



ASIAN CITRUS HOLDINGS LIMITED

Stock codes: HKEx: 73, AIM: ACHL

Annual Results FY2011

16 September 2011





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Agenda

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





Results Highlights





Results Highlights – Annual Results 2010/11

(RMB' Million)	<u>Reported results</u>			<u>Recurring results *</u>		
	2010/11	2009/10	% Change	2010/11	2009/10	% Change
Revenue	1,412.6	812.5	+73.9	1,412.6	812.5	+73.9
Gross profit	738.6	468.4	+57.7	738.6	468.4	+57.7
EBITDA	1,205.8	652.4	+84.8	607.8	346.4	+75.5
Profit before tax	1,121.3	587.3	+90.9	523.3	281.3	+86.0
Net profit	1,110.0	585.5	+89.6	512.0	279.5	+83.2
Basic EPS (RMB)	1.06	0.74	+43.2	0.49	0.35	+40.0
Total Dividend (RMB)	0.15	0.12	+25.0	0.15	0.12	+25.0
Final Dividend	0.10	0.10	-	0.10	0.10	-
Special Dividend	0.03	0.02	+50.0	0.03	0.02	+50.0
Interim Dividend	0.02	-	N/A	0.02	-	N/A

- Recurring results: Audited net profit minus the fair value gain of biological assets

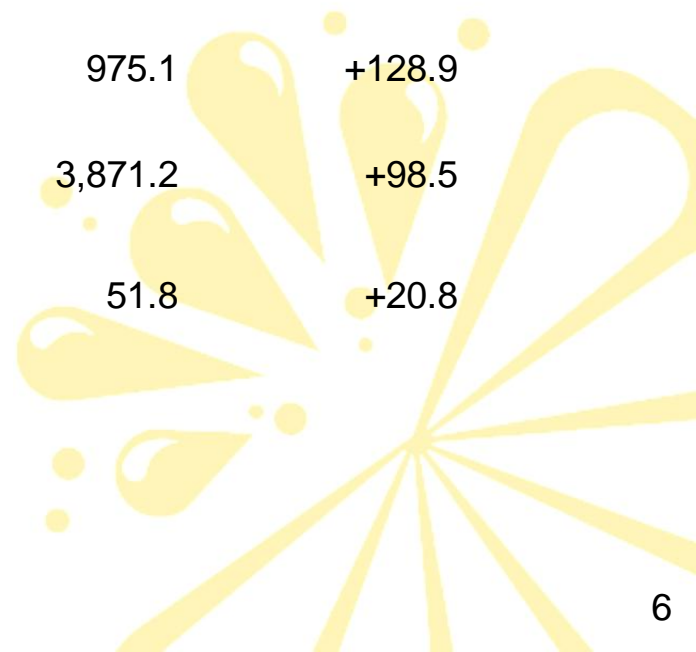
The net gain on change in fair value of biological assets:

2010/11	RMB	598.0 million
2009/10	RMB	306.0 million

Financial Position At-A-Glance - Annual Results 2010/11



(RMB' Million)	6/2011	6/2010	% Change
Property, plant and equipment	1,638.3	1,161.4	+41.1
Biological assets (non-current portion)	2,055.3	1,449.6	+41.8
Goodwill	1,157.3	-	N/A
Cash and cash equivalents	2,232.2	975.1	+128.9
Total assets	7,685.7	3,871.2	+98.5
Total liabilities	62.6	51.8	+20.8





Cash Flows Summary - Annual Results 2010/11

(RMB' Million)	2010/11	2009/10	% Change
Cash and cash equivalents as at 1 July	975.1	461.2	+111.4
Cash generated from operations	617.1	339.3	+81.9
Net cash used in investing activities *	<u>-566.4</u>	<u>-143.7</u>	+294.2
Free cash flow	50.7	195.6	-74.1
Net cash generated from financing activities	1,040.4	318.2	+227.0
Net increase in cash and cash equivalents	1,091.1	513.8	+144.7
Cash and cash equivalents as at 30 June	2,066.2	975.1	+111.9

* Including the net cash outflows from the acquisition of Beihai BPG of RMB161.1 million and increase in time deposits over 3 months of RMB166.0 million

Reconciliation of cash and cash equivalents:

Cash and cash equivalents per cash flow statements above	2,066.2
Time deposits over 3 months	<u>166.0</u>
Cash and cash equivalent per financial position	2,232.2



Ratio Analysis - Annual Results 2010/11

	2010/11	2009/10
Gross Profit Margin (%) – Overall	52.3%	57.6%
Gross Profit Margin (%) – Oranges	60.3%	58.7%
Gross Profit Margin (%) – Processed fruits	34.0%	N/A
Return on equity (%)	14.7%	15.3%
Payout ratio* (%)	35.6%	37.0%
	6/2011	6/2010
Current Ratio (x)	41.05	21.33
Quick Ratio (x)	37.83	19.21
Liabilities to Equity Ratio (%)	0.8%	1.4%
Net debt to Equity Ratio	Net cash	Net cash

* Payout ratio = Dividend payment / Recurring profits excluding fair value gain of biological assets



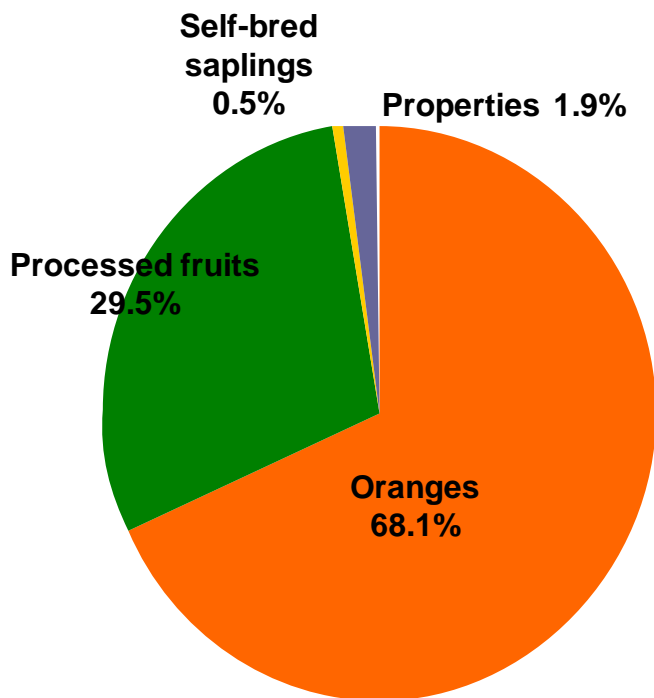
Financial Overview



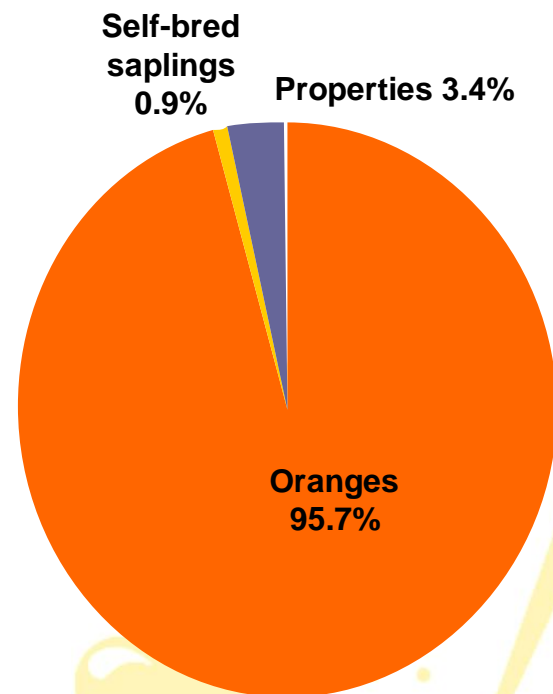


Revenue by Segment

2010/11



2009/10

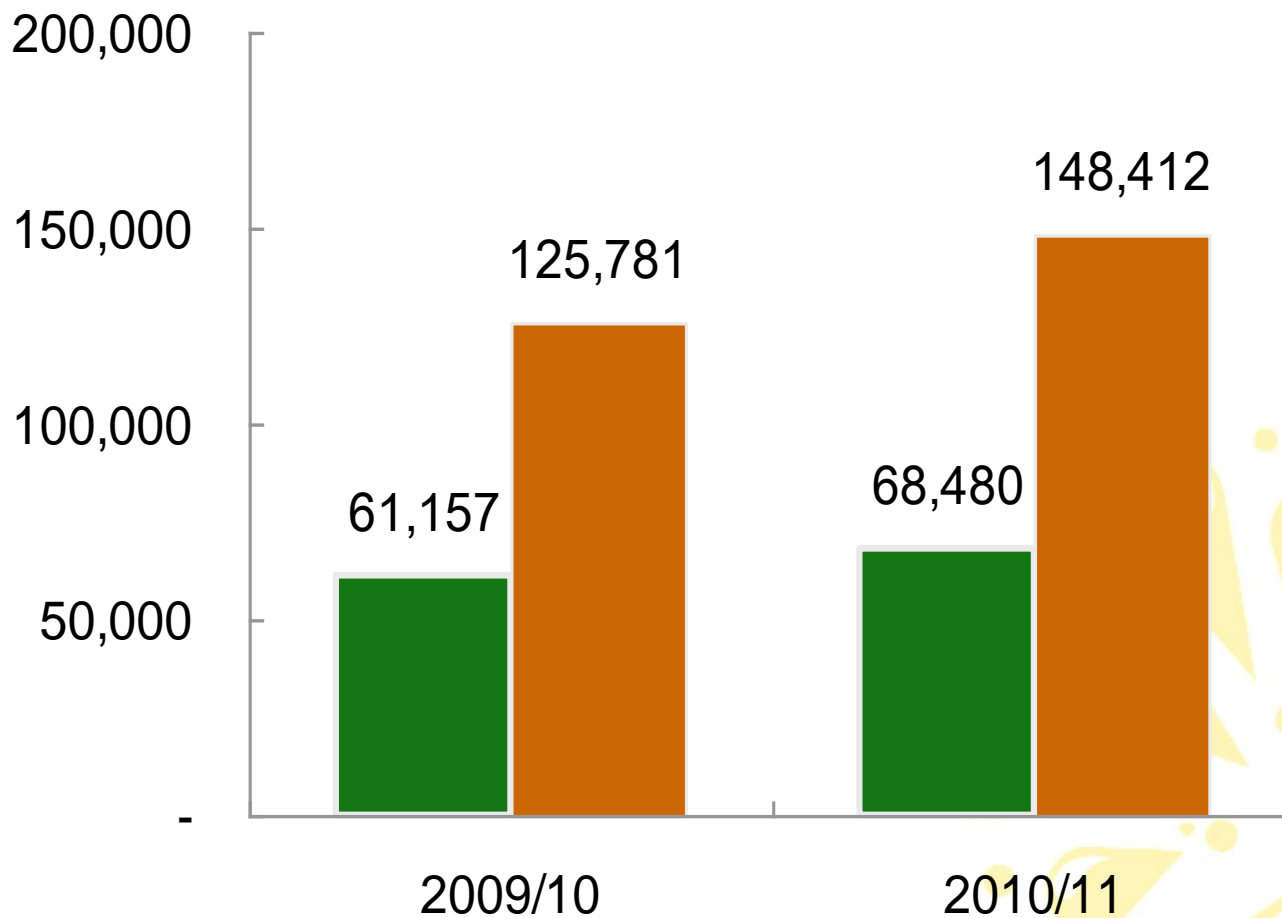




Revenue by channel (sale of oranges only)

Supermarket chain

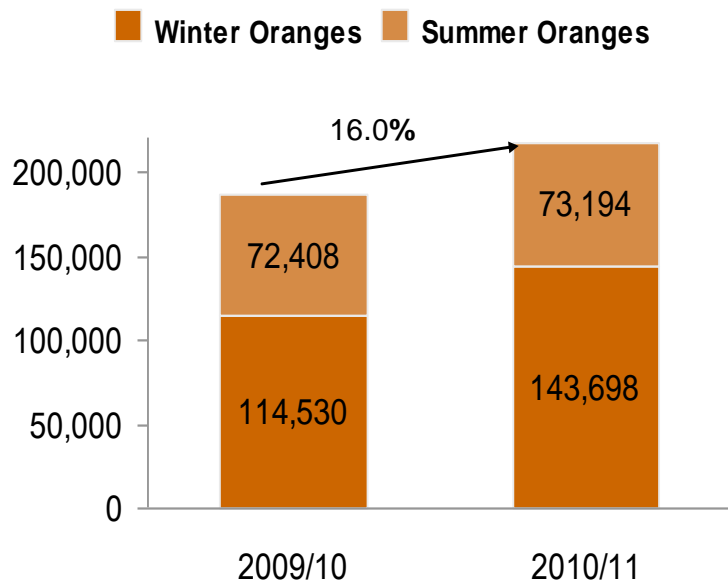
Wholesale and corporate customers





Production Volume and Average Selling Price

Production volume of Oranges (Tonnes)

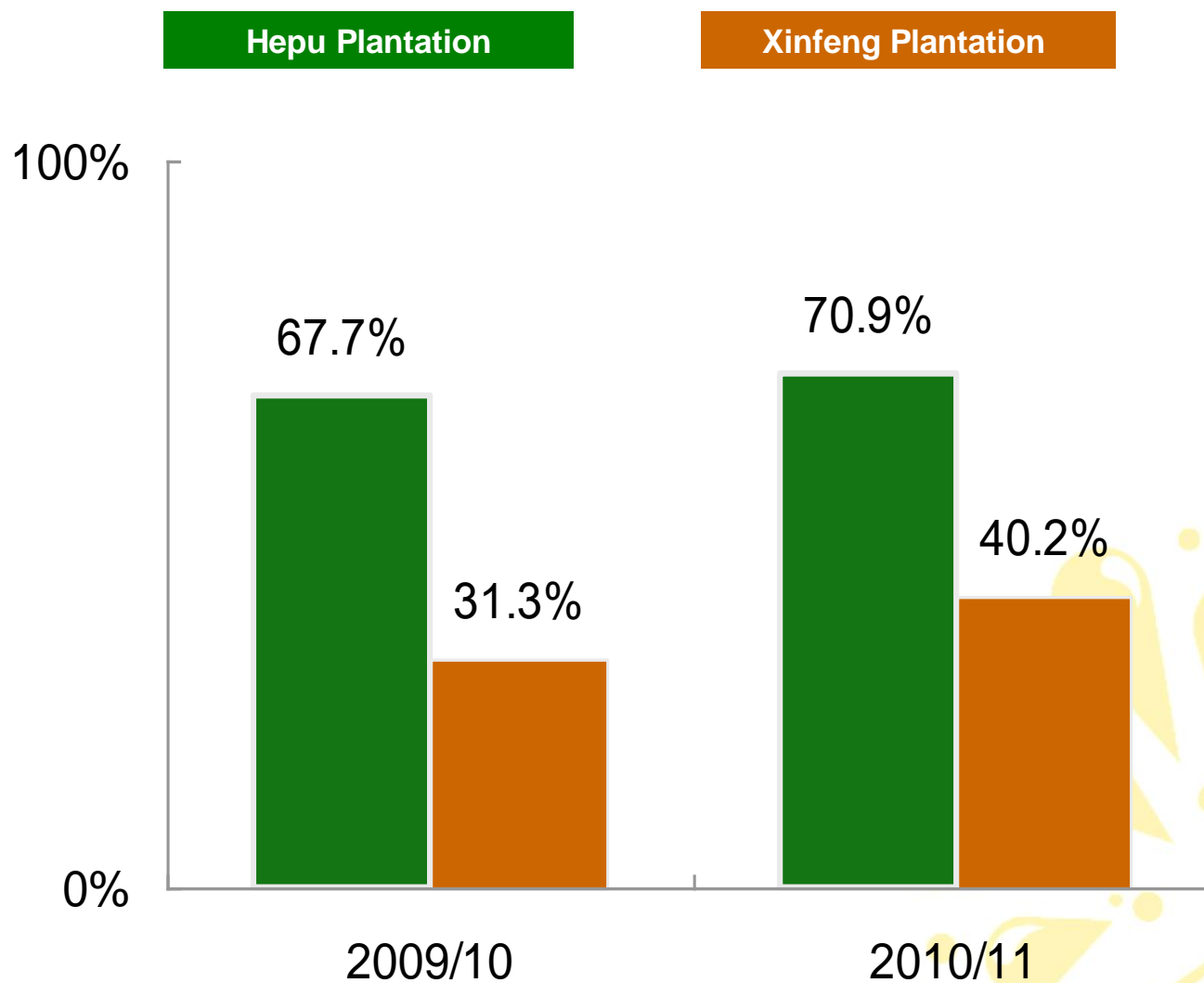


Average Selling Price RMB per kg of Oranges in different plantations

	Year ended 30 June		Variance %
	2011 RMB (per tonne)	2010 RMB (per tonne)	
Hepu Plantation			
- Winter Oranges	3,922	3,567	10.0%
- Summer Oranges	6,061	5,516	9.9%
Xinfeng Plantation			
- Winter Oranges	3,660	3,330	9.9%



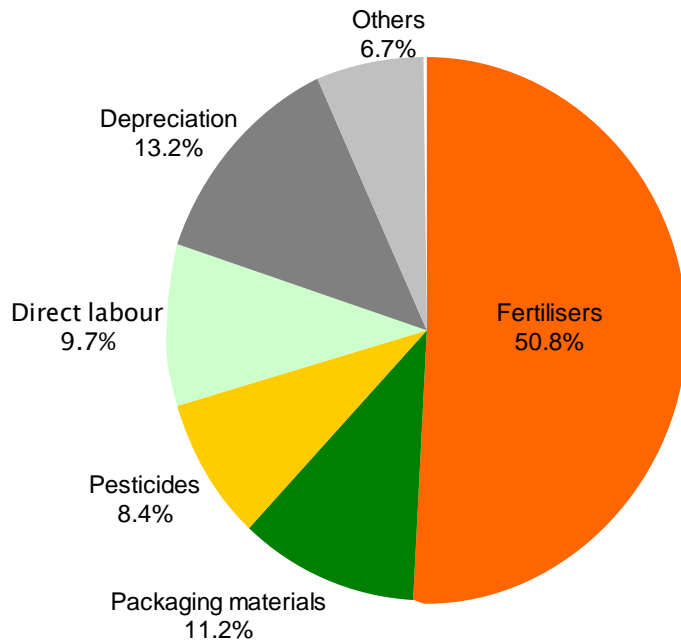
Gross Margin of Sales of Oranges by Plantation



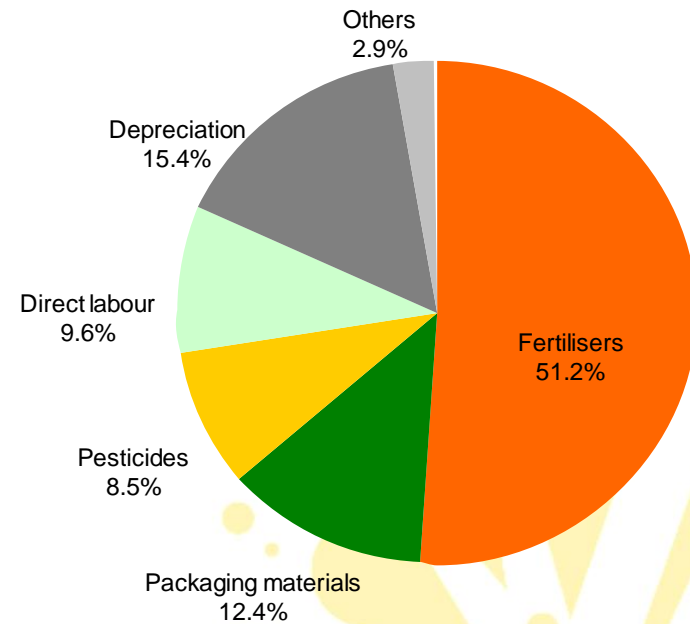
Key Financial Highlights – Sale of oranges



Cost of sales (Oranges) 2010/11



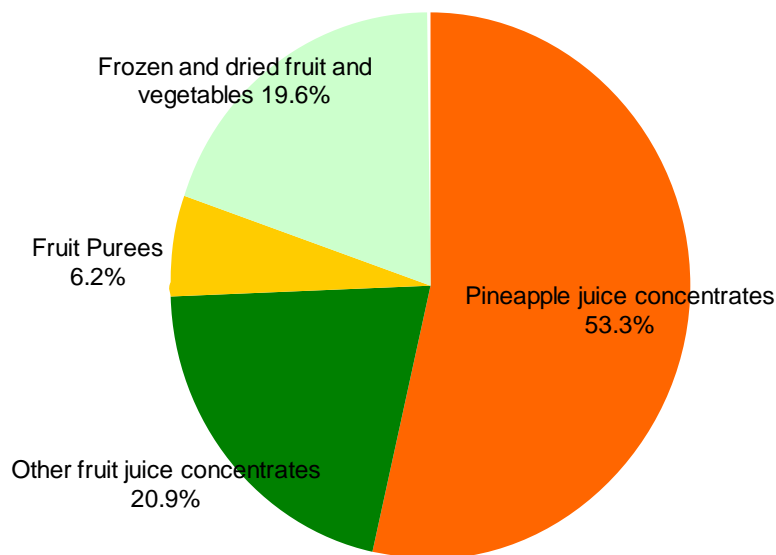
Cost of sales (Oranges) 2009/10



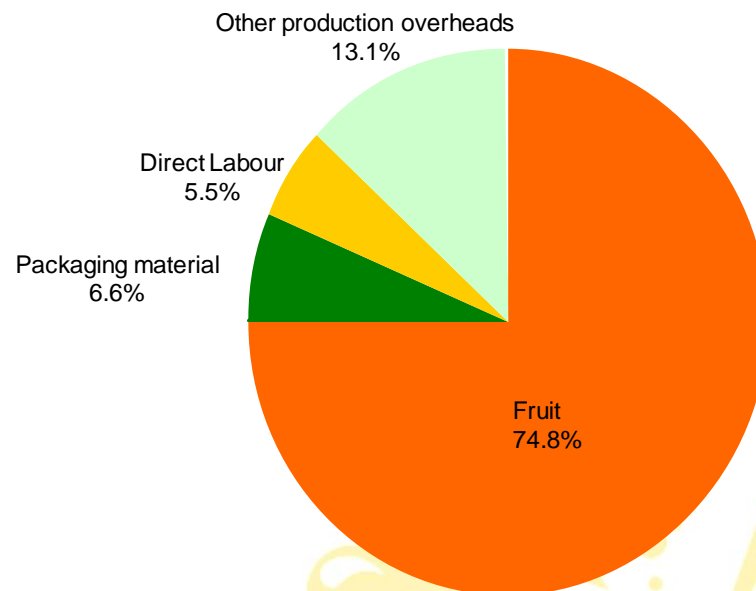
Key Financial Highlights – Sale of processed fruit



Sales by product 2010/11



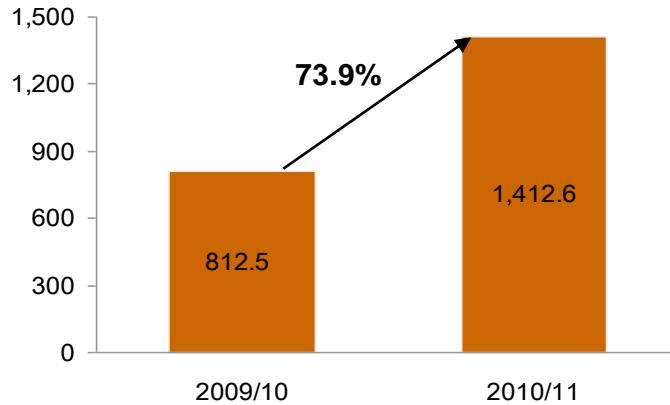
Cost of sales (processed fruit) 2010/11



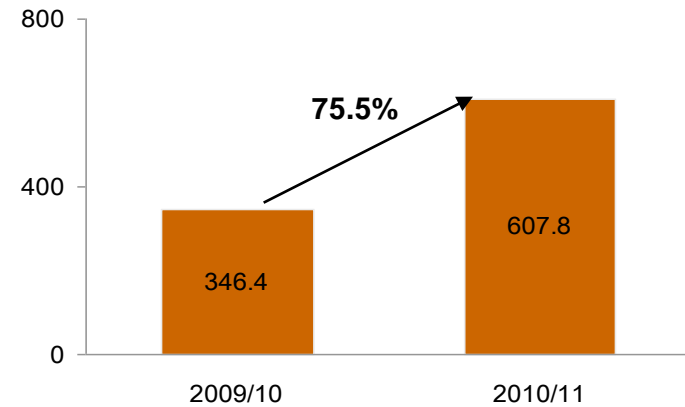
Revenue and Profit Trend



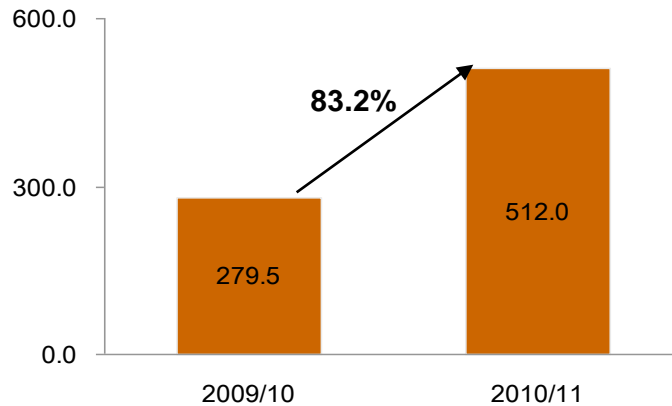
Revenue (RMB'm)



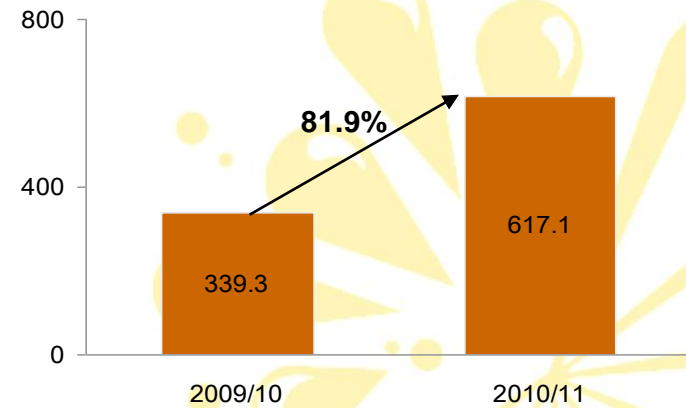
EBITDA * (RMB'm)



Net profit Attributable to Shareholders * (RMB'm)



Net Cash generated from operating activities (RMB'm)

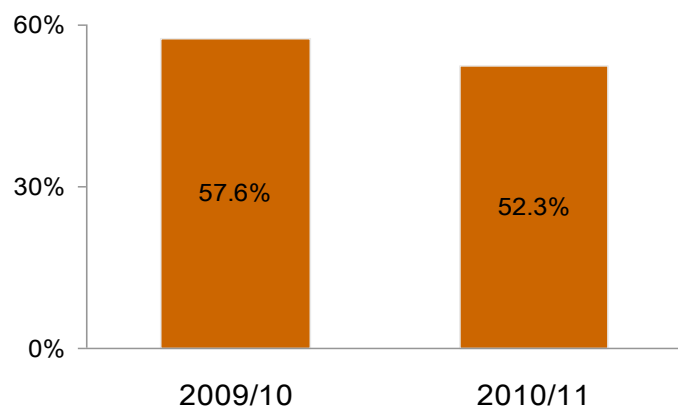


* Excluding revaluation gain from biological assets

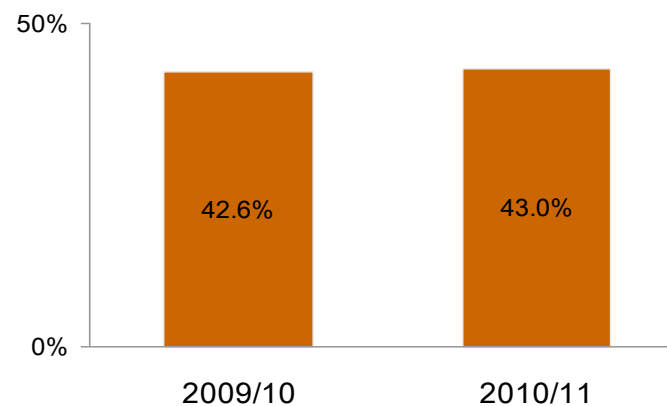
Profit Margin and ROE



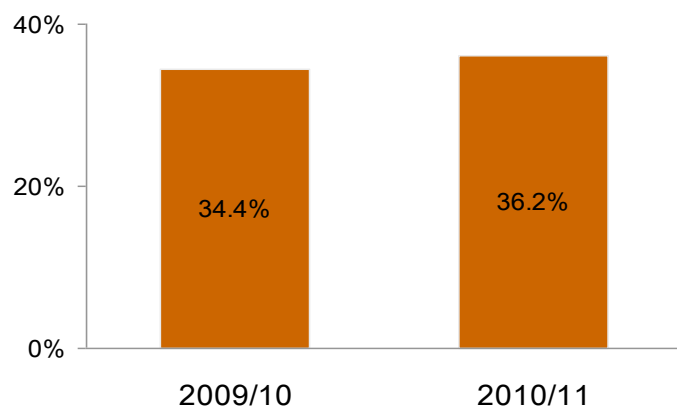
Gross Margin



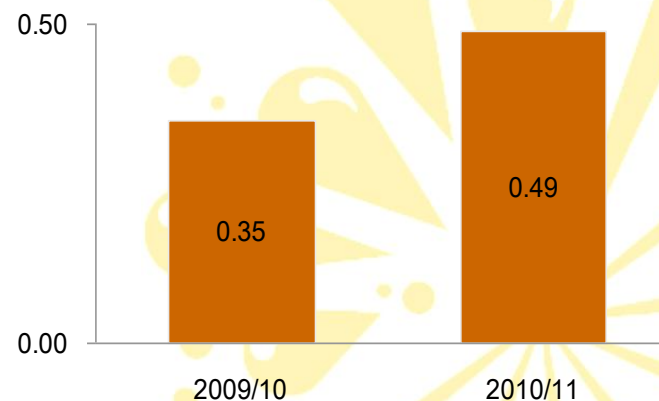
EBITDA Margin*



Net Margin*



Basic EPS* (RMB)



* Excluding revaluation gain from biological assets



EPS enhancement after Beihai BPG deal

	Original plantation business	Fruit processing business (Beihai BPG)	Combined Group
Recurring profit * for FY2011 (RMB'm)	389.7	122.3	512.0
Weighted average no of shares (m)	867.6 **	183.6	1,051.2
EPS for FY2011 (RMB)	0.45		0.49

■ EPS Growth of 8.9%

* Recurring profit = Audited net profit minus the revaluation gain from biological assets

** Excluding the weighted average impact of the issue of consideration shares of 164.2 million in connection with the acquisition of 92.94% of equity interest in Beihai BPG and the issue of 175.0 million shares for paying the cash consideration of HK\$ 780 million and financing the expansion of the new production facility and the corresponding working capital requirement



Business Overview





Business Highlights

- Continued to expand our direct sales to 20 supermarket chains with total supply of approximately 68,480 tonnes of oranges (2009/10: 61,157 tonnes), up approximately 12.0%
- Sold approximately 620,000 self-bred saplings to local farmers which offer the Group the first right to purchase their oranges
- Achieved the annual renewal of the “Organic Products” accreditation by the China Organic Food Certification Center in both Hepu Plantation and Xinfeng Plantation
- Completed the acquisition of 92.94% equity interest in Beihai Perfuming Juice Company Limited (“Beihai BPG”) on 30 November 2010
- Expanded the production capacities of Beihai BPG by constructing a new production facility located in Baise city of the Guangxi Region with annual capacity of approximately 40,000 tonnes. Construction expected to be substantially completed by the end of 2011 with trial production expected to commence before mid-2012.
- Continued the construction of the Hunan Plantation with 427,000 summer orange trees planted during the year
- Completed the share placement of 175,000,000 new ordinary shares in December 2010
- Recommended final dividend of RMB0.10 and special dividend of RMB0.03 per share. 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. This equates to approximately 35.6% of the adjusted earnings excluding fair value gain of biological assets.



Operational Highlights – Annual Results 2010/11

Hepu Plantation

- Fully developed with approximately 1.3m orange trees, of which 1.1m are fruit-bearing trees
- Production slightly decreased by approximately 2.5% to 123,711 tonnes (2009/10: 126,919 tonnes) due to the reduction in the number of productive winter orange trees under the replanting programme
- Replanting programme underway with 63,584 winter trees replaced during the year
- The first batch of 55,185 summer orange trees replanted in 2007 commenced its first crop yielding approximately 646 tonnes

Xinfeng Plantation

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



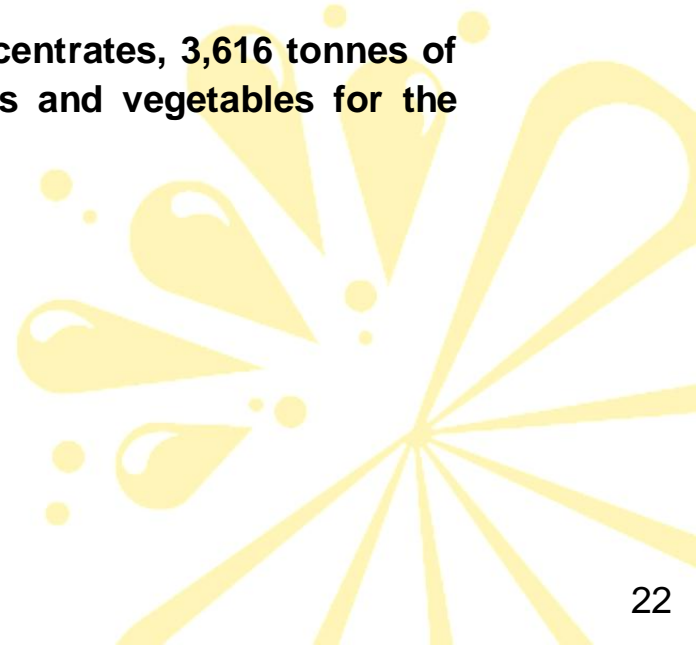
Operational Highlights – Annual Results 2010/11

Hunan Plantation

- First batch of 427,000 summer orange trees planted
- RMB286.7m invested which mainly represents expenditure for land clearing, land cultivation, planting costs and other farmland infrastructure

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 for the seven months ended 30 June 2011





Business Outlook





Business Outlook

- Asian Citrus made very good progress in increasing the volume of direct sales to supermarkets. The acquisition of Beihai BPG is an important step 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.
- We aim to increase production of high quality citrus fruits through organic growth in production from 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.

Q & A



Thank You

