	264,718
Amortisation of land use rights	–	–	120	70	1,054	1,054	1,174	1,124
Amortisation of intangible assets	7,760	4,383	2,021	1,179	–	–	9,781	5,562
Depreciation	78,252	62,468	42,683	21,320	701	702	121,636	84,490
Loss/(gain) on disposal of property, plant and equipment	7	(46)	4,819	152	–	–	4,826	106
Construction-in-progress written off	–	–	3,351	–	–	–	3,351	–
Interest income	8,618	2,740	–	1,694	329	300	8,947	4,734
Finance charges on obligation under finance lease	90	96	–	–	–	–	90	96
Net gain on change in fair value of biological assets	166,900	507,712	–	–	–	–	166,900	507,712
Share-based payments	9,952	19,569	27,400	11,172	–	–	37,352	30,741

Notes to the Consolidated Financial Statements

8 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:

	2012 RMB'000	2011 RMB'000
Sales of oranges	1,057,327	962,127
Sales of self-bred saplings	3,344	6,903
Sales of processed fruits	715,473	417,393
Sales of property units	–	26,198
	1,776,144	1,412,621

9 OTHER INCOME

	2012 RMB'000	2011 RMB'000
Interest income	21,559	7,308
Government grants	2,326	315
Reversal of impairment loss on interest in an associate	–	1,703
Sundry income	204	461
	24,089	9,787

10 PROFIT BEFORE INCOME TAX

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

	2012 RMB'000	2011 RMB'000
(a) Finance costs		
Bank charges	56	81
Finance charges on obligation under finance lease	90	96
	146	177
(b) Staff costs (including directors' emoluments)		
– salaries, wages and other benefits	97,880	73,498
– share-based payments	45,812	47,715
– contribution to defined contribution retirement plans	2,635	1,561
	146,327	122,774

Notes to the Consolidated Financial Statements

10 PROFIT BEFORE INCOME TAX *(continued)*

	2012 RMB'000	2011 RMB'000
(c) Other items		
Amortisation of land use rights	1,362	1,312
Amortisation of intangible assets	9,781	5,562
Auditor's remuneration	2,390	1,755
Cost of agricultural produce sold #	488,993	384,984
Cost of property units sold	–	13,742
Cost of inventories of processed fruits recognised as expenses ##	494,750	275,293
Depreciation of property, plant and equipment	126,044	94,830
Add: Realisation of depreciation previously capitalised as biological assets	21,822	12,746
Less: Amount capitalised as biological assets	(25,955)	(22,796)
	121,911	84,780
Construction-in-progress written off	3,351	–
Exchange losses, net	6,435	10,475
Operating lease expenses		
– plantation base	9,394	8,641
– properties	1,115	941
Research and development costs	9,255	8,164
Loss on disposal of property, plant and equipment	4,828	148

Cost of agricultural produce sold includes RMB113,974,000 (2011: RMB96,330,000) relating to staff costs, depreciation and operating lease expenses, which amount is also included in the respective total amount disclosed separately above for each of these types of expenses.

Cost of inventories of processed fruits recognised as expenses includes RMB67,667,000 (2011: RMB35,615,000) relating to staff costs, amortisation of land use rights, amortisation of intangible assets and depreciation, which amount is also included in the respective total amount disclosed separately above for each of these types of expenses.

11 INCOME TAX EXPENSE

a) Income tax expense in the consolidated income statement represents:

	2012 RMB'000	2011 RMB'000
Current tax		
PRC enterprise income tax		
– Provision for the year	–	983
PRC land appreciation tax		
– Provision for the year	–	802
	–	1,785

i) Pursuant to the rules and regulations of Bermuda, Cayman Islands and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in the respective tax jurisdictions.

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

iii) No PRC enterprise income tax has been provided for 2012 as the Group did not have assessable profit in the PRC during the year. The provision for PRC enterprise income tax for 2011 was 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 laws, 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) PRC 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. At 30 June 2012, 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 as the Company is in a position to control the dividend policies of the PRC subsidiaries and no distribution of such profits is expected to be declared from the PRC subsidiaries in the foreseeable future.

11 INCOME TAX EXPENSE *(continued)*

b) Reconciliation between income tax expense and profit before income tax in the consolidated income statement at applicable rates:

	2012 ***RMB'000***	2011 *RMB'000* (restated)
Profit before income tax	**765,058**	1,050,238
Notional tax at the rates applicable to profits in the jurisdictions concerned	**205,298**	278,006
Tax effect of non-deductible expenses	**1,046**	598
Tax effect of temporary differences not recognised for deferred tax purposes	**406**	1,576
Tax effect of tax exemptions	**(207,824)**	(277,638)
Land appreciation tax	**–**	802
Others	**1,074**	(1,559)
Actual tax expense	**–**	1,785

12 DIRECTORS' REMUNERATION

	Directors' fees *RMB'000*	Salaries, allowances and benefits in kind *RMB'000*	Share-based payments *RMB'000*	Retirement scheme contribution *RMB'000*	**2012** ***RMB'000***	2011 *RMB'000*
Directors' emoluments						
Executive Directors						
Tong Wang Chow	–	1,755	571	–	**2,326**	2,737
Tong Hung Wai, Tommy	–	926	450	11	**1,387**	1,791
Cheung Wai Sun	–	702	450	11	**1,163**	1,588
Pang Yi	–	1,170	1,981	6	**3,157**	4,944
Sung Chi Keung	–	1,242	1,212	11	**2,465**	3,469
Non-executive Directors						
Ip Chi Ming	540	–	271	–	**811**	1,083
Ma Chiu Cheung, Andrew	339	–	271	–	**610**	886
Lui Ming Wah	216	–	271	–	**487**	759
Yang Zhen Han	216	–	271	–	**487**	759
Nicholas Smith	339	–	271	–	**610**	886
Peregrine Moncreiffe	216	–	271	–	**487**	759
	1,866	5,795	6,290	39	**13,990**	19,661

There were no arrangements under which a director waived or agreed to waive any remuneration during the year (2011: RMBNil).

13 INDIVIDUALS WITH HIGHEST EMOLUMENTS

The five highest paid individuals of the Group during the year included four directors (2011: four), details of which are set out in note 12 above. The emoluments in respect of the remaining highest paid individual are as follows:

	2012 RMB'000	2011 RMB'000
Salaries, wages and other benefits	155	972
Share-based payments	2,035	675
Retirement scheme contribution	6	11
	2,196	1,658

No emoluments were paid by the Group to the directors or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2011: RMBNil).

14 EARNINGS PER SHARE

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

	2012 RMB'000	2011 RMB'000 (restated)
Earnings		
Profit attributable to equity shareholders of the Company used in basic and diluted earnings per share calculation	750,200	1,038,953
Weighted average number of shares	'000	'000
Issued ordinary shares at beginning of year	1,215,157	852,650
Effect of shares issued to shareholders participating in the scrip dividend	4,741	3,650
Effect of shares issued upon exercises of share options	4,182	11,352
Effect of shares issued as part of the consideration for acquisition of subsidiaries	–	95,344
Effect of shares issued upon placement	–	88,219
Effect of shares repurchased and cancelled	(3,640)	–
Weighted average number of ordinary shares used in basic earnings per share calculation	1,220,440	1,051,215
Effect of dilutive potential shares in respect of share options	4,188	6,044
Weighted average number of ordinary shares used in diluted earnings per share calculation	1,224,628	1,057,259

15 PROPERTY, PLANT AND EQUIPMENT

Group

	Buildings RMB'000	Leasehold improvements RMB'000	Plant and machinery RMB'000	Furniture, fixtures and equipment RMB'000	Motor vehicles RMB'000	Farmland infrastructure and machinery RMB'000	Total RMB'000
Cost							
At 1 July 2010	38,984	3,062	–	8,479	6,234	1,377,090	1,433,849
Additions	257	606	2,117	734	1,403	3,715	8,832
Acquisition of subsidiaries (note 32(b))	117,800	–	193,151	1,206	3,735	–	315,892
Transfer from construction-in-progress (note 17)	14,911	–	1,943	250	–	230,112	247,216
Disposals	–	–	(232)	(86)	(443)	(172)	(933)
Exchange alignment	–	–	–	–	(17)	–	(17)
At 30 June 2011 and 1 July 2011	171,952	3,668	196,979	10,583	10,912	1,610,745	2,004,839
Additions	7,051	–	116,117	849	756	12,112	136,885
Transfer from construction-in-progress (note 17)	9,059	–	13,604	660	–	174,101	197,424
Disposals	(2,284)	–	(18,435)	(194)	(46)	(402)	(21,361)
At 30 June 2012	**185,778**	**3,668**	**308,265**	**11,898**	**11,622**	**1,796,556**	**2,317,787**
Accumulated depreciation							
At 1 July 2010	3,234	759	–	2,565	2,491	263,363	272,412
Charge for the year	6,044	102	16,006	1,193	1,209	70,276	94,830
Written back on disposals	–	–	(80)	(44)	(443)	(172)	(739)
Exchange alignment	–	–	–	–	(3)	–	(3)
At 30 June 2011 and 1 July 2011	9,278	861	15,926	3,714	3,254	333,467	366,500
Charge for the year	9,784	115	33,460	1,320	1,582	79,783	126,044
Written back on disposals	(122)	–	(9,596)	(147)	(8)	(402)	(10,275)
At 30 June 2012	18,940	976	39,790	4,887	4,828	412,848	482,269
Carrying amount							
At 30 June 2012	**166,838**	**2,692**	**268,475**	**7,011**	**6,794**	**1,383,708**	**1,835,518**
At 30 June 2011	162,674	2,807	181,053	6,869	7,658	1,277,278	1,638,339
At 1 July 2010	35,750	2,303	–	5,914	3,743	1,113,727	1,161,437

At 30 June 2012, the carrying amount of farmland infrastructure and machinery held under finance lease was RMB1,077,000 (2011: RMB1,198,000).

15 PROPERTY, PLANT AND EQUIPMENT *(continued)*

Company

	Furniture, fixtures and equipment *RMB'000*	Motor vehicles *RMB'000*	Total *RMB'000*
Cost			
At 1 July 2010	1,457	1,456	2,913
Additions	78	–	78
Disposals	(74)	–	(74)
At 30 June 2011 and 1 July 2011	1,461	1,456	2,917
Additions	79	–	79
Disposals	(54)	–	(54)
At 30 June 2012	**1,486**	**1,456**	**2,942**
Accumulated depreciation			
At 1 July 2010	560	219	779
Charge for the year	123	146	269
Written back on disposals	(29)	–	(29)
At 30 June 2011 and 1 July 2011	654	365	1,019
Charge for the year	128	146	274
Written back on disposals	(26)	–	(26)
At 30 June 2012	**756**	**511**	**1,267**
Carrying amount			
At 30 June 2012	**730**	**945**	**1,675**
At 30 June 2011	807	1,091	1,898

16 LAND USE RIGHTS

	Group		
	30 June 2012	30 June 2011	1 July 2010
	RMB'000	*RMB'000*	*RMB'000*
Cost			
At beginning of year	78,013	61,653	61,653
Acquisition of subsidiaries (note 32(b))	–	16,360	–
At end of year	78,013	78,013	61,653
Accumulated amortisation			
At beginning of year	8,124	6,812	5,568
Charge for the year	1,362	1,312	1,244
At end of year	9,486	8,124	6,812
Carrying amount	68,527	69,889	54,841

Land use rights, representing the rights to use certain pieces of land which are located in the PRC, are valid for a period of 50 years from respective dates of grant and will be expiring in the years 2053 to 2056.

17 CONSTRUCTION-IN-PROGRESS

	Group		
	30 June 2012	30 June 2011	1 July 2010
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year	70,611	64,328	79,021
Additions	308,466	249,364	133,822
Write-off	(3,351)	–	–
Acquisition of subsidiaries (note 32(b))	–	4,135	–
Transfer to property, plant and equipment (note 15)	(197,424)	(247,216)	(148,515)
At end of year	178,302	70,611	64,328

18 BIOLOGICAL ASSETS

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

Group

	Self-bred saplings *RMB'000*	Infant trees *RMB'000*	Orange trees *RMB'000*	Total *RMB'000*
At 1 July 2010 (restated)	2,100	106,703	1,533,221	1,642,024
Net additions	10,967	–	–	10,967
Sales of self-bred saplings	(3,234)	–	–	(3,234)
Intra transfer to infant trees	(4,306)	4,306	–	–
Intra transfer to orange trees	–	(94,288)	94,288	–
Net increase due to cultivation	–	19,249	55,340	74,589
Net change in fair value				
– Gain due to price, yield, maturity and cost changes	–	–	571,963	571,963
– Decrease due to replanting programme	–	–	(64,251)	(64,251)
	–	–	507,712	507,712
At 30 June 2011 and 1 July 2011 (restated)	5,527	35,970	2,190,561	2,232,058
Net additions	6,082	–	–	6,082
Sales of self-bred saplings	(850)	–	–	(850)
Intra transfer to infant trees	(5,168)	5,168	–	–
Intra transfer to orange trees	–	(14,100)	14,100	–
Net increase due to cultivation	–	46,595	13,075	59,670
Net change in fair value				
– Gain due to price, yield, maturity and cost changes	–	–	237,113	237,113
– Decrease due to replanting programme	–	–	(70,213)	(70,213)
	–	–	166,900	166,900
At 30 June 2012	**5,591**	**73,633**	**2,384,636**	**2,463,860**

18 BIOLOGICAL ASSETS *(continued)*

Represented by:

	Self-bred saplings *RMB'000*	Infant trees *RMB'000*	Orange trees *RMB'000*	30 June 2012 Total *RMB'000*	30 June 2011 Total *RMB'000* (restated)	1 July 2010 Total *RMB'000* (restated)
Non-current	5,591	73,633	2,226,000	2,305,224	2,086,497	1,551,803
Current	–	–	158,636	158,636	145,561	90,221
	5,591	73,633	2,384,636	2,463,860	2,232,058	1,642,024

The movements in biological assets can be summarised as follows:

	Self-bred saplings *Number*	Infant trees *Number*	Orange trees *Number*
At 1 July 2010	1,847,306	676,775	2,215,354
Net additions	764,284	–	–
Sales of self-bred saplings	(620,359)	–	–
Intra transfer to infant trees	(490,984)	490,984	–
Intra transfer to orange trees	–	(455,185)	455,185
Decrease due to replanting programme	–	–	(63,584)
At 30 June 2011 and 1 July 2011	1,500,247	712,574	2,606,955
Net additions	513,237	–	–
Sales of self-bred saplings	(283,866)	–	–
Intra transfer to infant trees	(688,924)	688,924	–
Intra transfer to orange trees	–	(76,135)	76,135
Decrease due to replanting programme	–	–	(66,449)
At 30 June 2012	**1,040,694**	**1,325,363**	**2,616,641**

The replanting programme replaces existing species with more advanced and better quality species that have greater resistance to disease and produce a higher yield. During the year, 66,449 (2011: 63,584) winter orange trees were removed and the corresponding land area was replanted with the same amount of new species.

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

The Group has engaged an independent valuer to determine the fair value of orange trees less costs to sell as at 30 June 2012. The valuation methodology used to determine the fair value of orange trees less costs to sell is in compliance with both IAS 41, Agriculture, and the International Valuation Standards issued by the International Valuation Standards Council with aims to determine the fair value of a biological asset in its present location and condition.

18 BIOLOGICAL ASSETS *(continued)*

The fair value of orange trees less costs to sell is calculated by deducting the fair value of plantation-related machinery and equipment and land improvements from the fair value of the orange trees operation. In estimating the fair value of the orange trees, the following key assumptions were applied:

a) The market price variables, which represent the assumed market price for summer oranges and winter oranges produced by the Group. The valuation adopted the market sales prices prevailing as of the end of the reporting period for each type of orange produced by the Group as the sales price estimation. The market prices are assumed to be increased by 2% per annum, which is similar to the projected long term inflation rate.

b) The yield per tree variables, which represent the harvest level of the orange trees. The yield of orange trees is affected by the age, species and health of the orange trees, as well as the climate, location, soil condition, topography and infrastructure. In general, yield per tree increases from age 3 to 10, remains stable for about 22 years, and then decreases until age 32.

c) The direct production cost variables, which represent the direct costs necessary to bring the oranges to their sale form. These mainly include raw material costs and direct labour costs. The direct production cost variables are determined by reference to actual costs incurred for areas that have been previously harvested, and have taken into account the projected long term inflation rate of 2% per annum.

d) The Capital Asset Pricing Model has been used to determine a discount rate of 18.0% (2011: 20.0%) to be applied to the orange trees operations.

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

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

    ii) projected cash flows have taken into account the projected long term inflation rate of 2% per annum and excluded finance costs and taxation;

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

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

The land currently occupied by the Group is leased from third parties, and has no commercial value. With reference to the value of machinery and equipment and other assets (represented by improvements in structures and buildings, wind breakers, etc.), the total values of the assets involved as at 30 June 2012 for Hepu plantation and Xinfeng plantation are approximately RMB430 million (2011: RMB297 million) and RMB658 million (2011: RMB518 million) respectively.

18 BIOLOGICAL ASSETS *(continued)*

The quantity and value of agricultural produce harvested measured at fair value less costs to sell during the year were as follows:

	2012		2011	
	Quantity	Value	Quantity	Value
	Tonnes	*RMB'000*	*Tonnes*	*RMB'000*
Oranges	243,421	1,057,327	216,891	962,127

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

1) Regulatory and environmental risks

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

2) Supply and demand risks

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

3) Climate and other risks

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

19 INTANGIBLE ASSETS

Group

	Capitalised development costs *RMB'000*	Trademark *RMB'000*	Total *RMB'000*
Cost			
At 1 July 2010	52,000	–	52,000
Additions	6,600	–	6,600
Acquisition of subsidiaries (note 32(b))	15,446	3	15,449
At 30 June 2011 and 1 July 2011	74,046	3	74,049
Additions	15,000	–	15,000
At 30 June 2012	**89,046**	**3**	**89,049**
Accumulated amortisation			
At 1 July 2010	15,200	–	15,200
Charge for the year	5,561	1	5,562
At 30 June 2011 and 1 July 2011	20,761	1	20,762
Charge for the year	9,780	1	9,781
At 30 June 2012	**30,541**	**2**	**30,543**
Carrying amount			
At 30 June 2012	**58,505**	**1**	**58,506**
At 30 June 2011	53,285	2	53,287
At 1 July 2010	36,800	–	36,800

The amortisation charge for the year of RMB2,021,000 (2011: RMB1,179,000) and RMB7,760,000 (2011: RMB4,383,000) is included in cost of sales and general and administrative expenses, respectively, in the consolidated income statement.

19 INTANGIBLE ASSETS *(continued)*

Capitalised development costs are represented by:

	30 June 2012 RMB'000	30 June 2011 RMB'000
Incomplete development projects	15,000	19,600
Completed development projects	43,505	33,685
	58,505	53,285
	Years	Years
Average remaining amortisation period for completed development projects	6.5	5.2

Capitalised development costs represent expenditure incurred in developing techniques relating to the cultivation of orange trees and processing of fruits, which will increase the productivity of the relevant operations in the future periods.

20 INTERESTS IN SUBSIDIARIES

	Company	
	30 June 2012 RMB'000	30 June 2011 RMB'000
Unlisted investments, at cost	5,300	5,300
Capital contribution in respect of employee share-based payments	86,190	48,129
Due from subsidiaries	3,506,975	3,477,385
Due to a subsidiary	(31,072)	(31,072)
	3,567,393	3,499,742

The accounts with subsidiaries are non-trade in nature and are unsecured, interest-free and not repayable within next 12 months from the end of the reporting period.

20 INTERESTS IN SUBSIDIARIES *(continued)*

Details of subsidiaries as at 30 June 2012 are as follows:

Name	Place of incorporation/ establishment	Place of operation	Particulars of issued/ paid up capital	Percentage of equity interest attributable to the Group	Principal activities
Directly held:					
Access Fortune Investments Limited	BVI	Hong Kong	1 ordinary share of USD1 each	100%	Investment holding
A-One Success Limited	BVI	Hong Kong	1 ordinary share of USD1 each	100%	Investment holding
Newasia Global Limited	BVI	Hong Kong	100,100 ordinary shares of USD1 each	100%	Investment holding
Raised Energy Investments Limited	BVI	Hong Kong	1 ordinary share of USD1 each	100%	Investment holding
Indirectly held:					
Asian Citrus Management Company Limited	BVI	Hong Kong	1 ordinary share of USD1 each	100%	Proprietor and licensor of the Group's intellectual property rights
Asian Citrus (H.K.) Company Limited	Hong Kong	Hong Kong	1 ordinary share of HKD1 each	100%	General commercial and leasing of properties
Beihai Perfuming Garden Juice Co., Ltd. ("Beihai BPG")	PRC	PRC	RMB226,800,000	92.94%	Trading of fruit juice concentrates, manufacture and sale of frozen fruits and vegetables
BPG Food & Beverage Holdings Ltd. ("BPG Food & Beverage")	Cayman Islands	Hong Kong	10,000 ordinary shares of HKD0.10 each	100%	Investment holding
Chance Lead Holdings Limited	Hong Kong	Hong Kong	1 ordinary share of HKD1 each	100%	Investment holding
Fame Zone Limited	BVI	Hong Kong	1 ordinary share of USD1 each	100%	Investment holding
Guilin Perfuming Garden Agricultural Technology Co., Ltd.	PRC	PRC	RMB2,000,000	92.94%	Not commenced business yet

20 INTERESTS IN SUBSIDIARIES *(continued)*

Name	Place of incorporation/ establishment	Place of operation	Particulars of issued/ paid up capital	Percentage of equity interest attributable to the Group	Principal activities
Indirectly held: (continued)					
Hepu Perfuming Garden Food Co., Ltd.	PRC	PRC	RMB34,000,000	92.94%	Manufacture and sale of fruit juice concentrates, fruit purees and others
Litian Biological Sciences & Technology Development (Xinfeng) Company Limited	PRC	PRC	USD15,000,000	100%	Planting, cultivation and sale of oranges
Lucky Team Biotech Development Yongzhou Limited	PRC	PRC	USD10,000,000	100%	Planting, cultivation and sale of oranges
Lucky Team Biotech Development (Hepu) Limited ("Lucky Team (Hepu)")	PRC	PRC	RMB284,850,000 (2011: RMB161,589,843)	100%	Planting, cultivation and sale of oranges
Lucky Team Biotech Development (Zigui) Limited	PRC	PRC	USD2,100,000	100%	Sourcing of oranges and development of nursery
Lucky Team Industrial (Ganzhou) Company Limited	PRC	PRC	USD10,000,000	100%	Development of orange processing centre
Lucky Team Logistics (Yi Chang) Limited (formerly known as Lucky Team Real Estate (Yi Chang) Limited)	PRC	PRC	USD701,209	100%	Dormant
Lucky Team (Hepu) Agriculture Development Limited	PRC	PRC	HKD28,000,000	100%	Development of nursery
Tianyang Perfuming Garden Food Industrial Co., Ltd.	PRC	PRC	HKD78,000,000	100%	Not commenced business yet
Top Honest Holdings Limited	BVI	Hong Kong	1 ordinary share of USD1 each	100%	Investment holding
Wealth Elite Investments Limited	Hong Kong	Hong Kong	1 ordinary share of HKD1 each	100%	Investment holding
Zhanjiang Perfuming Garden Food Co., Ltd.	PRC	PRC	RMB5,000,000	92.94%	Not commenced business yet

All subsidiaries established in the PRC are wholly foreign-owned enterprises.

21 DEPOSITS

	Group		
	30 June 2012	30 June 2011	1 July 2010
	RMB'000	*RMB'000*	*RMB'000*
Deposits paid for acquisition of property, plant and equipment	**4,251**	114,500	–

22 GOODWILL

Goodwill, arising from acquisition of BPG Food & Beverage (see note 32), is accounted for in accordance with the Group's accounting policies as set out in note 2(d). For the purposes of impairment testing, goodwill has been allocated to the cash-generating unit ("CGU") in relation to the Group's processed fruits segment in the PRC.

The recoverable amount of the CGU has been determined based on a value in use calculation which uses cash flow projections from financial budgets approved by management covering a 3-year period (2011: 5-year period), and a discount rate of 13.0% (2011: 11.4%). The cash flows beyond the 3-year period (2011: 5-year period) are extrapolated using a steady 10% (2011: 10%) growth rate. This growth rate does not exceed the average long-term growth rate for the business in which the CGU operates. Other key assumptions for the value in use calculations relate to the estimation of cash flows which include budgeted sales and gross margin, and such estimations are based on the CGU's past performance and management's expectations based on market developments. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of the CGU to exceed the aggregate recoverable amount of the CGU.

23 PROPERTIES FOR SALE

	Group		
	30 June 2012	30 June 2011	1 July 2010
	RMB'000	*RMB'000*	*RMB'000*
Properties under development for sale	**5,081**	5,081	4,062
Completed properties for sale	**749**	749	14,435
	5,830	5,830	18,497

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

	Group	
	30 June 2012	30 June 2011
	RMB'000	*RMB'000*
In PRC, held on leases between 10 to 50 years	**134**	134

The amount of properties for sale expected to be recovered after more than one year is RMB5,081,000 (2011: RMB5,081,000). The remaining properties for sale are expected to be recovered within one year.

24 INVENTORIES

	Group		
	30 June 2012	30 June 2011	1 July 2010
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	**9,601**	6,036	841
Work in progress	**483**	3,342	–
Finished goods	**53,010**	37,029	–
	63,094	46,407	841

25 TRADE AND OTHER RECEIVABLES

	Group		
	30 June 2012	30 June 2011	1 July 2010
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	**28,831**	28,661	2,515
Other receivables, deposits and prepayments	**58,034**	67,842	17,114
	86,865	96,503	19,629

The amount of the Group's other receivables, deposits and prepayments expected to be recovered or recognised as expenses in normal operating cycle after one year is RMB8,919,000 (2011: RMB16,320,000). The remaining balance of trade and other receivables are expected to be recovered within one year.

The ageing analysis of trade receivables based on invoice date is as follows:

	Group	
	30 June 2012	30 June 2011
	RMB'000	*RMB'000*
Less than 1 month	**28,352**	22,262
1 to 3 months	**84**	4,894
3 to 6 months	**291**	79
6 to 12 months	**–**	1,240
Over 1 year	**104**	186
	28,831	28,661

Trade receivables from sales of goods are normally due for settlement within 30 to 45 days from the date of billing, while that from the sale of property units are due for settlement in accordance with the terms of the related sale and purchase agreements.

25 TRADE AND OTHER RECEIVABLES *(continued)*

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired is as follows:

	Group	
	30 June 2012	30 June 2011
	RMB'000	*RMB'000*
Neither past due nor impaired	**27,529**	22,191
Less than 1 month past due	**944**	5,064
1 to 3 months past due	**6**	220
3 to 6 months past due	**291**	87
6 to 12 months past due	**–**	1,024
Over 1 year past due	**61**	75
Amounts past due but not impaired	**1,302**	6,470
	28,831	28,661

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are considered fully recoverable.

26 CASH AND CASH EQUIVALENTS

	Group			Company	
	30 June 2012 RMB'000	30 June 2011 RMB'000	1 July 2010 RMB'000	**30 June 2012 RMB'000**	30 June 2011 RMB'000
Bank deposits	**1,699,323**	584,305	302,568	**269,870**	417,259
Cash at bank and on hand	**688,791**	1,647,898	672,506	**8,759**	119,540
Cash and cash equivalents in the statements of financial position	**2,388,114**	2,232,203	975,074	**278,629**	536,799
Time deposits with terms over three months	**(62,960)**	(166,000)	–		
Cash and cash equivalents in the consolidated cash flow statement	**2,325,154**	2,066,203	975,074		

Included in the cash and cash equivalents of the Group as at 30 June 2012 is an amount of approximately RMB1,873,839,000 (2011: RMB1,426,738,000) denominated in RMB. Conversion of RMB into foreign currencies is subject to PRC Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

Cash at bank earns interest at floating rates based on daily bank deposit rates. Bank deposits are made for terms ranging from one month to one year (2011: ranging from one month to one year) depending on the immediate cash requirements of the Group.

27 CAPITAL, RESERVES AND DIVIDENDS

(a) Movement in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the reporting period are set out below:

	Note	Share premium RMB'000	Treasury share RMB'000	Share option reserve RMB'000	(Accumulated loss)/ Retained profits RMB'000	Total RMB'000
At 1 July 2010		937,077	–	25,260	(8,995)	953,342
Profit and total comprehensive income for the year		–	–	–	468,552	468,552
Issue of shares to shareholders participating in the scrip dividend		65,964	–	–	–	65,964
Share-based payments		–	–	47,715	–	47,715
Issue of shares upon exercises of share options		47,786	–	(17,031)	–	30,755
Issue of shares as part of the consideration for acquisition of subsidiaries		1,303,026	–	–	–	1,303,026
Issue of shares on placement		1,283,046	–	–	–	1,283,046
2009/10 final and special dividends		–	–	–	(104,055)	(104,055)
2010/11 interim dividend		–	–	–	(24,267)	(24,267)
At 30 June 2011 and 1 July 2011		3,636,899	–	55,944	331,235	4,024,078
Loss and total comprehensive expense for the year		–	–	–	(25,876)	(25,876)
Issue of shares to shareholders participating in the scrip dividend	27(b)(i)	41,107	–	–	–	41,107
Share-based payments		–	–	45,812	–	45,812
Issue of shares upon exercises of share options	28(A)(b)	17,130	–	(4,735)	–	12,395
Shares repurchased	27(b)(ii)	(46,761)	(4)	–	–	(46,765)
2010/11 final and special dividends	27(c)(ii)	–	–	–	(157,710)	(157,710)
2011/12 interim dividend	27(c)(ii)	–	–	–	(61,330)	(61,330)
At 30 June 2012		**3,648,375**	**(4)**	**97,021**	**86,319**	**3,831,711**

27 CAPITAL, RESERVES AND DIVIDENDS *(continued)*

(b) Share capital

	Note	Company Number of shares	HKD'000	RMB'000
Authorised:				
Ordinary shares of HKD0.01 each At 30 June 2011 and 30 June 2012		2,000,000,000	20,000	20,900
Issued and fully paid:				
At 1 July 2010		852,650,094	8,526	8,767
Issue of consideration shares		164,153,646	1,642	1,478
Issue of shares on placement		175,000,000	1,750	1,575
Issue of shares to shareholders participating in the scrip dividend		8,008,223	80	72
Issue of shares upon exercises of share options		15,345,000	153	138
At 30 June 2011		1,215,156,963	12,151	12,030
Issue of shares to shareholders participating in the scrip dividend	(i)	9,456,219	95	85
Issue of shares upon exercises of share options	28A(b)	6,939,000	69	62
Shares repurchased and cancelled	(ii)	(10,455,000)	(105)	(94)
At 30 June 2012		**1,221,097,182**	**12,210**	**12,083**

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally in regard to the Company's residual assets.

Notes:

(i) On 30 December 2011, 9,456,219 new ordinary shares of HK$0.01 each were issued at the price of HK$5.358 per share to shareholders participating in the scrip dividend in respect of the 2010/11 final and special dividends.

(ii) During the year, the Company repurchased in aggregate 10,950,000 its own shares on the HKEx. The premium paid on repurchases of shares of RMB46,761,000 was charged to share premium. 10,455,000 repurchased shares were cancelled before the end of the reporting period and the remaining 495,000 repurchased shares were subsequently cancelled in July 2012.

(iii) At 30 June 2012, the Company had a total of 1,220,602,182 issued ordinary shares excluding treasury shares.

27 CAPITAL, RESERVES AND DIVIDENDS *(continued)*

(c) Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the year

	2012 **RMB'000**	2011 RMB'000
Interim dividend of RMB0.03 and special dividend of RMB0.02 per ordinary share declared and paid during the year (2011: interim dividend of RMB0.02 per ordinary share)	61,330	24,267
Final dividend of RMB0.13 per ordinary share proposed after the end of the reporting period (2011: final dividend of RMB0.10 and special dividend of RMB0.03 per ordinary share)	158,531	157,970
	219,861	182,237

The final and special dividends proposed after the end of the reporting period have not been recognised as liabilities at the end of the reporting period.

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2012 **RMB'000**	2011 RMB'000
Interim dividend of RMB0.03 and special dividend of RMB0.02 per ordinary share for the year, approved and paid during the year (2011: interim dividend of RMB0.02 per ordinary share)	61,330	24,267
Final dividend of RMB0.10 and special dividend of RMB0.03 per ordinary share in respect of the previous financial year, approved and paid during the year (2011: final dividend of RMB0.10 and special dividend of RMB0.02 per ordinary share)	157,710	104,055
	219,040	128,322

(d) Capital management

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

The Group regards total equity presented on the face of the consolidated statement of financial position as capital for capital management purpose.

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

28 SHARE-BASED PAYMENTS

(A) Share Option Scheme

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

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

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

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

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

Notes:

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

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

28 SHARE-BASED PAYMENTS *(continued)*

(A) Share Option Scheme *(continued)*

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

	2012		2011	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Outstanding at beginning of year	29,703,000	GBP0.151	44,682,000	GBP0.158
Exercised during the year	(6,939,000)	GBP0.160	(14,979,000)	GBP0.172
Outstanding at end of year	22,764,000	GBP0.148	29,703,000	GBP0.151
Exercisable at end of year	7,194,000	GBP0.175	4,654,000	GBP0.182

The options outstanding at the end of the reporting period have a weighted average remaining contractual life of 3 years (2011: 4 years) and exercise prices ranging from GBP0.112 to GBP0.2425 (2011: from GBP0.112 to GBP0.2425).

(c) Fair value of share options and assumptions

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

The inputs into the model were as follows:

Grant date	25 July 2005	27 July 2006	14 September 2007	15 October 2008
Spot price	GBP0.112	GBP0.208	GBP0.2435	GBP0.1465
Expected life (years)	10	8	8	6.8
Exercise price	GBP0.112	GBP0.2045	GBP0.2425	GBP0.139
Expected volatility	43%	42%	41%	42%
Risk-free interest rate	4.39%	4.61%	4.91%	4.53%
Dividend yield	0%	0%	1.8%	1.8%

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

28 SHARE-BASED PAYMENTS *(continued)*

(B) Post Listing Share Option Scheme

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

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

The total number of shares of the Company issued and to be issued upon exercise of the options under the Post Listing Scheme and any other share option scheme of the Company must not, in aggregate, exceed 77,055,980 shares. The total number of shares available for issue as at 30 June 2012 is 27,055,980, representing 2.2% of the issued share capital.

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

	Number of instruments	Vesting conditions	Contractual life of options	Expiry date
Options granted to directors:				
– on 27 May 2011	10,750,000	(i)	8 years	26 May 2018
Options granted to employees:				
– on 27 May 2011	19,250,000	(i)	8 years	26 May 2018
– on 28 February 2012	20,000,000	(ii)	8 years	27 February 2019
Total share options granted	50,000,000			

Notes:

(i) 30%, 30% and 40% of the options become exercisable after the first, second and third anniversary from the date of grant, respectively, subject to continuing employment.

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

28 SHARE-BASED PAYMENTS *(continued)*

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

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

	2012		2011	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Outstanding at beginning of year	49,634,000	HKD7.02	30,000,000	HKD5.68
Granted during the year	–	–	20,000,000	HKD9.00
Exercised during the year	–	–	(366,000)	HKD5.68
Outstanding at end of year	49,634,000	HKD7.02	49,634,000	HKD7.02
Exercisable at end of year	21,634,000	HKD6.29	8,634,000	HKD5.68

The options outstanding at the end of the reporting period have a weighted average remaining contractual life of 6 years (2011: 7 years) and exercise prices were set at HKD5.68 and HKD9.00 (2011: HKD5.68 and HKD9.00).

(c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on the Black-Scholes Option Pricing Model and binominal model for the shares option granted on 27 May 2010 and 28 February 2011 respectively, taking into the account the terms and conditions upon which the options were granted.

The inputs into the model were as follows:

Grant date	27 May 2010	28 February 2011
Spot price	HKD5.50	HKD9.00
Expected life (years)	4.5 to 5.5	8
Exercise price	HKD5.68	HKD9.00
Expected volatility	45.88% to 47.19%	53%
Risk-free interest rate	1.393% to 1.668%	2.511%
Dividend yield	1.8%	2.7%

In respect of the share options granted on 27 May 2010 and 28 February 2011, as the Company has a short history of volatility in the HKEx at the grant date, the expected volatility is based on the historical volatility of the Company's share price on AIM and it is assumed the volatility is constant throughout the option life.

29 OBLIGATION UNDER FINANCE LEASE

At 30 June 2012, the Group had obligation under finance lease repayable as follows:

	Group			
	2012		2011	
	Present value of the minimum lease payments *RMB'000*	**Total minimum lease payments** *RMB'000*	Present value of the minimum lease payments *RMB'000*	Total minimum lease payments *RMB'000*
Within 1 year	97	180	90	180
After 1 year but within 2 years	105	180	97	180
After 2 years but within 5 years	368	540	341	540
After 5 years	464	540	596	720
	937	1,260	1,034	1,440
	1,034	1,440	1,124	1,620
Less: total future interest expenses		(406)		(496)
Present value of lease obligation		1,034		1,124

30 TRADE AND OTHER PAYABLES

	Group		
	30 June 2012 *RMB'000*	30 June 2011 *RMB'000*	1 July 2010 *RMB'000*
Trade payables	21,977	25,811	19,478
Other payables and accruals	34,830	32,650	24,913
	56,807	58,461	44,391

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

30 TRADE AND OTHER PAYABLES *(continued)*

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

	Group 30 June 2012 RMB'000	Group 30 June 2011 RMB'000
Due within 3 months or on demand	21,246	28,456
Due after 3 months but within 6 months	93	93
Due after 6 months but within 1 year	543	126
Due over 1 year	95	136
	21,977	28,811
Represented by:		
Trade payables	21,977	25,811
Amount due to a related party	–	3,000
	21,977	28,811

31 COMMITMENTS

a) Operating lease commitments

At 30 June 2012, the Group's total future minimum lease payments under non-cancellable operating leases are payable as follows:

	Group 30 June 2012 RMB'000	Group 30 June 2011 RMB'000
Within 1 year	6,636	6,737
After 1 year but within 5 years	27,336	25,885
After 5 years	346,965	354,799
	380,937	387,421

Operating lease payments represent rental payable by the Group for certain properties premises and land on which the plantations are situated. The leases of properties typically run for an initial period of one to ten years, with options to renew the leases and renegotiate the terms at expiry dates or at dates mutually agreed with the respective lessors. The leases for the plantation bases are negotiated for a term of 50 years expiring from 2050 to 2060. None of the leases include contingent rentals.

b) Capital and other commitments

At 30 June 2012, the Group had the following capital and other commitments:

	Group 30 June 2012 RMB'000	Group 30 June 2011 RMB'000
Contracted but not provided for		
Construction-in-progress, property, plant and equipment and land use rights	87,725	149,035

32 ACQUISITION OF SUBSIDIARIES

On 30 November 2010, the Company completed the acquisition of the entire issued share capital of BPG Food & Beverage 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 sale of fruit 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. The acquisition was made with the aims to expanding into the concentrated fruit juice market in the PRC.

a) The fair value of consideration transferred

	HKD'000	Equivalent to *RMB'000*
Cash	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

The fair value of the 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 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:

	RMB'000
Non-current assets	
Property, plant and equipment (note 15)	315,892
Land use rights (note 16)	16,360
Construction-in-progress (note 17)	4,135
Intangible assets (note 19)	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

* Included in trade and other payables was an amount of RMB213,788,000 payable on demand to Sunshine Hero Limited, a former shareholder of BPG Food & Beverage holding approximately 9.60% of the Company's total issued share capital as at 30 June 2011. This balance was unsecured, interest free and fully settled during the year ended 30 June 2011.

32 ACQUISITION OF SUBSIDIARIES *(continued)*

c) Non-controlling interest

The non-controlling interest (7.06%) in certain subsidiaries of BPG Food & Beverage recognised at the acquisition date was measured at the non-controlling interest's proportionate share of those subsidiaries the net identifiable assets 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 assets acquired	(891,563)
Goodwill arising on acquisition (see note 22)	1,157,261

The goodwill arising on this acquisition is attributable to the expected earnings growth of BPG Food & Beverage and its subsidiaries (together the "BPG group") and synergies expected to be achieved as a result of combining BPG group with the rest of the Group, and is not expected to be deductible for tax purposes.

e) Cash outflow on acquisition of subsidiaries

	RMB'000
Cash consideration paid	666,510
Less: Cash and cash equivalent balances acquired	(505,427)
	161,083

f) Impact of acquisition on the results of the Group

From date of acquisition to 30 June 2011, the BPG group contributed RMB417,393,000 to turnover and RMB131,845,000 to profit. Had this acquisition been effected on 1 July 2010, the BPG group would have contributed RMB774,220,000 to turnover and RMB239,277,000 to profit for the year ended 30 June 2011. This pro-forma information is for illustration purposes and should not be viewed as an indication of the results of operations that would have occurred if the acquisition had been completed on 1 July 2010.

33 RELATED PARTY TRANSACTIONS

In addition to those disclosed elsewhere in the consolidated financial statements, the Group had the following significant related party transactions during the year:

a) Significant transactions with related parties

	Group 2012 RMB'000	2011 RMB'000
Purchases of organic fertilisers from:		
Fujian Zhangzhou Chaoda Microbe Organic Fertiliser Company Limited ("Zhangzhou Chaoda")	5,321	23,357
Weizhou Chaoda Microbe Organic Fertiliser Company Limited ("Weizhou Chaoda")	–	10,800
Nanfeng Chaoda Microbe Organic Fertiliser Company Limited ("Nanfeng Chaoda")	–	28
	5,321	34,185
Operating lease expenses paid to:		
Alpha Best Limited	251	208
Pan Air and Sea Forwards (HK) Limited	388	285
	639	493

Zhangzhou Chaoda, Weizhou Chaoda and Nanfeng Chaoda were related parties of the Group by virtue of Mr. Kwok Ho's interest. The entire registered capital of Zhangzhou Chaoda, Weizhou Chaoda and Nanfeng Chaoda is indirectly held by Mr. Kwok Ho, a director of Lucky Team (Hepu) and a substantial shareholder in Chaoda Modern Agriculture (Holdings) Limited ("Chaoda"). Chaoda is in turn the holding company of Huge Market Investment Limited, a substantial shareholder of the Company until 25 November 2011. The purchases from Zhangzhou Chaoda, Weizhou Chaoda and Nanfeng Chaoda were charged at prices and terms comparable with those charged to and contracted with independent third parties. Starting from October 2011, the Group ceased to purchase organic fertilisers from Zhangzhou Chaoda, Weizhou Chaoda and Nanfeng Chaoda.

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

At 30 June 2012, the Group had the following amounts due to related parties, which were trade in nature:

	Group 2012 RMB'000	2011 RMB'000
Zhangzhou Chaoda	–	3,000

33 RELATED PARTY TRANSACTIONS *(continued)*

b) Compensation of key management personnel

	Group	
	2012	2011
	RMB'000	*RMB'000*
Short-term employee benefits	10,121	9,024
Share-based payments	11,364	19,449
Post-employment benefits	85	73
	21,570	28,546

Total remuneration is included in "staff costs" (note 10(b)).

34 EVENTS AFTER THE REPORTING PERIOD

Except as disclosed elsewhere in the consolidated financial statements, there was no significant event after the end of the reporting period.

FIVE YEAR FINANCIAL SUMMARY

	Years ended 30 June				
	2012	2011*	2010	2009	2008
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
RESULTS					
Revenue	**1,776,144**	1,412,621	812,482	668,259	533,755
Net gain on changes in fair value of biological assets	**166,900**	507,712	306,000	210,630	165,000
Profit before income tax	**765,058**	1,050,238	587,321	442,266	367,741
Income tax expense	**–**	(1,785)	(1,854)	(2,205)	31,552
Profit attributable to shareholders	**750,200**	1,038,953	585,467	440,061	399,293

	As at 30 June				
	2012	2011*	2010*	2009	2008
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
ASSETS and LIABILITIES					
Non-current assets	**5,607,589**	5,190,384	2,869,209	2,391,589	2,123,749
Property, plant and equipment	**1,835,518**	1,638,339	1,161,437	1,083,758	999,155
Biological assets	**2,463,860**	2,232,058	1,642,024	1,196,663	947,996
Current assets	**2,702,539**	2,526,504	1,104,262	565,530	403,501
Total assets	**8,310,128**	7,716,888	3,973,471	2,957,119	2,527,250
Non-current liabilities	**937**	1,034	–	–	–
Current liabilities	**56,904**	61,551	51,779	51,796	57,966
Capital and reserves	**8,252,287**	7,654,303	3,921,692	2,905,323	2,469,284

* Figures re-presented in accordance with the audited consolidated financial statements for the year ended 30 June 2012.

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