



# ASIAN CITRUS HOLDINGS LIMITED

Stock codes: HKEx: 73, AIM: ACHL



## FY 2009/2010 Interim Results

16 March 2010

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# Agenda

- **Results Highlights**
- **Financial Overview**
- **Business Overview**
- **Business Outlook**



# Results Highlights



# Results Highlights

(RMB' Million)	Including revaluation from biological assets			Excluding revaluation from biological assets		
	1H2009/10	1H2008/09	% Change	1H2009/10	1H2008/09	% Change
Revenue	<b>398.3</b>	293.3	+35.8	<b>398.3</b>	293.3	+35.8
Gross profit	<b>179.4</b>	146.0	+22.9	<b>179.4</b>	146.0	+22.9
EBITDA	<b>291.0</b>	184.9	+57.4	<b>126.5</b>	97.6	+29.6
Profit before tax	<b>248.1</b>	150.8	+64.5	<b>83.7</b>	63.4	+32.0
Net profit	<b>247.5</b>	149.3	+65.8	<b>83.0</b>	62.0	+33.9
Basic EPS (RMB)	<b>0.32</b>	0.20	+60.0	<b>0.11</b>	0.08	+37.5
Diluted EPS (RMB)	<b>0.32</b>	0.20	+60.0	<b>0.11</b>	0.08	+37.5

\*Net gain on change in fair value of biological assets:

- 1H 2009/10           RMB   164.5 million
- 1H 2008/09       RMB    87.4 million



# Cash Flow Summary

(RMB' Million)	1H2009/10	1H2008/09	% Change
Cash and cash equivalents as at 1 July	<b>461.2</b>	310.0	+48.8
Cash generated from operations	<b>167.5</b>	101.8	+64.5
Net cash used in investing activities	<b><u>-38.9</u></b>	<u>-75.2</u>	-48.3
<b>Free cash flow</b>	<b>128.6</b>	26.6	+383.5
Net cash generated from financing activities	<b>-15.0</b>	-13.0	+15.4
Net increase in cash and cash equivalent	<b>113.6</b>	13.7	+729.2
Cash and cash equivalents as at 31 December	<b>574.9</b>	323.6	+77.7



# Ratio Analysis

	1H2009/10	1H2008/09	% Change
Gross Profit Margin (%)	45.0%	49.8%	-9.6%
	12/2009	6/2009	% Change
Current Ratio (x)	9.71	10.92	-11.1%
Quick Ratio (x)	9.27	9.19	+0.9%
Liabilities to Equity Ratio (%)	2.1%	1.8%	N/A
Net debt to Equity Ratio	Net cash	Net cash	N/A



## Balance Sheet At-A-Glance

<b>(RMB' Million)</b>	<b>12/2009</b>	<b>6/2009</b>	<b>% Change</b>
Property, plant and equipment	<b>1,147.7</b>	1,083.8	+5.9
Construction-in-progress	<b>19.3</b>	79.0	-75.6
Biological assets (non-current portion)	<b>1,306.1</b>	1142.0	+14.4
Other non-current assets	<b>87.0</b>	86.8	+0.2
Total non-current assets	<b>2,560.1</b>	2391.6	+7.0
Total current assts	<b>648.9</b>	565.5	+14.7
Total liabilities	<b>66.9</b>	51.8	+29.2
Net current assets	<b>582.0</b>	513.7	+13.3
Net assets	<b>3,142.1</b>	2,905.3	+8.2

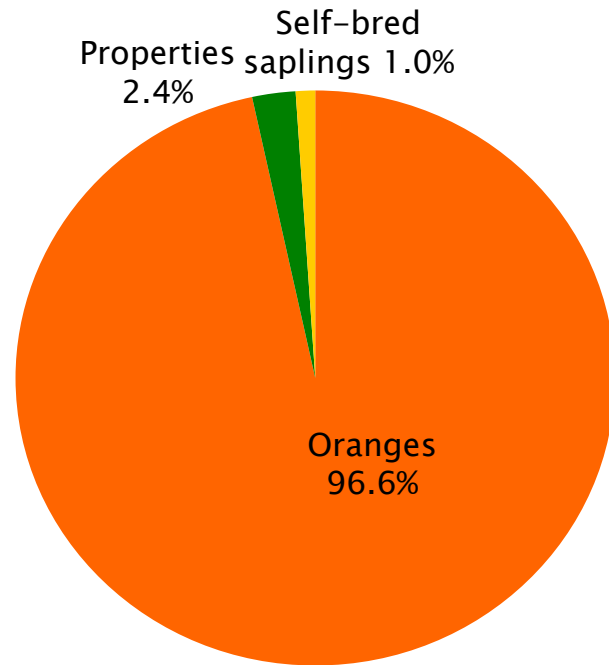


# Financial Overview

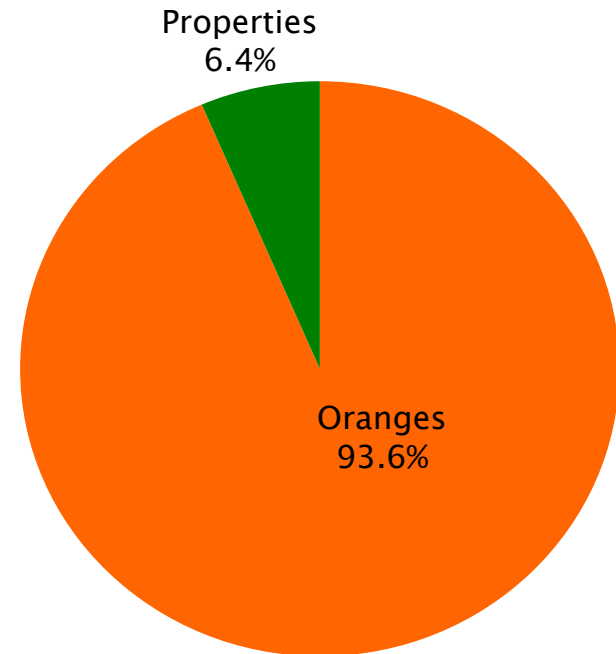


# Revenue by Segment

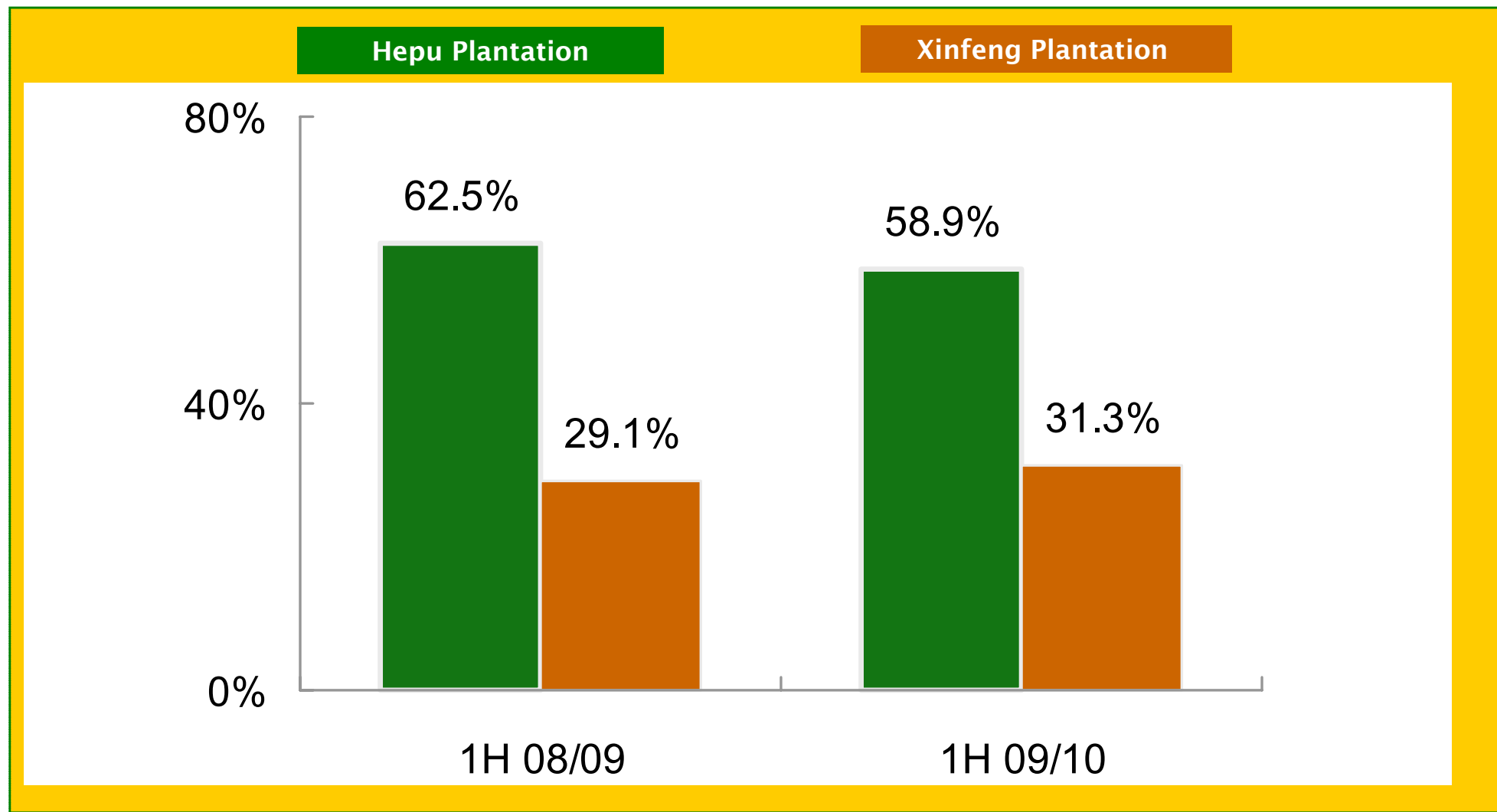
1H 2009/10



1H 2008/09



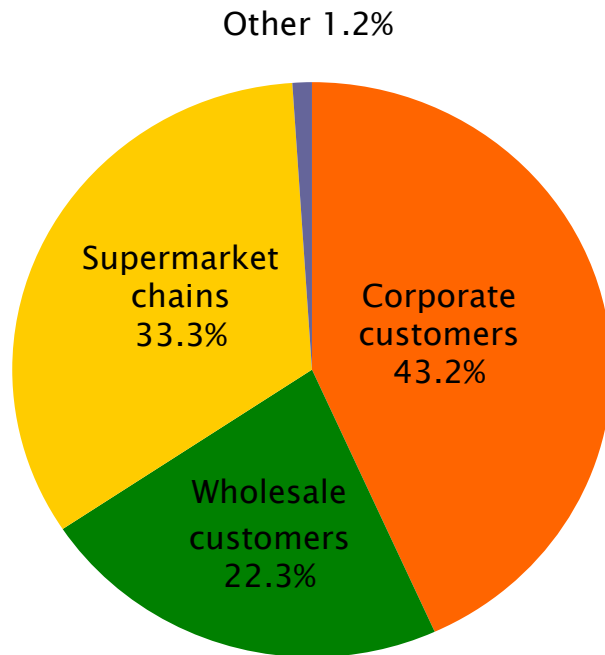
# Gross Margin of Sales of Oranges by Plantation



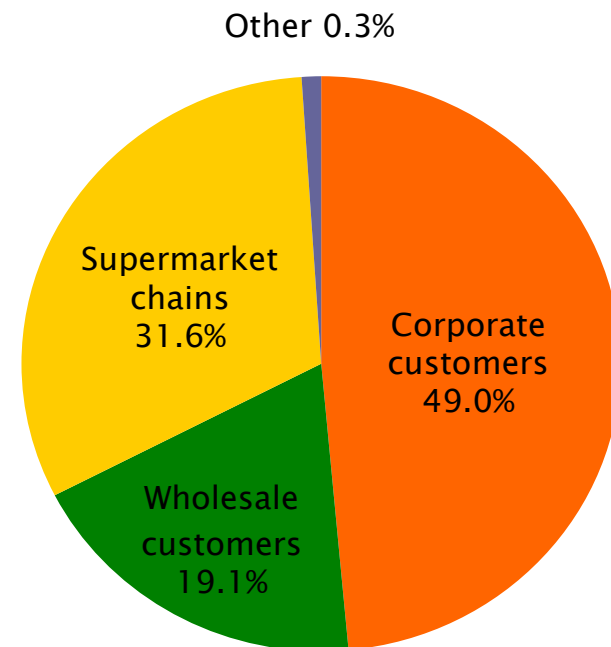
# Revenue by Channel

Sales of oranges only

1H 2009/10

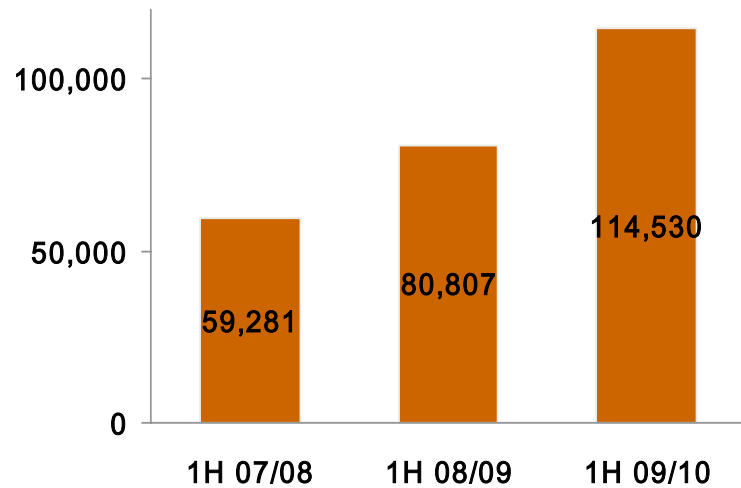


1H 2008/09

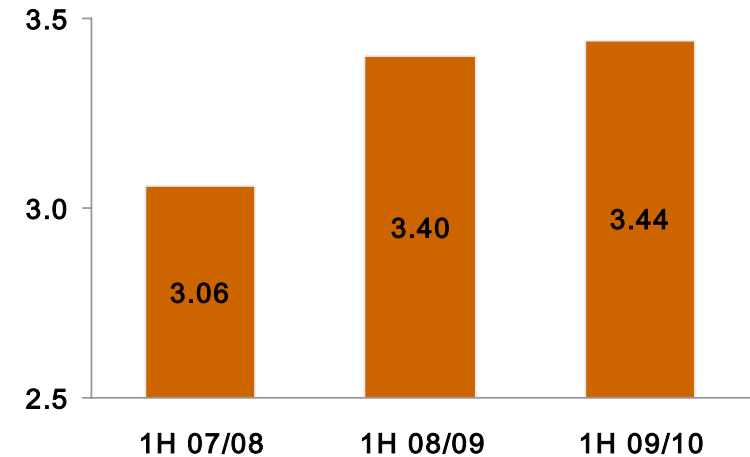


# Production Volume and Average Contract Selling Price

Production volume of Winter Oranges  
(Tonnes)

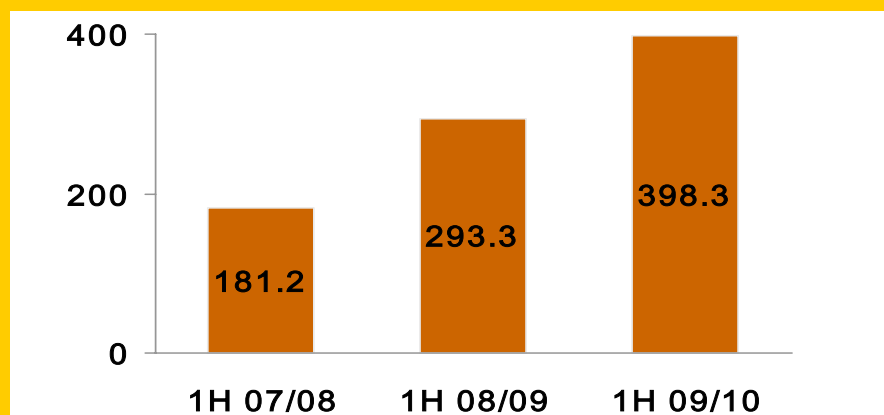


Average Contract Selling Price RMB per Kg  
for Winter Oranges

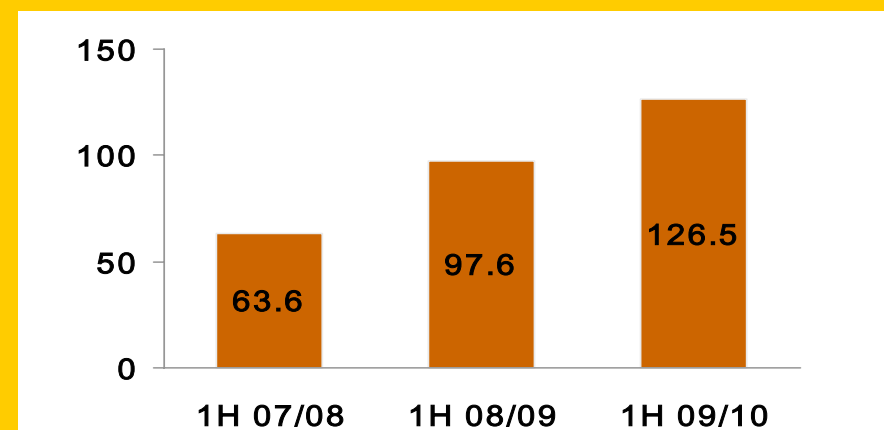


# Revenue and Profit Trend

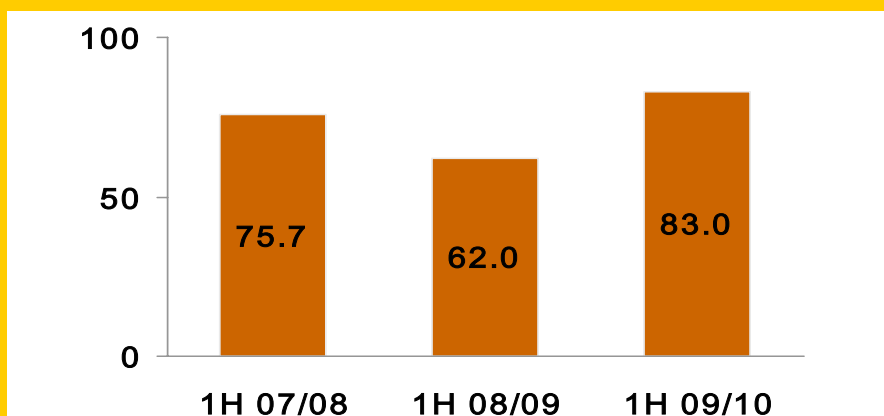
## Revenue (RMB'm)



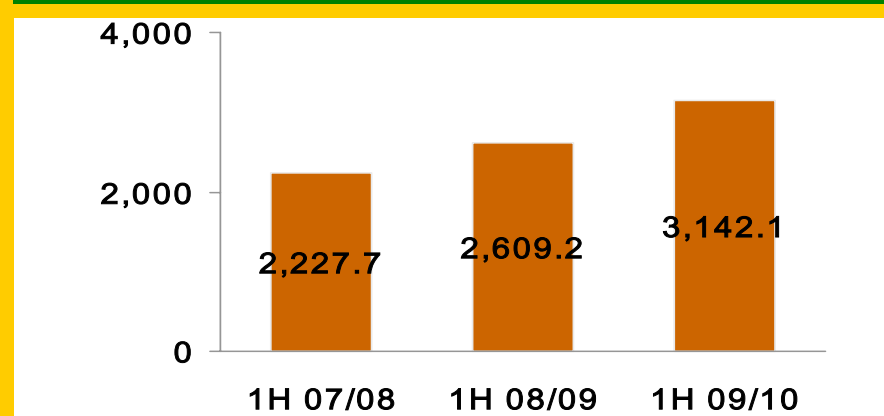
## EBITDA\* (RMB'm)



## Net Attributable to Shareholders\* (RMB'm)



## Shareholder's Equity (RMB'm)

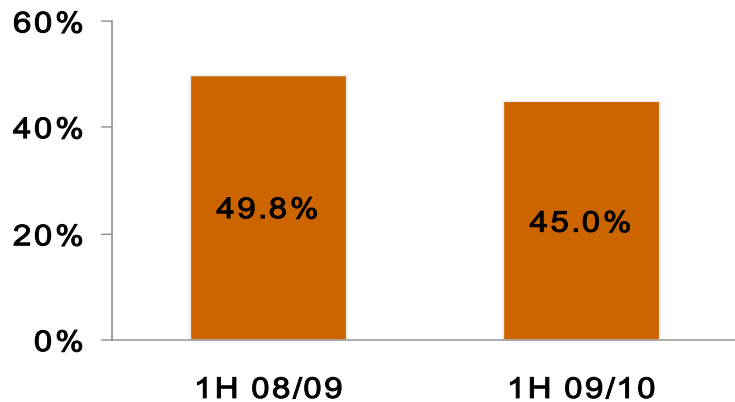


\* Excluding revaluation from biological assets

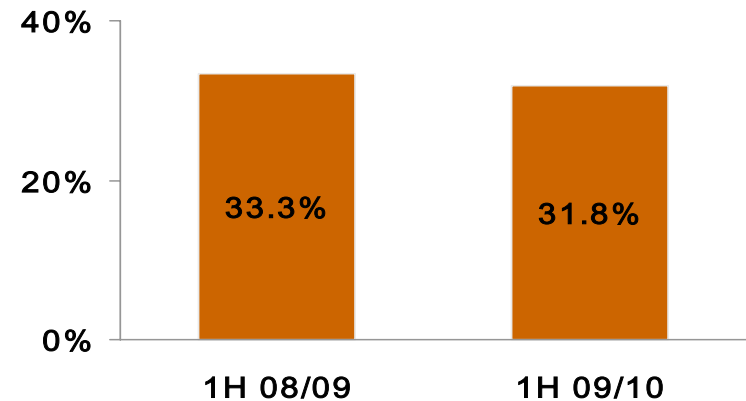


# Profit Margin and ROE

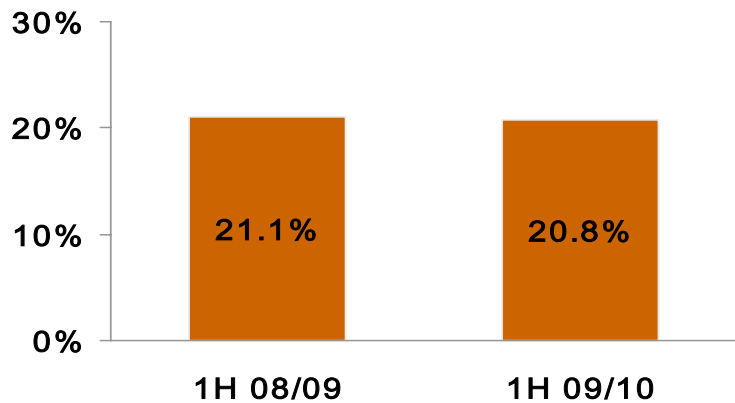
## Gross Margin



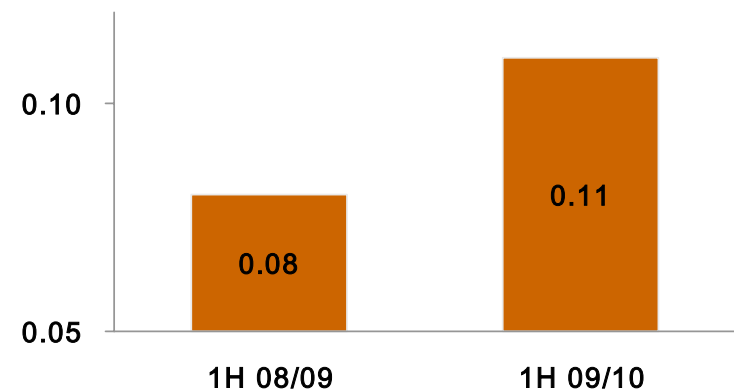
## EBITDA Margin\*



## Net Margin\*



## Basic EPS\* (RMB)



\* Excluding revaluation from biological assets



# Business Overview



# Business Highlights

- 66.2% increase in sales of winter oranges to supermarkets to 31,632 tonnes (1H 2008/09: 19,031 tonnes)
- Signed new contracts for the supply of winter oranges to seven new supermarket customers enlarging our national footprint and increasing brand awareness
- Renewed all existing supermarket supply contracts for summer orange and added three further supermarkets in Shenzhen, Beijing and Zhejiang
- Increased the contracted volume of summer oranges by 23.2% to 29,500 tonnes (1H 2008/09: 23,000)
- New, high margin revenue stream created with sale of 400,000 self-bred saplings to local farmers and agreement for first right to purchase
- Listed by way of introduction on the Stock Exchange of Hong Kong Limited on 26 November 2009



# Operational Highlights

## Hepu Plantation

- Fully developed with approximately 1.3m orange trees, of which 1.1m are fruit-bearing trees
- Production increased by 2.6% to 54,511 tonnes (1H 2008/09: 53,142 tonnes)
- Replanting programme underway with 64,194 winter trees replaced since period end

## Xinfeng Plantation

- Fully planted with 1.6m winter orange trees, of which 1.2m are fruit-bearing trees
- Production increased by 117.0% to 60,019 tonnes (1H 2008/09: 27,665 tonnes)
- Final batch of 400,000 orange trees will start its trial crops in the winter of 2010, thus completing planting programme



# Operational Highlights

## Hunan Plantation

- New nursery completed
- RMB50.8m invested in Hunan Plantation which mainly represents expenditure for land clearing, land cultivation and farmland infrastructure

## Xinfeng Development (Agricultural wholesale market and processing centre)

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



# Business Outlook



# Business Outlook

- Asian Citrus is progressing well and is increasing its presence in the Chinese retail market with high production volume and larger amount of direct sales to supermarkets.
- With expected growth of the Chinese economy, we are confident that the demand for high quality oranges in China will continue to grow and we aim to expand and diversify our business when good opportunities appeal
- Asian Citrus will continue to build on its existing leading market position by
  - Expanding its distribution network
  - Increasing its production capacity
  - Enhancing its sourcing capacity through further development of its nursery business



# Q & A



# Thank You

