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)

ANNUAL REPORT 2012/13

** For identification purposes only*

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FINANCIAL HIGHLIGHTS

RESULTS OF OPERATIONS (RMB MILLION)

	For the year ended 30 June		
	2013	2012	% change
Reported financial information			
Revenue	**1,485.9**	1,776.1	-16.3
Gross profit	**497.6**	792.4	-37.2
EBITDA	**211.3**	876.7	-75.9
Profit before tax	**124.7**	765.1	-83.7
Profit attributable to shareholders	**114.4**	750.2	-84.8
Basic earnings per share (RMB)	**0.09**	0.62	-85.5
Interim Dividend per share (RMB)	**0.03**	0.03	–
Interim Special Dividend per share (RMB)	**0.02**	0.02	–
Final Dividend per share (RMB)	**0.05**	0.13	-61.5
Total Dividend per share (RMB)	**0.10**	0.18	-44.4
Core net profit#			
EBITDA	**496.5**	755.6	-34.3
Profit before tax	**409.8**	644.0	-36.4
Profit attributable to shareholders	**399.6**	629.1	-36.5
Basic earnings per share (RMB)	**0.33**	0.52	-36.5
FINANCIAL RATIOS			
Gross profit margin (%)	**33.5**	44.6	
Return on assets (%)	**1.4**	9.0	
Return on equity (%)	**1.4**	9.2	
Asset turnover (x)	**0.18**	0.21	
Current ratio (x)	**23.62**	47.49	
FINANCIAL POSITION (RMB million)			
Total assets	**8,308.8**	8,310.1	
Net current assets	**2,363.2**	2,645.6	
Cash and cash equivalents	**2,141.2**	2,388.1	
Shareholders' fund	**8,091.0**	8,150.1	

Core net profit refers to profit for the year excluding net gain/loss on change in fair value of biological assets and share-based payment.

For the year ended 30 June 2013, we again faced a number of challenges. These for the most part proved to be of a temporary nature and are currently being resolved.

The most serious challenge we experienced was the decline in production of winter and summer oranges at our Hepu Plantation in Guangxi, which led to a drop in revenue for the year. There were two reasons for the decrease in our crop yield. First was the ongoing replanting programme for replacing our existing winter orange trees at the Hepu Plantation. The second, also at Hepu, was an outbreak of citrus canker caused by the severe weather conditions of last year.

In addition, our fruit processing business continued to suffer from the lower average selling price of pineapple juice concentrates, our main product, over the whole year as compared with the previous year.

Nevertheless, we are confident in the prospects for our business and have taken proactive measures to ensure 2013/14 will be a more productive year for Asian Citrus.

FINANCIAL HIGHLIGHTS

The Group's total revenues for the year under review decreased by approximately 16.3% from RMB1,776.6 million to RMB1,485.9 million, whilst core net profit for the year declined by approximately 36.5% from RMB629.1 million to RMB399.6 million.

Revenue from the sale of oranges at our two operating plantations (Hepu and Xinfeng) decreased by 13.0% to RMB920 million for the year ended 30 June 2013. This was mainly due to a decrease of approximately 10.2% in the Group's production to 218,600 tonnes, combined with a 2.9% decrease in the average selling price of oranges.

Revenue from the sale of processed fruits fell by 20.8% to RMB564.1 million for the year as compared with the same year in 2012, due primarily to the lower average selling price of pineapple juice concentrates. The price for pineapple juice concentrates reached a low in August 2012, recovered slightly through to and during the first quarter of 2013 and remained flat thereafter.

Our fruit processing business, Beihai BPG, processes over 22 different types of fruit with differing gross profit margins. The normalised gross profit margin of Beihai BPG for the year ended 30 June 2013 decreased to 26.0% compared with 30.8% last year.

OPERATIONAL REVIEW

Our three plantations in mainland China occupy a total area of around 103 square kilometres with two currently in operation: Hepu Plantation in Guangxi Zhuang Autonomous Region ("Guangxi") and Xinfeng Plantation in Jiangxi Province. Our third plantation in Hunan province remains on track to begin production in 2014.

For the year to 30 June 2013, the production at Hepu Plantation decreased by 22.7% from 116,720 tonnes to 90,205 tonnes. This was mainly due to the ongoing replanting programme started last year to replace the existing winter orange trees. Another contributing factor in the decline at the Hepu Plantation was the unstable weather in 2012 that led to an extensive infection of citrus canker, a latent infection amongst oranges and other citrus crops that affects the leaf and the fruit, and causes premature fruit drop. To combat this outbreak, we have been trimming trees to reduce the disease's impact and have applied additional fertilisers, pesticides and bactericide from May to August 2013. We have also doubled our inspections of the trees from twice a month to once a week during the typhoon period from June to September. Although we believe the effect of the citrus canker infection will be limited to the current year's summer crop, as of the time of writing there are still two months left in the typhoon season so the ultimate effectiveness of our treatment programme is yet to be determined.

The production from the Xinfeng Plantation, on the other hand, increased by 1.3% to 128,395 tonnes for the year ended 30 June 2013 compared with 126,701 tonnes last year as the orange trees continued to mature.

Our third plantation in Hunan province, which was developed in 2007, is on schedule to begin first harvesting from the first batch of the summer orange trees in 2014. By June 2013, our fourth phase of planting, we had planted 1.4 million trees and will plant another 400,000 trees by the end of 2013 to reach a total of 1.8 million trees.

Through our 92.94% equity interest in Behai BPG we operate two fruit processing plants: one in Beihai city and the other in Hepu county in Guangxi. Covering a total site area of nearly 110,000 square metres, these plants have an annual production capacity of over 60,000 tonnes with an average utilisation rate of 87.7% for the year ended 30 June 2013.

We will be increasing our overall production capacity with a third plant in Baise City, Guangxi, which has successfully commenced trial production and is scheduled to start normal operation in the 2013/2014 financial year. It is expected that in the first year of full operation, the utilisation rate of the new plant will not be as high as the two existing plants as it typically take three to five years for a new plant to achieve full capacity.

DIVERSIFYING OUR PRODUCT MIX

In order to diversify our product portfolio and minimise the seasonal impact of relying on one crop, we are replacing some of our winter orange trees at the Hepu Plantation with banana trees.

We believe that bananas are an excellent replacement crop. Unlike orange trees which require four years before first harvest, new banana trees can be harvested after only 12 months giving us a faster payback period. Following a trial planting of approximately 220,000 banana trees in August 2013, we expect that we can begin harvesting in September 2014.

Another advantage of bananas is that less land is needed for their cultivation, which provides us with greater flexibility to lease more land should the trial prove successful as anticipated. Bananas will be sold in the domestic market and processed as frozen fruit at our processing facilities.

We are also planting another new crop, grapefruit, in the Hunan Plantation using high quality seedlings from the United States. This is the first time grapefruits, a type of citrus fruit which until now have been imported from the US or Thailand, are being cultivated by a large plantation operation in China. Again, grapefruits will extend our harvesting period (from mid-August to Chinese New Year) and help us balance our revenue stream.

In future, we will consider other fruits, such as pineapples for processing into juice concentrates, and are investigating land suitable for growing this fruit.

CORPORATE GOVERNANCE

During the year, there were a number of changes to our management and board. On behalf of the Board, I would like to express my appreciation to Mr. Ip Chi Ming, Mr. Nicholas Smith and Mr. Sung Chi Keung for the invaluable contributions to the Company. I would also like to thank and welcome Mr. Ng Hoi Yue to the Board.

With the changes to the Board's composition, five of the members (over half) are now Independent Non-Executive Directors, which more than fulfils the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Hong Kong Listing Rules") and reflects our commitment to good corporate governance.

Despite the changes in the Board and senior management, the transition has been smooth with no material impact on our operations. Further, a committee has been formed to select the replacement of the Chief Financial Officer of the Company by December 2013.

DIVIDEND

We have decided to recommend a dividend to our shareholders, in line with our existing dividend policy of issuing dividends of at least 30% of our core net profit.

The Directors, by majority, are pleased to recommend that a final dividend of RMB0.05 (2012: RMB0.13) per share. The final dividend, together with the interim and special dividends of RMB0.03 (2012: RMB0.03) and RMB0.02 (2012: RMB0.02) per share, will make a total of RMB0.10 (2012: RMB0.18) per share for the whole year ended 30 June 2013.

The final dividend, if approved at the annual general meeting on 12 November 2013, will be paid in sterling or HK Dollars on or before 31 December 2013, to shareholders on the register at the close of business on 15 November 2013, with an ex-dividend date of 14 November 2013 and 13 November 2013 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 19 November 2013.

In addition to a cash dividend, the Directors, by majority, have also decided to continue the Scrip Dividend Scheme, in which shareholders can choose to receive the final dividend for the year in the form of shares. This scheme offers an additional option to shareholders as well as the opportunity to buy more shares at a low price.

SHARE REPURCHASE PROGRAMME

We instituted a share repurchase programme in October 2011 under which the repurchased shares are for cancellation. To date, we have spent close to HK$90 million in share buybacks.

THE YEAR AHEAD

The year under review was challenging for Asian Citrus, but we are confident that the coming year offers much brighter prospects for our business.

As I mentioned earlier, the severe citrus canker outbreak may be temporary and we are taking preventive measures to minimize the risk to our future crops. We also anticipate that production volumes of summer oranges from the Hepu Plantation will return to previous levels in the financial year 2014, subject to normal weather conditions.

Over the medium term, we also expect the Hunan plantation to begin producing oranges and contribute to the overall production volume of oranges.

The diversification of our product portfolio with the addition of bananas, grapefruits and possibly other fruits will help shield us from the price fluctuations and biological threats that leave us vulnerable when specialising in a single crop.

We can also expect greater production capacity from our fruit processing business when the new plant at Baise City comes fully on stream. Together with our diversification strategy for our plantations, this will fuel the organic growth of the Company. The Group will also be seeking opportunities for flexible growth through suitable merger and acquisition activities.

On behalf of the Board, I would like to take this opportunity to thank our management team and employees for their unwavering commitment to the Company. I would also like to extend my gratitude to our shareholders, business partners and investors for their continuing support during this challenging period. Although we have faced challenges over the past year, our fundamentals are sound and I remain confident that we will begin to provide more encouraging results in the year ahead.

TONY TONG
Chairman
27 September 2013

OPERATING PERFORMANCE

Revenue

The breakdown of revenue by types is as follows:

	For the year ended 30 June			
	2013		2012	
	RMB'000	% of total revenue	RMB'000	% of total revenue
Hepu Plantation	449,230	30.2%	593,454	33.4%
Xinfeng Plantation	470,753	31.7%	463,873	26.1%
Sale of oranges	919,983	61.9%	1,057,327	59.5%
Sale of processed fruit	564,089	38.0%	715,473	40.3%
Sale of self-bred saplings	1,840	0.1%	3,344	0.2%
Total revenue	1,485,912	100.0%	1,776,144	100.0%

The Group's revenue decreased by 16.3% from RMB1,776.1 million to RMB1,485.9 million for the year ended 30 June 2013.

Sale of oranges

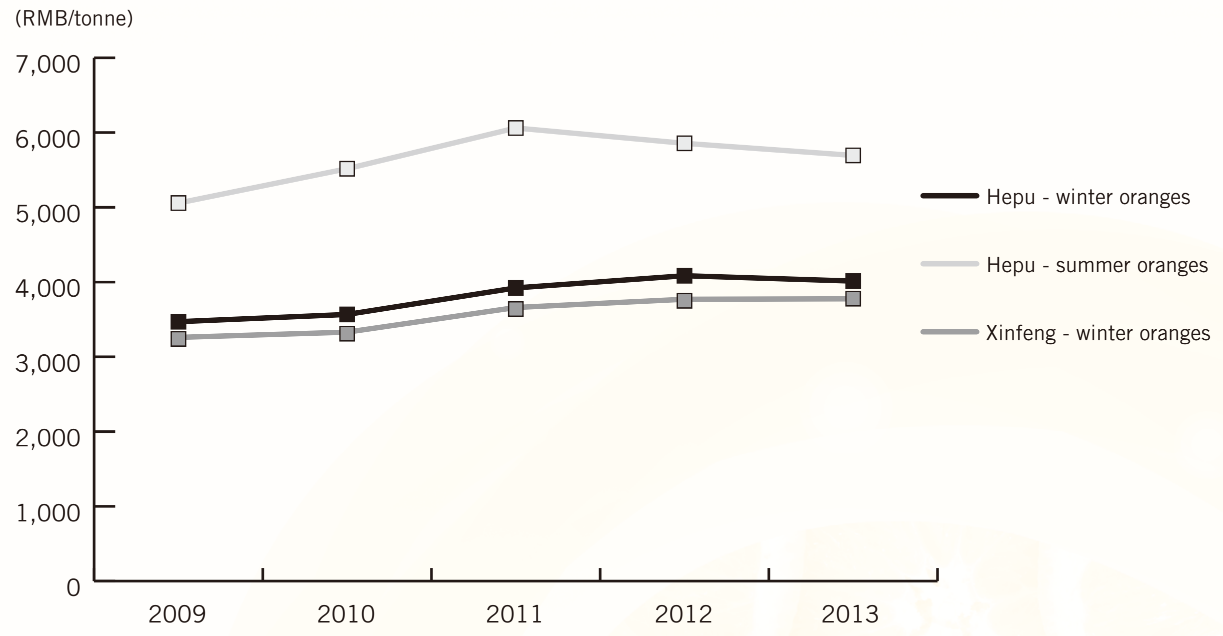
Revenue from sale of oranges decreased by 13.0% to RMB920.0 million for the year ended 30 June 2013. This was mainly due to a decrease of approximately 10.2% in the Group's production to 218,600 tonnes combined with 2.9% decrease in average selling price of the Group.

The production yield from Hepu Plantation decreased by 22.7% from 116,720 tonnes to 90,205 tonnes for the year ended 30 June 2013. This was mainly due to the ongoing replanting programme to replace the existing winter orange trees in the last year and the unstable weather conditions experienced during 2012 which led to an extensive infection of citrus canker, a latent infection amongst oranges and other citrus crops which is for the most part controllable in normal weather conditions but to which such crops are at much higher risk during periods of heavy rainfall and typhoons, such as those experienced in 2012. The infection resulted in a significant volume of premature fruit drop in the summer oranges. The Board considers the effect of this severe outbreak of citrus canker infection will probably be limited to the current year's summer crop and anticipates that production volumes of summer oranges from Hepu Plantation will return in the financial year 2014 to volumes akin to previously reported levels, subject to normal weather conditions.

As the orange trees continue to mature, the production yield from the Xinfeng Plantation increased by 1.3% to 128,395 tonnes for the year ended 30 June 2013 from 126,701 tonnes in the comparable year. The unstable weather and persistent heavy rainfall in 2012 also limited the growth of this year's winter orange crop in the Xinfeng Plantation.

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

	Year ended 30 June 2009 (RMB/tonne)	2010 (RMB/tonne)	2011 (RMB/tonne)	2012 (RMB/tonne)	**2013 (RMB/tonne)**
Hepu plantation					
Winter oranges	3,470	3,567	3,922	4,085	**4,013**
Summer oranges	5,057	5,516	6,061	5,856	**5,694**
Xinfeng plantation					
Winter oranges	3,260	3,330	3,660	3,770	**3,776**



The average selling prices of winter and summer oranges were relatively stable for the year ended 30 June 2013.

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	
	2013	2012
	% of sale of oranges	
Types of customers		
Supermarket chains	27.9%	34.8%
Corporate customers	43.6%	36.6%
Wholesale customers	28.1%	28.0%
Other	0.4%	0.6%
Total	100.0%	100.0%

For the year ended 30 June 2013, the volume and revenue from supermarket chains represented approximately 23.7% and 27.9% respectively of the Group, compared to approximately 29.5% and 34.8% respectively for the year ended 30 June 2012. As the Xinfeng Plantation has not yet achieved full maturity, the oranges were mainly sold to corporate and wholesale customers, thereby reducing the percentage of sale to supermarket chains.

For the Hepu Plantation and Xinfeng Plantation, the volume sold to supermarkets was 24,907 tonnes and 26,901 tonnes for the year ended 30 June 2013, down from 39,423 tonnes and 32,347 tonnes for the year ended 30 June 2012 respectively. The decrease in Hepu Plantation was mainly due to the lower production yield of oranges for the year ended 30 June 2013. Also, starting from this year, the Group has supplied several major domestic and international supermarket chains with graded oranges through sizeable distributors instead of through direct sales.

The Company is selling two types of oranges to customers, namely ungraded oranges and graded oranges. Ungraded oranges are packaged and the customers have to arrange for the transportation of the oranges at their own cost. Usually, the ungraded oranges are sold to wholesale customers. Graded oranges are oranges that the Company grades, packages and delivers to the customers at our cost, usually to supermarket customers. The graded oranges are sold under the "Royal Star" brand to supermarket customers 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	
	2013	2012
	% of sale of oranges	
Types of oranges		
Graded oranges	18.2%	25.7%
Ungraded oranges	81.8%	74.3%
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 fruits:

	For the year ended 30 June			
	2013		2012	
	Volume (Tonnes)	Revenue RMB'000	Volume (Tonnes)	Revenue RMB'000
Pineapple juice concentrates	18,295	176,929	24,348	271,650
Other juice concentrates	11,230	191,606	10,017	162,239
Other fruit purees	13,354	88,962	17,472	125,555
Frozen and fried fruits and vegetables	14,051	93,743	18,170	119,087
	56,930	551,240	70,007	678,531
Fruit juice trading	N/A	12,849	N/A	36,942
Total	56,930	564,089	70,007	715,473

Beihai BPG processes over 22 different types of tropical fruits, including pineapples, passion fruit, lychees, mangoes and papayas. Only single product 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 decreased by 21.2% to RMB564.1 million for the year ended 30 June 2013. This was mainly due to the lower average selling price of pineapple juice concentrates, the Group's main juice concentrate product, for the year ended 30 June 2013 compared to the corresponding period in 2012 as a result of the destocking by Thailand and Philippine producers. The price of pineapple juice concentrates started to decrease in January 2012, reached a low in August 2012 and has improved slightly through to and during the first quarter of 2013 and remained flat thereafter. Also, the unstable weather conditions limited the supply of several types of fruits available for juice processing.

The overall average selling price for the year ended 30 June 2013 was therefore lower than last year. The average utilisation rate of two existing processing plants in Beihai and Hepu is approximately 87.7% for the year ended 30 June 2013.

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

Sale of self-bred saplings

For the year ended 30 June 2013, RMB1.8 million was recognised from the sale of approximately 153,000 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			
	2013		2012	
	RMB'000	% of cost of sales of respective segment	RMB'000	% of cost of sales of respective segment
Inventories used				
Fertilisers	297,510	52.2%	252,868	51.8%
Packaging materials	34,597	6.1%	40,420	8.3%
Pesticides	74,664	13.1%	54,844	11.2%
	406,771	71.4%	348,132	71.3%
Production overheads				
Direct labour	55,836	9.8%	45,123	9.3%
Depreciation	67,557	11.9%	61,638	12.6%
Others	39,600	6.9%	33,250	6.8%
Cost of sales of oranges	569,764	100.0%	488,143	100.0%
Fruits	258,550	62.0%	308,783	62.4%
Packaging materials	34,696	8.3%	34,103	6.9%
Direct labour	28,903	6.9%	26,169	5.3%
Other production overheads	95,017	22.8%	125,695	25.4%
Cost of sales of processed fruits	417,166	100.0%	494,750	100.0%
Cost of sales of self-bred saplings	1,383		850	
Total	988,313		983,743	

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 sales of oranges increased by 16.7% from RMB488.1 million to RMB569.8 million. The increase in production costs was mainly due to the increase in fertilisers and pesticides consumed as a result of the unstable weather and citrus canker during the year and higher labour costs incurred due to general wage inflation in the PRC during the year. As a result, the unit cost of production in the Hepu Plantation and Xinfeng Plantation increased to approximately RMB2.84 and RMB2.44 per kg respectively for the year ended 30 June 2013 (2012: RMB1.81 per kg and RMB2.18 per kg respectively).

Cost of sales of processed fruits mainly includes the costs of fruits and packaging materials and other direct costs such as direct labour and production overheads. For the year ended 30 June 2013, the cost of sales of processed fruits decreased by 15.7% from RMB494.8 million to RMB417.2 million. The decrease was mainly due to decrease in the fruits cost by 16.3% from RMB308.8 million to RMB258.6 million.

Gross profit

The Group's overall gross profit decreased by 37.2% to approximately RMB497.6 million for the year ended 30 June 2013 (2012: RMB792.4 million). The overall gross profit margin decreased from 44.6% to 33.5% for the year ended 30 June 2013.

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

	For the year ended 30 June	
	2013	2012
Hepu Plantation	43.0%	64.3%
Xinfeng Plantation	33.4%	40.4%

The gross profit margin of the Hepu Plantation and Xinfeng Planation decreased to approximately 43.0% and 33.4% respectively (2012: 64.3% and 40.4% respectively). The decrease was mainly due to the lower production volume, higher volume of fertilisers and pesticides consumed as a result of the unstable weather and citrus canker during the year and higher labour costs incurred as a result of the general wage inflation in the PRC.

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

	For the year ended 30 June	
	2013	2012
Sale of oranges	38.1%	53.8%
Sale of processed fruits	26.0%	30.8%
Sale of self-bred saplings	24.8%	75.0%
Overall gross profit margin	33.5%	44.6%

Due to higher contribution from Xinfeng Plantation with a relatively lower margin and the decrease of the gross profit margin in both Hepu Plantation and Xinfeng Planation, the overall gross profit margin from sales of oranges dropped to approximately 38.1% (2012: 53.8%) for the year ended 30 June 2013.

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 2013 decreased to 26.0% compared to 30.8% in last year. This was mainly due to the overall lower selling price for the year.

Loss on change in fair value of biological assets

The Group recorded a loss of RMB260.5 million from the change in fair value of biological assets for the year ended 30 June 2013, compared to a gain of RMB166.9 million last year. The loss was mainly due to the combined impact from the slight decrease in yield per tree, slight increase in orange price and the increase in direct production costs during the year. The Board wishes to emphasise that the loss on change on fair value of biological assets is non-operational and does not have any effect on the cash flow of the Group for the year ended 30 June 2013.

Other income

The increase in other income was mainly due to the higher interest income arising from the bank balance during the year as more money has been placed in the fixed deposits with higher interest rate. The effective interest rate for bank deposits for the year is approximately 2.23% (2012: 0.93%).

Selling and distribution expenses

Selling and distribution expenses mainly comprise sales commissions, advertising, salaries and welfare of sales personnel, traveling and transportation expenses. The selling and distribution expenses of the Group decreased from approximately RMB60.6 million for the year ended 30 June 2012 to approximately RMB45.6 million for the year ended 30 June 2013, mainly due to the reduction in transportation costs in the Hepu Plantation resulting from the reduction in graded oranges sold during the year.

Selling and distribution expenses represented 3.1% of the Group's revenue, a decrease of 0.3 percentage points as compared to 3.4% in last year, demonstrating the Group's ability to control costs effectively.

General and administrative expenses

General and administrative expenses comprise mainly salary, office administration expenses, depreciation, amortization, raw material and research costs. The general and administrative expenses of the Group were approximately RMB120.1 million for the year ended 30 June 2013 (2012: RMB157.6 million), representing a decrease of 23.8%. The decrease was mainly due to the lower share based payment in relation to the employee share options.

General and administrative expenses represented 8.1% of the Group's revenue, a decrease of 0.8 percentage points as compared to 8.9% in last year, demonstrating the Group's ability to control costs effectively.

Profit

The profit attributable to shareholders for the year ended 30 June 2013 decreased to approximately RMB114.4 million, compared to approximately RMB750.2 million in last year, representing a decrease of approximately 84.8%.

The core net profit, which refers to profit for the period excluding net change in fair value of biological assets and share-based payments, for the year ended 30 June 2013 was approximately RMB399.6 million, compared to approximately RMB629.1 million in last year, representing a decrease of approximately 36.5%.

FINAL DIVIDEND

The Directors are pleased to recommend a final dividend of RMB0.05 (2012: RMB0.13) per share. The final dividend, together with the interim and special dividends of RMB0.03 (2012: RMB0.03) and RMB0.02 (2012: RMB0.02) per share, will make a total of RMB0.10 (2012: RMB0.18) per share for the whole year ended 30 June 2013.

PRODUCTIVITY

	For the year ended 30 June			
	2013		2012	
Types of produce	Tonnes	% of Total output	Tonnes	% of total output
Winter oranges	161,233	73.8%	171,607	70.5%
Summer oranges	57,367	26.2%	71,814	29.5%
Total	218,600		243,421	

The production volume of winter oranges decreased 6.0% to 161,233 tonnes during the year ended 30 June 2013. The production volume of winter oranges in Hepu Plantation decrease 26.9% from approximately 44,906 tonnes last year to approximately 32,838 tonnes in the current year due to the ongoing replanting programme. In the year to 30 June 2012, 66,449 winter orange trees were removed and replanted with the same number of the summer orange trees. The production volume of winter orange from the Xinfeng Plantation increased by 1.3% from approximately 126,701 tonnes last year to approximately 128,395 tonnes in the current year due to increased maturity during the year. However, the unstable weather and persistent heavy rainfall in 2012 limited the growth of this year's winter orange crop in the Xinfeng Plantation.

The production volume of summer oranges decreased to 57,367 tonnes for the year ended 30 June 2013 (2012: 71,814 tonnes) due to the unstable weather conditions experienced during 2012 which led to an extensive infection of citrus canker, a latent infection amongst oranges and other citrus crops which is for the most part controllable in normal weather conditions but to which such crops are at much higher risk during periods of heavy rainfall and typhoons, such as those experienced in 2012. The infection resulted in a significant volume of premature fruit drop in the summer oranges. The Board considers the effect of this citrus canker infection may be limited to the current year's summer crop and anticipates that production volume of summer oranges from Hepu Plantation will return in the financial year 2014 to volumes akin to previously reported levels, subject to normal weather conditions.

CAPITAL STRUCTURE

As at 30 June 2013 there were 1,229,558,555 shares in issue. Based on the closing price of HK$2.76 as at 28 June 2013, the market capitalisation of the Company was approximately HK$3,393.6 million (GBP287.5 million).

HUMAN RESOURCES

There were a total of 1,697 employees of the Group as at 30 June 2013 (2012: 1,692 employees). 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 2013	30 June 2012
Current ratio (x)	23.62	47.49
Quick ratio (x)	21.14	43.49
Asset turnover (x)	0.18	0.21
Core net profit per share (RMB)	0.33	0.52
Basic earnings per share (RMB)	0.09	0.62
Net debt to equity (%)	Net cash	Net cash

Liquidity

The current ratio and quick ratio was 23.62 and 21.14 respectively. The liquidity of the Group remained healthy with sufficient reserves for both current operation and future development.

Profitability

The asset turnover of the Group decreased to 0.18 (2012: 0.21) for the year ended 30 June 2013. The decline in the ratio was mainly due to the reduction in the revenue for the year as mentioned previously.

The basic earnings per share for the year ended 2013 was RMB0.09 (2012: RMB0.62). This was due to the 84.8% decrease in profit attributable to shareholders for the year.

The core net profit per share for the year ended 30 June 2013 was RMB0.33 (2012: RMB0.52), representing a decrease of 36.5%.

Debt ratio

The net cash positions of the Group were RMB2,141.2 million and RMB2,388.1 million at 30 June 2013 and 2012 respectively.

Internal cash resource

The Group's major internal cash resource is its cash and cash equivalents. The Group did not have any outstanding bank borrowings as at 30 June 2013.

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 2013.

Capital Commitments

As at 30 June 2013, the Group had capital commitments of approximately RMB74.7 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.) located 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 1.2 million orange trees of which approximately 1.0 million trees were producing oranges. During the year, the last batch of 48,058 winter orange trees were removed according to the replanting programme and we commenced a trial planting of banana trees in the same area to diversify its range of produce so as to reduce the reliance on one agricultural product. A total of approximately 220,000 banana trees were planted in August 2013. The first harvest of banana is expected in August to September 2014.

Xinfeng Plantation

The Xinfeng Plantation is fully planted and comprises 1.6 million winter orange trees, all of which are now producing oranges.

Hunan Plantation

The Hunan Plantation is still under development and comprises approximately 1.4 million summer orange trees and grapefruit trees as at 30 June 2013. During the year ended 30 June 2013, approximately 300,000 grapefruit trees were planted with a further 450,000 grapefruit trees to be planted by end of 2013. By that time, the construction of Hunan Planation is expected to be completed.

The below table sets out the age profile as at 30 June 2013 and the production volume of the plantations for the year ended 30 June 2013:

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)
1	66,449	–	622,475	–	688,924	–
2	63,584	–	427,400	–	490,984	–
3	64,194	–	–	–	64,194	–
4	81,261	1,326	–	–	81,261	1,326
5	76,135	2,831	–	–	76,135	2,831
6	55,185	2,689	–	–	55,185	2,689
16	29,996	2,587	–	–	29,996	2,587
17	128,966	11,134	–	–	128,966	11,134
18	186,003	17,436	–	–	186,003	17,436
19	223,741	19,364	–	–	223,741	19,364
	975,514	57,367	1,049,875	–	2,025,389	57,367

Grapefruit 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	–	–	301,200	–	301,200	–
	–	–	301,200	–	301,200	–

Note: Grapefruit is a type of citrus fruit and is harvested during the winter period in the PRC.

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)
6	–	–	400,000	27,860	400,000	27,860
7	–	–	400,000	28,907	400,000	28,907
8	46,077	3,963	400,000	31,052	446,077	35,015
10	180,180	18,341	400,000	40,576	580,180	58,917
11	42,300	4,574	–	–	42,300	4,574
16	–	3,142	–	–	–	3,142
17	–	1,246	–	–	–	1,246
18	–	1,572	–	–	–	1,572
	268,557	32,838	1,600,000	128,395	1,868,557	161,233
Grand total					4,195,146	218,600

Note: 24,937 winter orange trees (age: 16), 10,133 winter orange trees (age: 17) and 12,988 winter orange trees (age: 18) were removed during the year ended 30 June 2013.

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.

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 2013.

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 and performed sample counts on the oranges trees in connection with its 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 2013 was 18.0% (2012: 18.0%). 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, yield per tree increases from age 3 to 10, remains stable for about 22 years, and then decreases until age 32. The 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 RMB3,320 per tonne, RMB5,220 per tonne and RMB3,740 per tonne, respectively, for the year ended 30 June 2013 and RMB3,310 per tonne, RMB5,200 per tonne and RMB3,730 per tonne, respectively, for the year ended 30 June 2012.

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 changes in fair value of orange trees less costs to sell. The following table illustrates the sensitivity of the Group's net change in fair value of orange tree less 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 2013:

	100 basis point Decrease	Base Case	100 basis points Increase
Discount rate	17%	18%	19%
Net change in fair value of biological assets (RMB'000)	(93,268)	(260,468)	(413,668)

2) Changes in the yield per orange tree can also result in significant fluctuations in the changes in fair value of orange trees less costs to sell. The following table illustrates that sensitivity of the Group's net change in fair value of orange trees less costs to sell to 5.0% increase or decrease in the yield per tree applied for the year ended 30 June 2013:

	5.0% Decrease	Base Case	5.0% Increase
Net change in fair value of biological assets (RMB'000)	(423,768)	(260,468)	(97,168)

3) Changes in assumed market prices of the oranges can also result in significant fluctuations in the changes in fair value of orange trees less costs to sell. The following table illustrates the sensitivity of the Group's net change in fair value of orange trees less costs to sell to 5.0% increase or decrease in the assumed market prices of oranges as at 30 June 2013 used to calculate the changes in fair value of orange trees less costs to sell for the year ended 30 June 2013:

	5.0% Decrease	Base Case	5.0% Increase
Net change in fair value of biological assets (RMB'000)	(622,168)	(260,468)	101,232

4) Changes in the assumed direct production costs can also result in significant fluctuations in the changes in fair value of orange trees less costs to sell. The following table illustrates the sensitivity of the Group's net change in fair value of orange trees less costs to sell to 5.0% increases or decreases in the Group's assumed direct production costs used to calculate the changes in fair value of orange trees less costs to sell for the year ended 30 June 2013:

	5.0% Decrease	Base Case	5.0% Increase
Net change in fair value of biological assets (RMB'000)	(67,568)	(260,468)	(453,368)

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 2013 was estimated to be approximately RMB1,983 million (2012: RMB2,226 million).

EXECUTIVE DIRECTORS

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

Mr. Tong Wang Chow, aged 74, 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, aged 44, 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 and investor relationship 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, aged 54, 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, aged 44, 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.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Hon Peregrine MONCREIFFE, *a member of the Remuneration Committee*

Hon Peregrine Moncreiffe, aged 62, was appointed to the Board on 1 February 2006 and re-designated as Independent Non-Executive Director on 15 March 2013. Mr. Moncreiffe is on the board of Metage Funds Limited and owns less than 2% interests. 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 a director of EnergyO Solutions Russia AB and Aurora Russia Limited. In the past, he was the director of NR Nordic and Russia Properties Ltd..

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

Mr. Ma Chiu Cheung, Andrew, aged 71, joined the Board on 7 August 2004. Mr. Ma is a founder and former Director of AMA CPA Limited (formally 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 Hong Kong Listing Rules.

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

Mr. Yang Zhen Han, aged 81, 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, aged 75, joined the Board on 2 June 2004. Dr. Lui is an industrialist serving as the honorary chairman, the 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 HKEx, 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).

Mr. NG Hoi Yue, *the Chairman of the Remuneration Committee and a member of the Audit Committee*

Mr. Ng Hoi Yue, aged 48, joined the Board on 15 March 2013. Mr. Ng is an associate member of The Institute of Chartered Accountants in England and Wales and a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. He has been practising as a certified public accountant in Hong Kong since 1989. Mr. Ng is currently an independent non-executive director of See Corporation Limited (stock code: 491) and Landing International Development Limited (stock code: 582) of which the shares are listed on HKEx. Mr. Ng has the professional qualifications and accounting expertise as required under Rule 3.10(2) of the Hong Kong Listing Rules.

SENIOR MANAGEMENT

Mr. HUANG Xin, aged 58, 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's degree in 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 53, 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, aged 72, 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, aged 54, 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.

Mr. XIAN Jia Xu, aged 49, 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, aged 49, 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 which was the original owner of the Hepu Plantation, and has over 20 years of experience in agricultural and cultivation management.

Mr. WU Feng, aged 44, 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, aged 61, 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, aged 35, joined the Company in December 2005 and is Acting Chief Financial Officer 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.

Mr. NG Cheuk Lun, aged 36, joined the Company in July 2011 and is the Company Secretary of the Company. Mr. Ng is a member of Hong Kong Institute of Certified Public Accountants and CPA Australia.

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 2013.

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 three 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 & Analysis on pages 3 to 19.

RESULTS

The profit attributable to shareholders for the year is set out in the Consolidated Income Statement on page 46.

DIVIDENDS

The Directors are pleased to recommend the payment of a final dividend of RMB0.05 (2012: RMB0.13) per share on or before 31 December 2013, subject to the approval of the shareholders at the forthcoming annual general meeting (the "AGM") on 12 November 2013. The final dividend, together with the interim and special dividends of RMB0.03 (2012: RMB0.03) and RMB0.02 (2012: RMB0.02) per share respectively, will make a total of RMB0.10 (2012: RMB0.18) per share for the whole year ended 30 June 2013. The actual exchange rate for the purpose of dividend payment in Sterling and HK Dollar will be referenced to the exchange rate on 19 November 2013.

Only shareholders whose names appear on the Company's register of members at the close of business on the record date of 15 November 2013 will be qualified for the proposed dividend, with an ex-dividend date of 14 November 2013 and 13 November 2012 on the 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 15 November 2013.

The shareholders will receive their cash dividend in Sterling or HK Dollar. It is also intended that the scrip dividend alternative to the cash dividend will be offered during 2013. 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 51 and Note 26(a) to the Consolidated Financial Statements respectively. As at 30 June 2013, the Company's reserves available for distribution amounted to approximately RMB3,993,880,000 (2012: RMB3,734,694,000).

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment during the financial year are set out in Note 14 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 2013, the Company repurchased 10,649,000 ordinary shares of HK$0.01 on the HKEx at an aggregate consideration of HK$38,387,280 before expenses. The repurchased shares were subsequently cancelled. 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$	 Lowest price paid HK$	Aggregate consideration paid HK$
July 2012	1,131,000	4.40	3.99	4,741,450
November 2012	9,518,000	3.67	3.21	33,645,830
Total	10,649,000			38,387,280

On 31 December 2012, 17,768,373 ordinary shares of HK$0.01 were issued at the price of HK$3.774 per share to shareholder participating in the scrip dividend.

On 19 June 2013, 415,000 and 1,422,000 ordinary shares of HK$0.01 were issued at the exercise price of GBP0.112 and GBP0.139 respectively upon exercise of a total of 1,837,000 share options under the Share Option Scheme.

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 2013.

DIRECTORS

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

Director

Executive Directors
Mr. Tong Wang Chow
Mr. Tong Hung Wai, Tommy
Mr. Cheung Wai Sun
Mr. Pang Yi
Mr. Sung Chi Keung (resigned on 30 June 2013)

Non-Executive Director
Mr. Ip Chi Ming (retired on 6 November 2012)

Independent Non-Executive Directors
Hon Peregrine Moncreiffe (re-designated from Non-Executive Director on 15 March 2013)
Dr. Lui Ming Wah, SBS JP
Mr. Yang Zhen Han
Mr. Ma Chiu Cheung, Andrew
Mr. Nicholas Smith (resigned on 24 March 2013)
Mr. Ng Hoi Yue (appointed on 15 March 2013)

Movement during the year

Mr. Ip Chi Ming retired as the Non-Executive Director of the Company with effect from the conclusion of the annual general meeting held on 6 November 2012.

Hon Peregrine Moncreiffe was re-designated from a Non-Executive Director to an Independent Non-Executive Director with effect from 15 March 2013.

Mr. Ng Hoi Yue was appointed as an Independent Non-Executive Director with effect from 15 March 2013.

Mr. Nicholas Smith resigned as an Independent Non-Executive Director of the Company with effect from 24 March 2013.

Mr. Sung Chi Keung resigned as an Executive Director of the Company with effect from 30 June 2013.

The Board would like to express its gratitude to Mr. Ip Chi Ming, Mr. Nicholas Smith and Mr. Sung Chi Keung for their contributions over the years. The Board would like to welcome Mr. Ng Hoi Yue for joining the Board.

Rotation

In accordance with Bye-laws 88(1) and 88(2) of the Company's Bye laws, Mr. Yang Zhen Han, Mr. Ma Chiu Cheung, Andrew and Hon Peregrine Moncreiffe will retire at the forthcoming annual general meeting of the Company and all of them, being eligible, offer themselves for re-election except for Mr. Ma Chiu Cheung, Andrew and Hon Peregrine Moncreiffe, being eligible, will not offer themselves for re-election due to personal time constraint and other commitments.

Accordingly, Mr. Ma Chiu Cheung, Andrew and Hon Peregrine Moncreiffe will retire as Independent Non-Executive Directors with effect from the conclusion of the AGM. The Board would like to express its gratitude to Mr. Ma Chiu Cheung, Andrew and Hon Peregrine Moncreiffe for their contributions over the years.

In accordance with Bye-law 87(2) of the Company's Bye-laws, Mr. Ng Hoi Yue will also retire from office and being eligible, offer himself for re-election at the forthcoming annual general meeting.

Details of the Directors' service contracts and appointment letters are described in the "Corporate Governance Report" on page 40.

Save as disclosed above, none of the Directors proposed for re-election at the forthcoming 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 2013, the interests or short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong ("SFO")) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were notified to the Company and the HKEx, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code"), are set out below:

		Number of shares held					
Name	Class of shares	Personal interests	Family interests	Corporate interests	Number of underlying shares held under equity derivatives	Total	Approximate percentage of the Company's total issued share capital
Mr. Tong Wang Chow	Ordinary shares/ Share options	320,000	–	232,302,392 *(Note 1)*	3,850,000 *(Note 2)*	236,472,392	19.23%
Mr. Tong Hung Wai, Tommy	Share options	–	–	–	1,900,000 *(Note 3)*	1,900,000	0.15%
Mr. Cheung Wai Sun	Share options	–	–	–	1,200,000 *(Note 4)*	1,200,000	0.10%
Mr. Pang Yi	Ordinary shares/ Share options	452,043	–	–	5,740,000 *(Note 5)*	6,192,043	0.50%
Hon Peregrine Moncreiffe	Ordinary shares/ Share options	1,606,560 *(Note 6)*	128,000 *(Note 6)*	–	500,000 *(Note 7)*	2,234,560	0.18%
Dr. Lui Ming Wah, SBS JP	Share options	–	–	–	500,000 *(Note 8)*	500,000	0.04%
Mr. Yang Zhen Han	Share options	–	–	–	500,000 *(Note 9)*	500,000	0.04%
Mr. Ma Chiu Cheung, Andrew	Share options	–	–	–	500,000 *(Note 10)*	500,000	0.04%

Notes:

(1) The 232,302,392 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 232,302,392 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 2013, 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 2013, 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 2013, 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 2013, 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 2013, 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 2013, 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 2013, 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 2013, 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 2013, 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 2013, 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 2013, 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 2013, 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 2013, were exercisable at the subscription price of HK$5.68 per share during the period from 27 May 2011 to 26 May 2018.

(6) The 1,734,560 shares were held as to 593,560 shares by Winterthur Pension Management Limited (the "Pension"), as to 1,013,000 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 2013, Hon Peregrine Moncreiffe is a direct beneficiary of the Pension and is consequently taken as having an interest in all shares in the Pension.

(7) 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 2013, were exercisable at the subscription price of HK$5.68 per share during the period from 27 May 2011 to 26 May 2018.

(8) 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 2013, 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. 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 2013, were exercisable at the subscription price of HK$5.68 per share during the period from 27 May 2011 to 26 May 2018.

(10) 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 2013, 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 2013 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 SHAREHOLDINGS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2013, 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)*	232,302,392	Beneficial owner	18.89%
Mrs. Tong Lee Fung Kiu *(Note 1)*	232,302,392	Interest of spouse	18.89%
Sunshine Hero Limited ("Sunshine Hero") *(Note 2)*	116,692,681	Beneficial owner	9.49%
Ms. Xu Xuefeng *(Note 2)*	116,692,681	Interest of controlled corporation	9.49%
Huge Market Investments Limited *(Note 3)*	73,715,394	Beneficial owner	6.00%
Chaoda Modern Agriculture (Holdings) Limited ("Chaoda") *(Note 3)*	73,715,394	Interest of controlled corporation	6.00%
Value Partners Limited *(Note 4)*	72,735,000	Investment manager	5.92%
Value Partners Hong Kong Limited *(Note 4)*	72,735,000	Interest of controlled corporation	5.92%
Value Partners Group Limited *(Note 4)*	72,735,000	Interest of controlled corporation	5.92%
Cheah Capital Management Limited *(Note 4)*	72,735,000	Interest of controlled corporation	5.92%
Cheah Company Limited *(Note 4)*	72,735,000	Interest of controlled corporation	5.92%
Hang Seng Bank Trustee International Limited *(Note 4)*	72,735,000	Trustee	5.92%
Ms. To Hau Yin *(Note 4)*	72,735,000	Interest of spouse	5.92%
Mr. Cheah Cheng Hye *(Note 4)*	72,735,000	Founder of a discretionary trust	5.92%

Notes:

(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 232,302,392 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 entire issued share capital of Huge Market Investments Limited is held by Chaoda. Chaoda is deemed to be interested in 73,715,394 shares held by Huge Market Investments Limited by virtue of the SFO.

(4) The 72,735,000 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 72,735,000 shares in the Company by virtue of the SFO.

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 2013 are as follows:

		Number of Shares in respect of Options							
Name or Category of participant	Balance as at 1 July 2012	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding as at 30 June 2013	Date of grant	Exercisable period	Exercise price per share	Weighted average closing price
Directors									
Mr. 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	—
Mr. 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	—
Mr. 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	—
Mr. 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	—
Hon Peregrine Moncreiffe	500,000	—	—	—	500,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Dr. Lui Ming Wah, SBS JP	500,000	—	—	—	500,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Mr. Yang Zhen Han	500,000	—	—	—	500,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Mr. Ma Chiu Cheung, Andrew	500,000	—	—	—	500,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Employees and other:									
In aggregate	4,140,000	—	415,000	—	3,725,000	3/8/2005	3/8/2006 – 2/8/2015	GBP0.112	HKD2.78
	1,270,000	—	—	—	1,270,000	27/7/2006	27/7/2007 – 26/7/2014	GBP0.2045	—
	890,000	—	—	—	890,000	14/9/2007	14/9/2008 – 2/8/2015	GBP0.2425	—
	9,524,000	—	1,422,000	—	8,102,000	15/10/2008	15/10/2009 – 2/8/2015	GBP0.139	HKD2.78
	21,884,000	—	—	—	21,884,000	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	—
	72,398,000	—	1,837,000	—	70,561,000				

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	Balance as at 1July 2011	Number of Shares in respect of Options 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									
Mr. 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	—
Mr. 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	—
Mr. 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	—
Mr. 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	—
Mr. 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	—
Mr. Nicholas Smith	500,000	—	—	—	500,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Mr. Ip Chi Ming	500,000	—	—	—	500,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Mr. Peregrine Moncreiffe	500,000	—	—	—	500,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Dr. Lui Ming Wah, SBS JP	500,000	—	—	—	500,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Mr. Yang Zhen Han	500,000	—	—	—	500,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Mr. 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				

Other than as disclosed above, no other share option was granted, cancelled, lapsed or exercised pursuant to the Share Option Scheme and the Post Listing Share Option Scheme of the Company during the year ended 30 June 2013 and none of the 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.

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 its associated corporation (with the meaning of Part XV of the SFO).

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' INTEREST IN COMPETING BUSINESS

During the financial year ended 30 June 2013, none of the Directors were interested in any business which competed 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 31 to the Consolidated Financial Statements.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, sales to the Group's five largest customers accounted for approximately 16.2% of the Group's total sales for the year and sales to the Group's largest customer amounting to approximately 4.4%.

Purchases from the Group's five largest suppliers accounted for approximately 38.1% to the Group's total purchases for the year and purchases from the Group's largest supplier amounted to approximately 9.3%.

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. Inside 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 36 to 43 of this annual report.

EVENTS AFTER THE REPORTING PERIOD

Details of significant events after the reporting period are provided in Note 33 to the Consolidated Financial Statements.

AUDITOR

The 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

Mr. Tong Wang Chow
Director

27 September 2013

Mr. Cheung Wai Sun
Director

27 September 2013

The information set out on pages 36 to 43 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 2013, 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.

On 23 February 2012, the Company also adopted the code provisions set out in Corporate Governance Code and Corporate Governance Report ("Code Provisions") contained in the amended Appendix 14 to the Hong Kong Listing Rules which took effect on 1 April 2012 as its code on corporate governance practices.

The Company has complied with the Code Provisions for the year ended 30 June 2013 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 that the structure will not impair the balance of power and authority of the Board and the Company's management and thus, the Board believes that this structure will enable effective planning and implementation of corporate strategies and decisions.

Code Provision A.5.1

The Company does not have a Nomination Committee. The Directors do 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 Directors, 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).

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, Mr. Tong Wang Chow, Executive Chairman, was unable to attend the annual general meeting held on 6 November 2012 (the "2012 AGM") due to other business engagements. In the absence of the Executive Chairman, Mr. Tong Hung Wai, Tommy, Executive Director, took the chair and, together with the other directors, made themselves available to answer questions at the 2012 AGM. Mr. Nicholas Smith, the chairman of the Remuneration Committee, was also unable to attend the 2012 AGM due to other business engagements and has appointed the Company Secretary of the Company to attend the 2012 AGM and to answer questions at the 2012 AGM.

DIRECTORS' SECURITIES TRANSACTIONS

In connection with the listing of the Company on the HKEx in November 2009, the Company adopted the Model Code as set out in Appendix 10 to 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 had 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 four Executive Directors and five Independent Non-Executive Directors. Each of the Executive Directors has a wealth of agricultural experience and the Independent 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 Diversity Policy

The Board adopted the board diversity policy with effective from 1 September 2013 and discussed all measurable objectives set for implementing the policy.

Board Meetings

During the year ended 30 June 2013, 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	0 out of 1
Mr. Tong Hung Wai, Tommy	8 out of 8	1 out of 1
Mr. Cheung Wai Sun	8 out of 8	0 out of 1
Mr. Pang Yi	4 out of 8	0 out of 1
Mr. Sung Chi Keung, resigned on 30 June 2013	8 out of 8	1 out of 1
Non-Executive Director		
Mr. Ip Chi Ming, retired on 6 November 2012	2 out of 2	0 out of 1
Independent Non-Executive Directors		
Hon Peregrine Moncreiffe, re-designated on 15 March 2013	6 out of 8	0 out of 1
Dr. Lui Ming Wah, SBS JP	8 out of 8	0 out of 1
Mr. Yang Zhen Han	8 out of 8	0 out of 1
Mr. Ma Chiu Cheung, Andrew	8 out of 8	1 out of 1
Mr. Nicholas Smith, resigned on 24 March 2013	6 out of 7	0 out of 1
Mr. Ng Hoi Yue, appointed on 15 March 2013	2 out of 2	N/A

Profile of the Directors are set out on pages 20 to 22 of this annual report. 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.

DIRECTORS' CONTINUING PROFESSIONAL DEVELOPMENT

To assist Directors' continuing professional development, the Company recommends Directors to attend relevant seminars and sent the relevant materials to Directors to develop and refresh their knowledge and skills. In addition to their own participation in professional training, relevant training materials and regulatory updates were provided to the Directors by the Company during the year.

During the year ended 30 June 2013, all directors, namely Mr Tong Wang Chow, Mr. Tong Hung Wai, Tommy, Mr. Cheung Wai Sun, Mr. Pang Yi, Hon Peregrine Moncreiffe, Dr. Lui Ming Wah, SBS JP, Mr. Yang Zhen Han, Mr. Ma Chiu Cheung, Andrew and Mr. Ng Hou Yue had participated in an in-house briefing conducted by the Company Secretary of the Company during a Board meeting, with relevant reading materials given to them, regarding regulatory updates on HK Listing Rules and AIM Rules.

All Directors have participated in continuous professional development and provided a record of training they received for the financial year ended 30 June 2013 to the Company.

Independent Non-Executive Directors

In compliance with Rule 3.10(1) of the Hong Kong Listing Rules, there are five Independent Non-Executive Directors more than one-third of the Board. Among the five Independent Non-Executive Directors, at least 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.

Hon Peregrine Moncreiffe was re-designated as an Independent Non-Executive Director on 15 March 2013. The Board is satisfied that Hon Peregrine Moncreiffe is independent and meets all the independence criteria in Rule 3.13 of the Hong Kong Listing Rules except Rule 3.13(7) that he was a Non-Executive Director of the Company. Notwithstanding his relationship with the Company as a Non-Executive Director prior to his re-designation, Hon Peregrine Moncreiffe did not have any executive or management role or functions in the Company or the Group, nor had he been under the employment of any member of the Group but only attended board meetings of the Company.

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 Hon Peregrine Moncreiffe, Dr. Lui Ming Wah, SBS JP, Mr. Yang Zhen Han, Mr. Ma Chiu Cheung, Andrew and Mr. Ng Hoi Yue 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.

The Board has adopted the terms of reference for corporate governance functions set out in the Code Provision. The Board is responsible for performing the corporate governance functions and has reviewed the Company's policies and practices on corporate governance.

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. Ng Hoi Yue and comprises Hon Peregrine Moncreiffe, Mr. Ma Chiu Cheung, Andrew and Mr. Tong Wang Chow.

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 2013. 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, resigned on 24 March 2013	2 out of 2
Mr. Ng Hoi Yue, appointed on 24 March 2013	N/A
Hon Peregrine Moncreiffe, appointed on 15 March 2013	N/A
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

The following Independent 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:

Independent Non-Executive Director	Date of Appointment	Term (years)	Fee per annum
Hon Peregrine Moncreiffe	15 March 2013	3	GBP30,000
Dr. Lui Ming Wah, SBS JP	17 November 2012	3	HKD240,000
Mr. Yang Zhen Han	17 November 2012	3	HKD240,000
Mr. Ma Chiu Cheung, Andrew	17 November 2012	3	GBP31,000
Mr. Ng Hoi Yue	15 March 2013	3	HKD240,000

Emoluments of Directors and Senior Management

Directors	Salaries, bonus and benefits Year ended 30 June 2013 RMB'000
Executive Directors	
Mr. Tong Wang Chow	2,021
Mr. Tong Hung Wai, Tommy	1,149
Mr. Cheung Wai Sun	925
Mr. Pang Yi	2,107
Mr. Sung Chi Keung, resigned on 30 June 2013	2,149
Non-Executive Directors	
Mr. Ip Chi Ming, retired on 6 November 2012	312
Independent Non-Executive Directors	
Hon Peregrine Moncreiffe, re-designated on 15 March 2013	372
Dr. Lui Ming Wah, SBS JP	341
Mr. Yang Zhen Han	341
Mr. Ma Chiu Cheung, Andrew	454
Mr. Nicholas Smith, resigned on 24 March 2013	374
Mr. Ng Hoi Yue, appointed on 15 March 2013	64

Pursuant to B.1.5 of the Code Provisions, the annual remuneration of the members of the senior management (other than the above directors) by band for the year ended 30 June 2013 is set out below:

Remuneration band*	Number of individuals
Below RMB1 million	8
Between RMB1 million to RMB2 million	2
	10

* *rounding to the nearest RMB million*

Share option scheme and Post Listing Share Option Scheme

Details of the share option scheme are shown on pages of 31 to 34 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 financial statements, 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. Yang Zhen Han and Mr. Ng Hoi Yue.

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 2013. 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, resigned on 24 March 2013	3 out of 3
Mr. Yang Zhen Han	4 out of 4
Mr. Ng Hoi Yue, appointed on 15 March 2013	1 out of 1

AUDITOR REMUNERATION

For the year ended 30 June 2013, 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 RMB2,432,000 and RMBNil respectively.

DIRECTORS' 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 2013, 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 Company for the year ended 30 June 2013 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 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.

We engaged an internal control consultant to conduct independent review on specific areas of the internal control system of the Group for the year ended 30 June 2013 and submitted its report to the Audit Committee and the Board. No significant weaknesses in internal controls were found during the independent review.

COMPANY SECRETARY

The Company Secretary is responsible for facilitating the Board process, including the induction and professional development of Directors, as well as communications among the Board members, with shareholders and management. Mr. Sung Chi Keung resigned as Company Secretary on 30 June 2013 and Mr. Ng Cheuk Lun was appointed to the position of Company Secretary on 1 July 2013. For each subsequent financial year, Mr. Ng is required to undertake no less than 15 hours of professional training.

SHAREHOLDERS' 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 website 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 Commercial Building, 28 Connaught Road West, Hong Kong.

INVESTOR RELATIONS

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

BAKER TILLY
HONG KONG | 天職香港

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 46 to 106, which comprise the consolidated and company statements of financial position as at 30 June 2013, 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.

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 2013, 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, 27 September 2013

Chan Kwan Ho, Edmond
Practising certificate number P02092

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2013

	Note	2013 RMB'000	2012 RMB'000
Turnover	7	1,485,912	1,776,144
Cost of sales		(988,313)	(983,743)
Gross profit		497,599	792,401
Other income	8	53,438	24,089
Net (loss)/gain on change in fair value of biological assets	17	(260,468)	166,900
Selling and distribution expenses		(45,640)	(60,579)
General and administrative expenses		(120,141)	(157,607)
Profit from operations		124,788	765,204
Finance costs	9(a)	(126)	(146)
Profit before income tax	9	124,662	765,058
Income tax expense	10	–	–
Profit for the year		124,662	765,058
Attributable to			
Equity shareholders of the Company		114,395	750,200
Non-controlling interest		10,267	14,858
		124,662	765,058
		RMB	*RMB*
Earnings per share	13		
– Basic		0.094	0.615
– Diluted		0.093	0.613

Details of the dividends payable to equity shareholders of the Company for the year are disclosed in note 26(c).

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2013

	2013 *RMB'000*	2012 *RMB'000*
Profit for the year	124,662	765,058
Other comprehensive expense for the year		
Item that may be reclassified subsequently to profit or loss: – Exchange differences on translation of financial statements of foreign operations, net of nil tax	(352)	(636)
Total comprehensive income for the year	124,310	764,422
Attributable to		
Equity shareholders of the Company	114,043	749,564
Non-controlling interest	10,267	14,858
	124,310	764,422

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2013

	Note	30 June 2013 RMB'000	30 June 2012 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	14	1,989,625	1,835,518
Land use rights	15	72,701	68,527
Construction-in-progress	16	304,196	178,302
Biological assets	17	2,168,501	2,305,224
Intangible assets	18	64,463	58,506
Deposits	20	84,303	4,251
Goodwill	21	1,157,261	1,157,261
		5,841,050	5,607,589
Current assets			
Biological assets	17	212,098	158,636
Properties for sale	22	5,830	5,830
Inventories	23	40,277	63,094
Trade and other receivables	24	68,315	86,865
Cash and cash equivalents	25	2,141,224	2,388,114
		2,467,744	2,702,539
Total assets		8,308,794	8,310,128
EQUITY AND LIABILITIES			
Equity			
Share capital	26(b)	12,159	12,083
Reserves		8,078,888	8,138,036
Total equity attributable to equity shareholders of the Company		8,091,047	8,150,119
Non-controlling interest		112,420	102,168
		8,203,467	8,252,287

The accompanying notes form part of these consolidated financial statements.

At 30 June 2013

	Note	30 June 2013 RMB'000	30 June 2012 RMB'000
Non-current liability			
Obligation under finance lease	28	832	937
Current liabilities			
Trade and other payables	29	104,390	56,807
Obligation under finance lease	28	105	97
		104,495	56,904
Total liabilities		105,327	57,841
Total equity and liabilities		8,308,794	8,310,128
Net current assets		2,363,249	2,645,635
Total assets less current liabilities		8,204,299	8,253,224

Approved and authorised to issue by the Board of Directors on 27 September 2013

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 2013

	Note	30 June 2013 RMB'000	30 June 2012 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	14	1,399	1,675
Interests in subsidiaries	19	3,999,619	3,567,393
		4,001,018	3,569,068
Current assets			
Other receivables		4	6
Cash and cash equivalents	25	128,529	278,629
		128,533	278,635
Total assets		4,129,551	3,847,703
EQUITY AND LIABILITIES			
Equity			
Share capital	26(b)	12,159	12,083
Reserves	26(a)	4,114,780	3,831,711
		4,126,939	3,843,794
Current liabilities			
Other payables		2,612	3,909
Total equity and liabilities		4,129,551	3,847,703
Net current assets		125,921	274,726
Total assets less current liabilities		4,126,939	3,843,794

Approved and authorised to issue by the Board of Directors on 27 September 2013

Tong Wang Chow
Director

Cheung Wai Sun
Director

The accompanying notes form part of these consolidated financial statements.

	Attributable to equity shareholders of the Company											
	Share capital *RMB'000*	Treasury shares *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	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	85	–	41,107	–	–	–	–	–	–	41,192	–	41,192
Share-based payments	–	–	–	–	45,812	–	–	–	–	45,812	–	45,812
Issue of shares upon exercises of share options	62	–	17,130	–	(4,735)	–	–	–	–	12,457	–	12,457
Shares repurchased	(94)	(4)	(46,761)	–	–	–	–	–	–	(46,859)	–	(46,859)
2010/11 final and special dividends	–	–	–	–	–	–	–	–	(157,710)	(157,710)	–	(157,710)
2011/12 interim dividend	–	–	–	–	–	–	–	–	(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

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2013

		Attributable to equity shareholders of the Company											
	Note	Share capital RMB'000	Treasury Shares 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 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
Changes in equity for the year ended 30 June 2013:													
Profit for the year		–	–	–	–	–	–	–	–	114,395	114,395	10,267	124,662
Exchange differences on translation of financial statements of foreign operations		–	–	–	–	–	–	–	(352)	–	(352)	–	(352)
Total comprehensive income for the year		–	–	–	–	–	–	–	(352)	114,395	114,043	10,267	124,310
Transfer to statutory reserve		–	–	–	–	–	–	14,124	–	(14,124)	–	–	–
		–	–	–	–	–	–	14,124	(352)	100,271	114,043	10,267	124,310
Distribution of capital reserve		–	–	–	–	–	(482,519)	–	–	482,519	–	–	–
Issue of shares to shareholders participating in the scrip dividend	26(b)(i)	159	–	53,747	–	–	–	–	–	–	53,906	–	53,906
Share-based payments		–	–	–	–	24,698	–	–	–	–	24,698	–	24,698
Issue of shares upon exercises of share options	26(b)(ii)	17	–	3,548	–	(819)	–	–	–	–	2,746	–	2,746
Shares repurchased and cancelled	26(b)(iii)	(100)	4	(34,452)	–	–	–	–	–	–	(34,548)	–	(34,548)
Deregistration of subsidiaries		–	–	–	–	–	–	–	–	–	–	(15)	(15)
2011/12 final dividend	26(c)(ii)	–	–	–	–	–	–	–	–	(158,531)	(158,531)	–	(158,531)
2012/13 interim dividend	26(c)(ii)	–	–	–	–	–	–	–	–	(61,386)	(61,386)	–	(61,386)
		76	4	22,843	–	23,879	(482,519)	14,124	(352)	362,873	(59,072)	10,252	(48,820)
At 30 June 2013		**12,159**	**–**	**3,658,257**	**(4,473)**	**120,900**	**–**	**193,955**	**(87)**	**4,110,336**	**8,091,047**	**112,420**	**8,203,467**

Notes:

a) 495,000 repurchased shares remained uncancelled and were held as treasury shares at 30 June 2012. These repurchased shares were subsequently cancelled in July 2012.

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.

For the year ended 30 June 2013

	Note	2013 RMB'000	2012 RMB'000
Cash flows from operating activities			
Profit before income tax		124,662	765,058
Adjustments for:			
Interest income	8	(50,509)	(21,559)
Finance costs	9(a)	126	146
Share-based payments	9(b)	24,698	45,812
Amortisation of land use rights	9(c)	1,360	1,362
Amortisation of intangible assets	9(c)	12,723	9,781
Depreciation	9(c)	144,603	126,044
Loss on disposals of property, plant and equipment	9(c)	2,172	4,828
Loss on disposal of land use right	9(c)	4,902	–
Loss on deregistration of subsidiaries	9(c)	192	–
Net loss/(gain) on change in fair value of biological assets	17	260,468	(166,900)
Operating profit before working capital changes		525,397	764,572
Movements in working capital elements:			
Biological assets		(53,462)	(13,075)
Inventories		22,817	(16,687)
Trade and other receivables		18,342	25,150
Trade and other payables		47,232	(2,290)
Due to a related party		–	(3,000)
Net cash generated from operating activities		560,326	754,670
Cash flows from investing activities			
Proceeds from disposals of property, plant and equipment		1,853	6,258
Proceed from disposal of land use right		3,565	–
Purchases of property, plant and equipment		(32,823)	(38,098)
Purchase of land use right		(14,001)	–
Additions to construction-in-progress		(391,561)	(305,115)
Deposits paid for acquisition of property, plant and equipment		(84,297)	(4,050)
Net additions to biological assets		(123,745)	(51,827)
Additions to intangible assets		(18,680)	(15,000)
Decrease in time deposits with terms over three months		62,960	103,040
Interest received		50,509	21,559
Net cash used in investing activities		(546,220)	(283,233)

The accompanying notes form part of these consolidated financial statements.

For the year ended 30 June 2013

	Note	2013 RMB'000	2012 RMB'000
Cash flows from financing activities			
Proceeds from issue of new shares upon exercises of share options		2,746	12,457
Repurchase of shares		(34,548)	(46,859)
Repayments of obligation under finance lease		(97)	(90)
Dividends paid		(166,011)	(177,848)
Finance costs paid		(126)	(146)
Net cash used in from financing activities		(198,036)	(212,486)
Net (decrease)/increase in cash and cash equivalents		(183,930)	258,951
Cash and cash equivalents at beginning of year		2,325,154	2,066,203
Cash and cash equivalents at end of year	25	2,141,224	2,325,154

Major non-cash transactions

During the year, purchases of property, plant and equipment included an amount of RMB4,245,000 (2012: RMB98,787,000) transferred from non-current deposits.

The accompanying notes form part of these 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 Stock Exchange of Hong Kong Limited (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 1109–1111, 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 and manufacture and sale of fruit juice concentrates, fruit purees, frozen fruits and vegetables.

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, except that certain biological assets are carried at their fair values as explained in the accounting policies set out in note 2(i).

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 4.

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.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interest within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss.

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 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)). Principal directly attributable costs, such as costs of fertilisers, pesticides and depreciation, incurred during the period of biological growth of infant trees are recognised as additions to biological assets until the stage such trees start bearing oranges.

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. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

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.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

k) Impairment *(continued)*

ii) Non-financial assets *(continued)*

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.

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 or 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.

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 a number of amendments to IFRSs that are first effective for the current accounting period of the Group and the Company. Of these, IAS 1 (Amendments), Presentation of financial statements – Presentation of items of other comprehensive income is relevant to the Group's consolidated financial statement.

The amendments to IAS 1 require entities to present the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met separately from those that would never be reclassified to profit or loss. The Group's presentation of other comprehensive income in these consolidated financial statements has been modified accordingly.

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 2013 and which have not been adopted in the consolidated financial statements. Of these developments, the following relates 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[1]
Amendments to IFRS 9 and IFRS 7	Mandatory effective date of IFRS 9 and transition disclosures[3]
Amendments to IFRS 10, IFRS 11 and IFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: transition guidance[1]
Amendments to IFRS 7	Disclosures – Offsetting financial assets and financial liabilities[1]
Amendments to IAS 32	Offsetting financial assets and financial liabilities[2]
Amendments to IAS 36	Recoverable amount disclosures for non-financial assets[2]
IFRS 9	Financial instruments[3]
IFRS 10	Consolidated financial statements[1]
IFRS 12	Disclosure of interests in other entities[1]
IFRS 13	Fair value measurement[1]
IAS 27 (2011)	Separate financial statements[1]

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

The Group is in the process of making an assessment of what the potential 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 of operations or financial position.

4 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.

4 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.

5 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	
	2013	2012	**2013**	2012
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Financial assets				
Loans and receivables (including cash and cash equivalents)	**2,194,584**	2,470,160	**128,533**	278,635
Financial liabilities				
Financial liabilities at amortised cost	**(104,681)**	(57,841)	**(33,684)**	(34,981)

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.

5 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	
	2013	2012	**2013**	2012
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
HKD	**47,705**	196,046	**1,879**	3,186
USD	**1,312**	1,191	**7**	–
GBP	**2,744**	1,682	**725**	723

Company

	Assets		Liabilities	
	2013	2012	**2013**	2012
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
HKD	**9,422**	23,318	**1,879**	3,186
USD	**84**	382	**7**	–
GBP	**2,744**	1,682	**725**	723

5 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

	2013			2012		
	Increase/ (decrease) in foreign exchange rates	Effect on profit after income tax and retained profits *RMB'000*	Effect on other components of equity *RMB'000*	Increase/ (decrease) in foreign exchange rates	Effect on profit after income tax and retained profits *RMB'000*	Effect on other components of equity *RMB'000*
HKD	10%	4,583	–	10%	17,869	1,415
	(10%)	(4,583)	–	(10%)	(17,869)	(1,415)
USD	10%	131	–	10%	119	–
	(10%)	(131)	–	(10%)	(119)	–
GBP	10%	202	–	10%	96	–
	(10%)	(202)	–	(10%)	(96)	–

Company

	2013			2012		
	Increase/ (decrease) in foreign exchange rates	Effect on loss after income tax and retained profits *RMB'000*	Effect on other components of equity *RMB'000*	Increase/ (decrease) in foreign exchange rates	Effect on loss after income tax and retained profits *RMB'000*	Effect on other components of equity *RMB'000*
HKD	10%	(754)	–	10%	(2,013)	–
	(10%)	754	–	(10%)	2,013	–
USD	10%	(8)	–	10%	(38)	–
	(10%)	8	–	(10%)	38	–
GBP	10%	(202)	–	10%	(96)	–
	(10%)	202	–	(10%)	96	–

5 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 2012.

c) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables and cash and cash equivalents. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

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 receivables are set out in note 24.

5 FINANCIAL RISK MANAGEMENT *(continued)*

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.

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

2013	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	103,744	103,744	102,994	–	750	–
Obligation under finance lease	937	1,260	180	180	540	360
Total	104,681	105,004	103,174	180	1,290	360

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

5 FINANCIAL RISK MANAGEMENT *(continued)*

d) Liquidity risk *(continued)*

Company

2013	Carrying amount *RMB'000*	Total contractual undiscounted cash outflow *RMB'000*	Within 1 year or on demand *RMB'000*	After 1 year *RMB'000*
Other payables	2,612	2,612	2,612	–
Due to a subsidiary	31,072	31,072	–	31,072
	33,684	33,684	2,612	31,072

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

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 consolidated and company statements of financial position approximate their respective fair values.

6 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 two (2012: 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 in the year ended 30 June 2013:

- Agricultural produce – planting, cultivation and sale of agricultural produce
- Processed fruits – manufacture and sale of fruit juice concentrates, fruit purees, frozen fruits and vegetables

6 SEGMENT INFORMATION *(continued)*

Developing and sale of property units in an agricultural wholesale market and orange processing centre was no longer a reportable segment in the year ended 30 June 2013. Because of this change in the composition of the reportable segments, the corresponding segmental information for the year ended 30 June 2012 has been restated to conform with the current year's presentation.

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.

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		Total	
	2013	2012	**2013**	2012	**2013**	2012
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
RESULTS						
Reportable segment revenue and revenue from external customers	921,823	1,060,671	564,089	715,473	1,485,912	1,776,144
Reportable segment results	31,912	621,600	138,711	203,714	170,623	825,314
Unallocated corporate expenses					(50,557)	(67,518)
Unallocated corporate other income					4,596	7,262
Profit before income tax					124,662	765,058
Income tax expense					–	–
Profit for the year					124,662	765,058
ASSETS						
Segment assets	5,253,592	5,173,015	1,689,669	1,544,498	6,943,261	6,717,513
Unallocated corporate assets					1,365,533	1,592,615
Total assets					8,308,794	8,310,128
LIABILITIES						
Segment liabilities	(76,016)	(34,047)	(24,483)	(17,655)	(100,499)	(51,702)
Unallocated corporate liabilities					(4,828)	(6,139)
Total liabilities					(105,327)	(57,841)

6 SEGMENT INFORMATION *(continued)*

	Agricultural produce		Processed fruits		Total	
	2013	2012	**2013**	2012	**2013**	2012
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
OTHER INFORMATION						
Additions to segment non-current assets	225,539	216,946	321,737	247,376	547,276	464,322
Amortisation of land use rights	–	–	306	120	306	120
Amortisation of intangible assets	7,360	7,760	5,363	2,021	12,723	9,781
Depreciation	71,225	78,252	50,764	42,683	121,989	120,935
Loss on disposals of property, plant and equipment	–	7	2,168	4,819	2,168	4,826
Construction-in-progress written off	1,480	–	189	3,351	1,669	3,351
Interest income	32,799	8,618	13,114	5,714	45,913	14,332
Finance charges on obligation under finance lease	83	90	–	–	83	90
Net (loss)/gain on change in fair value of biological assets	(260,468)	166,900	–	–	(260,468)	166,900
Share-based payments	4,980	9,952	16,086	27,400	21,066	37,352

7 TURNOVER

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

	2013	2012
	RMB'000	*RMB'000*
Sales of oranges	919,983	1,057,327
Sales of self-bred saplings	1,840	3,344
Sales of processed fruits	564,089	715,473
	1,485,912	1,776,144

8 OTHER INCOME

	2013	2012
	RMB'000	*RMB'000*
Interest income	50,509	21,559
Government grants	2,912	2,326
Sundry income	17	204
	53,438	24,089

9 PROFIT BEFORE INCOME TAX

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

	2013 RMB'000	2012 RMB'000
(a) Finance costs		
Bank charges	43	56
Finance charges on obligation under finance lease	83	90
	126	146
(b) Staff costs (including directors' emoluments)		
– salaries, wages and other benefits	114,510	97,880
– share-based payments	24,698	45,812
– contribution to defined contribution retirement plans	2,775	2,635
	141,983	146,327
(c) Other items		
Amortisation of land use rights	1,360	1,362
Amortisation of intangible assets	12,723	9,781
Auditor's remuneration	2,432	2,390
Cost of agricultural produce sold#	571,147	488,993
Cost of inventories of processed fruits recognised as expenses##	417,166	494,750
Depreciation of property, plant and equipment	144,603	126,044
Add: Realisation of depreciation previously capitalised as biological assets	23,423	21,822
Less: Amount capitalised as biological assets	(45,059)	(25,955)
	122,967	121,911
Construction-in-progress written off	1,669	3,351
Exchange (gains)/losses, net	(989)	6,435
Operating lease expenses		
– plantation bases	9,470	9,394
– properties	1,020	1,115
Research and development costs	4,963	9,255
Loss on disposals of property, plant and equipment	2,172	4,828
Loss on disposal of land use right	4,902	–
Loss on deregistration of subsidiaries	192	–

\# Cost of agricultural produce sold includes RMB133,321,000 (2012: RMB113,974,000) 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 RMB82,422,000 (2012: RMB67,667,000) 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.

10 INCOME TAX EXPENSE

a) On the basis stated below, no income tax has been provided by the Group:

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 as the Group did not have assessable profit in the PRC during the year. The provision for PRC enterprise income tax for is based on the respective applicable rates on the estimated assessable income of the Group's subsidiaries in the PRC as determined in accordance with the relevant income tax 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 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 2013, 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.

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

	2013 *RMB'000*	2012 *RMB'000*
Profit before income tax	124,662	765,058
Notional tax at the rates applicable to profits in the jurisdictions concerned	42,081	205,298
Tax effect of non-deductible expenses	1,190	1,046
Tax effect of temporary differences not recognised for deferred tax purposes	944	406
Tax effect of tax exemptions	(44,695)	(207,824)
Others	480	1,074
Actual tax expense	–	–

11 DIRECTORS' REMUNERATION

	Directors' fees *RMB'000*	Salaries, allowances and benefits in kind *RMB'000*	Share-based payments *RMB'000*	Retirement scheme contribution *RMB'000*	**2013** ***RMB'000***	2012 *RMB'000*
Directors' emoluments						
Executive Directors						
Tong Wang Chow	–	1,755	266	–	2,021	2,326
Tong Hung Wai, Tommy	–	926	209	14	1,149	1,387
Cheung Wai Sun	–	702	209	14	925	1,163
Pang Yi	–	1,170	931	6	2,107	3,157
Sung Chi Keung *(Note i)*	–	1,562	573	14	2,149	2,465
Non-Executive Directors						
Ip Chi Ming *(Note ii)*	187	–	125	–	312	811
Ma Chiu Cheung, Andrew	329	–	125	–	454	610
Lui Ming Wah	216	–	125	–	341	487
Yang Zhen Han	216	–	125	–	341	487
Nicholas Smith *(Note iii)*	249	–	125	–	374	610
Peregrine Moncreiffe	247	–	125	–	372	487
Ng Hoi Yue *(Note iv)*	64	–	–	–	64	–
	1,508	6,115	2,938	48	10,609	13,990

There were no arrangements under which a director waived or agreed to waive any remuneration during the year (2012: RMBNil).

Notes:

(i) Resigned on 30 June 2013.

(ii) Retired on 6 November 2012.

(iii) Resigned on 24 March 2013.

(iv) Appointed on 15 March 2013.

12 INDIVIDUALS WITH HIGHEST EMOLUMENTS

The five highest paid individuals of the Group during the year included four (2012: four) directors, details of which are set out in note 11 above. The emoluments in respect of the remaining highest paid individual are as follows:

	2013 RMB'000	2012 RMB'000
Salaries, wages and other benefits	155	155
Share-based payments	1,197	2,035
Retirement scheme contribution	6	6
	1,358	2,196

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 (2012: RMBNil).

13 EARNINGS PER SHARE

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

	2013 RMB'000	2012 RMB'000
Earnings		
Profit attributable to equity shareholders of the Company used in basic and diluted earnings per share calculation	114,395	750,200
Weighted average number of shares	'000	'000
Issued ordinary shares at beginning of year	1,221,097	1,215,157
Effect of shares issued to shareholders participating in the scrip dividend	8,811	4,741
Effect of shares issued upon exercises of share options	55	4,182
Effect of shares repurchased and cancelled	(7,236)	(3,640)
Weighted average number of ordinary shares used in basic earnings per share calculation	1,222,727	1,220,440
Effect of dilutive potential shares in respect of share options	10,035	4,188
Weighted average number of ordinary shares used in diluted earnings per share calculation	1,232,762	1,224,628

14 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 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 16)*	9,059	–	13,604	660	–	174,101	197,424
Disposals	(2,284)	–	(18,435)	(194)	(46)	(402)	(21,361)
At 30 June 2012 and 1 July 2012	185,778	3,668	308,265	11,898	11,622	1,796,556	2,317,787
Additions	1,490	–	17,629	277	328	17,344	37,068
Transfer from construction-in-progress *(note 16)*	45,190	–	39,439	–	–	181,038	265,667
Disposals	(1,005)	–	(12,593)	(111)	(190)	(5)	(13,904)
At 30 June 2013	**231,453**	**3,668**	**352,740**	**12,064**	**11,760**	**1,994,933**	**2,606,618**
Accumulated depreciation							
At 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 and 1 July 2012	18,940	976	39,790	4,887	4,828	412,848	482,269
Charge for the year	11,888	125	39,754	1,386	1,645	89,805	144,603
Written back on disposals	(111)	–	(9,483)	(107)	(173)	(5)	(9,879)
At 30 June 2013	**30,717**	**1,101**	**70,061**	**6,166**	**6,300**	**502,648**	**616,993**
Carrying amount							
At 30 June 2013	**200,736**	**2,567**	**282,679**	**5,898**	**5,460**	**1,492,285**	**1,989,625**
At 30 June 2012	166,838	2,692	268,475	7,011	6,794	1,383,708	1,835,518

At 30 June 2013, the carrying amount of farmland infrastructure and machinery held under finance lease was RMB956,000 (2012: RMB1,077,000).

14 PROPERTY, PLANT AND EQUIPMENT *(continued)*

Company

	Furniture, fixtures and equipment *RMB'000*	Motor vehicles *RMB'000*	Total *RMB'000*
Cost			
At 1 July 2011	1,461	1,456	2,917
Additions	79	–	79
Disposals	(54)	–	(54)
At 30 June 2012, 1 July 2012 and 30 June 2013	**1,486**	**1,456**	**2,942**
Accumulated depreciation			
At 1 July 2011	654	365	1,019
Charge for the year	128	146	274
Written back on disposals	(26)	–	(26)
At 30 June 2012 and 1 July 2012	756	511	1,267
Charge for the year	131	145	276
At 30 June 2013	**887**	**656**	**1,543**
Carrying amount			
At 30 June 2013	**599**	**800**	**1,399**
At 30 June 2012	730	945	1,675

15 LAND USE RIGHTS

	Group 30 June 2013 RMB'000	30 June 2012 RMB'000
Cost		
At beginning of the year	78,013	78,013
Addition	14,001	–
Disposal	(9,142)	–
At end of the year	82,872	78,013
Accumulated amortisation		
At beginning of the year	9,486	8,124
Charge for the year	1,360	1,362
Written back on disposal	(675)	–
At end of the year	10,171	9,486
Carrying amount	72,701	68,527

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 2062.

16 CONSTRUCTION-IN-PROGRESS

	Group 30 June 2013 RMB'000	30 June 2012 RMB'000
At beginning of the year	178,302	70,611
Additions	393,230	308,466
Write-off	(1,669)	(3,351)
Transfer to property, plant and equipment (note 14)	(265,667)	(197,424)
At end of the year	304,196	178,302

17 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 2011	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 and 1 July 2012	5,591	73,633	2,384,636	2,463,860
Net additions	2,961	–	–	2,961
Sales of self-bred saplings	(1,384)	–	–	(1,384)
Intra transfer to infant trees	(1,705)	1,705	–	–
Intra transfer to orange trees	–	(17,468)	17,468	–
Net increase due to cultivation	–	122,168	53,462	175,630
Net change in fair value				
– Gain due to price, yield, maturity and cost changes	–	–	(196,746)	(196,746)
– Decrease due to replanting programme	–	–	(63,722)	(63,722)
	–	–	(260,468)	(260,468)
At 30 June 2013	**5,463**	**180,038**	**2,195,098**	**2,380,599**

17 BIOLOGICAL ASSETS *(continued)*

Represented by:

	Self-bred saplings *RMB'000*	Infant trees *RMB'000*	Orange trees *RMB'000*	30 June 2013 Total *RMB'000*	30 June 2012 Total *RMB'000*
Non-current	5,463	180,038	1,983,000	2,168,501	2,305,224
Current	–	–	212,098	212,098	158,636
	5,463	180,038	2,195,098	2,380,599	2,463,860

The movements in biological assets can be summarised as follows:

	Self-bred saplings *Number*	Infant trees *Number*	Orange trees *Number*
At 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 and 1 July 2012	1,040,694	1,325,363	2,616,641
Net disposals	(4,572)	–	–
Sales of self-bred saplings	(153,365)	–	–
Intra transfer to infant trees	(301,200)	301,200	–
Intra transfer to orange trees	–	(81,261)	81,261
Decrease due to replanting programme	–	–	(48,058)
At 30 June 2013	**581,557**	**1,545,302**	**2,649,844**

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, 48,058 (2012: 66,449) winter orange trees were removed.

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 2013. 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.

17 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 tree 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 orange and winter orange 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% (2012: 18.0%) to be applied to the orange tree 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 2013 for Hepu plantation and Xinfeng plantation are approximately RMB403 million (2012: RMB430 million) and RMB649 million (2012: RMB658 million) respectively.

17 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:

	2013		2012	
	Quantity	**Value**	Quantity	Value
	Tonnes	***RMB'000***	*Tonnes*	*RMB'000*
Oranges	**218,600**	**919,983**	243,421	1,057,327

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.

18 INTANGIBLE ASSETS

Group

	Capitalised development costs *RMB'000*	Trademark *RMB'000*	Total *RMB'000*
Cost			
At 1 July 2011	74,046	3	74,049
Additions	15,000	–	15,000
At 30 June 2012 and 1 July 2012	89,046	3	89,049
Additions	18,680	–	18,680
At 30 June 2013	**107,726**	**3**	**107,729**
Accumulated amortisation			
At 1 July 2011	20,761	1	20,762
Charge for the year	9,780	1	9,781
At 30 June 2012 and 1 July 2012	30,541	2	30,543
Charge for the year	12,723	–	12,723
At 30 June 2013	**43,264**	**2**	**43,266**
Carrying amount			
At 30 June 2013	**64,462**	**1**	**64,463**
At 30 June 2012	58,505	1	58,506

The amortisation charge for the year of RMB5,363,000 (2012: RMB2,021,000) and RMB7,360,000 (2012: RMB7,760,000) is included in cost of sales and general and administrative expenses, respectively, in the consolidated income statement.

18 INTANGIBLE ASSETS *(continued)*

Capitalised development costs are represented by:

	30 June 2013 RMB'000	30 June 2012 RMB'000
Incomplete development projects	–	15,000
Completed development projects	64,462	43,505
	64,462	58,505
	Years	Years
Average remaining amortisation period for completed development projects	7.4	6.5

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

19 INTERESTS IN SUBSIDIARIES

	Company	
	30 June 2013 RMB'000	30 June 2012 RMB'000
Unlisted investments, at cost	5,300	5,300
Capital contribution in respect of employee share-based payments	107,256	86,190
Due from subsidiaries	3,918,135	3,506,975
Due to a subsidiary	(31,072)	(31,072)
	3,999,619	3,567,393

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.

19 INTERESTS IN SUBSIDIARIES *(continued)*

Details of subsidiaries as at 30 June 2013 and 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 2013	2012	Principal activities
Directly held:						
Access Fortune Investments Limited	BVI	Hong Kong	1 ordinary share of USD1 each	100%	100%	Investment holding
A-One Success Limited	BVI	Hong Kong	1 ordinary share of USD1 each	100%	100%	Investment holding
Newasia Global Limited	BVI	Hong Kong	100,100 ordinary shares of USD1 each	100%	100%	Investment holding
Raised Energy Investments Limited	BVI	Hong Kong	1 ordinary share of USD1 each	100%	100%	Investment holding
Indirectly held:						
Asian Citrus Management Company Limited	BVI	Hong Kong	1 ordinary share of USD1 each	100%	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%	100%	General commercial and leasing of properties
Beihai Perfuming Garden Juice Co., Ltd.	PRC	PRC	RMB226,800,000	92.94%	92.94%	Trading of fruit juice concentrates, manufacture and sale of frozen fruits and vegetables
BPG Food & Beverage Holdings Ltd.	Cayman Islands	Hong Kong	10,000 ordinary shares of HKD0.10 each	100%	100%	Investment holding
Chance Lead Holdings Limited	Hong Kong	Hong Kong	1 ordinary share of HKD1 each	100%	100%	Investment holding
Fame Zone Limited	BVI	Hong Kong	1 ordinary share of USD1 each	100%	100%	Investment holding
Guilin Perfuming Garden Agricultural Technology Co., Ltd. ("Guilin BPG")	PRC	PRC	RMB2,000,000	–	92.94%	Not commenced business yet

19 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 2013	2012	Principal activities
Indirectly held: (continued)						
Hepu Perfuming Garden Food Co., Ltd.	PRC	PRC	RMB34,000,000	92.94%	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%	100%	Planting, cultivation and sale of oranges
Lucky Team Biotech Development Yongzhou Limited	PRC	PRC	USD10,000,000	100%	100%	Planting, cultivation and sale of oranges
Lucky Team Biotech Development (Hepu) Limited	PRC	PRC	RMB284,850,000	100%	100%	Planting, cultivation and sale of oranges
Lucky Team Biotech Development (Zigui) Limited ("Lucky Team Zigui")	PRC	PRC	USD2,100,000	–	100%	Dormant
Lucky Team Industrial (Ganzhou) Company Limited	PRC	PRC	USD10,000,000	100%	100%	Development of orange processing centre
Lucky Team Logistics (Yi Chang) Limited ("Lucky Team Yi Chang")	PRC	PRC	USD701,209	–	100%	Dormant
Lucky Team (Hepu) Agriculture Development Limited	PRC	PRC	HKD28,000,000	100%	100%	Development of nursery
Tianyang Perfuming Garden Food Industrial Co., Ltd.	PRC	PRC	HKD78,000,000	100%	100%	Not commenced business yet
Top Honest Holdings Limited	BVI	Hong Kong	1 ordinary share of USD1 each	100%	100%	Investment holding
Wealth Elite Investments Limited	Hong Kong	Hong Kong	1 ordinary share of HKD1 each	100%	100%	Investment holding
Zhanjiang Perfuming Garden Food Co., Ltd. ("Zhanjiang BPG")	PRC	PRC	RMB5,000,000	–	92.94%	Not commenced business yet

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

During the year, Guilin BPG, Lucky Team Zigui, Lucky Team Yi Chang and Zhangjiang BPG were deregistered.

20 DEPOSITS

	Group 30 June 2013 RMB'000	30 June 2012 RMB'000
Deposits paid for acquisition of property, plant and equipment	84,303	4,251

21 GOODWILL

Goodwill, arising from acquisition of BPG Food & Beverage Holdings Ltd. and its subsidiaries in November 2010, 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 (2012: 3-year period), and a discount rate of 12% (2012: 13%). The cash flows beyond the 3-year period (2012: 3-year period) are extrapolated using a steady 10% (2012: 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.

22 PROPERTIES FOR SALE

	Group 30 June 2013 RMB'000	30 June 2012 RMB'000
Properties under development for sale	5,081	5,081
Completed properties for sale	749	749
	5,830	5,830

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

	Group 30 June 2013 RMB'000	30 June 2012 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 one year is RMB5,081,000 (2012: RMB5,081,000). The remaining properties for sale are expected to be recovered within one year.

23 INVENTORIES

	Group	
	30 June 2013	30 June 2012
	RMB'000	*RMB'000*
Raw materials	**6,416**	9,601
Work in progress	**2,302**	483
Finished goods	**31,559**	53,010
	40,277	63,094

24 TRADE AND OTHER RECEIVABLES

	Group	
	30 June 2013	30 June 2012
	RMB'000	*RMB'000*
Trade receivables	**42,736**	28,831
Other receivables, deposits and prepayments	**25,579**	58,034
	68,315	86,865

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 RMB10,020,000 (2012: RMB8,919,000). The remaining balance of trade and other receivables are expected to be recovered or recognised as expenses within one year.

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

	Group	
	30 June 2013	30 June 2012
	RMB'000	*RMB'000*
Less than 1 month	**38,576**	28,352
1 to 3 months	**4,047**	84
3 to 6 months	**–**	291
6 to 12 months	**–**	–
Over 1 year	**113**	104
	42,736	28,831

Trade receivables from sales of goods are normally due for settlement within 30 to 60 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.

24 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 2013	30 June 2012
	RMB'000	*RMB'000*
Neither past due nor impaired	**41,492**	27,529
Less than 1 month past due	**1,174**	944
1 to 3 months past due	**–**	6
3 to 6 months past due	**–**	291
6 to 12 months past due	**–**	–
Over 1 year past due	**70**	61
Amounts past due but not impaired	**1,244**	1,302
	42,736	28,831

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.

25 CASH AND CASH EQUIVALENTS

	Group		Company	
	30 June 2013	30 June 2012	**30 June 2013**	30 June 2012
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Bank deposits	**1,552,060**	1,699,323	**116,279**	269,870
Cash at bank and on hand	**589,164**	688,791	**12,250**	8,759
Cash and cash equivalents in the statements of financial position	**2,141,224**	2,388,114	**128,529**	278,629
Time deposits with terms over three months	**–**	(62,960)		
Cash and cash equivalents in the consolidated cash flow statement	**2,141,224**	2,325,154		

Included in the cash and cash equivalents of the Group as at 30 June 2013 is an amount of RMB1,964,715,000 (2012: RMB1,873,839,000) 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 three months (2012: ranging from one month to one year) depending on the immediate cash requirements of the Group.

26 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	Retained profits RMB'000	Total RMB'000
At 1 July 2011		3,636,899	–	55,944	331,235	4,024,078
Loss and total comprehensive income for the year		–	–	–	(25,876)	(25,876)
Issue of shares to shareholders participating in the scrip dividend		41,107	–	–	–	41,107
Share-based payments		–	–	45,812	–	45,812
Issue of shares upon exercises of share options		17,130	–	(4,735)	–	12,395
Shares repurchased		(46,761)	(4)	–	–	(46,765)
2010/11 final and special dividends		–	–	–	(157,710)	(157,710)
2011/12 interim dividend		–	–	–	(61,330)	(61,330)
At 30 June 2012 and 1 July 2012		3,648,375	(4)	97,021	86,319	3,831,711
Profit and total comprehensive income for the year		–	–	–	456,260	456,260
Issue of shares to shareholders participating in the scrip dividend	26(b)(i)	53,747	–	–	–	53,747
Share-based payments		–	–	24,698	–	24,698
Issue of shares upon exercises of share options	26(b)(ii)	3,548	–	(819)	–	2,729
Shares repurchased and cancelled	26(b)(iii)	(34,452)	4	–	–	(34,448)
2011/12 final dividend	26(c)(ii)	–	–	–	(158,531)	(158,531)
2012/13 interim dividend	26(c)(ii)	–	–	–	(61,386)	(61,386)
At 30 June 2013		**3,671,218**	**–**	**120,900**	**322,662**	**4,114,780**

26 CAPITAL, RESERVES AND DIVIDENDS *(continued)*

(b) Share capital

	Note	Number of shares	HKD'000	RMB'000
Authorised:				
Ordinary shares of HKD0.01 each				
At 30 June 2012 and 30 June 2013		2,000,000,000	20,000	20,900
Issued and fully paid:				
At 1 July 2011		1,215,156,963	12,151	12,030
Issue of shares to shareholders participating in the scrip dividends		9,456,219	95	85
Issue of shares upon exercises of share options		6,939,000	69	62
Shares repurchased and cancelled		(10,455,000)	(105)	(94)
At 30 June 2012		1,221,097,182	12,210	12,083
Issue of shares to shareholders participating in the scrip dividends	(i)	17,768,373	178	159
Issue of shares upon exercises of share options	(ii)	1,837,000	18	17
Shares repurchased and cancelled	(iii)	(11,144,000)	(111)	(100)
At 30 June 2013		**1,229,558,555**	**12,295**	**12,159**

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 2012, 17,768,373 new ordinary shares of HK$0.01 each were issued at the price of HK$3.774 per share to shareholders participating in the scrip dividend in respect of the 2011/12 final dividend.

(ii) On 19 June 2013, 1,837,000 share options were exercised (see note 27(A)(b)) to subscribe for the Company's ordinary shares at a total cash consideration of RMB2,746,000.

(iii) During the year, the Company repurchased and cancelled in aggregate 10,649,000 its own shares on the HKEx. The premium paid on repurchases of shares of RMB34,452,000 was charged to share premium. In addition, 495,000 repurchased shares remained uncancelled and were held as treasury shares at 30 June 2012 were subsequently cancelled in July 2012.

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

26 CAPITAL, RESERVES AND DIVIDENDS *(continued)*

(c) Dividends

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

	2013 RMB'000	2012 RMB'000
Interim dividend of RMB0.03 and special dividend of RMB0.02 per ordinary share declared and paid during the year (2012: interim dividend of RMB0.03 and special dividend of RMB0.02 per ordinary share)	61,386	61,330
Final dividend of RMB0.05 per ordinary share proposed after the end of the reporting period (2012: final dividend of RMB0.13 per ordinary share)	61,478	158,531
	122,864	219,861

The final dividend proposed after the end of the reporting period has not been recognised as a liability 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:

	2013 RMB'000	2012 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 (2012: interim dividend of RMB0.03 and special dividend of RMB0.02 per ordinary share)	61,386	61,330
Final dividend of RMB0.13 per ordinary share in respect of the previous financial year, approved and paid during the year (2012: final dividend of RMB0.10 and special dividend of RMB0.03 per ordinary share)	158,531	157,710
	219,917	219,040

26 CAPITAL, RESERVES AND DIVIDENDS *(continued)*

(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.

27 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.

27 SHARE-BASED PAYMENTS *(continued)*

(A) Share Option Scheme *(continued)*

(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 3 August 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 3 August 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.

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

	2013		2012	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Outstanding at beginning of year	22,764,000	GBP0.148	29,703,000	GBP0.151
Exercised during the year	(1,837,000)	GBP0.133	(6,939,000)	GBP0.160
Outstanding at end of year	20,927,000	GBP0.150	22,764,000	GBP0.148
Exercisable at end of year	12,340,000	GBP0.165	7,194,000	GBP0.175

The options outstanding at the end of the reporting period have a weighted average remaining contractual life of 2 years (2012: 3 years) and exercise prices ranging from GBP0.112 to GBP0.2425 (2012: from GBP0.112 to GBP0.2425).

27 SHARE-BASED PAYMENTS *(continued)*

(A) Share Option Scheme *(continued)*

(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	3 August 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.

(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 subsequent 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 2013 is 27,055,980, representing 2.2% of the issued share capital.

27 SHARE-BASED PAYMENTS *(continued)*

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

(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 2010	10,750,000	(i)	8 years	26 May 2018
Options granted to employees:				
– on 27 May 2010	19,250,000	(ii)	8 years	26 May 2018
– on 28 February 2011	20,000,000	(iii)	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.

(ii) 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.

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

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

	2013		2012	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Outstanding at beginning and end of year	**49,634,000**	**HKD7.02**	49,634,000	HKD7.02
Exercisable at end of year	**21,634,000**	**HKD6.29**	21,634,000	HKD6.29

The options outstanding at the end of the reporting period have a weighted average remaining contractual life of 5 years (2012: 6 years) and exercise prices were set at HKD5.68 and HKD9.00 (2012: HKD5.68 and HKD9.00).

27 SHARE-BASED PAYMENTS *(continued)*

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

(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.

28 OBLIGATION UNDER FINANCE LEASE

At 30 June 2013, the Group had obligation under finance lease repayable as follows:

	Group			
	2013		2012	
	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	105	180	97	180
After 1 year but within 2 years	113	180	105	180
After 2 years but within 5 years	398	540	368	540
After 5 years	321	360	464	540
	832	1,080	937	1,260
	937	1,260	1,034	1,440
Less: total future interest expenses		(323)		(406)
Present value of lease obligation		937		1,034

29 TRADE AND OTHER PAYABLES

	Group	
	30 June 2013 RMB'000	30 June 2012 RMB'000
Trade payables	63,552	21,977
Other payables and accruals	40,838	34,830
	104,390	56,807

The amount of the Group's other payables and accruals expected to be settled after one year is RMB750,000 (2012: RMB750,000). The remaining balance of trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

29 TRADE AND OTHER PAYABLES *(continued)*

The ageing analysis of trade payables by invoice date is as follows:

	Group	
	30 June 2013	30 June 2012
	RMB'000	*RMB'000*
Less than 3 months	**62,881**	21,246
3 to 6 months	**68**	93
6 to 12 months	**304**	543
Over 1 year	**299**	95
	63,552	21,977

30 COMMITMENTS

a) Operating lease commitments

At 30 June 2013, the Group's total future minimum lease payments under non-cancellable operating leases are payable as follows:

	Group	
	30 June 2013	30 June 2012
	RMB'000	*RMB'000*
Within 1 year	**6,670**	6,636
After 1 year but within 5 years	**29,206**	27,336
After 5 years	**340,616**	346,965
	376,492	380,937

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 commitments

At 30 June 2013, the Group had the following capital commitments:

	Group	
	2013	2012
	RMB'000	*RMB'000*
Contracted but not provided for:		
Construction-in-progress, property, plant and equipment and land use rights	**74,734**	87,725

31 RELATED PARTY TRANSACTIONS

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

	Group 2013 RMB'000	2012 RMB'000
Purchases of organic fertilisers from:		
Fujian Zhangzhou Chaoda Microbe Organic Fertiliser Company Limited ("Zhangzhou Chaoda")	–	5,321
Operating lease expenses paid to:		
Alpha Best Limited	306	251
Pan Air and Sea Forwards (HK) Limited	429	388
	735	639

Zhangzhou Chaoda is a related party of the Group by virtue of Mr. Kwok Ho's interest. The entire registered capital of Zhangzhou Chaoda is indirectly held by Mr. Kwok Ho, a director of Newasia Global Limited. Mr. Kwok Ho is a substantial shareholder in Chaoda Modern Agriculture (Holdings) Limited ("Chaoda"). Chaoda is in turn the holding company of Huge Market Investments Limited, a substantial shareholder of the Company until 25 November 2011. The purchases from Zhangzhou 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 fertilizers from Zhangzhou 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.

b) Compensation of key management personnel

	Group 2013 RMB'000	2012 RMB'000
Short-term employee benefits	10,106	10,121
Share-based payments	5,551	11,364
Post-employment benefits	100	85
	15,757	21,570

Total remuneration is included in "staff costs" (see note 9(b)).

32 COMPARATIVE FIGURES

As stated in note 6, the Group changed the composition of its reportable segments in the year ended 30 June 2013 and, accordingly, the corresponding segmental information for the year ended 30 June 2012 has been restated to conform with the current year's presentation.

33 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.

	Years ended 30 June				
	2013	2012	2011#	2010	2009
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
RESULTS					
Revenue	**1,485,912**	1,776,144	1,412,621	812,482	668,259
Net (loss)/gain on changes in fair value of biological assets	**(260,468)**	166,900	507,712	306,000	210,630
Profit before income tax	**124,662**	765,058	1,050,238	587,321	442,266
Income tax expense	**–**	–	(1,785)	(1,854)	(2,205)
Profit for the year	**114,395**	750,200	1,038,953	585,467	440,061

	As at 30 June				
	2013	2012	2011#	2010#	2009
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
ASSETS and LIABILITIES					
Non-current assets	**5,841,050**	5,607,589	5,190,384	2,869,209	2,391,589
Property, plant and equipment	**1,989,625**	1,835,518	1,638,339	1,161,437	1,083,758
Biological assets	**2,168,501**	2,463,860	2,232,058	1,642,024	1,196,663
Current assets	**2,467,744**	2,702,539	2,526,504	1,104,262	565,530
Total assets	**8,308,794**	8,310,128	7,716,888	3,973,471	2,957,119
Non-current liabilities	**832**	937	1,034	–	–
Current liabilities	**104,495**	56,904	61,551	51,779	51,796
Capital and reserves	**8,203,467**	8,252,287	7,654,303	3,921,692	2,905,323

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

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