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
2010/2011

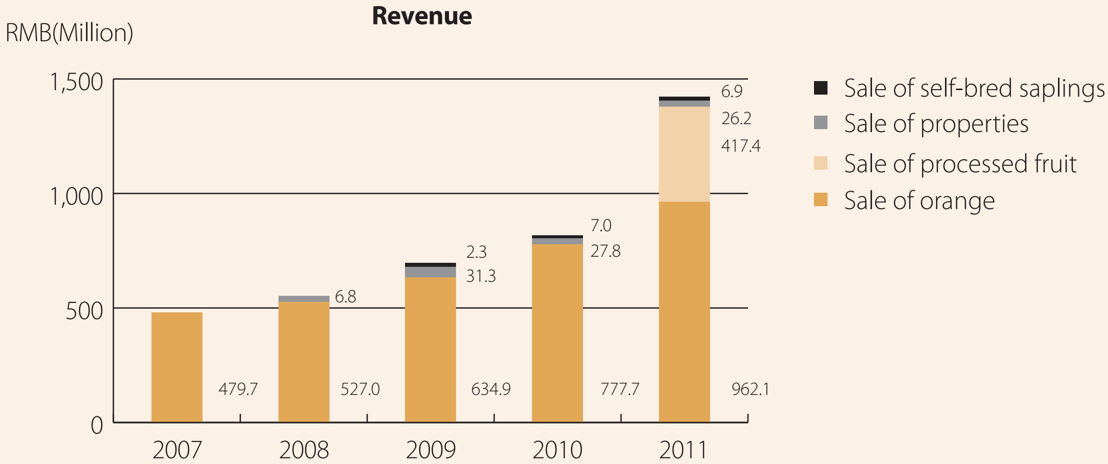
* For identification purposes only

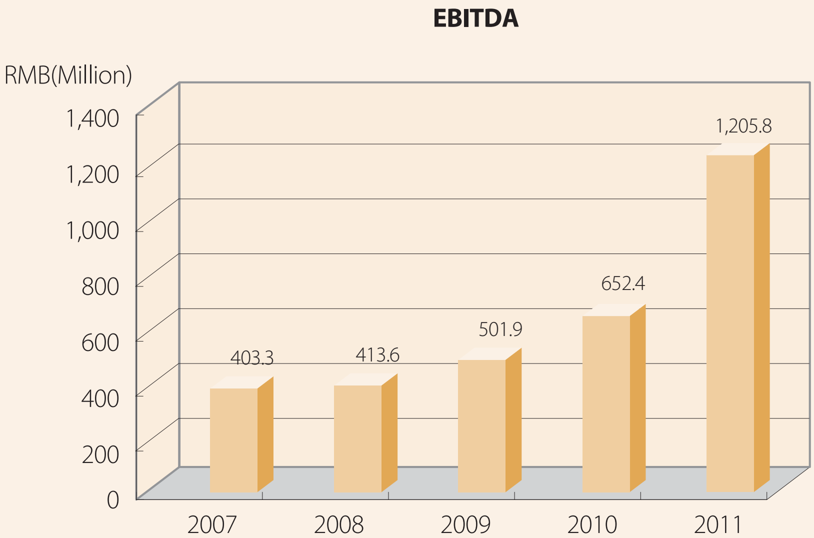
CONTENT

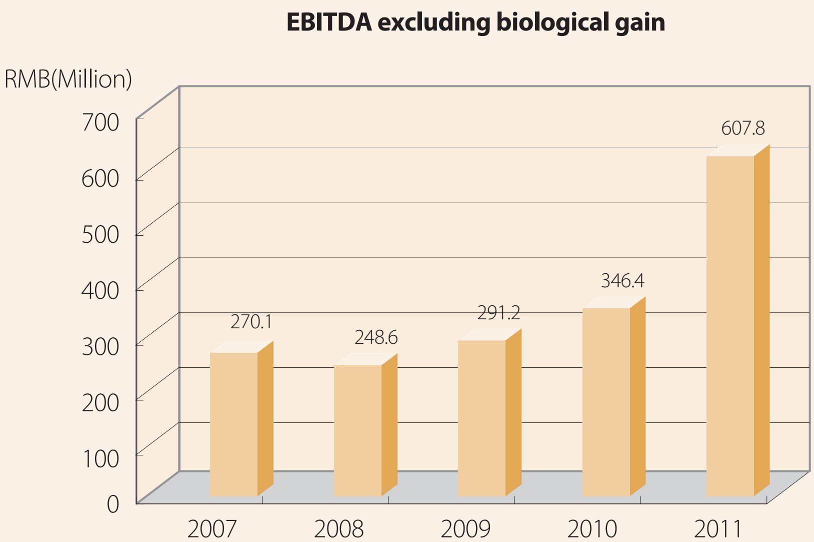
Financial Highlights

RESULTS OF OPERATIONS (RMB MILLION)

	For the year ended 30 June		
	2011	2010	% change
Reported financial information			
Revenue	**1,412.6**	812.5	73.9
Gross profit	**738.6**	468.4	57.7
EBITDA	**1,205.8**	652.4	84.8
Profit before tax	**1,121.3**	587.3	90.9
Profit attributable to shareholders	**1,110.0**	585.5	89.6
Basic earnings per share (RMB)	**1.06**	0.74	43.2
Diluted earnings per share (RMB)	**1.05**	0.74	41.9
Interim Dividend per share (RMB)	**0.02**	–	N/A
Final Dividend per share (RMB)	**0.10**	0.10	–
Special Dividend per share (RMB)	**0.03**	0.02	50.0
Reported financial information adjusted to exclude biological gain			
EBITDA	**607.8**	346.4	75.5
Profit before tax	**523.3**	281.3	86.0
Profit attributable to shareholders	**512.0**	279.5	83.2
Basic earnings per share (RMB)	**0.49**	0.35	40.0
Diluted earnings per share (RMB)	**0.48**	0.35	37.1
FINANCIAL RATIOS			
Gross profit margin (%)	**52.3**	57.6	
Return on assets (%)	**14.4**	15.1	
Return on equity (%)	**14.7**	15.3	
Asset turnover (x)	**0.18**	0.21	
Current ratio (x)	**41.05**	21.33	
FINANCIAL POSITION (RMB million)			
Total assets	**7,685.7**	3,871.2	
Net current assets	**2,465.0**	1,052.5	
Cash and cash equivalents	**2,232.2**	975.1	
Shareholders' fund	**7,535.8**	3,819.5	

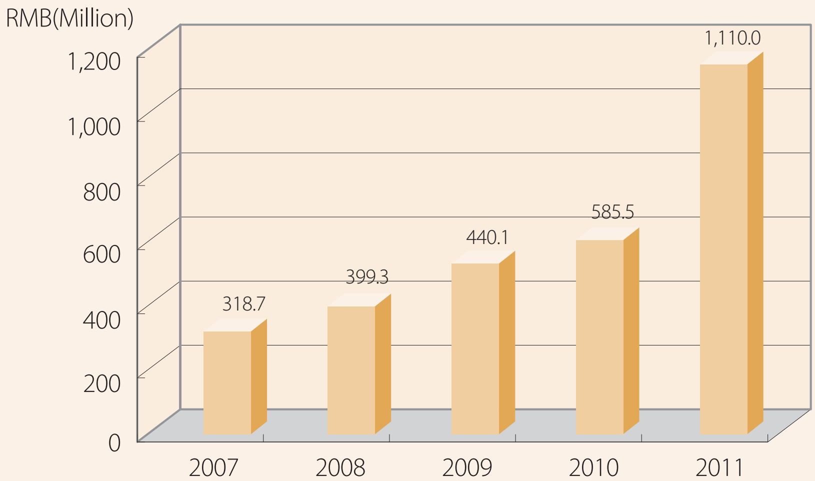

Revenue
RMB(Million)
1,500
1,000
500
0
479.7
527.0
6.8
634.9
2.3
31.3
777.7
7.0
27.8
962.1
6.9
26.2
417.4
2007
2008
2009
2010
2011
Sale of self-bred saplings
Sale of properties
Sale of processed fruit
Sale of orange


EBITDA
RMB(Million)
1,400
1,200
1,000
800
600
400
200
0
403.3
413.6
501.9
652.4
1,205.8
2007
2008
2009
2010
2011

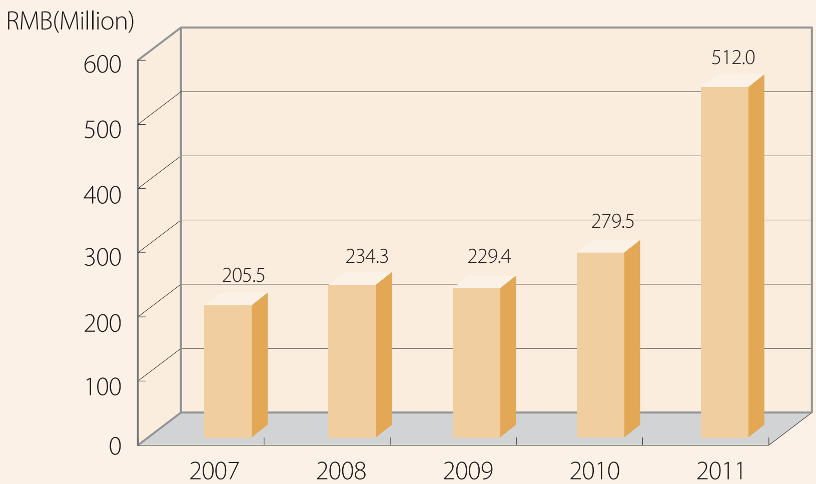

EBITDA excluding biological gain
RMB(Million)
700
600
500
400
300
200
100
0
270.1
248.6
291.2
346.4
607.8
2007
2008
2009
2010
2011

Financial Highlights

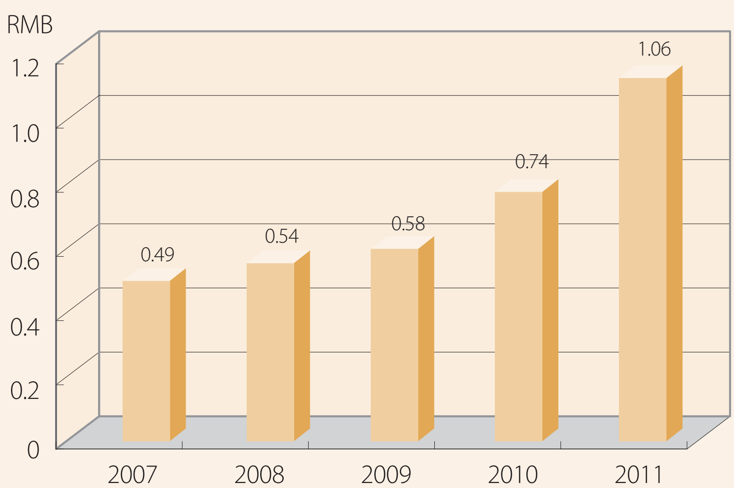
Profit attributable to shareholders



Profit attributable to shareholders excluding biological gain



Basic earnings per share



Chairman's Statement

I am very pleased to present the annual results of Asian Citrus Holdings Limited (the "Company" or "Asian Citrus") and its subsidiaries (collectively referred to as the "Group") for the year ended 30 June 2011. For the year ended 30 June 2011, the Group's revenue increased by approximately 73.9% from RMB812.5 million to RMB1,412.6 million while the net profit increased by approximately 89.6% from RMB585.5 million to RMB1,110.0 million.

STRATEGIC OVERVIEW

During the year ended 30 June 2011, the Group continued to expand our direct sales of oranges to supermarket chains in China. The Group supplied a total of 68,480 tonnes of oranges directly to 20 supermarket chains in most of the major cities and coastal provinces in China. This represented an increase of approximately 12.0% from 61,157 tonnes sold directly to supermarket chains in the previous year. The volume and revenue of sales to supermarkets accounted for approximately 31.6% and 39.0% of the Group's production and revenue from sales of oranges, respectively. We will continue to expand our supermarket sales coverage with increased volume and a wider customer base in the coming year.

The Group continues to mass produce self-bred saplings at both the Hepu Plantation and Hunan Plantation. In addition to supplying these saplings to these plantations under the replanting and the new planting programmes, we sold approximately 620,000 saplings to local farmers during the year. The continuous development of our nursery function along with our sales of self-bred saplings provides the Group with a long-term stable supply of high-quality oranges as there are reciprocal agreements with the farmers which offer the Group the first right to purchase their oranges.

Strict quality control and food safety of our products are always a top priority. During the year, our Hepu and Xinfeng Plantations both successfully achieved their annual renewal of the "Organic Products" accreditation by the China Organic Food Certification Center which evidences the outstanding quality of our products.

The acquisition of our 92.94% equity interest in Beihai Perfuming Garden Juice Co., Ltd. ("Beihai BPG") was completed on 30 November 2010 and this represents a major milestone for the Group to expand into the concentrated juice market in China. In addition to the existing production facilities of approximately 60,000 tonnes annual production capacity located in Beihai city and Hepu county of Guangxi Zhuang Autonomous Region (the "Guangxi Region"), we are currently expanding the production capacities of Beihai BPG by establishing a new production facility in Baise city of the Guangxi Region with an annual output capacity of approximately 40,000 tonnes. We expect to substantially complete the construction of this new juicing plant by the end of 2011 and the trial production is expected to commence before mid-2012.

OPERATING REVIEW

There are approximately 1.3 million orange trees in the Hepu Plantation of which approximately 1.1 million trees were producing oranges during the year ended 30 June 2011. Production output for the year was approximately 123,711 tonnes, representing a decrease of approximately 2.5% over the previous year's production of 126,919 tonnes. This slight decrease was due mainly to the reduction in the number of productive winter orange trees due to the replanting programme, partially offset by the increase in production from some of the winter orange trees as they become more mature and the first crop from the summer orange trees replanted in 2007.

The Group's replanting programme in the Hepu Plantation is ongoing and so far this year, 63,584 winter trees have been removed and replanted with the same number of the new species of summer orange trees. There are currently approximately 120,000 winter orange trees at the Hepu Plantation, all of which are due to be replaced over the next two years. We are very confident that the replanting programme will deliver long term economic benefits by increasing average yields and achievable revenue per tonne from the improved species of summer oranges trees. The first batch of 55,185 orange trees replanted in 2007 commenced its first crop in the summer of 2011, yielding approximately 646 tonnes of oranges. We expect the later batches of replanted trees to commence their production in the coming few years. As a result, the Hepu Plantation will soon be producing increasing tonnage of summer oranges benefiting from both the commencement of production from the replanting programme and increasing maturity of the replanted summer orange trees.

The Xinfeng Plantation is fully planted with 1.6 million winter orange trees all of which were producing, albeit at different stages of maturity. During the year they yielded approximately 93,181 tonnes of oranges, representing an increase of approximately 55.3% over the previous year's production of 60,019 tonnes. This growth was mainly due to the increased production from the first three batches of 1.2 million winter oranges trees, which are yet to achieve full maturity, together with trial production from the final batch of 400,000 trees.

During the year, the Group continued the construction of the Hunan Plantation with an investment of approximately RMB185.7 million. As at 30 June 2011, approximately RMB286.7 million has been invested in the Hunan Plantation. As of the date of this report, 427,000 summer orange trees have been planted in the Hunan Plantation and we expect the entire Hunan planting programme will be completed by 2013.

Following its acquisition in November 2010, Beihai BPG continues to deliver strong operational and financial results with optimal utilisation of its production facilities. During the seven months ended 30 June 2011, Beihai BPG sold a total of approximately 20,653 tonnes of juice concentrates, 3,616 tonnes of fruit purees and 9,634 tonnes of frozen and dried fruits and vegetables.

SHARE PLACEMENT

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

DIVIDENDS

The Board recommends the payment of a final dividend of RMB0.10 and special dividend of RMB0.03 per share for the financial year ended 30 June 2011. Together with the interim dividend of RMB0.02 per share, this equates to approximately 35.6% of the adjusted earnings excluding fair value gain of biological assets for the year ended 30 June 2011 which the Board views as an appropriate payout to provide shareholders with an attractive yield while leaving the Group with sufficient capital for further developments. The Company has decided to institute a Scrip Dividend Scheme whereby shareholders will be offered the opportunity to elect to receive the final and special dividend for the year ended 30 June 2011 in the form of shares. A document providing further details of this Scrip Dividend Scheme will be sent to shareholders in due course.

The final and special dividend, if approved at the Annual General Meeting on 8 November 2011, will be paid in sterling or HK Dollars on or before 30 December 2011, to shareholders on the register on 11 November 2011, with an ex-dividend date of 10 November 2011 and 9 November 2011 on The Stock Exchange of Hong Kong Limited and London Stock Exchange PLC, respectively. The actual translation rate for the purpose of dividend payment in sterling or HK Dollars will be determined by reference to the exchange rate on 15 November 2011.

CORPORATE GOVERNANCE

Following the Company's listing on AIM of the London Stock Exchange in 2005, we have consistently provided a return for our shareholders by way of dividends and the dividend payout ratio has always been 25% or more of the adjusted earnings excluding fair value gain of biological assets for the respective financial year.

In addition to the consistent dividend policy, the Group is committed to protect our shareholders' interest by way of securing proper titles over our major assets. We have properly secured the land use rights for all our plantations by way of leasing contracts in accordance with the PRC Rural Land Contracting Law. The Group is also duly registered as the owners of the orange trees at the Hepu Plantation and Xinfeng Plantation in accordance with the PRC Property Law and the PRC Forestry Law. The Group will register its ownership over the orange trees at the Hunan Plantation once the construction work at the Hunan Plantation is completed.

OUTLOOK

During the year, we made very good progress in increasing the volume of direct sales to supermarkets. The acquisition of Beihai BPG is an important step for the Group in moving downstream and provides the Group with better flexibility to meet the changing needs of the consumer market and to explore other opportunities in the agricultural sector. The acquisition of Beihai BPG brought the Group an accretive effect to the earnings per share from operations, thus creating better shareholders' value.

The Group aims to increase its production of high quality citrus fruits through organic growth in production from its existing plantations, the potential acquisition of high quality and sizeable citrus plantations in China and the ongoing saplings program with local farmers which will enable the Group to source high-quality oranges without major capital expenditure. Apart from fresh citrus products, the Group is considering the diversification of its agricultural business into the production of tropical fruits which will enhance the synergy with Beihai BPG, building on the Group's successful track record and expertise in the agricultural industry and extensive distribution network for fresh products.

The outlook for fruit juice consumption in China looks very positive and the acquisition of Beihai BPG provides us with the techniques, processing capacity and distribution network for effective expansion into the concentrated juice market in the PRC. The addition of new production capacity will strengthen the Group's leading position in the juice concentrates market in China.

On behalf of the Board, I would like to express my deepest gratitude to the management and our employees for their dedication and contributions to the growth of Asian Citrus. In addition, I would also like to take this opportunity to thank all our shareholders, business partners and investors for their continuous support and care. We are very excited about our growth in both the agricultural and processing businesses and we are confident that Asian Citrus will continue to deliver value to its shareholders in the context of continuing economic growth in China and the increasing health consciousness of its people.

TONY TONG
Chairman

16 September 2011

Management Discussion and Analysis

OPERATING PERFORMANCE

Revenue

The breakdown of revenue by types is as follows:

	For the year ended 30 June			
	2011		2010	
	RMB'000	% of total revenue	RMB'000	% of total revenue
Hepu Plantation	631,139	44.7%	583,649	71.8%
Xinfeng Plantation	330,988	23.4%	194,016	23.9%
Sale of oranges	962,127	68.1%	777,665	95.7%
Sale of processed fruit	417,393	29.5%	–	0.0%
Sale of self-bred saplings	6,903	0.5%	7,056	0.9%
Sale of properties	26,198	1.9%	27,761	3.4%
Total revenue	1,412,621	100.0%	812,482	100.0%

The Group's revenue increased by approximately 73.9% from RMB812.5 million to RMB1,412.6 million for the year ended 30 June 2011.

Sale of oranges

Revenue from sale of oranges grew by approximately 23.7% to RMB962.1 million for the year ended 30 June 2011. This was achieved by an increase of approximately 16.0% in the Group's production to 216,892 tonnes combined with an increase in the average selling price of oranges in different plantations of approximately 10.0% year on year.

The production yield from Hepu Plantation decreased by approximately 2.5% to 123,711 tonnes for the year ended 30 June 2011 due to the ongoing replanting programme. In the previous year, 64,194 winter orange trees were removed and replanted with the same number of the summer orange trees. As the orange trees continued to mature and more trees reached orange-bearing age, the production yield from the Xinfeng Plantation increased significantly by 55.3% to 93,181 tonnes for the year ended 30 June 2011 from 60,019 tonnes in the comparable year.

The following table sets out the average selling prices of oranges in different plantations:

	Year ended 30 June	
	2011	2010
	RMB (per tonne)	RMB (per tonne)
Hepu Plantation		
– Winter Oranges	3,922	3,567
– Summer Oranges	6,061	5,516
Xinfeng Plantation		
– Winter Oranges	3,660	3,330

All of the Group's oranges were sold domestically. The Group's customers for the sale of oranges can be divided into three categories, namely corporate customers, wholesale customers, and supermarket chains. The breakdown of the types of customers is as follows:

	For the year ended 30 June	
	2011	2010
	% of sale of oranges	
Types of customers		
Supermarket chains	39.0%	40.8%
Corporate customers	30.5%	34.5%
Wholesale customers	30.0%	23.8%
Other	0.5%	0.9%
Total	100.0%	100.0%

For the year ended 30 June 2011, the production volume and revenue to supermarket chains represented approximately 31.6% and 39.0%, respectively, of the Group, compared to approximately 32.7% and 40.8%, respectively, for the year ended 30 June 2010. For the Hepu Plantation, the production volume and revenue to supermarket chains increased to approximately 37.3% and 47.0%, respectively, (2010: 35.7% and 45.6%). As the Xinfeng Plantation was still at the early stage, the oranges were mainly sold to corporate and wholesale customers, thereby reducing the percentage of sales to supermarket chains.

For the Hepu Plantation and Xinfeng Plantation, the production volume sold to supermarkets was 46,156 tonnes and 22,324 tonnes for the year ended 30 June 2011, increased from 45,298 tonnes and 15,859 tonnes for the year ended 30 June 2010, respectively.

Sale of processed fruits

After the completion of acquisition of 92.94% equity interest of Beihai BPG on 30 November 2010, the results of Beihai BPG have been consolidated into the Group.

For the seven months ended 30 June 2011, the revenue from the sale of processed fruits such as fruit juice concentrates, fruit purees, frozen fruits and vegetables and dried fruits and beverages was approximately RMB417.4 million.

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

	For the year ended 30 June			
	2011		2010	
	Volume (Tonnes)	**Revenue RMB'000**	Volume (Tonnes)	Revenue RMB'000
Pineapple juice concentrates	16,636	222,283	–	–
Other fruit juice concentrates	4,017	87,340	–	–
Fruit purees	3,616	25,783	–	–
Frozen and dried fruits and vegetables	9,634	81,987	–	–
	33,903	417,393	–	–

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 is shown separately in the table above.

The ultisation rate of two existing processing plants in Beihai and Hepu is approximately 92.7% (2010: 89.9%) and 90.4% (2010: 84.5%) for the year ended 30 June 2011, respectively.

Beihai BPG currently generates most of its sales from the PRC market, with key customers being beverage mixers supplying major beverage groups.

Whilst tropical fruits juice concentrates and purees continue to be its major product, Beihai BPG started to increase the production of orange juice concentrate in December 2010 with revenue and sales volume of RMB4.2 million and 241 tonnes, respectively, for the seven months ended 30 June 2011.

Sale of self-bred saplings

For the year ended 30 June 2011, approximately RMB6.9 million was recognised from the sale of approximately 620,000 self-bred saplings to local farmers.

Sale of properties

In addition, the transfer of ownership and titles of 49 wholesale units of Phase I of the Xinfeng Development was completed during the year ended 30 June 2011. The Group recognised revenue and corresponding costs (excluding business tax and other relevant taxes and charges that may be levied) of approximately RMB26.2 million and RMB13.7 million, respectively.

Cost of sales

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

	For the year ended 30 June 2011			
	2011		2010	
	RMB'000	% of cost of sales of respective segment	RMB'000	% of cost of sales of respective segment
Inventories used				
Fertilisers	193,713	50.8%	164,613	51.2%
Packaging materials	42,907	11.2%	39,982	12.4%
Pesticides	32,010	8.4%	27,153	8.5%
	268,630	70.4%	231,748	72.1%
Production overheads				
Direct labour	37,140	9.7%	30,855	9.6%
Depreciation	50,498	13.2%	49,637	15.4%
Others	25,481	6.7%	9,266	2.9%
Cost of sales of oranges	381,749	100%	321,506	100%
Fruit	205,920	74.8%	–	–
Packaging materials	18,136	6.6%	–	–
Direct labour	15,041	5.5%	–	–
Other production overheads	36,196	13.1%	–	–
Cost of sales of processed fruits	275,293	100%	–	–
Cost of sales of self-bred saplings	3,235		2,262	
Cost of sales of properties	13,742		20,337	
Total	674,019		344,105	

Cost of sale of oranges principally consists of the costs of raw materials such as fertilisers, packaging materials, pesticides and other direct costs such as direct labour, depreciation and production overheads. The production cost of oranges increased by approximately 18.7% from RMB321.5 million to RMB381.7 million. The increase in production costs was mainly due to an increase in raw materials utilised for higher production volume and the trial production of the final batch of 400,000 orange trees in Xinfeng Plantation and the first batch of 55,185 orange trees replanted in Hepu Plantation in 2007.

The unit cost of production in the Hepu Plantation maintained at approximately RMB1.49 per kg for the year ended 30 June 2011 (2010: RMB1.49 per kg).

The unit cost of production in the Xinfeng Plantation decreased by 4.5% to approximately RMB2.12 per kg for the year ended 30 June 2011 (2010: RMB2.22 per kg) as a result of the better economies of scale achieved from the increased maturity of the orange trees.

The combined unit cost of production increased by approximately 2.3% to RMB1.76 per kg from 1.72 per kg in the last year.

Cost of sales of processed fruits mainly includes the cost of fruits and packaging materials and other direct costs such as direct labour, depreciation and production overheads. For the seven months ended 30 June 2011, the cost of sales of processed fruits was approximately RMB275.3 million.

The fruit cost is the most significant part of our cost of processed fruit. For the seven months ended 30 June 2011, the fruit cost accounted for approximately 74.8% of the cost of processed fruit. The packaging material, direct labor and other production overhead accounted for approximately 6.6%, 5.5% and 13.1%, respectively of the cost of processed fruit, for the seven months ended 30 June 2011.

Gross profit

The Group's overall gross profit increased by approximately 57.7% to approximately RMB738.6 million for the year ended 30 June 2011 (2010: RMB468.4 million). The improvement in gross profit was the result of an increase in the production output of orange of approximately 16.0%, an increase in the average selling price of oranges in different plantations year on year and the inclusion of the seven months' gross profit of Beihai BPG of RMB142.1 million.

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

	For the year ended 30 June	
	2011	2010
Hepu Plantation	70.9%	67.7%
Xinfeng Plantation	40.2%	31.3%

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

	For the year ended 30 June	
	2011	2010
Sale of oranges	60.3%	58.7%
Sale of processed fruits	34.0%	N/A
Sale of self-bred saplings	53.1%	67.9%
Sale of properties	47.5%	26.7%
Overall gross profit margin	52.3%	57.6%

The gross profit margin of the Hepu Plantation increased to approximately 70.9% (2010: 67.7%) as a result of the higher average selling price achieved but partially offset by the decrease of the production volume of winter oranges as a result of the ongoing replanting programme.

The Xinfeng Plantation, benefiting from trees continuing to mature and an increase in the number of trees reaching orange bearing age, saw the gross profit margin rising to approximately 40.2% for the year ended 30 June 2011 (2010: 31.3%). As a result of the continuous growth in production volume and better economies of scale, we expect the gross profit margin of the Xinfeng Plantation will continue to grow over the medium term.

Combined the above, the overall gross profit margin from sale of oranges slightly increased to approximately 60.3% (2010: 58.7%) for the year ended 30 June 2011.

Beihai BPG processes over 22 different types of fruit with different profit margin. The normalised profit margin of Beihai BPG for the seven months ended 30 June 2011 was 34.0%.

Gain on change in fair value of biological assets

The Group recorded a gain of approximately RMB598.0 million from changes in fair value of biological assets for the year ended 30 June 2011, compared to a gain of RMB306.0 million for the last year. The increase was mainly due to the higher average selling price of the oranges achieved by the Group and the transfer of 455,185 infant trees to orange trees and the increased maturity of orange trees in Xinfeng Plantation during the year.

Selling and distribution expenses

Selling and distribution expenses mainly comprise sales commissions, advertising, salaries and welfare of sales personnel, traveling and transportation expenses. The selling and distribution expenses of the Group increased from approximately RMB45.5 million for the year ended 30 June 2010 to approximately RMB63.3 million for the year ended 30 June 2011, representing an increase of approximately 39.1%, mainly resulting from the increased sale activities in Xinfeng Plantation and Beihai BPG.

Selling and distribution expenses represented 4.5% of the Group's revenue, a decrease of 1.1 percentage points as compared to 5.6% year-on-year, demonstrating that the Group was able to control cost effectively amid rapid business expansion.

General and administrative expenses

General and administrative expenses comprise mainly salary, office administration expenses, depreciation, amortisation, raw material utilised for infant trees and research costs. The general and administrative expenses of the Group were approximately RMB161.6 million for the year ended 30 June 2011 (2010: RMB143.3 million), representing an increase of approximately 12.8%. The increase was mainly due to an increase in share based payment of approximately RMB37.3 million in relation to the employee share option scheme, more raw materials amounting to approximately RMB21.8 million utilised for the infant trees replanted in Hepu Plantation and the first batch of 427,400 infant trees planted in Hunan Plantation during the year and inclusion of the general and administrative expenses amounting to approximately RMB11.1 million of Beihai BPG.

The increase was partially offset by less raw materials amounted to approximately RMB45.9 million being utilised for the infant trees in Xinfeng Plantation as all trees became fruit bearing during the year and there was no one-off listing expenses of approximately RMB16.3 million this year.

General and administrative expenses represented 11.4% of the Group's revenue, a decrease of 6.2 percentage points as compared to 17.6% year-on-year, demonstrating the Group's ability to achieve economies of scale after acquisition of Beihai BPG.

Profit

The profit attributable to shareholders for the year ended 30 June 2011 increased to approximately RMB1,110.0 million, compared to approximately RMB585.5 million for 2010, representing an increase of approximately 89.6%.

The profit attributable to shareholders excluding the biological gain for the year ended 30 June 2011 was approximately RMB512.0 million, compared to approximately RMB279.5 million for 2010, representing an increase of approximately 83.2%.

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

FINAL AND SPECIAL DIVIDEND

The Directors are pleased to recommend that a final dividend of RMB0.10 and special dividend of RMB0.03 (2010: RMB0.10, special dividend of RMB0.02) per share. The final and special dividend, together with the interim dividend of RMB0.02 (2010: RMBNil) per share, will make a total of RMB0.15 (2010: RMB0.12) per share for the whole year ended 30 June 2011. This equates to approximately 35.6% of the adjusted earnings excluding fair value gain of biological assets for the year.

PRODUCTIVITY

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

	For the year ended 30 June			
	2011		2010	
Types of produce	Tonnes	% of Total output	Tonnes	% of total output
Winter oranges	143,698	66.3%	114,530	61.3%
Summer oranges	73,194	33.7%	72,408	38.7%
Total	216,892		186,938	

The production volume of winter oranges increased to 143,698 tonnes for the year ended 30 June 2011, representing an increase of approximately 25.5%. The production volume of winter oranges in Hepu Plantation decreased by approximately 7.3% from 54,511 tonnes for the year ended 30 June 2010 to 50,517 tonnes for the year ended 30 June 2011 due to the replanting programme. With the increased maturity and more trees becoming fruit bearing during the year, the production volume of winter oranges from Xinfeng Plantation increased significantly by approximately 55.3% to 93,181 tonnes for the year ended 30 June 2011 from 60,019 tonnes in the last year.

The production volume of summer oranges increased slightly to 73,194 tonnes for the year ended 30 June 2011 (2010: 72,408 tonnes).

CAPITAL STRUCTURE

As at 30 June 2011, there were 1,215,156,963 shares in issue. Based on the closing price of HK$7.07 as at 30 June 2011, the market capitalisation of the Company was approximately HK$8,591.2 million (GBP688.7 million).

HUMAN RESOURCES

There were a total of 1,730 employees of the Group as at 30 June 2011. 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 2011	30 June 2010
Current ratio (x)	**41.05**	21.33
Quick ratio (x)	**37.83**	19.21
Asset turnover (x)	**0.18**	0.21
Basic earnings excluding revaluation from biological assets per share (RMB)	**0.49**	0.35
Basic earnings per share (RMB)	**1.06**	0.74
Net debt to equity (%)	**Net cash**	Net cash

Liquidity

The current ratio and quick ratio was approximately 41.05 and 37.83, 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 dropped to approximately 0.18 (2010: 0.21) for the year ended 30 June 2011 as we only consolidated seven months' result of Beibai BPG during the year.

Basic earnings per share for the year ended 30 June 2011 was approximately RMB1.06 (2010: RMB0.74).

Basic earnings excluding biological gain per share for the year ended 30 June 2011 increased to approximately RMB0.49 (2010: RMB0.35).

Debt ratio

The net cash positions of the Group were approximately RMB2,232.2 million and RMB975.1 million at 30 June 2011 and 2010, 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 2011.

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 2011.

Capital Commitments

As at 30 June 2011, the Group had capital commitments of approximately RMB149.0 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.) Hepu Plantation located in the Hepu county of the Guangxi Zhuang Autonomous Region, approximately 56,000 mu (equivalent to approximately 37.3 sq.km.) Xinfeng Plantation in the Xinfeng county of the Jiangxi province and approximately 53,000 mu (equivalent to approximately 35.3 sq.km.) Hunan Plantation in the Dao county of the Hunan province.

Hepu Plantation

The Hepu Plantation is fully planted and comprises approximately 1.3 million orange trees and in which, approximately 1.1 million trees were producing oranges during the year ended 30 June 2011. During the year, 63,584 winter orange trees were removed and the same number of summer orange trees were replanted due to the ongoing replanting programme.

Xinfeng Plantation

The Xinfeng Plantation is fully planted and comprises 1.6 million winter orange trees and all of which are now producing oranges during the year ended 30 June 2011.

Hunan Plantation

The Hunan Plantation is still under development and 427,400 summer orange trees were planted during the year ended 30 June 2011.

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

Summer orange trees

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

Winner orange trees

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

The below table sets out the age profile as at 30 June 2010 and the production volume of the plantations for the year ended 30 June 2010:

Summer orange trees

Age	Hepu Plantation No. of trees	Hepu Plantation Yield (tonnes)	Total No. of trees	Total Yield (tonnes)
0	64,194	–	64,194	–
1	81,261	–	81,261	–
2	76,135	–	76,135	–
3	55,185	–	55,185	–
13	29,996	2,649	29,996	2,649
14	128,966	14,969	128,966	14,969
15	186,003	23,646	186,003	23,646
16	223,741	31,144	223,741	31,144
	845,481	72,408	845,481	72,408

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)
3	–	–	400,000	–	400,000	–
4	–	–	400,000	4,009	400,000	4,009
5	46,077	1,228	400,000	23,195	446,077	24,423
7	180,180	12,766	400,000	32,815	580,180	45,581
8	42,300	3,996	–	–	42,300	3,996
13	154,970	32,940	–	–	154,970	32,940
14	10,133	1,590	–	–	10,133	1,590
15	12,988	1,991	–	–	12,988	1,991
	446,648	54,511	1,600,000	60,019	2,046,648	114,530
Grand total					2,892,129	186,938

VALUATION OF BIOLOGICAL ASSETS

The Group has engaged Vigers Appraisal & Consulting Limited ("Vigers"), an independent valuer, to determine the fair value of the orange trees less costs to sell as at 30 June 2011.

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. Vigers 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.

Vigers conducted inspections of the plantations and performed sample counts on the oranges trees in connection with their 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 Vigers 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 2011 was 20.0% (2010: 19.8%). 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 35. Vigers' agricultural consultant 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. Vigers 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. Such estimation was based on real terms without considering inflationary effect and planned future business activity that may impact the future prices of oranges harvested from the Group's plantations. The selling prices of winter oranges and summer oranges from the Hepu Plantation and winter oranges from the Xinfeng Plantation adopted were RMB3,230 per tonne, RMB5,300 per tonne and RMB3,660 per tonne, respectively, for the year ended 30 June 2011 and RMB2,990 per tonne, RMB4,830 per tonne and RMB3,330 per tonne, respectively, for the year ended 30 June 2010.

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. Vigers applied direct production costs of 34% (2010: 32% to 37%) and 34% to 55% (2010: 32% to 77%) of sale of oranges for the Hepu Plantation and the Xinfeng Plantation, respectively, during the year ended 30 June 2011.

Sensitive analysis

1) Changes in the discount rate applied result in significant fluctuations in the Group's gain from changes in fair value of orange trees less costs to sell. The following table illustrates the sensitivity of the Group's gain from changes in fair value of orange tree less costs to sell to increases or decreases by 100 basis points in the discount rate of 20.0% applied by Vigers for the year ended 30 June 2011:

	100 basis points Decrease	Base Case	100 basis points Increase
Discount rate	19.0%	20.0%	21.0%
Net gain on change in fair value of biological assets (RMB'000)	747,000	598,000	461,000

2) Changes in the yield per orange tree can also result in significant fluctuations in gain from changes in fair value of orange trees less costs to sell. The following table illustrates that sensitivity of the Group's gain from changes 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 2011:

	5.0% Decrease	Base Case	5.0% Increase
Net gain on change in fair value of biological assets (RMB'000)	455,000	598,000	742,000

3) Changes in assumed market prices of the oranges can also result in significant fluctuations in gain from changes in fair value of orange trees less costs to sell. The following table illustrates the sensitivity of the Group's gain from changes 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 2011 used to calculate gain from changes in fair value of orange trees less costs to sell for the year ended 30 June 2011:

	5.0% Decrease	Base Case	5.0% Increase
Net gain on change in fair value of biological assets (RMB'000)	467,000	598,000	730,000

4) Changes in the assumed direct production costs can also result in significant fluctuations in gain from changes in fair value of orange trees less costs to sell. The following table illustrates the sensitivity of the Group's gain from changes 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 gain from changes in fair value of orange trees less costs to sell for the year ended 30 June 2011:

	5.0% Decrease	Base Case	5.0% Increase
Net gain on change in fair value of biological assets (RMB'000)	706,000	598,000	491,000

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 Vigers, the aggregate value of the orange trees in the Hepu Plantation and Xinfeng Plantation as at 30 June 2011 was estimated to be approximately RMB2,045 million (2010: RMB1,443 million).

Directors and Senior Management Profile

EXECUTIVE DIRECTORS

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

Mr. Tong Wang Chow, age 72, 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 approximately 10 years of experience in the plantation and food industry. He is a member of the Chinese People's Political Consultative Conference Guangdong Province Shantou Municipal Committee, the Permanent Honorary Chairman of the Hong Kong Shantou Merchants Association, a general committee member of the Chinese Manufacturers Association of Hong Kong and the Consultant of the Federation of HK Chiu Chow Community Organisation. He is an Honorary President of the Association for the Promotion of Hong Kong Heilongjiang Economy and the Honorary Chairman of the Ganzhou Navel Orange Association. He was the Honorary Consul of Mongolia in the Hong Kong Special Administrative Region from 2006 to June 2008. Mr. Tong is the father of Mr. Tong Hung Wai, Tommy.

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

Mr. Tong Hung Wai, Tommy, age 42, is the co-founder of the Group. Mr. Tong was appointed as an Executive Director on 18 November 2003. He is responsible for the sales and marketing of the Group and has approximately 10 years of experience in marketing and business management with the Group. Mr. Tong obtained a bachelor of business degree in international business in 1996 from Queensland University of Technology, Australia. He is the son of Mr. Tong Wang Chow.

Mr. CHEUNG Wai Sun, *Executive Director*

Mr. Cheung Wai Sun, age 52, joined the Board on 18 November 2003. He has over 10 years extensive knowledge and experience in the agricultural business in the PRC. He was a member of the Chinese People's Political Consultative Conference Guangdong Province Meizhou Municipal Committee and a general committee member of the Hong Kong Federation of Guangdong Hakka Associations.

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

Mr. Pang Yi, age 42, 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. He was also a member of the Chinese People's Political Consultative Conference Hepu County Committee.

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

Mr. Sung Chi Keung, age 36, joined the Company in 2004 as the financial controller of the Group and was appointed as the Company Secretary and an Executive Director on 7 August 2004 and 15 January 2007, respectively. Mr. Sung holds a bachelor's degree in business administration, majoring in professional accountancy, from The Chinese University of Hong Kong and a master's degree in corporate finance from The Hong Kong Polytechnic University. He is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants. Mr. Sung has over 10 years of experience in financial management, accounting, taxation, auditing and corporate finance and previously worked for KPMG, PricewaterhouseCoopers Ltd. and Deloitte & Touche Corporate Finance Ltd., before joining the Group in August 2004.

NON-EXECUTIVE DIRECTORS

Mr. IP Chi Ming, *Vice Chairman*

Mr. Ip Chi Ming, age 50, joined the Group in August 2001 and was appointed as a Non-Executive Director on 18 November 2003. Mr. Ip is also a Non-Executive Director of Chaoda Modern Agriculture (Holdings) Limited ("Chaoda") and an Executive Director of Suncorp Technologies Limited. Mr. Ip was introduced to the Company due to his position in Chaoda. Mr. Ip has around 14 years of experience in trading and marketing at Chaoda as well as extensive experience in corporate strategic planning, overall management, business development and sales and marketing.

Hon Peregrine MONCREIFFE

The Hon Peregrine Moncreiffe, age 60, was appointed to the Board on 1 February 2006 by Metage Funds Limited and Metage Special Emerging Markets Fund Limited, acting jointly, pursuant to the terms of the convertible bonds issued by the Company on 14 July 2005. Mr. Moncreiffe owns less than 2% interests in each of Metage Funds Limited and Metage Special Emerging Markets Fund Limited. Mr. Moncreiffe is also on the board of Metage Funds Limited and Metage Special Emerging Markets Fund Limited. After graduating from Oxford University, Mr. Moncreiffe spent much of his career in investment management and banking in London, New York and East Asia. Mr. Moncreiffe has worked for Credit Suisse First Boston Group, and was a managing director of Lehman Brothers in New York before helping to found Buchanan Partners, a London based investment company of which he was chief executive.

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

Mr. Ma Chiu Cheung, Andrew, age 69, joined the Board on 7 August 2004. Mr. Ma is a founder and former Director of 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 Listing Rules.

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

Mr. Nicholas Smith, age 59, joined the Board on 1 July 2005. Mr. Smith has over 20 years experience in investment banking, having worked in Europe and Asia for Flemings, Jardine Fleming and HSBC. His roles have included Co-Head of Investment Banking and Chief Financial Officer of the Jardine Fleming Group. Mr. Smith is a Chartered Accountant and previously worked for KPMG and Ernst & Young. He currently serves as Chairman of Ophir Energy PLC., and non-executive director of Schroder AsiaPacific Fund plc, PLUS Markets Group plc, Sorbic International Ltd and Japan Opportunities Fund II Ltd.

Mr. YANG Zhenhan, *a member of the Audit Committee*

Mr. Yang Zhenhan, age 79, joined the Board on 2 June 2004. Mr. Yang obtained a bachelor's degree in chemical engineering from Shanghai Jiao-Tong University in 1953. Mr. Yang is a machine-building specialist with over 30 years of experience. Mr. Yang was a director of the Foreign Economic Relations and Trade Commission of Shanghai Municipality, responsible for the international trade and foreign investment affairs of Shanghai city from 1983 to 1985. Mr. Yang had been a member of Guangzhou Chinese People's Political Consultative Conference from 2002 to 2007.

Dr. LUI Ming Wah, SBS JP

Dr. Lui Ming Wah, SBS JP, age 73, 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 the Stock Exchange, including AV Concept Holdings Limited (stock code: 595), Gold Peak Industries (Holdings) Limited (stock code: 40), S.A.S. Dragon Holdings Limited (stock code: 1184), Glory Mark Hi-tech (Holdings) Limited (stock code: 8159) and L.K. Technology Holdings Limited (stock code: 558).

SENIOR MANAGEMENT

Mr. HUANG Xin, aged 56, 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 51, is a director of BPG Food and Beverage Holdings Limited, responsible for the daily operation and management of the Group's processed fruit business. Mr. Man has over 10 years of experience in the processing of tropical fruit juice business and related products. He was appointed as the deputy general manager in Beihai Perfuming Garden Juice Company Limited in 2000 and Hepu Perfuming Garden Food Company Limited in 2005, respectively. Mr. Man obtained a bachelor's degree in Light Industry Machinery from Guangxi Engineering College in 1981.

Mr. LIU Geng Feng, age 70, is the head of the Group's research and development team. Mr. Liu joined the Group in January 2000. Before joining the Group, he supervised the PhD programme at the Hunan Agriculture Research Institute for 36 years.

Madam ZHAO Li Na, age 52, 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, age 47, is the assistant general manager of the Hepu Plantation. Mr. Xian joined the Group in January 2000. Mr. Xian obtained his bachelor's degree in agriculture from the University of Guangxi in 1986 and has worked for Tropicana China Beihai Food Company Limited. He has over 15 years of experience in agricultural and cultivation management.

Mr. ZHONG Kun He, age 47, joined the Group in March 2000 and is the executive controller of the Xinfeng Plantation. Mr. Zhong graduated from the Zhanjiang Agriculture Professional School specialising 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, age 42, joined the Group in August 2007 and is the deputy general manager of the Hunan Plantation. Mr. Wu graduated from Zhanjiang Agriculture Professional School specialising in fruits tree management. Prior to joining the Group, he has worked in various agricultural companies in the PRC responsible for plantation management. He has over 10 years of experience in agricultural and cultivation management.

Dr. WANG Shaoke, age 58, 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 15 years.

Mr. LAU Hak Kin, age 33, joined the Company in December 2005 and is the financial controller of the Group. Mr. Lau holds a bachelor's degree in business administration, majoring in accountancy, from the Chinese University of Hong Kong. He is an associate member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants and a CFA charterholder. He has 10 years of experience in financial management, risk management, accounting, taxation and auditing and previously worked for PricewaterhouseCoopers before joining the Group.

Directors' Report

The Directors are pleased to present their report on the affairs of the Company, together with the consolidated financial statements and auditors' report, for the year ended 30 June 2011.

PRINCIPAL ACTIVITIES

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

BUSINESS REVIEW

A review of Group's performance, business activities and development is included in the Chairman's Statement and the Management Discussion and Analysis on pages 5 to 19.

RESULTS

The profit attributable to shareholders for the year is set out in the Consolidated Income Statement on page 44.

DIVIDENDS

The Directors are pleased to recommend that a final dividend of RMB0.10 and a special dividend of RMB0.03 (2010: RMB0.10, special dividend of RMB0.02) per share on or before 30 December 2011, subject to the approval of the forthcoming annual general meeting on 8 November 2011. The final and special dividend, together with the interim dividend of RMB0.02 (2010: Nil) per share, will make a total of RMB0.15 (2010: RMB0.12) per share for the whole year ended 30 June 2011. The actual translation rate for the purpose of dividend payment in sterling and HK Dollar will be referenced to exchange rate on 15 November 2011.

Only shareholders that appear on the Company's register of members at the close of business on the record date of 11 November 2011 will be qualified for the proposed dividends, with an ex-dividend date of 10 November 2011 and 9 November 2011 on The Stock Exchange of Hong Kong Limited and London Stock Exchange PLC, respectively.

In order to qualify for receiving the final and special 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, ComputershareHong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30p.m. on 11 November 2011.

The shareholders will receive their cash dividends in sterling or HK Dollar. It is also intended that the scrip dividend alternative to the cash dividend will be offered during 2011. A document providing further details of his 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 49 and Note 27a to the Consolidated Financial Statements, respectively. As at 30 June 2011, the Company's reserves available for distribution amounted to approximately RMB3,968,134,000 (2010: RMB928,082,000).

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

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 2011, except for the issue of 15,345,000 ordinary shares under the Share Option Scheme, the issue of 8,008,223 ordinary shares to shareholders participating in the scrip dividend scheme and the issue of 164,153,646 ordinary shares in connection with the acquisition of 92.94% equity interest in Beihai Perfuming Garden Juice Company Limited on 30 November 2010 and the placing of 175,000,000 ordinary shares to investors in December 2010 as set out below:

Fund Raising Activity

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

DIRECTORS

The Directors of the Company are set out below:

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

No Directors has resigned during the year ended 30 June 2011.

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

This year, in accordance with the Company's Bye laws, Mr. Tong Wang Chow, Mr. Sung Chi Keung, Hon Peregrine Moncreiffe and Mr. Tong Hung Wai, Tommy will retire at the forthcoming annual general meeting of the Company and all of them, being eligible, offer themselves for re-election.

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

As at 30 June 2011, the interests or short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong ("SFO")) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were notified to the Company and the HKEx, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code"), are set out below:

		Number of shares held					
Name	Class of shares	Personal interests	Family interests	Corporate interests	Number of underlying shares held under equity derivatives	Total	Approximate percentage of the Company's total issued share capital
Tong Wang Chow	Ordinary shares/ Share options	200,000	—	275,069,919 *(Note 1)*	3,850,000 *(Note 2)*	279,119,919	22.97%
Tong Hung Wai Tommy	Share options	—	—	—	1,900,000 *(Note 3)*	1,900,000	0.16%
Cheung Wai Sun	Ordinary shares/ Share options	120,000	—	—	1,200,000 *(Note 4)*	1,320,000	0.11%
Pang Yi	Ordinary shares/ Share options	439,000	—	—	5,740,000 *(Note 5)*	6,179,000	0.51%
Sung Chi Keung	Ordinary shares/ Share options	520,000	—	—	4,560,000 *(Note 6)*	5,080,000	0.42%
Nicholas Smith	Ordinary shares/ Share options	757,041 *(Note 7)*	—	—	500,000 *(Note 8)*	1,257,041	0.10%
Ip Chi Ming	Share options	—	—	—	500,000 (Note 9)	500,000	0.04%
Peregine Moncreiffe	Ordinary shares/ Share options	450,000	—	—	500,000 *(Note 10)*	950,000	0.08%
Lui Ming Wah	Share options	—	—	—	500,000 *(Note 11)*	500,000	0.04%
Yang Zhen Han	Share options	—	—	—	500,000 *(Note 12)*	500,000	0.04%
Ma Chiu Cheung Andrew	Share options	—	—	—	500,000 *(Note 13)*	500,000	0.04%

Notes:

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

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

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

(2) 1,500,000 shares would be allotted and issued to Mr. Tong Wang Chow upon the exercise in full of the share options granted to Mr. Tong Wang Chow under the Share Option Scheme. These share options, all of which remained exercisable as at 30 June 2011, were exercisable at the subscription price of GBP0.2045 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 2011, were exercisable at the subscription price of GBP0.139 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 Post Listing Share Option Scheme. These share options, all of which remained exercisable as at 30 June 2011, 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 2011, were exercisable at the subscription price of GBP0.2045 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 2011, were exercisable at the subscription price of GBP0.139 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 2011, 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 2011, were exercisable at the subscription price of GBP0.2045 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 30 June 2011, were exercisable at the subscription price of GBP0.139 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 2011, 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 2011, were exercisable at the subscription price of GBP0.112 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 2011, were exercisable at the subscription price of GBP0.2045 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 2011, were exercisable at the subscription price of GBP0.139 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 2011, were exercisable at the subscription price of HK$5.68 per share during the period from 27 May 2011 to 26 May 2018.

(6) 600,000 shares would be allotted and issued to Mr. Sung Chi Keung upon the exercise in full of the share options granted to Mr. Sung Chi Keung under the Share Option Scheme. These share options, all of which remained exercisable as at 30 June 2011, were exercisable at the subscription price of GBP0.112 per share during the period from 3 August 2006 to 2 August 2015.

1,000,000 shares would be allotted and issued to Mr. Sung Chi Keung upon the exercise in full of the share options granted to Mr. Sung Chi Keung under the Share Option Scheme. These share options, all of which remained exercisable as at 30 June 2011, were exercisable at the subscription price of GBP0.2045 per share during the period from 27 July 2007 to 26 July 2014.

960,000 shares would be allotted and issued to Mr. Sung Chi Keung upon the exercise in full of the share options granted to Mr. Sung Chi Keung under the Share Option Scheme. These share options, all of which remained exercisable as at 30 June 2011, were exercisable at the subscription price of GBP0.139 per share during the period from 15 October 2009 to 2 August 2015.

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

(7) The 757,041 shares were held as to 324,445 shares by Carey Pensions & Benefits Limited as trustee of InterRetire - Smith Executive Retirement Plan (the "Plan") and as to 432,596 shares by Mr. Nicholas Smith in his own name. As at 30 June 2011, Mr. Nicholas Smith was a direct beneficiary of the Plan and is deemed to have an interest in the shares held by the Plan.

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

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

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

(12) 500,000 shares would be allotted and issued to 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 2011, were exercisable at the subscription price of HK$5.68 per share during the period from 27 May 2011 to 26 May 2018.

(13) 500,000 shares would be allotted and issued to Mr. 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 2011, 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 2011 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 2011, so far as is known to the Directors, the following persons or companies (other than the Directors and the chief executive) had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:

Name	Number of shares held	Nature of business	Approximate percentage of the Company's total issued share capital
Market Ahead *(Note 1)*	275,069,919	Beneficial owner	22.64%
Tong Lee Fung Kiu *(Note 1)*	275,069,919	Interest of spouse	22.64%
Huge Market Investments Limited ("Huge Market") *(Note 2)*	163,014,026	Beneficial owner	13.42%
Chaoda *(Note 2)*	163,014,026	Interest of controlled corporation	13.42%
Sunshine Hero Limited ("Sunshine Hero") *(Note 3)*	116,692,681	Beneficial owner	9.60%
Xu Xuefeng *(Note 3)*	116,692,681	Interest of controlled corporation	9.60%
Maxwell (Mauritius) Pte Ltd *(Note 4)*	61,126,000	Beneficial owner	5.03%
Cairhill Investments (Mauritius) Pte Ltd *(Note 4)*	61,126,000	Interest of controlled corporation	5.03%
Fullerton Management Pte Ltd *(Note 4)*	61,126,000	Interest of controlled corporation	5.03%
Mantaray Investments (Mauritius) Pte Ltd *(Note 4)*	4,000,000	Beneficial owner	0.33%
Lionfish Investments Pte. Ltd. *(Note 4)*	4,000,000	Interest of controlled corporation	0.33%
Marina Capital Pte. Ltd. *(Note 4)*	4,000,000	Interest of controlled corporation	0.33%
Seatown Holdings Pte. Ltd. *(Note 4)*	4,000,000	Interest of controlled corporation	0.33%
Tembusu Capital Pte Ltd *(Note 4)*	4,000,000	Interest of controlled corporation	0.33%
Temasek Holdings (Private) Limited *(Note 4)*	65,126,000	Interest of controlled corporation	5.36%

Note:

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

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

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

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

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

(2) The entire issued share capital of Huge Market is held by Chaoda. Chaoda is deemed to be interested in 163,014,026 shares held by Huge Market by virtue of the SFO.

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

(3) 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.

(4) These 65,126,000 shares are held in the name of and registered in the capacity of Maxwell (Mauritius) Pte Ltd in its 61,126,000 shares and in the name of and capacity of Mantaray Investments (Mauritius) Pte Ltd in its 4,000,000 shares.

Maxwell (Mauritius) Pte Ltd's entire interest is owned by Cairhill Investments (Mauritius) Pte Ltd, and Fullerton Management Pte Ltd beneficially owns 100% interest in Cairhill Investments (Mauritius) Pte Ltd. Temasek Holdings (Private) Limited owns 100% interest in Fullerton Management Pte Ltd.

Mantaray Investments (Mauritius) Pte Ltd's entire interest is owned by Lionfish Investments Pte. Ltd., and Marina Capital Pte. Ltd. beneficially owns 100% interest in Lionfish Investments Pte. Ltd.. Marina Capital Pte. Ltd.'s entire interest is owned by Seatown Holdings Pte. Ltd., and Tembusu Capital Pte Ltd beneficially owns 100% interest in Seatown Holdings Pte. Ltd.. Temasek Holdings (Private) Limited owns 100% interest in Tembusu Capital Pte Ltd.

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

SHARE OPTION SCHEME AND POST LISTING SHARE OPTION SCHEME

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

Movements of the share options granted under the Share Option Scheme during the period ended 30 June 2011 are as follows:

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

Movements of the share options granted under the Share Option Scheme during the period ended 30 June 2010 are as follows:

Name or Category of participant	Number of Shares in respect of Options: Balance as at 1 July 2009	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding as at 30 June 2010	Date of grant	Exercisable period	Exercise price per share	Weighted average closing price
Directors									
Tong Wang Chow	1,500,000	—	—	—	1,500,000	27/7/2006	27/7/2007 – 26/7/2014	GBP0.2045	—
	1,500,000	—	—	—	1,500,000	15/10/2008	15/10/2009 – 2/8/2015	GBP0.139	—
	—	850,000	—	—	850,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Tong Hung Wai, Tommy	550,000	—	—	—	550,000	27/7/2006	27/7/2007 – 26/7/2014	GBP0.2045	—
	600,000	—	—	—	600,000	15/10/2008	15/10/2009 – 2/8/2015	GBP0.139	—
	—	750,000	—	—	750,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Cheung Wai Sun	450,000	—	270,000	—	180,000	27/7/2006	27/7/2007 – 26/7/2014	GBP0.2045	HKD5.38
	600,000	—	120,000	—	480,000	15/10/2008	15/10/2009 – 2/8/2015	GBP0.139	HKD5.38
	—	750,000	—	—	750,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Pang Yi	1,350,000	—	—	—	1,350,000	3/8/2005	3/8/2006 – 2/8/2015	GBP0.112	—
	1,200,000	—	—	—	1,200,000	27/7/2006	27/7/2007 – 26/7/2014	GBP0.2045	—
	1,200,000	—	—	—	1,200,000	15/10/2008	15/10/2009 – 2/8/2015	GBP0.139	—
	—	3,400,000	—	—	3,400,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Sung Chi Keung	1,080,000	—	360,000	—	720,000	3/8/2005	3/8/2006 – 2/8/2015	GBP0.112	HKD6.57
	1,000,000	—	—	—	1,000,000	27/7/2006	27/7/2007 – 26/7/2014	GBP0.2045	—
	1,200,000	—	240,000	—	960,000	15/10/2008	15/10/2009 – 2/8/2015	GBP0.139	HKD6.57
	—	2,000,000	—	—	2,000,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Nicholas Smith	—	500,000	—	—	500,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Ip Chi Ming	—	500,000	—	—	500,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Peregrine Moncreiffe	—	500,000	—	—	500,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Lui Ming Wah	—	500,000	—	—	500,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Yang Zhen Han	—	500,000	—	—	500,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Ma Chiu Cheung	—	500,000	—	—	500,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
Employees: In aggregate	7,080,000	—	1,470,000	—	5,610,000	3/8/2005	3/8/2006 – 2/8/2015	GBP0.112	HKD6.79
	7,438,000	—	1,284,000	—	6,154,000	27/7/2006	27/7/2007 – 26/7/2014	GBP0.2045	HKD6.57
	3,530,000	—	—	—	3,530,000	14/9/2007	14/9/2008 – 2/8/2015	GBP0.2425	—
	20,510,000	—	2,362,000	—	18,148,000	15/10/2008	15/10/2009 – 2/8/2015	GBP0.139	HKD6.78
	—	19,250,000	—	—	19,250,000	27/5/2010	27/5/2011 – 26/5/2018	HKD5.68	—
	50,788,000	30,000,000	6,106,000	—	74,682,000				

Other than as disclosed above, no other share option was granted, cancelled, lapsed or exercised pursuant to the Share Option Scheme and Post Listing Scheme of the Company during the year ended 30 June 2011.

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.

DIRECTOR' INTEREST IN COMPETING BUSINESS

During the financial year ended 30 June 2011, none of the Directors were interested in any business which competes or was likely to compete directly or indirectly, which the Company's business.

CONNECTED TRANSACTIONS

Details of the significant related party transactions undertaken in the ordinary course of business are provided under Note 34 to the Consolidated Financial Statements. The transactions stated below constitute continuing connected transactions as defined in Chapter 14A of the Hong Kong Listing Rules.

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

Fujian Chaoda Group is a limited liability company established in the PRC, which is owned as to 95% by Mr. Kwok Ho. Mr. Kwok is a director of Lucky Team Biotech Development (Hepu) Limited, Litian Biological Sciences & Technology Development (Xinfeng) Company Limited and Newasia Global Limited and hence is a Connected Person of the Company under the Hong Kong Listing Rules.

For the year ended 30 June 2011, the annual total purchase of the organic fertilisers made by the Group amounted to RMB34,185,000 (2010: RMB47,430,000) which was within the applicable annual cap of RMB91,241,000.

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

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

MAJOR CUSTOMERS AND SUPPLIERS

During the year, sales to the Group's five largest customer accounted for approximately 15.7% of the Group's total sales for the year and sales to the Group's largest customer amounting to approximately 5.2%.

Purchases from the Group's five largest suppliers accounted for approximately 29.7% to the Group's total cost of sales for the year and purchases from the Group's largest supplier amounted to approximately 10.6%.

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

MANAGEMENT CONTRACTS

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

COMMUNICATIONS WITH SHAREHOLDERS

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

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

CORPORATE GOVERNANCE

A report on the Company's corporate governance practices is set out on pages 37 to 41 of this annual report.

EVENTS AFTER THE REPORTING PERIOD

Details of significant events after the reporting period are provided in Note 35 to the Consolidated Financial Statements.

AUDITORS

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

By order of the Board

Tong Wang Chow
Director

16 September 2011

Cheung Wai Sun
Director

16 September 2011

Corporate Governance Report

The information set out on pages 37 to 41 and information incorporated by reference constitutes the Corporate Governance Report of the Company.

During the year ended 30 June 2011, the Directors, where practicable, for an organisation of the Group's size and nature sought to comply with the Combined Code. The Combined Code is the key source of corporate governance recommendations for UK listed companies. It consists of principles of good governance covering the following areas: (i) Directors; (ii) Directors' remuneration; (iii) accountability and audit; (iv) relations with shareholders; and (v) institutional investors.

In connection with the listing of the Company on the HKEx in November 2009, the Company adopted the code provisions set out in the Code on Corporate Governance Practices ("CCG") contained in Appendix 14 to the Hong Kong Listing Rules as its additional code on corporate governance practices on 17 November 2009.

The Company has complied with the CCG since its listing on the HKEx on 26 November 2009, except the deviation from provision A.2.1. as described below:

– Code Provision A.2.1.

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

THE BOARD

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

BOARD COMPOSITION

The Board is comprised of five Executive Directors, two Non-Executive Directors and four Independent Non-Executive Directors. Each of the Executive Directors has a wealth of agricultural experience and the Non-Executive Directors have a wealth of experience in finance and corporate development. The Directors are satisfied that the composition of the Board meets the CCG's objective of ensuring checks and balances in the Company's management.

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 consolidated financial statements, compliance with applicable laws and regulations.

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

BOARD MEETINGS

During the year ended 30 June 2011, there were 13 Board Meetings held by the Company. The attendance records of each of the Directors are shown in the table below:

Director	Number of Board Meetings attended
Mr. Tong Wang Chow	13 out of 13
Mr. Tong Hung Wai, Tommy	13 out of 13
Mr. Cheung Wai Sun	13 out of 13
Mr. Pang Yi	13 out of 13
Mr. Sung Chi Keung	13 out of 13
Mr. Ip Chi Ming	12 out of 13
Mr. Ma Chiu Cheung, Andrew	13 out of 13
Dr. Hon Lui Ming Wah, SBS JP	12 out of 13
Mr. Yang Zhen Han	11 out of 13
Mr. Nicholas Smith	12 out of 13
Hon Peregrine Moncreiffe	12 out of 13

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.

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

RETIREMENT BY ROTATION

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

This year, in accordance with the Company's Bye laws, Mr. Tong Wang Chow, Mr. Sung Chi Keung, Hon Peregrine Moncreiffe and Mr. Tong Hung Wai, Tommy will retire at the forthcoming annual general meeting of the Company and all of them, being eligible, offer themselves for re-election.

BOARD COMMITTEES

The Board has formally established a number of committees and agreed upon their terms of reference. The committees are:

REMUNERATION COMMITTEE

The remuneration committee reviews the scale and structure of the Executive Directors' remuneration and terms of their service agreements. It also administers the share option plan. The remuneration committee is chaired by Mr. Nicholas Smith and comprises Mr. Ma Chiu Cheung, Andrew and Mr. Tong Wang Chow.

The 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.

CONTRACTS OF SERVICE

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

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

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

Non-Executive Director	Date of appointment letter	Term (years)	Fee per annum
Mr. Ip Chi Ming	17 November 2009	3	HKD600,000
Hon Peregrine Moncreiffe	17 November 2009	3	HKD240,000
Independent Non-Executive Directors			
Mr. Ma Chiu Cheung, Andrew	17 November 2009	3	GBP31,000
Dr. Lui Ming Wah, SBS JP	17 November 2009	3	HKD240,000
Mr. Yang Zhen Han	17 November 2009	3	HKD240,000
Mr. Nicholas Smith	17 November 2009	3	GBP31,000

EMOLUMENTS OF DIRECTORS

The emoluments of Directors serving during the year ended 30 June 2011 are disclosed below:

Executive Directors	Salaries, bonus and benefits From 1 July 2010 to 30 June 2011 *RMB'000*
Mr. Tong Wang Chow	2,737
Mr. Tong Hung Wai, Tommy	1,791
Mr. Cheung Wai Sun	1,588
Mr. Pang Yi	4,944
Mr. Sung Chi Keung	3,469
Non-Executive Directors	
Mr. Ip Chi Ming	1,083
Hon Peregrine Moncreiffe	759
Independent Non-Executive Directors	
Mr. Ma Chiu Cheung, Andrew	866
Dr. Lui Ming Wah, SBS JP	759
Mr. Yang Zhen Han	759
Mr. Nicholas Smith	886

SHARE OPTION SCHEME AND POST LISTING SHARE OPTION SCHEME

Details of the share option scheme are shown in pages of 32 to 34 of this annual report.

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.

AUDIT COMMITTEE

The audit committee has primary responsibility for monitoring the quality of internal control and ensuring that the financial performance of the Company is properly measured and reported on, receiving and reviewing reports from management and the auditors relating to the annual and interim accounts, and monitoring the accounting and internal control systems in use throughout the Group. The audit committee is chaired by Mr. Ma Chiu Cheung, Andrew and comprises Mr. Nicholas Smith and Mr. Yang Zhen Han.

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 2011. The attendance records of each of the audit committee member are shown in the table below:

Audit committee member	Number of meetings attended
Mr. Ma Chiu Cheung, Andrew	4 out of 4
Mr. Yang Zhen Wah	4 out of 4
Mr. Nicholas Smith	4 out of 4

AUDITOR REMUNERATION

For the year ended 30 June 2011, 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 RMB1,755,000 and RMBNil, respectively.

DIRECTOR'S AND AUDITOR'S RESPONSIBILITY FOR THE CONSOLIDATED 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 consolidated financial statements for the year ended 30 June 2011, the Board has selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the consolidated 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 consolidated 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 2011 are set out in the Independent Auditor's Report.

RELATIONS WITH SHAREHOLDERS

The Company's Executive Directors 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.

INTERNAL CONTROL

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

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

CODE FOR DIRECTORS' DEALINGS

The Company has adopted a code for Directors' dealings appropriate for a company whose shares are admitted to trading on AIM and takes all reasonable steps to ensure compliance by the Directors and any relevant employees. The form of this code is substantially the same as that set out in Appendix 10 of the Hong Kong Listing Rules.

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

Independent Auditor's Report

BAKER TILLY
HONG KONG LIMITED
CERTIFIED PUBLIC ACCOUNTANTS
天職香港會計師事務所有限公司

2nd Floor, 625 King's Road
North Point, Hong Kong
香港北角英皇道625號2樓

TO THE SHAREHOLDERS OF ASIAN CITRUS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Asian Citrus Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 44 to 108, which comprise the consolidated and company statements of financial position as at 30 June 2011, 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. 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 2011, 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, 16 September 2011

Chan Kwan Ho, Edmond
Practising certificate number P02092

Consolidated Income Statement

For the year ended 30 June 2011

	Note	2011 RMB'000	2010 RMB'000
Turnover	7	1,412,621	812,482
Cost of sales		(674,019)	(344,105)
Gross profit		738,602	468,377
Other income	8	9,787	1,845
Net gain on change in fair value of biological assets	17	598,000	306,000
Selling and distribution expenses		(63,314)	(45,502)
General and administrative expenses		(161,621)	(143,318)
Profit from operations		1,121,454	587,402
Finance costs	9(a)	(177)	(81)
Profit before income tax	9	1,121,277	587,321
Income tax expense	10	(1,785)	(1,854)
Profit for the year		1,119,492	585,467
Attributable to			
Equity shareholders of the Company		1,109,992	585,467
Non-controlling interest		9,500	–
		1,119,492	585,467
		RMB	RMB
Earnings per share	13		
– Basic		1.056	0.741
– Diluted		1.050	0.735

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

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2011

	2011 *RMB'000*	2010 *RMB'000*
Profit for the year	1,119,492	585,467
Other comprehensive income for the year		
Exchange differences on translation of financial statements of foreign operations, net of Nil tax	901	–
Total comprehensive income for the year	1,120,393	585,467
Attributable to		
Equity shareholders of the Company	1,110,893	585,467
Non-controlling interest	9,500	–
	1,120,393	585,467

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Financial Position

At 30 June 2011

	Note	2011 RMB'000	2010 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	14	1,638,339	1,161,437
Land use rights	15	69,889	54,841
Construction-in-progress	16	70,611	64,328
Biological assets	17	2,055,298	1,449,565
Intangible assets	18	53,287	36,800
Interest in an associate	20	–	–
Deposits	21	114,500	–
Goodwill	22	1,157,261	–
		5,159,185	2,766,971
Current assets			
Biological assets	17	145,561	90,221
Properties for sale	23	5,830	18,497
Inventories	24	46,407	841
Trade and other receivables	25	96,503	19,629
Cash and cash equivalents	26	2,232,203	975,074
		2,526,504	1,104,262
Total assets		7,685,689	3,871,233
EQUITY AND LIABILITIES			
Equity			
Share capital	27(c)	12,030	8,767
Reserves		7,523,764	3,810,687
Total equity attributable to equity shareholders of the Company		7,535,794	3,819,454
Non-controlling interest		87,310	–
		7,623,104	3,819,454

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Financial Position

At 30 June 2011

	Note	2011 RMB'000	2010 RMB'000
Non-current liability			
Obligations under finance leases	29	1,034	–
Current liabilities			
Trade and other payables	30	58,461	44,391
Due to a related party	30, 34(a)	3,000	7,110
Obligations under finance leases	29	90	–
Income tax payable	31	–	278
		61,551	51,779
Total liabilities		62,585	51,779
Total equity and liabilities		7,685,689	3,871,233
Net current assets		2,464,953	1,052,483
Total assets less current liabilities		7,624,138	3,819,454

Approved and authorised to issue by the Board of Directors on 16 September 2011

Tong Wang Chow
Director

Cheung Wai Sun
Director

The accompanying notes form part of these consolidated financial statements.

Company Statement of Financial Position

At 30 June 2011

	Note	2011 RMB'000	2010 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	14	1,898	2,134
Interests in subsidiaries	19	3,499,742	868,335
		3,501,640	870,469
Current assets			
Other receivables		12	–
Cash and cash equivalents	26	536,799	93,608
		536,811	93,608
Total assets		4,038,451	964,077
EQUITY AND LIABILITIES			
Equity			
Share capital	27(c)	12,030	8,767
Reserves	27(a)	4,024,078	953,342
		4,036,108	962,109
Current liabilities			
Other payables		2,343	1,968
Total equity and liabilities		4,038,451	964,077
Net current assets		534,468	91,640
Total assets less current liabilities		4,036,108	962,109

Approved and authorised to issue by the Board of Directors on 16 September 2011

Tong Wang Chow
Director

Cheung Wai Sun
Director

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2011

	Attributable to equity shareholders of the Company							
	Share capital *RMB'000*	Share premium *RMB'000* *(note (a))*	Merger reserve *RMB'000* *(note (b))*	Share option reserve *RMB'000* *(note (c))*	Capital reserve *RMB'000* *(note (d))*	Statutory reserve *RMB'000* *(note (e))*	Retained profits *RMB'000*	Total equity *RMB'000*
At 1 July 2009	8,028	537,853	(4,473)	21,953	482,519	40,327	1,819,116	2,905,323
Changes in equity for the year ended 30 June 2010:								
Profit and total comprehensive income for the year	–	–	–	–	–	–	585,467	585,467
Transfer to statutory reserve	–	–	–	–	–	3,889	(3,889)	–
	–	–	–	–	–	3,889	581,578	585,467
Issue of shares to shareholders participating in the scrip dividend	72	41,361	–	–	–	–	–	41,433
Share-based payments	–	–	–	10,363	–	–	–	10,363
Issue of shares upon exercise of share options	55	17,139	–	(7,056)	–	–	–	10,138
Issue of shares on placement	612	327,763	–	–	–	–	–	328,375
2008/09 final dividend	–	–	–	–	–	–	(61,645)	(61,645)
	739	386,263	–	3,307	–	3,889	519,933	914,131
At 30 June 2010	8,767	924,116	(4,473)	25,260	482,519	44,216	2,339,049	3,819,454

Consolidated Statement of Changes in Equity

For the year ended 30 June 2011

		Attributable to equity shareholders of the Company										
	Note	Share capital RMB'000	Share premium RMB'000 (note (a))	Merger reserve RMB'000 (note (b))	Share option reserve RMB'000 (note (c))	Capital reserve RMB'000 (note (d))	Statutory reserve RMB'000 (note (e))	Exchange reserve RMB'000 (note (f))	Retained profits RMB'000	Total RMB'000	Non-controlling interest RMB'000	Total equity RMB'000
At 1 July 2010		8,767	924,116	(4,473)	25,260	482,519	44,216	–	2,339,049	3,819,454	–	3,819,454
Changes in equity for the year ended 30 June 2011:												
Proft for the year		–	–	–	–	–	–	–	1,109,992	1,109,992	9,500	1,119,492
Exchange difference on translation of foreign operations		–	–	–	–	–	–	901	–	901	–	901
Total comprehensive income for the year		–	–	–	–	–	–	901	1,109,992	1,110,893	9,500	1,120,393
Transfer to statutory reserve		–	–	–	–	–	54,859	–	(54,859)	–	–	–
		–	–	–	–	–	54,859	901	1,055,133	1,110,893	9,500	1,120,393
Issue of shares to shareholders participating in the scrip dividend	27(c)(iii)	72	65,964	–	–	–	–	–	–	66,036	–	66,036
Share-based payments		–	–	–	47,715	–	–	–	–	47,715	–	47,715
Issue of shares upon exercise of share options	28(A)(b), 28(B)(b)	138	47,786	–	(17,031)	–	–	–	–	30,893	–	30,893
Issue of shares as part of the consideration for acquisition of subsidiaries	27(c)(i)	1,478	1,303,026	–	–	–	–	–	–	1,304,504	–	1,304,504
Issue of shares on placement	27(c)(ii)	1,575	1,283,046	–	–	–	–	–	–	1,284,621	–	1,284,621
Acquisition of subsidiaries	33(d)	–	–	–	–	–	–	–	–	–	77,810	77,810
2009/10 final and special dividends	27(b)(ii)	–	–	–	–	–	–	–	(104,055)	(104,055)	–	(104,055)
2010/11 interim dividend	27(b)(ii)	–	–	–	–	–	–	–	(24,267)	(24,267)	–	(24,267)
		3,263	2,699,822	–	30,684	–	54,859	901	926,811	3,716,340	87,310	3,803,650
At 30 June 2011		**12,030**	**3,623,938**	**(4,473)**	**55,944**	**482,519**	**99,075**	**901**	**3,265,860**	**7,535,794**	**87,310**	**7,623,104**

Notes:

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

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

c) 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(r)(ii).

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

e) 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.

f) 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(v).

The accompanying notes form part of these consolidated financial statements.

Consolidated Cash Flow Statement

For the year ended 30 June 2011

	Note	2011 RMB'000	2010 RMB'000
Cash flows from operating activities			
Profit before income tax		1,121,277	587,321
Adjustments for:			
Interest income	8	(7,308)	(1,845)
Finance costs	9(a)	177	81
Depreciation	9(c)	94,830	68,492
Share-based payments	9(b)	47,715	10,363
Amortisation of land use rights	9(c)	1,312	1,244
Amortisation of intangible assets	9(c)	5,562	2,400
Loss on disposal of property, plant and equipment	9(c)	148	–
Net gain on change in fair value of biological assets	17	(598,000)	(306,000)
Operating profit before working capital changes		665,713	362,056
Movements in working capital elements:			
Properties for sale		12,667	19,656
Inventories		(23,979)	(202)
Biological assets		(55,340)	(35,583)
Trade and other receivables		34,885	(4,728)
Trade and other payables		(10,623)	(4,344)
Due to a related party		(4,110)	4,356
Cash generated from operations		619,213	341,211
Income tax paid		(2,063)	(1,883)
Net cash generated from operating activities		617,150	339,328
Cash flows from investing activities			
Proceeds from disposal of property plant and equipment		46	–
Purchase of property, plant and equipment		(8,832)	(1,698)
Additions to construction-in-progress		(201,976)	(133,822)
Deposits paid for acquisition of property, plant and equipment		(21,538)	–
Net addition to biological assets		(7,733)	(1,540)
Additions to intangible assets		(6,600)	(8,500)
Increase in time deposits with terms over three months		(166,000)	–
Interest received		7,308	1,845
Acquisition of subsidiaries	33(e)	(161,083)	–
Net cash used in investing activities		(566,408)	(143,715)

The accompanying notes form part of these consolidated financial statements.

Consolidated Cash Flow Statement

For the year ended 30 June 2011

	Note	2011 RMB'000	2010 RMB'000
Cash flows from financing activities			
Proceeds from issue of new shares from placement, net of shares issuance costs		1,284,621	328,375
Proceeds from issue of new shares upon exercise of share options		30,893	10,138
Obligations under finance leases		1,124	–
Repayment of amount due to a shareholder	33(b)	(213,788)	–
Dividends paid		(62,286)	(20,212)
Finance costs paid		(177)	(81)
Net cash generated from financing activities		1,040,387	318,220
Net increase in cash and cash equivalents		1,091,129	513,833
Cash and cash equivalents at beginning of year		975,074	461,241
Cash and cash equivalents at end of year	26	2,066,203	975,074

Major non-cash transactions

During the year, additions to construction-in-progress included an amount of RMB47,388,000 (2010: RMBNil) transferred from non-current deposits.

The accompanying notes form part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1 GENERAL INFORMATION

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs"), which comprise International Financial Reporting Standards, International Accounting Standards ("IAS") 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"), which is also the functional currency of the Group, rounded to the nearest thousand, unless otherwise stated. They have been prepared under the historical cost convention, as modified by the revaluation of biological assets which are carried at their fair values.

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

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

d) Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policies of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has significant influence.

An investment in an associate is accounted for in the consolidated financial statements by the equity method of accounting and is initially recognised at cost and adjusted thereafter for the post-acquisition change in Group's share of the associates' net assets and any impairment loss relating to the investment.

The Group's share of its associates' post-acquisition, post-tax results and any impairment loss for the year are recognised in the consolidated income statement, whereas the Group's share of the associates' post-acquisition, post-tax items of comprehensive income is recognised in the consolidated statement of comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

e) Goodwill

Goodwill represents the excess of

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

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

f) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 2(l)(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 on 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 enterprise. 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 asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

g) 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.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

g) Leased assets *(continued)*

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 or valuation 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(f). Impairment losses are accounted for in accordance with the accounting policy as set out in note 2(l)(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.

h) 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.

i) Construction-in-progress

Construction-in-progress is stated at cost less impairment losses (see note 2(l)(ii)), and represents infrastructure and land improvements under construction. 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.

j) Biological assets

A biological asset is defined as a living plant managed by an enterprise which is involved in the agricultural activity of the transformation of biological assets for sale, into agricultural produce, or into additional biological assets.

Orange tree biological assets are stated at 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 (the “Valuation Methodology”).

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

j) Biological assets *(continued)*

Infant trees purchased from the open market which are to undergo the process of transformation until they become mature and productive are also stated at fair value less costs to sell. The fair values are based on market-determined prices of infant trees with similar size, species and age or alternative estimates of fair values. Management reviews the progress of infant trees on an ongoing basis and should these be deemed to be unsuitable for further cultivation, full provision for impairment loss is made at that time.

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 depreciation and accumulated impairment loss.

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 Group's biological assets is measured at its fair value less costs to sell. 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 twelve months have been classified under current assets.

k) 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.

Capitalised development costs are stated at cost less accumulated amortisation and any impairment losses (see note 2(l)(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.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

ii) Trademark

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

l) 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(n)) and deferred tax assets (see note 2(s)), are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

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

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

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.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

l) Impairment *(continued)*

ii) Non-financial assets *(continued)*

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.

m) Properties for sale

Properties under development for sale are stated at cost less impairment losses (see note 2(l)(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 reporting period less selling expenses, or by estimates based on prevailing market condition.

n) 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.

o) 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(l)(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.

p) 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.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

q) 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.

r) 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 an equity-settled, share-based compensation plan. 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 employees or directors 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 employees or directors choose to exercise share options, the respective amount in the share option reserve is transferred to share capital and share premium, together with exercise price, net of any directly attributable transaction costs. At the end of each reporting period, the Company revises its estimates of the number of share options expected to vest. The impact of the revision of original estimates, if any, is recognised in profit and loss with a corresponding adjustment to the share option reserve over the remaining vesting period.

s) 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.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

s) Taxation *(continued)*

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.

t) 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.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

u) 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 as time when the goods are delivered and the customer has accepted the goods.

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

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

v) 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)*

w) 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 them 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.

x) Related parties

For the purposes of these consolidated financial statements, a party is considered to be related to the Group if:

i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;

ii) the Group and the party are subject to common control;

iii) the party is an associate of the Group or a joint venture in which the Group is a venturer;

iv) the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;

v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or

vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of an entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

y) 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.

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 CHANGES IN ACCOUNTING POLICIES

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

- Amendments to IFRS 2 "Share-based Payment – Group Cash-settled Share-based Payment Transactions"
- Improvements to IFRSs (2009)
- Amendments to IFRSs contained in Improvements to IFRSs (2010) and effective for accounting periods on or after 1 July 2010

The above amendments to IFRSs have had no material impact on the Group's results of operations and financial position, or do not contain any additional disclosure requirements specifically applicable to the consolidated financial statements.

Up to the date of issue of the consolidated financial statements, the IASB has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 30 June 2011 and which have not been adopted in the consolidated financial statements. Of these developments, the following relate to matters that may be relevant to the Group's operations and consolidated financial statements:

	Effective for accounting periods beginning on or after
IAS 24 (revised 2009), Related party disclosures	1 January 2011
Amendments to IFRSs contained in Improvements to IFRSs (2010)	1 January 2011
IFRS 9, Financial instruments	1 January 2013
Amendments to IAS 12, Income taxes	1 January 2012
Amendments to IAS 1, Presentation of financial statements	1 July 2012
IAS 27 (2011), Separate consolidated financial statements	1 January 2013
IFRS 10, Consolidated financial statements	1 January 2013
IFRS 12, Disclosure of interests in other entities	1 January 2013
IFRS 13, Fair value measurement	1 January 2013

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

4 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 value 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 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.

Development costs

Careful judgement by the management is applied when deciding whether the recognition requirements for 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 each reporting date. In addition, all internal activities related to the development of new product are continuously monitored by the management.

4 KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

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.

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 reporting date.

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	
	2011	2010	**2011**	2010
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Financial assets				
Loans and receivables (including cash and cash equivalents)	**2,269,497**	981,522	**4,014,196**	971,754
Financial liabilities				
Financial liabilities at amortised cost	**(62,585)**	(39,668)	**(33,415)**	(33,040)

5 FINANCIAL RISK MANAGEMENT *(continued)*

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.

(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	
	2011	2010	**2011**	2010
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
HKD	536,110	319,660	1,788	1,134
USD	4,026	1,634	–	7
GBP	18,646	6,135	715	827

Company

	Assets		Liabilities	
	2011	2010	**2011**	2010
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
HKD	267,388	963,987	1,628	1,134
USD	899	1,632	–	7
GBP	18,646	6,134	715	827

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

	2011			2010		
	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%	49,970	1,862	10%	31,701	–
	(10%)	(49,970)	(1,862)	(10%)	(31,701)	–
USD	10%	403	–	10%	–	–
	(10%)	(403)	–	(10%)	–	–
GBP	10%	1,793	–	10%	531	–
	(10%)	(1,793)	–	(10%)	(531)	–

Company

	2011			2010		
	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%	26,576	–	10%	96,285	–
	(10%)	(26,576)	–	(10%)	(96,285)	–
USD	10%	89	–	10%	–	–
	(10%)	(89)	–	(10%)	–	–
GBP	10%	1,793	–	10%	531	–
	(10%)	(1,793)	–	(10%)	(531)	–

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 next annual reporting date. 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 2010.

c) Credit risk

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

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

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

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

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

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

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

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

2010	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	32,558	32,558	31,808	–	–	750
Due to a related party	7,110	7,110	7,110	–	–	–
Total	39,668	39,668	38,918	–	–	750

5 FINANCIAL RISK MANAGEMENT *(continued)*

d) Liquidity risk *(continued)*

Company

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

2010	Carrying amount *RMB'000*	Total contractual undiscounted cash outflow *RMB'000*	Within 1 year or on demand *RMB'000*
Other payables	1,968	1,968	1,968
Due to a subsidiary	31,072	31,072	31,072
	33,040	33,040	33,040

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 profits in interest rates would have no significant impact of the Group's profit for the year.

f) Fair value

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

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 three reportable segments. The segments are managed separately as each business offers different products and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

- Agricultural produce – planting, cultivation and sale of agricultural produce
- Processed fruits – manufacture and sale of fruit juice concentrates, fruit purees, frozen fruits and vegetables
- Others – developing and sale of property units in an agricultural wholesale market and orange processing centre

Following the completion of acquisition of BPG Food & Beverage Holdings Ltd. ("BPG Food & Beverage") and its subsidiaries (together the "BPG group") on 30 November 2010 (see note 33), the Group has expanded its business into processed fruits operation.

No inter-segment transactions incurred within the Group companies.

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

6 SEGMENT INFORMATION *(continued)*

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

	Agricultural produce		Processed fruits		Others		Total	
	2011 RMB'000	2010 RMB'000	2011 RMB'000	2010 RMB'000	2011 RMB'000	2010 RMB'000	2011 RMB'000	2010 RMB'000
RESULTS								
Reportable segment revenue and revenue from external customers	969,030	784,721	417,393	–	26,198	27,761	1,412,621	812,482
Reportable segment results	1,042,192	625,115	131,845	–	6,035	2,707	1,180,072	627,822
Unallocated corporate expenses							(63,073)	(40,667)
Unallocated corporate other revenue							4,278	166
Profit before income tax							1,121,277	587,321
Income tax expense							(1,785)	(1,854)
Profit for the year							1,119,492	585,467
ASSETS								
Segment assets	4,308,483	3,377,498	1,341,034	–	158,962	165,624	5,808,479	3,543,122
Unallocated corporate assets							1,877,210	328,111
Total assets							7,685,689	3,871,233
LIABILITIES								
Segment liabilities	(40,244)	(36,170)	(17,268)	–	(2,687)	(13,599)	(60,199)	(49,769)
Unallocated corporate liabilities							(2,386)	(2,010)
Total liabilities							(62,585)	(51,779)
OTHER INFORMATION								
Additions to segment non-current assets	236,521	137,604	28,197	–	–	307	264,718	137,911
Amortisation of land use rights	–	–	70	–	1,054	1,053	1,124	1,053
Amortisation of intangible assets	4,383	2,400	1,179	–	–	–	5,562	2,400
Depreciation	62,468	62,195	21,320	–	702	666	84,490	62,861
Gain/(loss) on disposal of property, plant and equipment	46	–	(152)	–	–	–	(106)	–
Interest income	2,740	1,444	1,694	–	300	235	4,734	1,679
Finance charges on obligations under finance lease	(96)	–	–	–	–	–	(96)	–
Net gain on charge in fair value of biological assets	598,000	306,000	–	–	–	–	598,000	306,000
Share-based payments	(19,569)	(6,126)	(11,172)	–	–	–	(30,741)	(6,126)

7 TURNOVER

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

	Group	
	2011	2010
	RMB'000	*RMB'000*
Sales of oranges	962,127	777,665
Sales of self-bred saplings	6,903	7,056
Sales of processed fruits	417,393	–
Sales of property units	26,198	27,761
	1,412,621	812,482

8 OTHER INCOME

	2011	2010
	RMB'000	*RMB'000*
Interest income	7,308	1,845
Reversal of impairment loss on interest in an associate	1,703	–
Government grants	315	–
Sundry income	461	–
	9,787	1,845

9 PROFIT BEFORE INCOME TAX

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

	2011	2010
	RMB'000	*RMB'000*
(a) Finance costs		
Bank charges	81	81
Finance charges on obligations under finance leases	96	–
	177	81
(b) Staff costs (including directors' emoluments)		
– salaries, wages and other benefits	73,498	45,632
– share-based payments	47,715	10,363
– contributions to defined contribution retirement plans	1,561	631
	122,774	56,626

9 PROFIT BEFORE INCOME TAX *(continued)*

	Note	2011 RMB'000	2010 RMB'000
(c) Other items			
Amortisation of land use rights	15	1,312	1,244
Amortisation of intangible assets	18	5,562	2,400
Auditor's remuneration		1,755	1,319
Cost of agricultural produce sold#		384,984	321,506
Cost of property units sold		13,742	20,337
Cost of inventories of processed fruits recognised as expenses##		275,293	–
Depreciation of property, plant and equipment	14	94,830	68,492
Add: Realisation of depreciation previously capitalised as biological assets		12,746	8,021
Less: Amount capitalised as biological assets		(22,796)	(13,332)
		84,780	63,181
Exchange losses, net		10,475	1,277
Operating lease expenses			
– plantation base		8,641	7,410
– properties		941	775
Research and development costs		8,164	5,795
Loss on disposal of property, plant and equipment		148	–

Cost of agricultural produce sold includes RMB96,330,000 (2010: RMB87,205,000) 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 RMB35,615,000 relating to staff costs, amortisation of land use rights, amortisation of intangible assets and depreciation, which amount is also included in the respective total amount disclosed separately above for each of these types of expenses.

10 INCOME TAX EXPENSE

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

	Group 2011 RMB'000	2010 RMB'000
Current tax		
PRC enterprise income tax		
– Provision for the year	983	1,041
Land appreciation tax		
– Provision for the year	802	813
	1,785	1,854

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 Bermuda, Cayman Islands and the BVI.

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) The provision for PRC enterprise income tax is based on the respective applicable rates on the estimated assessable income of the Group's subsidiaries in the PRC as determined in accordance with the relevant income tax 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) Land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenses including costs for land use rights and all property development expenses.

v) PRC withholding income tax

Under the PRC tax law, profits of the Group's subsidiaries in the PRC derived since 1 January 2008 is subject to withholding income tax at rates of 5% or 10% upon the distribution of such profits to foreign investors or companies incorporated in Hong Kong, or for other foreign investors, respectively. Pursuant to the grandfathering arrangements of the PRC tax law, dividends receivable by the Group from its PRC subsidiaries in respect of the undistributed profits derived prior to 31 December 2007 are exempt from the withholding income tax. At 30 June 2011, 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.

10 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT *(continued)*

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

	Group 2011 RMB'000	2010 RMB'000
Profit before income tax	1,121,277	587,321
Notional tax at the rates applicable to profits in the jurisdictions concerned	296,955	156,586
Tax effect of non-deductible expenses	598	280
Tax effect of non-taxable revenue	(299,755)	(157,610)
Tax effect of temporary differences not recognised for deferred tax purposes	4,218	1,576
Land appreciation tax	802	813
Others	(1,033)	209
Actual tax expense	1,785	1,854

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	Group 2011 RMB'000	2010 RMB'000
Directors' emoluments						
Executive Directors						
Tong Wang Chow	–	1,566	1,171	–	2,737	1,926
Tong Hung Wai, Tommy	–	869	911	11	1,791	1,074
Cheung Wai Sun	–	671	906	11	1,588	887
Pang Yi	–	981	3,957	6	4,944	1,585
Sung Chi Keung	–	1,044	2,414	11	3,469	1,539
Non-executive Directors						
Ip Chi Ming	540	–	543	–	1,083	587
Ma Chiu Cheung, Andrew	343	–	543	–	886	381
Lui Ming Wah	216	–	543	–	759	263
Yang Zhen Han	216	–	543	–	759	263
Nicholas Smith	343	–	543	–	886	381
Peregrine Moncreiffe	216	–	543	–	759	263
	1,874	5,131	12,617	39	19,661	9,149

These were no arrangements under which a director waived or agreed to waive any remuneration during the year (2010: RMBNil).

12 INDIVIDUALS WITH HIGHEST EMOLUMENTS

The five highest paid individuals of the Group during the year included four directors (2010: four), details of which are set out in note 11 above. The emoluments in respect of the remaining highest paid individual are as follows:

	Group	
	2011	2010
	RMB'000	RMB'000
Salaries, wages and other benefits	972	972
Share-based payments	675	283
Retirement scheme contribution	11	11
	1,658	1,266

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 (2010: RMBNil).

13 EARNINGS PER SHARE

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

	Group	
	2011	2010
	RMB'000	RMB'000
Earnings		
Profit attributable to equity shareholders of the Company used in basic and diluted earnings per share calculation	1,109,992	585,467
Weighted average number of shares	'000	'000
Issued ordinary shares at beginning of year	852,650	770,560
Effect of shares issued to shareholders participating in the scrip dividend	3,650	3,981
Effect of shares issued upon exercise of share options	11,352	2,881
Effect of shares issued as part of the consideration for acquisition of subsidiaries	95,344	–
Effect of shares issued upon placement	88,219	13,227
Weighted average number of ordinary shares used in basic earnings per share calculation	1,051,215	790,649
Effect of dilutive potential shares in respect of share options	6,044	5,673
Weighted average number of ordinary shares used in diluted earnings per share calculation	1,057,259	796,322

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 2009	14,186	3,062	–	3,649	6,010	1,261,340	1,288,247
Additions	–	–	–	640	224	834	1,698
Transfer from construction-in-progress (note 16)	24,798	–	–	4,198	–	119,519	148,515
Disposals	–	–	–	(8)	–	(4,603)	(4,611)
At 30 June 2010 and 1 July 2010	38,984	3,062	–	8,479	6,234	1,377,090	1,433,849
Additions	257	606	2,117	734	1,403	3,715	8,832
Acquisition of subsidiaries (note 33(b))	117,800	–	193,151	1,206	3,735	–	315,892
Transfer from construction-in-progress (note 16)	14,911	–	1,943	250	–	230,112	247,216
Disposals	–	–	(232)	(86)	(443)	(172)	(933)
Exchange alignment	–	–	–	–	(17)	–	(17)
At 30 June 2011	**171,952**	**3,668**	**196,979**	**10,583**	**10,912**	**1,610,745**	**2,004,839**
Accumulated depreciation							
At 1 July 2009	2,145	665	–	1,733	1,908	198,038	204,489
Charge for the year	1,089	94	–	840	583	65,886	68,492
Written back on disposals	–	–	–	(8)	–	(561)	(569)
At 30 June 2010 and 1 July 2010	3,234	759	–	2,565	2,491	263,363	272,412
Charge for the year	6,044	102	16,006	1,193	1,209	70,276	94,830
Written back on disposals	–	–	(80)	(44)	(443)	(172)	(739)
Exchange alignment	–	–	–	–	(3)	–	(3)
At 30 June 2011	**9,278**	**861**	**15,926**	**3,714**	**3,254**	**333,467**	**366,500**
Carrying amount							
At 30 June 2011	**162,674**	**2,807**	**181,053**	**6,869**	**7,658**	**1,277,278**	**1,638,339**
At 30 June 2010	35,750	2,303	–	5,914	3,743	1,113,727	1,161,437

At 30 June 2011, the carrying amount of farmland infrastructure and machinery held under finance leases was RMB1,198,000 (2010: RMBNil).

14 PROPERTY, PLANT AND EQUIPMENT *(continued)*

Company

	Furniture, fixtures and equipment *RMB'000*	Motor vehicles *RMB'000*	Total *RMB'000*
Cost			
At 1 July 2009	1,448	1,456	2,904
Additions	9	–	9
At 30 June 2010 and 1 July 2010	1,457	1,456	2,913
Additions	78	–	78
Disposals	(74)	–	(74)
At 30 June 2011	**1,461**	**1,456**	**2,917**
Accumulated depreciation			
At 1 July 2009	434	73	507
Charge for the year	126	146	272
At 30 June 2010 and 1 July 2010	560	219	779
Charge for the year	123	146	269
Written back on disposals	(29)	–	(29)
At 30 June 2011	**654**	**365**	**1,019**
Carrying amount			
At 30 June 2011	**807**	**1,091**	**1,898**
At 30 June 2010	897	1,237	2,134

15 LAND USE RIGHTS

	Group	
	2011	2010
	RMB'000	*RMB'000*
Cost		
At beginning of year	**61,653**	61,653
Acquisition of subsidiaries (note 33(b))	**16,360**	–
At end of year	**78,013**	61,653
Accumulated amortisation		
At beginning of year	**6,812**	5,568
Charge for the year	**1,312**	1,244
At end of year	**8,124**	6,812
Carrying amount	**69,889**	54,841

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

16 CONSTRUCTION-IN-PROGRESS

	Group	
	2011	2010
	RMB'000	*RMB'000*
At beginning of year	**64,328**	79,021
Additions	**249,364**	133,822
Acquisition of subsidiaries (note 33(b))	**4,135**	–
Transfer to property, plant and equipment (note 14)	**(247,216)**	(148,515)
At end of year	**70,611**	64,328

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. The biological assets are summarised as follows:

Group

	Self-bred saplings *RMB'000*	Infant trees *RMB'000*	Orange trees *RMB'000*	Total *RMB'000*
At 1 July 2009	822	8,203	1,187,638	1,196,663
Net additions	3,801	–	–	3,801
Sales of self-bred saplings	(2,261)	–	–	(2,261)
Intra transfer to infant trees	(262)	262	–	–
Intra transfer to orange trees	–	(4,000)	4,000	–
Net increase due to cultivation	–	–	35,583	35,583
Net change in fair value				
– Gain due to price, yield, maturity and cost changes	–	–	350,538	350,538
– Decrease due to replanting programme	–	–	(44,538)	(44,538)
	–	–	306,000	306,000
At 30 June 2010 and 1 July 2010	2,100	4,465	1,533,221	1,539,786
Net additions	10,967	–	–	10,967
Sales of self-bred saplings	(3,234)	–	–	(3,234)
Intra transfer to infant trees	(4,306)	4,306	–	–
Intra transfer to orange trees	–	(4,000)	4,000	–
Net increase due to cultivation	–	–	55,340	55,340
Net change in fair value				
– Gain due to price, yield, maturity and cost changes	–	–	662,251	662,251
– Decrease due to replanting programme	–	–	(64,251)	(64,251)
	–	–	598,000	598,000
At 30 June 2011	**5,527**	**4,771**	**2,190,561**	**2,200,859**

17 BIOLOGICAL ASSETS *(continued)*

Represented by:

	Self-bred saplings *RMB'000*	Infant trees *RMB'000*	Orange trees *RMB'000*	2011 Total *RMB'000*	2010 Total *RMB'000*
Non-current	5,527	4,771	2,045,000	2,055,298	1,449,565
Current	–	–	145,561	145,561	90,221
	5,527	4,771	2,190,561	2,200,859	1,539,786

The movements in biological assets can be summarised as follows:

	Self-bred saplings *Number*	Infant trees *Number*	Orange trees *Number*
At 1 July 2009	449,301	1,012,581	1,879,548
Net additions	2,167,807	–	–
Sales of self-bred saplings	(705,608)	–	–
Intra transfer to infant trees	(64,194)	64,194	–
Intra transfer to orange trees	–	(400,000)	400,000
Decrease due to replanting programme	–	–	(64,194)
At 30 June 2010 and 1 July 2010	1,847,306	676,775	2,215,354
Net additions	764,284	–	–
Sales of self-bred saplings	(620,359)	–	–
Intra transfer to infant trees	(490,984)	490,984	–
Intra transfer to orange trees	–	(455,185)	455,185
Decrease due to replanting programme	–	–	(63,584)
At 30 June 2011	**1,500,247**	**712,574**	**2,606,955**

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, 63,584 winter orange trees (2010: 64,194 summer orange trees) were removed and the corresponding land area was replanted with the same amount of new species.

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

The Group has engaged Vigers Appraisal & Consulting Limited, an independent valuer, to determine the fair value of orange trees less costs to sell as at 30 June 2011. 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 which 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 oranges and winter oranges produced by the Group. The valuation adopted the market sales prices prevailing as of the end of the reporting period for each type of orange produced by the Group as the sales price estimation. This estimation is in real terms without considering inflationary effect and planned future business activity that may impact the future prices of oranges from the Group's plantations.

b) The yield per tree variables, 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 35.

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 cost information for comparable areas with regards to areas that have not been harvested previously.

d) The Capital Asset Pricing Model has been used to determine a discount rate of 20.0% (2010: 19.8%) 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 not taken into account finance costs and taxation and were adopted based on real terms without considering inflationary effect;

   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 2011 for Hepu plantation and Xinfeng plantation are approximately RMB297 million (2010: RMB302 million) and RMB518 million (2010: RMB392 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:

	2011		2010	
	Quantity	**Value**	Quantity	Value
	Tonnes	***RMB'000***	*Tonnes*	*RMB'000*
Oranges	**216,891**	**962,127**	186,938	774,897

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 2009	43,500	–	43,500
Additions	8,500	–	8,500
At 30 June 2010 and 1 July 2010	52,000	–	52,000
Additions	6,600	–	6,600
Acquisition of subsidiaries (note 33(b))	15,446	3	15,449
At 30 June 2011	**74,046**	**3**	**74,049**
Accumulated amortisation			
At 1 July 2009	12,800	–	12,800
Charge for the year	2,400	–	2,400
At 30 June 2010 and 1 July 2010	15,200	–	15,200
Charge for the year	5,561	1	5,562
At 30 June 2011	**20,761**	**1**	**20,762**
Carrying amount			
At 30 June 2011	**53,285**	**2**	**53,287**
At 30 June 2010	36,800	–	36,800

The amortisation charge for the year of RMB1,179,000 (2010: RMBNil) and RMB4,383,000 (2010: RMB2,400,000) 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:

	2011 RMB'000	2010 RMB'000
Incomplete development projects	19,600	30,000
Completed development projects	33,685	6,800
	53,285	36,800
	Years	Years
Average remaining amortisation period for completed development projects	5.2	2.8

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

19 INTERESTS IN SUBSIDIARIES

	Company	
	2011 RMB'000	2010 RMB'000
Unlisted investments, at cost	5,300	5,300
Capital contribution in respect of employee share-based payments	48,129	15,961
Due from subsidiaries	3,477,385	878,146
Due to a subsidiary	(31,072)	(31,072)
	3,499,742	868,335

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 2011 are as follows:

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

19 INTERESTS IN SUBSIDIARIES *(continued)*

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

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

20 INTEREST IN AN ASSOCIATE

	Group	
	2011	2010
	RMB'000	*RMB'000*
Share of net liabilities	–	(2,818)
Due from an associate	–	4,714
	–	1,896
Impairment loss	–	(1,896)
	–	–

The amount due from an associate was unsecured, interest free and not repayable within next 12 months from 30 June 2010. The advances to that associate were primarily for the funding of operations.

During the year, the associate, Asian Fruits Limited, was dissolved and a portion of the amount due from an associate was recovered by transferring property, plant and equipment at carrying amount of RMB1,703,000 from that associate to the Group. As a result of this assets transfer, an impairment loss on interest in an associate of RMB1,703,000 was written back to profit or loss.

21 DEPOSITS

	Group	
	2011	2010
	RMB'000	*RMB'000*
Deposits paid for acquisition of property, plant and equipment	114,500	–

22 GOODWILL

	Group	
	2011	2010
	RMB'000	*RMB'000*
Cost:		
Addition during the year and balance at 30 June 2011	1,157,261	–

Goodwill, arising in acquisition of BPG group (see note 33), is accounted for in accordance with the Group's accounting policies as set out in note 2(e). 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.

22 GOODWILL *(continued)*

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

23 PROPERTIES FOR SALE

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

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

	Group	
	2011	2010
	RMB'000	*RMB'000*
In PRC, held on leases between 10 to 50 years	**134**	2,746

The amount of properties for sale expected to be recovered after more than one year is RMB5,081,000 (2010: RMB4,062,000). The remaining properties for sale are expected to be recovered within one year.

24 INVENTORIES

	Group	
	2011	2010
	RMB'000	*RMB'000*
Raw materials	**6,036**	841
Work in progress	**3,342**	–
Finished goods	**37,029**	–
	46,407	841

25 TRADE AND OTHER RECEIVABLES

	Group 2011 RMB'000	2010 RMB'000
Trade receivables	28,661	2,515
Other receivables, deposits and prepayments	67,842	17,114
	96,503	19,629

The amount of the Group's other receivables, deposits and prepayments expected to be recovered or recognised as expenses in normal operating cycle after one year is RMB16,320,000 (2010: RMB11,092,000). The remaining balance of trade and other receivables are expected to be recovered within one year.

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

	Group 2011 RMB'000	2010 RMB'000
Less than 1 month	22,262	318
1 to 3 months	4,894	665
3 to 6 months	79	370
6 to 12 months	1,240	506
Over 1 year	186	656
	28,661	2,515

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

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

	Group 2011 RMB'000	2010 RMB'000
Neither past due nor impaired	22,191	1,348
Less than 1 month past due	5,064	116
1 to 3 months past due	220	–
3 to 6 months past due	87	–
6 to 12 months past due	1,024	506
Over 1 year past due	75	545
Amounts past due but not impaired	6,470	1,167
	28,661	2,515

25 TRADE AND OTHER RECEIVABLES *(continued)*

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

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

26 CASH AND CASH EQUIVALENTS

	Group		Company	
	2011	2010	**2011**	2010
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Bank deposits	**584,305**	302,568	**417,259**	85,624
Cash at bank and on hand	**1,647,898**	672,506	**119,540**	7,984
Cash and cash equivalents in the statements of financial position	**2,232,203**	975,074	**536,799**	93,608
Time deposits with terms over three months	**(166,000)**	–		
Cash and cash equivalents in the consolidated cash flow statement	**2,066,203**	975,074		

Included in the cash and cash equivalents of the Group as at 30 June 2011 is an amount of approximately RMB1,676,627,000 (2010: RMB647,750,000) denominated in RMB. Conversion of RMB into foreign currencies is subject to PRC Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

Cash at bank earns interest at floating rates based on daily bank deposit rates. Bank deposits are made for terms ranging from one month to one year (2010: ranging from one week to one month) depending on the immediate cash requirements of the Group.

27 CAPITAL, RESERVES AND DIVIDENDS

(a) Movement in components of equity

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

	Note	Share premium *RMB'000*	Share option reserve *RMB'000*	Retained profits *RMB'000*	Total *RMB'000*
At 1 July 2009		550,814	21,953	93,828	666,595
Loss and total comprehensive loss for the year		–	–	(41,178)	(41,178)
Issue of shares to shareholders participating in the scrip dividend		41,361	–	–	41,361
Share-based payments		–	10,363	–	10,363
Issue of shares upon exercises of share options		17,139	(7,056)	–	10,083
Issue of shares on placement		327,763	–	–	327,763
2008/09 final dividend		–	–	(61,645)	(61,645)
At 30 June 2010 and at 1 July 2010		937,077	25,260	(8,995)	953,342
Profit and total comprehensive income for the year		–	–	468,552	468,552
Issue of shares to shareholders participating in the scrip dividend	27(c)(iii)	65,964	–	–	65,964
Share-based payments		–	47,715	–	47,715
Issue of shares upon exercises of share options	28(A)(b), 28(B)(b)	47,786	(17,031)	–	30,755
Issue of shares as part of the consideration for acquisition of subsidiaries	27(c)(i)	1,303,026	–	–	1,303,026
Issue of shares on placement	27(c)(ii)	1,283,046	–	–	1,283,046
2009/10 final and special dividends	27(b)(ii)	–	–	(104,055)	(104,055)
2010/11 interim dividend	27(b)(ii)	–	–	(24,267)	(24,267)
At 30 June 2011		**3,636,899**	**55,944**	**331,235**	**4,024,078**

27 CAPITAL, RESERVES AND DIVIDENDS *(continued)*

(b) Dividends

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

	2011 **RMB'000**	2010 *RMB'000*
Interim dividend declared and paid of RMB0.02 (2010: RMBNil) per ordinary share	**24,267**	–
Final dividend of RMB0.10 and special dividend of RMB0.03 per ordinary share proposed after the end of the reporting period (2010: final dividend of RMB0.10 and special dividend of RMB0.02 per ordinary share)	**157,970**	103,359
	182,237	103,359

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

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

	2011 **RMB'000**	2010 *RMB'000*
Interim dividend for the year, approved and paid during the year of RMB0.02 per ordinary share (2010: RMBNil per ordinary share)	**24,267**	–
Final dividend of RMB0.10 and special dividend of RMB0.02 per ordinary share in respect of the previous financial year, approved and paid during the year (2010: final dividend of RMB0.08 per ordinary share)	**104,055**	61,645
	128,322	61,645

27 CAPITAL, RESERVES AND DIVIDENDS *(continued)*

(c) Share capital

	Note	Company Number of shares	HKD'000	RMB'000
Authorised:				
Ordinary shares of HKD0.01 each At 30 June 2010 and 30 June 2011		2,000,000,000	20,000	20,900
Issued and fully paid:				
At 1 July 2009		77,055,980	7,705	8,028
Effect of subdivision of shares		693,503,820	–	–
Issue of shares to shareholders participating in the scrip dividend		7,984,294	80	72
Issue of shares upon exercise of share options		6,106,000	61	55
Issue of shares on placement		68,000,000	680	612
At 30 June 2010		852,650,094	8,526	8,767
Issue of consideration shares	(i)	164,153,646	1,642	1,478
Issue of shares on placement	(ii)	175,000,000	1,750	1,575
Issue of shares to shareholders participating in the scrip dividends	(iii)	8,008,223	80	72
Issue of shares upon exercise of share options		15,345,000	153	138
At 30 June 2011		**1,215,156,963**	**12,151**	**12,030**

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 November 2010, the Company issued 164,153,646 new ordinary shares of HKD0.01 each as part of the consideration for the acquisition of BPG group (see note 33).

(ii) On 28 December 2010, the Company issued a total of 175,000,000 new ordinary shares of HKD0.01 each under a placing agreement to eight independent third parties at a price of HKD8.88 per share. The placing proceeds, net of the related expenses borne by the Company, of approximately RMB1,284,878,000 were used for financing the acquisition of BPG group, and the expansion as well as the additional working capital requirements for BPG group. Further details of this share placing are set out in the Company's circular dated 3 December 2010.

(iii) On 31 December 2010 and 3 May 2011, 7,053,638 and 954,585 new ordinary shares of HKD0.01 each were issued at the price of HKD9.878 and HKD8.996 per share to shareholders participating in the scrip dividend in respect of the 2009/10 final and special dividend and 2010/11 interim dividend, respectively.

27 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.

28 SHARE-BASED PAYMENTS

(A) Share Option Scheme

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

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

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

28 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 25 July 2005	2,700,000	(i)	10 years	2 August 2015
– on 27 July 2006	4,700,000	(ii)	8 years	26 July 2014
– on 15 October 2008	5,100,000	(ii)	7 years	2 August 2015
Options granted to employees:				
– on 25 July 2005	8,850,000	(i)	10 years	2 August 2015
– on 27 July 2006	7,780,000	(ii)	8 years	26 July 2014
– on 14 September 2007	3,530,000	(ii)	8 years	2 August 2015
– on 15 October 2008	20,510,000	(ii)	7 years	2 August 2015
Total share options granted	53,170,000			

Notes:

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

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

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

	2011		2010	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Outstanding at beginning of year	44,682,000	GBP0.158	50,788,000	GBP0.157
Exercised during the year	(14,979,000)	GBP0.172	(6,106,000)	GBP0.148
Outstanding at end of year	29,703,000	GBP0.151	44,682,000	GBP0.158
Exercisable at end of year	4,654,000	GBP0.182	10,154,000	GBP0.187

The options outstanding at the end of the year have a weighted average remaining contractual life of 4 years (2010: 5 years) and exercise prices ranging from GBP0.112 to GBP0.2425 (2010: from GBP0.112 to GBP0.2425).

28 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	25 July 2005	27 July 2006	14 September 2007	15 October 2008
Spot price	GBP0.112	GBP0.208	GBP0.2435	GBP0.1465
Expected life (years)	10	8	8	6.8
Exercise price	GBP0.112	GBP0.2045	GBP0.2425	GBP0.139
Expected volatility	43%	42%	41%	42%
Risk-free interest rate	4.39%	4.61%	4.91%	4.53%
Dividend yield	0%	0%	1.8%	1.8%

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

(B) Post Listing Share Option Scheme

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

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

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

28 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	(i)	8 years	26 May 2018
– on 28 February 2011	20,000,000	(ii)	8 years	27 February 2019
Total share options granted	50,000,000			

Notes:

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

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

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

	2011		2010	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Outstanding at beginning of year	30,000,000	HKD5.68	–	N/A
Granted during the year	20,000,000	HKD9.00	30,000,000	HKD5.68
Exercised during the year	(366,000)	HKD5.68	–	N/A
Outstanding at end of year	49,634,000	HKD7.02	30,000,000	HKD5.68
Exercisable at end of year	8,634,000	HKD5.68	–	N/A

The options outstanding at the end of the year have a weighted average remaining contractual life of 7 years (2010: 8 years) and exercise prices were set at HKD5.68 and HKD9.00 (2010: HKD5.68).

(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 2011 and 28 February 2011 respectively, taking into the account the terms and conditions upon which the options were granted.

28 SHARE-BASED PAYMENTS *(continued)*

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

(c) Fair value of share options and assumptions *(continued)*

The inputs into the model were as follows:

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

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

29 OBLIGATION UNDER FINANCE LEASE

At 30 June 2011, the Group had obligation under finance lease repayable as follows:

	Group			
	2011		2010	
	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	90	180	–	–
After 1 year but within 2 years	97	180	–	–
After 2 years but within 5 years	341	540	–	–
After 5 years	596	720	–	–
	1,034	1,440	–	–
	1,124	1,620	–	–
Less: total future interest expenses		(496)		–
Present value of lease obligation		1,124		–

30 TRADE AND OTHER PAYABLES

	Group 2011 RMB'000	2010 RMB'000
Trade payables	25,811	19,478
Other payables and accruals	32,650	24,913
	58,461	44,391

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

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

	Group 2011 RMB'000	2010 RMB'000
Due within 3 months or on demand	28,456	26,442
Due after 3 months but within 6 months	93	51
Due after 6 months but within 1 year	126	95
Due over 1 year	136	–
	28,811	26,588
Represented by:		
Trade payables	25,811	19,478
Amount due to a related party	3,000	7,110
	28,811	26,588

31 INCOME TAX PAYABLE

(a) Current taxation in the consolidated statement of financial position represents:

	Group 2011 RMB'000	2010 RMB'000
Income tax payable at beginning of year	278	307
Provision for PRC enterprise income tax	983	1,041
Provision for land appreciation tax	802	813
Tax paid	(2,063)	(1,883)
Income tax payable at end of year	–	278

(b) At 30 June 2011, the Group has not recognised deferred tax assets in respect of certain deductible temporary differences of RMB41,549,000 (2010: RMB24,675,000) because of uncertainty over availability of future taxable profits against which the Group can utilise the benefits in the relevant tax jurisdiction.

32 COMMITMENTS

a) Operating lease commitments

At 30 June 2011, the Group's total future minimum lease payments under non-cancellable operating leases are payable as follows:

	Group 2011 RMB'000	2010 RMB'000
Within 1 year	6,737	7,786
After 1 year but within 5 years	25,885	25,300
After 5 years	354,799	302,180
	387,421	335,266

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.

32 COMMITMENTS *(continued)*

b) Capital and other commitments

At 30 June 2011, the Group had the following capital and other commitments:

	Group	
	2011	2010
	RMB'000	*RMB'000*
Contracted but not provided for		
Construction-in-progress, property, plant and equipment and land use rights	**149,035**	84,466
Research and development projects	**–**	6,600
	149,035	91,066

33 ACQUISITION OF SUBSIDIARIES

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

a) The fair value of consideration transferred

		Equivalent to
	HKD'000	***RMB'000***
Cash	780,000	666,510
Fair value of 164,153,646 ordinary shares issued	1,526,629	1,304,504
	2,306,629	1,971,014

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

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

33 ACQUISITION OF SUBSIDIARIES *(continued)*

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

	RMB'000
Non-current assets	
Property, plant and equipment (note 14)	315,892
Land use rights (note 15)	16,360
Construction-in-progress (note 16)	4,135
Intangible assets (note 18)	15,449
Deposits	140,350
Current assets	
Inventories	21,587
Trade and other receivables	111,759
Cash and cash equivalents	505,427
Current liabilities	
Trade and other payables*	(239,396)
	891,563

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

c) Non-controlling interest

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

d) Goodwill arising on acquisition

	RMB'000
Consideration transferred	1,971,014
Non-controlling interest	77,810
Less: fair value of net identifiable net assets acquired	(891,563)
Goodwill arising on acquisition (see note 22)	1,157,261

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

33 ACQUISITION OF SUBSIDIARIES *(continued)*

e) Cash outflow on acquisition of subsidiaries

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

f) Impact of acquisition on the results of the Group

From date of acquisition to 30 June 2011, the BPG group contributed RMB417,393,000 to turnover and RMB131,845,000 to profit for the year.

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

34 RELATED PARTY TRANSACTIONS

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

a) Significant transactions with related parties

	Group	
	2011	2010
	RMB'000	*RMB'000*
Purchases of organic fertilisers from:		
Fujian Zhangzhou Chaoda Microbe Organic Fertiliser Company Limited ("Zhangzhou Chaoda")	23,357	29,388
Weizhou Chaoda Microbe Organic Fertiliser Company Limited ("Weizhou Chaoda")	10,800	18,042
Nanfeng Chaoda Microbe Organic Fertiliser Company Limited ("Nanfeng Chaoda")	28	–
	34,185	47,430
Operating lease expenses paid to:		
Alpha Best Limited	208	507
Pau Air and Sea Forwards (HK) Limited	285	–
	493	507

34 RELATED PARTY TRANSACTIONS *(continued)*

a) Significant transactions with related parties *(continued)*

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

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

At 30 June 2011, the Group had the following amounts due to related parties, which were trade in nature:

	Group	
	2011	2010
	RMB'000	*RMB'000*
Weizhou Chaoda	3,000	–
Zhangzhou Chaoda	–	7,110
	3,000	7,110

b) Compensation of key management personnel

	Group	
	2011	2010
	RMB'000	*RMB'000*
Short-term employee benefits	9,024	8,333
Share-based payments	19,449	4,462
Post-employment benefits	73	69
	28,546	12,864

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

35 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.

36 COMPARATIVE FIGURES

Certain expenses for the year ended 30 June 2010 have been classified according to the function rather then the nature as in previous reporting periods. The Group's management considers this revised presentation more appropriately reflects the results of the Group's expanded operations. In order to conform to the current period's presentation, certain comparative figures for prior reporting periods have been reclassified.

Five Year Financial Summary

	Years ended 30 June				
	2011	2010	2009	2008	2007
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	**1,412,621**	812,482	668,529	533,755	479,728
Net gain on changes in fair value of biological assets	**598,000**	306,000	210,631	165,000	133,172
Profit before income tax	**1,121,277**	587,321	442,266	367,741	373,985
Income tax expense	**(1,785)**	(1,854)	(2,205)	31,552	(55,280)
Non-controlling interest	**9,500**	–	–	–	–
Profit attributable to shareholders	**1,109,992**	585,467	440,061	399,293	318,705
Non-current assets	**5,159,185**	2,766,971	2,391,589	2,123,749	1,785,525
Property, plant and equipment	**1,638,339**	1,161,437	1,083,758	999,155	812,491
Biological assets	**2,200,859**	1,539,786	1,196,663	947,996	773,199
Current assets	**2,526,504**	1,104,262	565,530	403,501	422,178
Total assets	**7,685,689**	3,871,233	2,957,119	2,527,250	2,207,703
Non-current liabilities	**1,034**	–	–	–	47,559
Current liabilities	**61,551**	51,779	51,796	57,966	51,661
Capital and reserves	**7,623,104**	3,819,454	2,905,323	2,469,284	2,108,483

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