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FINANCIAL HIGHLIGHTS

RESULTS OF OPERATIONS (RMB MILLION)

	For the six months ended 31 December 2006	2005	% change
Reported financial infomation			
Revenue	**147.1**	105.6	39.2
Gross profit	**81.6**	64.0	27.5
EBITDA	**141.8**	71.2	99.2
Profit attributable to shareholders	**110.3**	49.5	122.8
Basic earnings per share (RMB)	**1.77**	0.84	110.7
Diluted earnings per share (RMB)	**1.72**	0.84	104.8
Reported financial information adjusted to exclude biological gain and corresponding tax effect			
EBITDA	**58.6**	51.2	14.4
Profit attributable to shareholders	**39.6**	32.5	21.8
Basic earnings per share (RMB)	**0.64**	0.55	16.4
Diluted earnings per share (RMB)	**0.63**	0.55	14.5

FINANCIAL RATIOS

	2006	2005
Gross profit margin (%)	**55.5**	60.6
Asset turnover (x)	**0.09**	0.08
Return on assets (%)	**6.4**	3.6
Return on equity (%)	**7.0**	3.9

FINANCIAL POSITION (RMB MILLION)

	31 December 2006	30 June 2006
Total assets	**1,725.8**	1,632.9
Net current assets	**25.4**	76.3
Cash & bank balances	**29.8**	103.2
Shareholders' funds	**1,583.3**	1,505.6
Current ratio (x)	**1.42**	2.42

CHAIRMAN'S STATEMENT

I am very pleased to report results for the six months ended 31 December 2006. As the largest orange plantation owner and operator in China, we are leveraging our market leading position to create further value for our shareholders.

STRATEGIC OVERVIEW

During the last six months, the Group has continued to focus on its strategy of exploring opportunities in supplying directly to supermarkets. In addition to the renewal of the supply contract with Guangxi Yonghao Supermarket Company Limited ("Yonghao"), the Group entered into a new supply contract with Guihai Highways Guangxi Xingtong Services Company which operates 168 convenience stores and service stations along approximately 4,000 kilometres of highways within the Guangxi Zhuang Autonomous Region of China. Sales of the Group's oranges to supermarket chains are expected to increase from around 11% of production last year to around 20% in the current year.

The Group has substantially completed the construction of an orange tree nursery occupying an area of approximately 10,000 sq. metres at the Hepu Plantation. We expect that the Group's commercial nursery operation will be capable of producing 3 to 4.5 million seedlings every 18 months. The nursery will provide both infant trees for the Group's own use and for sale to third parties.

The Group has identified Hunan province as another potential source of high quality oranges and has been exploring various business opportunities in the region. The Group has undertaken a feasibility study on the proposed Hunan development and, on 12 March 2007, signed a memorandum of understanding with the Hunan provincial government regarding the plans it has to develop a new plantation in the Dao County area.

Through our subsidiary in the Hubei province of China, we have built a knowledge base about the availability and sources of high quality oranges in this province. This ensures that the Group is well placed to source high quality oranges from this area to supplement supply from our growing operations.

CHAIRMAN'S STATEMENT

As previously announced, the Group is developing an agricultural wholesale market focused on fruit together with ancillary serviced apartments near the Xinfeng Plantation in the Jiangxi province of China. This project will be undertaken in three phases and the first phase is expected to be completed in the second quarter of 2007. The pre-sale of the shop units, numbering about 250, in the first phase is expected to commence around the end of March 2007. An orange processing centre, including warehouses, refrigerated storage and a centre for cleaning, grading, packaging and waxing oranges, is part of the third phase and the Directors currently expect this to be completed in the financial year 2008/09.

The Group has received EurepGAP certification through its joint venture in Hong Kong. EurepGAP is the European fresh produce food standard set in place by the leading food retailers to give customers assurance of quality. This demonstrates that the Group has met the stringent technical requirements needed to gain the certificate ranging from use of fertiliser, irrigation methods and hygiene levels, to employee training and the assessment of the environmental impact of farming. The accreditation of the EurepGAP certificate allows the Group to potentially export to European customers in the future, and this is a major milestone for the Group.

In addition to the fresh oranges business, we continue to assess certain business opportunities for value added products such as fresh orange juice. The Group has already held certain discussions with potential strategic partners about juicing co-operation arrangements.

CHAIRMAN'S STATEMENT

OPERATING REVIEW

The orange production volume for the six months ended 31 December 2006 was approximately 49,871 tonnes compared to approximately 40,604 tonnes in 2005, an increase of around 23%. The growth in production was mainly due to: (1) trial production of 3,652 tonnes of oranges from the Xinfeng Plantation; (2) the increasing maturity of the trees in the Hepu Plantation; and (3) the growth in expertise and efficiency of working practices.

The Group's total number of fruit-bearing orange trees increased from 1,246,052 as at 30 June 2006 to 1,646,052 at 31 December 2006 as a result of 400,000 trees reaching fruit-bearing age at the Xinfeng Plantation.

Subsequent to 31 December 2006, we have launched a trial run of replanting programme which includes replacement of certain existing species with more advanced and better quality species that have stronger resistance against diseases and higher yield. As of the date of this report, 37,542 winter orange trees (which accounted for approximately 2.3% of the total number of fruit-bearing orange trees as at 31 December 2006) have been removed and this area will be replanted with the new species according to our replanting programme. It is our intention to implement the partial replanting programme step-by-step in order to optimise its impacts on the Group's overall financial position. Based on the results of the research we carried out, we are confident that the replanting programme will bring long term economic benefits to the Group.

The Group continued to invest in the construction of the Xinfeng Plantation which is expected to be completed in the second quarter of 2007. We have spent RMB58 million for the infrastructure at the Xinfeng Plantation in the period and we are in the process of planting the final 400,000 oranges trees in the Xinfeng Plantation. We expect that the potential production capacity from the Xinfeng Plantation in the coming years will drive a step change in the Group's orange supply. We expect the first commercial harvest at the Xinfeng Plantation to be in November 2007.

CHAIRMAN'S STATEMENT

TRADING RESULTS

The Group's turnover was RMB147.1 million (2005: RMB105.6 million) in the six months to 31 December 2006. The 39% year-on-year growth in turnover was achieved by an increase of approximately 23% in the Group's production combined with a 13.5% increase in average selling price of the oranges to both wholesalers and supermarkets. For the six months ended 31 December 2006, sales to supermarket have increased to 29.3% of the Group's turnover from 7.9% in the comparable period. We expect this proportion to continue to increase as the Group secures more supermarket contracts.

The gross margin of the Hepu Plantation increased slightly from approximately 60.6% for the six months ended 31 December 2005 to approximately 61.6% for the six months ended 31 December 2006, benefiting from the higher average selling price for supermarket sales and tight cost controls implemented by the Group. The Xinfeng Plantation was not profitable in 2006 as the plantation was still in trial production. However, over the medium term, as production volume increases and economies of scale are achieved, the Xinfeng Plantation will start to demonstrate its growth potential. Combining the two plantations, the Group's gross margin decreased from 60.6% for the six months ended 31 December 2005 to approximately 55.5% for the six months ended 31 December 2006.

The cost of production increased from approximately RMB41.6 million in the 2005 period to approximately RMB65.5 million in the last six months principally because of the increase in consumption of raw materials accompanying the growth of the Group's production volume. In addition to this, the price of fertiliser, one of the Group's major raw materials, has increased by around 5-10% in the fiscal period. As a result, the average unit cost of oranges from the Hepu Plantation increased to approximately RMB1.14 per kg (2005: RMB1.02 per kg).

CORPORATE GOVERNANCE ENHANCEMENTS

The Board is committed to improving corporate governance through the appointment of competent and experienced professionals to the Board and senior management.

Mr. Sung Chi Keung was appointed to the Board as Finance Director on 15 January 2007. Mr. Sung was previously the Chief Financial Officer of the Company.

CHAIRMAN'S STATEMENT

To help ensure there is adequate operational support for the projects that the Group is presently undertaking, the Group engaged a consultancy company, Questmark Asia Limited ("Questmark") in February 2007. Questmark will, amongst other things, assist the Company with project management focusing on operations, infrastructure and internal controls.

DIVIDEND POLICY

The Group expects to have a dividend payout ratio similar to that of the financial year 2005/2006 and, in any event, to pay a dividend per share no less than the previous year.

INVESTOR RELATIONS

The Board recognises the importance of maintaining good communications with shareholders and potential investors. The Group's management visited certain institutional and private investors during the roadshow in November 2006 in order to update the shareholders of the Group's latest developments and introduce the Group to potential investors.

OUTLOOK

During the past six months, we have made good progress in increasing our presence in the retail market by securing more substantial supplier contracts with several supermarket chains in China. In addition to maintaining our momentum in building on our supermarket relationships, we will also be looking to expand our business into value added products to benefit from the expected significant growth in demand. As a result of the bad weather in California in January 2007 and the corresponding shortage of orange supply in the market, we have increased the selling price of the summer harvest in 2007 by approximately 5.8%. We are excited about the growth prospects of the Group, driven by increasing demand for high quality oranges in China and are very confident that Asian Citrus will continue to develop and deliver good value to our shareholders.

Tony Tong
Chairman

21 March 2007

MANAGEMENT DISCUSSION & ANALYSIS

OPERATING PERFORMANCE

Revenue

Sales revenue and yield grew by 39.3% and 22.8% to RMB147.1 million and 49,871 tonnes for the six months ended 31 December 2006 respectively. In the six months to 31 December 2005, the Group had only one operational plantation in Hepu county. For the six months ended 31 December 2006, the Group's Xinfeng Plantation started its trial production yielding about 3,652 tonnes of oranges.

During the six months ended 31 December 2006, all of the Group's produce was sold domestically. The Group's customers can be divided into four categories, namely corporate customers, wholesale customers, supermarket chains and sole proprietors. The breakdown by types of customers is as follows:

	For the six months ended 31 December	
	2006	2005
	% of total revenue	
Types of customers		
Corporate customers	**39.0%**	42.9%
Wholesale customers	**30.7%**	42.0%
Supermarket chains	**29.3%**	7.9%
Sole proprietors	**1.0%**	7.2%
Total	**100.0%**	100.0%

For the six months ended 31 December 2006, the production volume and sales to supermarket chains represented approximately 20.4% and 29.3% respectively of the Group, a significant increase from approximately 5.0% and 7.9% for the six months ended 31 December 2005.

The sales to sole proprietors decreased from approximately 7.2% to 1.0%. This is consistent with Group's strategy of increasing nationwide exposure through sales to large corporate customers, wholesale customers and supermarket chains.

MANAGEMENT DISCUSSION & ANALYSIS

Other income

The Group recorded a gain of RMB83.1 million from changes in fair value of biological assets for the six months ended 31 December 2006, compared to a gain of RMB20 million for the last corresponding period. The increase was mainly due to the higher selling price of the oranges achieved by the Group which is the important assumption for the valuation methodology to assess the fair value of the orange trees. Other income of approximately RMB0.8 million mainly arose from the foreign exchange gains.

Gross profit

The Group's overall gross profit increased to approximately RMB81.6 million (2005: RMB64 million). The improvement in gross profit was the result of an increase in the production output of the Group's orange trees from a total of 40,604 tonnes to 49,871 tonnes and a 13.5% increase in the average price of oranges, principally due to the increase of sales to supermarket chains.

Despite a higher average selling price, the gross profit margin of the Group was lower at 55.5% (2005: 60.6%) as a result of higher costs associated with the trial production in the Xinfeng Plantation. The first commercial production at the the Xinfeng Plantation, which will typically have a higher yield and lower average unit production cost, is expected in November 2007.

For Hepu Plantation, the gross profit margin increased slightly from 60.6% for the six months ended 31 December 2005 to 61.6% for the six months ended 31 December 2006.

Cost of sales

Cost of sales principally consists of the costs of raw materials such as fertilisers, packaging materials, pesticides and other direct costs such as direct labour and production overheads. The breakdown of cost of sales is as follows:

	For the six months ended 31 December			
	2006		2005	
Cost of sales	***RMB'000***	**% of Cost of sales**	*RMB'000*	% of Cost of sales
Inventories used				
Fertilisers	**26,967**	**41.2%**	12,311	29.6%
Packaging materials	**13,733**	**21.0%**	11,368	27.4%
Pesticides	**6,717**	**10.2%**	5,065	12.2%
	47,417	**72.4%**	28,744	69.2%
Production overheads				
Direct labour	**6,540**	**10.0%**	4,642	11.2%
Depreciation	**8,665**	**13.2%**	5,747	13.8%
Others	**2,873**	**4.4%**	2,420	5.8%
Total	**65,495**	**100.0%**	41,553	100.0%

The production costs increased 57.5% to RMB65.5 million (2005: 41.6 million). The increase in production costs was principally due to the increase in raw materials utilised for higher production volumes, trial production in Xinfeng Plantation and the 5-10% increase in the price of fertiliser. As a result, the average unit cost of oranges increased to RMB1.31 per kg from RMB1.02 per kg in the comparable period.

Discounting the effect of trial production in Xinfeng Plantation, the average unit cost of oranges only increased slightly to RMB1.14 per kg (2005: RMB1.02 per kg).

Other operating expenses

Selling and distribution expenses mainly comprise sales commissions, advertising, salaries and welfare of sales personnel, travelling and transportation expenses. The selling and distribution expenses of the Group increased from approximately RMB8.3 million for the six months ended 31 December 2005 to approximately RMB12.7 million for the six months ended 31 December 2006, representing an increase of 53.0%. The increase was mainly due to the advertising expenses of RMB4 million for the Xinfeng Plantation.

General and administrative expenses comprise mainly salary, office administration expenses, depreciation, amortisation and research costs. The general and administrative expenses of the Group were approximately RMB24.4 million for the six months ended 31 December 2006 (2005: RMB24.0 million). The Group reduced approximately RMB4.4 million in raw materials utilised for infant trees as a result of the transfer of 400,000 infant trees to orange trees in Xinfeng Plantation during the period. The Group recognised a cost of approximately RMB4.1 million in relation to employee share option benefits for the period under the employee share option plan, representing an increase of approximately RMB3.1 million over the last corresponding period.

Profit

Pre-tax profit was approximately RMB126.3 million for the six months ended 31 December 2006, representing an increase of 113.7% as compared to the last corresponding period. The profit attributable to shareholders for the six months ended 31 December 2006 increased to approximately RMB110.3 million, compared to approximately RMB49.5 million for the six months ended 31 December 2005.

MANAGEMENT DISCUSSION & ANALYSIS

PRODUCTIVITY

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

The production volume of winter oranges in Hepu Plantation increased from 40,604 tonnes for six months ended 31 December 2005 to 46,219 tonnes for the six months ended 31 December 2006, representing an increase of approximately 13.8%. In addition, the Xinfeng Plantation has started its trial production yielding about 3,652 tonnes of oranges during the period. The total winter oranges yield of the Group from the two plantations was approximately 49,871 tonnes, representing an increase of around 23% from the Group's total winter oranges yield in 2005.

FINANCIAL PERFORMANCE

	31 December 2006	30 June 2006
Current ratio (x)	**1.42**	2.42
Quick ratio	**1.09**	2.21
Net debt to equity (%)	**0.12**	Net cash

	31 December 2006	31 December 2005
Asset turnover (x)	**0.09**	0.08

Liquidity ratios

As a result of the payment of first dividends in December 2006, the current ratio and quick ratio of the Group decreased to 1.42x and 1.09x respectively. The liquidity of the Group remained healthy with sufficient reserves for existing operations.

Profitability

The asset turnover of the Group maintained at 0.09x for the six months ended 31 December 2006 compared to 0.08x for the last corresponding period.

Debt ratio

The Group's net debt to equity ratio was at low level of approximately 0.12% as at 31 December 2006.

Internal cash resource

The Group's major internal cash resource is its cash and bank balances. The Group did not have any outstanding bank borrowings as at 31 December 2006 and the only outstanding borrowings were the convertible bonds.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

TO THE SHAREHOLDERS OF ASIAN CITRUS HOLDINGS LIMITED

We have reviewed the accompanying consolidated balance sheet of Asian Citrus Holdings Limited as of 31 December 2006 and the related consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standards issued by the International Auditing and Assurance Standards Board (the "IAASB"). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit option.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the Group as at 31 December 2006, and of its financial performance and its cash flows for the six-month period then ended in accordance with International Financial Reporting Standards.

Baker Tilly Hong Kong Limited
Certified Public Accountants

Andrew David Ross
Practising Certificate Number P01183
Hong Kong, 21 March 2007

CCIF CPA Limited
Certified Public Accountants

Kwok Cheuk Yuen
Practising Certificate Number P02412
Hong Kong, 21 March 2007

CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2006

	Note	**Six months ended 31 December 2006 (Unaudited) *RMB'000***	2005 (Unaudited) *RMB'000*	Year ended 30 June 2006 (Audited) *RMB'000*
Revenue	3	**147,060**	105,552	404,566
Gain arising from changes in fair value less estimated point-of-sale costs of biological assets		**83,172**	20,000	115,000
Other income	4	**786**	10,668	5,237
		231,018	136,220	524,803
Inventories used	6	**(48,807)**	(34,517)	(113,008)
Staff costs	6	**(16,658)**	(11,000)	(26,479)
Depreciation	6	**(11,436)**	(7,916)	(17,273)
Other operating expenses	6	**(25,728)**	(20,398)	(53,675)
Write-off of biological assets		**(9)**	—	—
Profit from operations		**128,380**	62,389	314,368
Interest income		**601**	1,625	2,755
Finance expenses	7	**(2,983)**	(4,144)	(7,145)
Net finance costs		**(2,382)**	(2,519)	(4,390)
Share of profit/(loss) of associates	18	**292**	(778)	(1,115)
Profit from ordinary activities before income tax		**126,290**	59,092	308,863
Income tax expenses	8	**(15,990)**	(9,590)	(50,937)
Profit attributable to shareholders		**110,300**	49,502	257,926
Earnings per share				
Basic earnings per share	9	**RMB1.77**	RMB0.84	RMB4.28
Diluted earnings per share	9	**RMB1.72**	RMB0.84	RMB4.16
Dividends	12	**—**	—	38,637

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2006

	Note	31 December 2006 (Unaudited) RMB'000	31 December 2005 (Unaudited) RMB'000	30 June 2006 (Audited) RMB'000
ASSETS				
Non-current assets				
Property, plant and equipment	13	**557,200**	387,423	538,907
Land use rights	14	**62,086**	63,399	62,742
Construction-in-progress	15	**288,232**	273,705	257,147
Biological assets	16	**714,369**	532,206	628,206
Deferred development costs	17	**13,000**	6,000	10,500
Interests in associates	18	**5,380**	13,125	5,335
		1,640,267	1,275,858	1,502,837
Current assets				
Investments held for trading		**—**	22,724	—
Properties under development	19	**19,489**	—	10,355
Inventories	20	**488**	1,812	1,168
Trade receivables		**29,396**	2,859	—
Other receivables		**6,442**	2,980	15,347
Cash and bank balances		**29,762**	87,435	103,174
		85,577	117,810	130,044
Total assets		**1,725,844**	1,393,668	1,632,881

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2006

	Note	**31 December 2006 (Unaudited) *RMB'000***	31 December 2005 (Unaudited) *RMB'000*	30 June 2006 (Audited) *RMB'000*
EQUITY AND LIABILITIES				
Equity				
Issued capital	21	**6,581**	6,421	6,569
Reserves		**1,576,763**	1,268,363	1,499,080
		1,583,344	1,274,784	1,505,649
Non-current liabilities				
Deferred tax liabilities	8	**33,728**	13,654	25,983
Convertible bonds	22	**48,622**	62,500	47,528
		82,350	76,154	73,511
Current liabilities				
Trade payables and accrued expenses		**21,402**	21,644	18,958
Due to related parties		**—**	3,795	4,260
Income tax payables	8	**38,748**	17,291	30,503
		60,150	42,730	53,721
Total liabilities		**142,500**	118,884	127,232
Total equity and liabilities		**1,725,844**	1,393,668	1,632,881

Approved by the Board on 21 March 2007 and signed on its behalf.

Tong Wang Chow
Director

Cheung Wai Sun
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 2006

	Note	Share capital (Unaudited) RMB'000	Share premium (Unaudited) RMB'000	Merger reserve (Unaudited) RMB'000	Share option reserve (Unaudited) RMB'000	Capital reserve (Unaudited) RMB'000	Retained profit (Unaudited) RMB'000	Total (Unaudited) RMB'000
As at 1 July 2006		6,569	154,349	(4,473)	2,811	496,432	849,961	1,505,649
Issue of new shares upon exercise of share option	24	12	4,079	—	(2,208)	—	—	1,883
Dividend paid	12	—	—	—	—	—	(38,637)	(38,637)
Employee share option benefits	24	—	—	—	4,149	—	—	4,149
Consolidated profit for the period		—	—	—	—	—	110,300	110,300
Balance as at 31 December 2006		**6,581**	**158,428**	**(4,473)**	**4,752**	**496,432**	**921,624**	**1.583.344**

	Share capital (Unaudited) RMB'000	Share premium (Unaudited) RMB'000	Merger reserve (Unaudited) RMB'000	Share option reserve (Unaudited) RMB'000	Capital reserve (Unaudited) RMB'000	Retained profit (Unaudited) RMB'000	Total (Unaudited) RMB'000
Balance as at 1 July 2005	5,300	—	(4,473)	—	497,626	592,035	1,090,488
Issue of new shares	944	145,001	—	—	—	—	145,945
Issuing costs	—	(39,704)	—	1,408	—	—	(38,296)
Change of the terms of convertible bonds	—	—	—	—	7,790	—	7,790
Conversion of convertible bonds	177	24,162	—	—	(5,963)	—	18,376
Employee share option benefits	—	—	—	979	—	—	979
Consolidated profit for the period	—	—	—	—	—	49,502	49,502
Balance as at 31 December 2005	**6,421**	**129,459**	**(4,473)**	**2,387**	**499,453**	**641,537**	**1,274,784**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 2006

	Share capital (Audited) *RMB'000*	Share premium (Audited) *RMB'000*	Merger reserve (Audited) *RMB'000*	Share option reserve (Audited) *RMB'000*	Capital reserve (Audited) *RMB'000*	Retained profit (Audited) *RMB'000*	Total (Audited) *RMB'000*
Balance as at 1 July 2005	5,300	—	(4,473)	—	497,626	592,035	1,090,488
Issue of new shares	944	145,001	—	—	—	—	145,945
Issuing costs	—	(39,704)	—	1,408	—	—	(38,296)
Change of the terms of convertible bonds	—	—	—	—	7,790	—	7,790
Conversion of convertible bonds	304	45,007	—	—	(8,984)	—	36,327
Employee share option benefits	—	—	—	2,207	—	—	2,207
Issue of new shares upon exercise of share options	21	4,045	—	(804)	—	—	3,262
Consolidated profit for the year	—	—	—	—	—	257,926	257,926
Balance as at 30 June 2006	**6,569**	**154,349**	**(4,473)**	**2,811**	**496,432**	**849,961**	**1,505,649**

CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2006

		Six months ended 31 December		Year ended 30 June
		2006	2005	2006
		(Unaudited)	(Unaudited)	(Audited)
	Note	***RMB'000***	*RMB'000*	*RMB'000*
Cash flows from operating activities				
Profit from ordinary activities before income tax		**126,290**	59,092	308,863
Unrealised exchange (gain)/loss		**(1,640)**	540	(1,137)
Interest income		**(601)**	(1,625)	(2,755)
Finance expenses	7	**2,983**	4,144	7,145
Depreciation	6	**11,436**	7,916	17,273
Employee share option benefits	6	**4,149**	979	2,207
Amortisation of land use rights	14	**656**	627	1,284
Amortisation of deferred development costs	17	**1,000**	1,000	2,000
Gain on change of terms of convertible bonds		**—**	(1,537)	(1,537)
Fair value gain on investments held for trading		**—**	(3,039)	—
Loss on disposals of property, plant and equipment		**—**	—	404
Revaluation gain on biological assets		**(83,172)**	(20,000)	(115,000)
Share of (profit)/loss of associates	18	**(292)**	778	1,115
Write off of biological assets		**9**	—	—
Operating profit before changes in working capital		**60,818**	48,875	219,862
Decrease/(increase) in inventories		**680**	(973)	(329)
Increase in trade receivables		**(29,396)**	(2,859)	—
Decrease/(increase) in other receivables		**8,905**	4,916	(7,441)
Increase in properties under development		**(9,134)**	—	(10,355)
(Decrease)/increase in trade payables and accrued expenses		**(1,061)**	12,672	4,294
(Decrease)/increase in due to related parties		**(4,260)**	1,695	2,160

CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2006

	Note	Six months ended 31 December 2006 (Unaudited) *RMB'000*	2005 (Unaudited) *RMB'000*	Year ended 30 June 2006 (Audited) *RMB'000*
Cash generated from operations		**26,552**	64,326	208,191
Income tax paid	8	**—**	(19,823)	(35,629)
Net cash inflow from operating activities		**26,552**	44,503	172,562
Cash flows from investing activities				
Purchases of property, plant and equipment		**(2,097)**	(354)	(2,437)
Additions to land use rights		**—**	(8,654)	(8,654)
Construction-in-progress paid		**(55,212)**	(76,163)	(213,220)
Purchases of biological assets		**(3,000)**	(3,000)	(4,000)
Payments of deferred development costs	17	**(3,500)**	—	(5,500)
Investments in associates		**—**	(38)	(38)
Investments held for trading		**—**	(20,122)	—
Interest received		**601**	1,625	2,755
Net cash used in investing activities		**(63,208)**	(106,706)	(231,094)
Cash flows from financing activities				
Repayments to related parties		**—**	(12,500)	(12,500)
Repayments to shareholders		**—**	(1,168)	(1,168)
Advances to an associate		**—**	(13,865)	(6,412)
Repayments to ultimate holding company		**—**	(9,715)	(9,715)
Proceeds from issue of new shares		**—**	145,945	145,945
Issuing costs paid		**—**	(38,296)	(38,296)
Proceeds from issue of new shares upon exercise of share options		**1,883**	—	3,262
Dividend paid		**(38,637)**	—	—
Finance expenses paid		**(2)**	(1,416)	(1,425)
Net cash (outflow)/inflow from financing activities		**(36,756)**	68,985	79,691

CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2006

		Six months ended 31 December		Year ended 30 June
		2006	2005	2006
		(Unaudited)	(Unaudited)	(Audited)
	Note	***RMB'000***	*RMB'000*	*RMB'000*
Effect of exchange rate changes on cash and cash equivalents		**—**	(1,362)	—
Net (decrease)/increase in cash and cash equivalents		**(73,412)**	5,420	21,159
Cash and cash equivalents at beginning of period/year		**103,174**	82,015	82,015
Cash and cash equivalents at end of period/year		**29,762**	87,435	103,174

Non-cash transactions

(a) On 27 July 2006, the Company granted 1,248,000 options at an exercise price of £2.045 per share to certain directors and employees under employee share option plan.

(b) During the period, additions to construction-in-progress amounting to RMB3,505,000 were credited to accrued expenses as these have not yet been paid as at 31 December 2006.

NOTES TO THE FINANCIAL STATEMENTS

1 GROUP REORGANISATION

Asian Citrus Holdings Limited (the "Company") was incorporated on 4 June 2003 as a limited liability company under the jurisdiction of Bermuda. The shares of the Company have been admitted to trading on the AIM of the London Stock Exchange since 3 August 2005.

The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton, Bermuda HM11. The principal activities of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") are the planting, cultivation and selling of agricultural products. The Group is developing an orange processing centre including warehouse, refrigerated storage and a centre for cleaning, grading, packaging and waxing oranges as well as an agricultural trade and wholesale market focused on fruits together with ancillary serviced apartments in the Xinfeng county of Jiangxi province.

In preparation for the admission of the Company's shares to AIM, the Company has undergone a group reorganisation (the "Reorganisation") on 29 June 2005 pursuant to which the Company become the holding company of the subsidiaries now comprising the Group. Details of the Reorganisation are set out in the Company's AIM admission documents dated 28 July 2005.

Pursuant to the Reorganisation, the Group is regarded as a continuing entity. Accordingly, the consolidated income statement, consolidated balance sheet, consolidated statement of changes in equity and consolidated cash flow statement of the Group as set out on pages 16 to 23, have been prepared as if the Company was in existence and had wholly owned each subsidiary since 1 July 2001 or since their respective date of incorporation.

NOTES TO THE FINANCIAL STATEMENTS

The following subsidiaries have been included within the consolidated financial statements.

	Place of Incorporation	Date of Incorporation
Newasia Global Limited	British Virgin Islands ("BVI")	2 December 1997
Lucky Team Biotech Development (Hepu) Limited ("Lucky Team (Hepu)")	People's Republic of China ("PRC")	11 April 2000
Litian Biological Science & Technology Development (Xinfeng) Company Limited ("Litian Xinfeng")	PRC	21 November 2002
Asian Citrus Management Company Limited	BVI	18 June 2003
Asian Citrus (H.K.) Company Limited	Hong Kong	13 October 2004
Access Fortune Investment Limited	BVI	18 July 2005
Raised Energy Investment Limited	BVI	18 July 2005
Lucky Team Biotech Development (Zigui) Limited ("Lucky Team (Zigui)")	PRC	8 August 2005
Lucky Team Agriculture Development Limited ("Lucky Team Agriculture Development")	PRC	7 March 2006
Lucky Team Industrial (Ganzhou) Company Limited ("Lucky Team (Ganzhou)")	PRC	22 March 2006

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

The financial statements are presented in Renminbi ("RMB"), rounded to the nearest thousand.

The unaudited consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which comprise standards and interpretations issued by the International Accounting Standards Board, and International Accounting Standards ("IASs") and Interpretations issued by the International Financial Reporting Interpretations Committee that remain in effect. In particular, the unaudited consolidated interim financial statements of the Group comply with IAS 34 Interim Financial Reporting and the AIM Rules issued by the London Stock Exchange.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE *(continued)*

During the period, the Group has applied, for the first time, a number of new IFRSs, IASs and Interpretations (hereinafter collectively referred to as "new IFRSs") issued by the IASB that are effective for accounting periods beginning on or after 1 January 2006, which had not been early adopted by the Group for the year ended 30 June 2006. The adoption of the new IFRSs has had no material effect on how the results for the current or prior accounting years are prepared and presented. Accordingly, no prior year adjustment has been made.

At the date of authorisation of these unaudited consolidated interim financial statements, the following new IFRSs and amendments were in issue but not yet effective:

IAS 1 (Amendment)	*(Note a)*	Capital Disclosures
IFRS 7 (Amendment)	*(Note a)*	Financial Instruments: Disclosures
IAS 39 (Amendment)	*(Note b)*	Cash Flow Hedges of Forecast Intragroup Transactions
IFRIC 10	*(Note b)*	Interim Financial Reporting and Impairment
IFRIC 11	*(Note c)*	Group and Treasury Share Transactions
IFRIC 12	*(Note d)*	Service Concession Arrangements

Note a: effective for annual periods beginning on or after 1 January 2007
Note b: effective for annual periods beginning on or after 1 November 2006
Note c: effective for annual periods beginning on or after 1 March 2007
Note d: effective for annual periods beginning on or after 1 January 2008

The Directors anticipate that the adoption of these IFRSs and amendments in future periods will have no material impact on the unaudited consolidated interim financial statements of the Group.

The unaudited consolidated interim financial statements of the Group have been prepared under the historical cost convention, as modified by the measurement in the fair value of biological assets and financial instruments.

The principal accounting policies used in the preparation of the unaudited consolidated interim financial statements are consistent with those used in the audited annual financial statements for the year ended 30 June 2006.

3 REVENUE

Revenue represents the sales value of goods supplied to customers.

4 OTHER INCOME

	Six months ended 31 December		Year ended 30 June
	2006	2005	2006
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	*RMB'000*	*RMB'000*
Exchange gain, net	**786**	4,163	3,370
Gain on change of terms of convertible bonds	—	1,537	1,537
Fair value gain on investments held for trading	—	3,039	—
Other income	—	1,929	330
	786	10,668	5,237

5 SEGMENT INFORMATION

(a) Business segment

The assets, liabilities and results attributable to planting, cultivation and selling of agricultural products accounted for over 90% of the Group's consolidated totals for the six months ended 31 December 2005 and 2006 and the year ended 30 June 2006. Therefore, no segment information by business activity is presented.

(b) Geographical segment

For the six months ended 31 December 2005 and 2006 and the year ended 30 June 2006 the Group operated in one geographical segment, which was the PRC. All the Group's assets, liabilities and results related to this segment.

6 PROFIT FROM OPERATIONS

Profit from operations is stated after charging the following:

	Six months ended 31 December		Year ended 30 June
	2006	2005	2006
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	*RMB'000*	*RMB'000*
Auditors' remuneration	**632**	297	916
Inventories used			
– production	**47,417**	28,744	102,871
– general and administration	**1,390**	5,773	10,137
	48,807	34,517	113,008
Staff costs (including directors' emoluments)			
– production	**6,540**	4,642	11,913
– selling and distribution	**447**	438	942
– general and administration	**9,671**	5,920	13,624
	16,658	11,000	26,479
Depreciation of owned property, plant and equipment			
– production	**8,665**	5,747	11,758
– general and administration	**2,771**	2,169	5,515
	11,436	7,916	17,273
Other operating expenses			
– production	**2,873**	2,420	5,117
– selling and distribution	**12,298**	7,879	20,862
– general and administration	**10,557**	10,099	27,696
	25,728	20,398	53,675
Of which:			
Amortisation of land use rights	**656**	627	1,284
Amortisation of deferred development costs	**1,000**	1,000	2,000
Employee share option benefits	**4,149**	979	2,207
Loss on disposals of property, plant and equipment	**—**	—	404
Operating lease expenses			
– plantation base	**3,056**	3,022	6,137
– office premises	**317**	213	430
Research expenses	**2,236**	2,577	8,013

7 FINANCE EXPENSES

	Six months ended 31 December		Year ended 30 June
	2006	2005	2006
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	*RMB'000*	*RMB'000*
Bank charges	**2**	10	19
Interest on convertible bonds *(Note 22)*	**2,981**	4,134	7,126
	2,983	4,144	7,145

8 INCOME TAX EXPENSES

The amount of income tax expenses charged to the consolidated income statement represents:

	Six months ended 31 December		Year ended 30 June
	2006	2005	2006
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	*RMB'000*	*RMB'000*
PRC foreign enterprise income tax ("FEIT") *(Note(a))*	**8,245**	6,577	35,595
Deferred tax	**7,745**	3,013	15,342
	15,990	9,590	50,937

8 INCOME TAX EXPENSES *(continued)*

Income tax payables at the balance sheet date represent:

	31 December		30 June
	2006	2005	2006
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	*RMB'000*	*RMB'000*
Balance of provision relating to previous years	**30,503**	30,537	30,537
FEIT provision for the period/year	**8,245**	6,577	35,595
Income tax paid	—	(19,823)	(35,629)
	38,748	17,291	30,503

(a) FEIT

Lucky Team (Hepu), a wholly owned subsidiary established in Hepu county, Guangxi Zhuang Autonomous Region, PRC, is subject to a preferential FEIT rate of 15% until year 2010. For the six months ended 31 December 2005 and 2006 and the year ended 30 June 2006 Lucky Team (Hepu) was subject to a FEIT rate of 15%.

Litian (Xinfeng), a wholly owned subsidiary established in Xinfeng county of Jiangxi Province, is subject to a FEIT rate of 30%. The company is eligible to be granted a preferential tax treatment. It will be exempt from FEIT for two years starting from the first assessable profit making year and is granted a 50% reduction for three years thereafter.

Lucky Team (Zigui), Lucky Team Agriculture Development and Lucky Team (Ganzhou), wholly owned subsidiaries established in Zigui county of Hubei Province, Hepu county of Guangxi Zhuang Autonomous Region and Xinfeng county of Jiangxi Province respectively in the PRC, had not yet commenced business as at 31 December 2006 and accordingly are not subject to FEIT.

8 INCOME TAX EXPENSES *(continued)*

(b) Hong Kong and other jurisdiction profits tax

No Hong Kong profits tax has been provided as the Group had no assessable profit arising in or derived from Hong Kong. The other members of the Group are registered as exempt companies within their country of incorporation.

(c) Deferred taxation

	31 December		30 June
	2006	2005	2006
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	*RMB'000*	*RMB'000*
At beginning of period/year	**(25,983)**	(10,641)	(10,641)
Provision for deferred tax	**(7,745)**	(3,013)	(15,342)
Deferred tax liabilities at end of period/year	**(33,728)**	(13,654)	(25,983)

8 INCOME TAX EXPENSES *(continued)*

(c) Deferred taxation *(continued)*

The tax assets and liabilities by type of temporary difference:

	31 December		30 June
	2006	2005	2006
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	*RMB'000*	*RMB'000*
Tax assets:			
Construction-in-progress	**14,118**	8,873	16,938
Other receivables	**—**	55	13
Trade payables and accrued expenses	**164**	187	104
Other items	**4,231**	1,499	2,150
	18,513	10,614	19,205
Tax liabilities:			
Property, plant and equipment	**(12,177)**	(12,340)	(18,982)
Biological assets	**(38,984)**	(11,439)	(25,764)
Land use rights	**(803)**	(480)	(430)
Inventories	**(18)**	(9)	(12)
Other receivables	**(259)**	—	—
	(52,241)	(24,268)	(45,188)
Net tax liabilities	**(33,728)**	(13,654)	(25,983)

8 INCOME TAX EXPENSES *(continued)*

(d) For the six months ended 31 December 2006, the applicable tax rate to the Group was 15%.

The charges can be reconciled to the profit in the consolidated income statement as follows:

	Six months ended 31 December		Year ended 30 June
	2006	2005	2006
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	*RMB'000*	*RMB'000*
Profit from ordinary activities before income tax	**126,290**	59,092	308,863
Tax at the applicable tax rate of 15%	**18,944**	8,864	46,329
Tax effect of revenue/ expenses in group companies not subject to income tax	**(2,954)**	726	4,608
	15,990	9,590	50,937

9 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of the basic earnings per share for the six months ended 31 December 2006, is based on the profit attributable to shareholders of approximately RMB110,300,000 during the period and the weighted average number of approximately 62,292,000 ordinary shares in issue during the period after adjusting for the effects of the issue of 115,500 new ordinary shares upon the exercise of 115,500 options on 10 August 2006.

9 EARNINGS PER SHARE *(continued)*

(a) Basic earnings per share *(continued)*

The calculation of the basic earnings per share for the six months ended 31 December 2005 and the year ended 30 June 2006 is based on the profit attributable to shareholders of approximately RMB49,502,000 and RMB257,926,000 during the period/year and the weighted average number of approximately 58,785,000 and 60,233,000 ordinary shares in issue during the year after adjusting for the effects of the issue of 9,072,813 new ordinary shares when the shares of the Company were admitted to trading on AIM, the issue of 1,703,049 new ordinary shares to the holder of the convertible bonds upon conversion of part of convertible bonds with nominal value of HK$24,000,000 on 3 August 2005, the issue of 1,226,087 new ordinary shares to the holder of the convertible bonds upon conversion of a convertible bond with nominal value of HK$20,000,000 on 2 March 2006 and the issue of 200,000 new ordinary shares to Evolution Securities China Limited ("ESCL"), upon the exercise of 200,000 options on 16 March 2006.

(b) Diluted earnings per share

The diluted earnings per share is calculated assuming conversion of all dilutive potential ordinary shares.

The convertible bonds are assumed to have been converted into ordinary shares and the net profit is adjusted to eliminate the interest expenses. The convertible bonds carry a variable conversion ratio to achieve an internal rate of return of 25%. At the year end, the implied rate had been achieved and therefore the specified rate of HK$16.31 per share has been used for conversion. The convertible bond had no dilutive effect of earnings per share for the six months ended 31 December 2005.

For share options, the calculation is done to determine the number of ordinary shares that could have been acquired at fair value (determined as the average market price of the Company's ordinary shares during the year) based on the monetary value of the subscription rights attached to the outstanding share options. The number of ordinary shares calculated is compared with the number of ordinary shares that would have been issued assuming the exercise of the share options.

9 EARNINGS PER SHARE *(continued)*

(b) Diluted earnings per share *(continued)*

	Six months ended 31 December		Year ended 30 June
	2006	2005	2006
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	*RMB'000*	*RMB'000*
Profit attributable to shareholders	**110,300**	49,502	257,926
Interest on convertible bonds	**2,980**	—	7,126
Profit used to determine diluted earnings per share	**113,280**	49,502	265,052
Weighted average/Assumed number of ordinary shares in issue (thousands)	**62,292**	58,785	60,233
Assumed conversion of convertible bonds (thousands)	**3,433**	—	3,433
Adjustment for share options (thousands)	**92**	31	78
Weighted average number of shares for diluted earnings per share (thousands)	**65,817**	58,816	63,744
Diluted earnings per share (RMB)	**1.72**	0.84	4.16

10 EMPLOYEE RETIREMENT BENEFIT

All subsidiaries in the PRC, participate in a state-sponsored retirement scheme. The state-sponsored retirement plan is responsible for the entire pension obligations payable to retired employees, thus Lucky Team (Hepu) and Litian (Xinfeng) have no further obligations for the actual pension payments or other post-retirement benefits beyond the annual contributions. For the six months ended 31 December 2006 and 2005 and the year ended 30 June 2006, the Group's expenses relating to the retirement scheme amounted to approximately RMB103,000, RMB72,000 and RMB167,000 respectively.

11 EMPLOYEES AND DIRECTORS

	Six months ended 31 December		Year ended 30 June
	2006	2005	2006
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	*RMB'000*	*RMB'000*
Staff costs for the Group during the year:			
Wages and salaries	**12,461**	9,988	24,198
Share-based payments	**4,149**	979	2,207
Social security costs	**48**	33	74
	16,658	11,000	26,479
Average monthly number of people (including directors) employed by business group:			
Production	**340**	340	340
Selling and distribution	**66**	64	64
General and administrative	**98**	81	92
	504	485	496

11 EMPLOYEES AND DIRECTORS *(continued)*

	Six months ended 31 December				Year ended 30 June
	2006	**2006**	**2006**	2005	2006
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	(Unaudited)	(Audited)
	RMB'000	***RMB'000***	***RMB'000***	*RMB'000*	*RMB'000*
Directors' emoluments	**Salaries and bonus**	**Share-based payment**			
Executive Directors					
Tong Wang Chow	**612**	**380**	**992**	742	1,352
Tong Hung Wai	**385**	**139**	**524**	476	859
Cheung Wai Sun	**300**	**114**	**414**	376	676
Pang Yi	**306**	**432**	**738**	371	967
Sung Chi Keung *(Note)*	**—**	**—**	**—**	—	—
Non-executive directors					
Ip Chi Ming	**306**	**—**	**306**	371	676
Ma Chiu Cheung	**226**	**—**	**226**	214	438
Lui Ming Wah	**122**	**—**	**122**	106	229
Yang Zhen Han	**122**	**—**	**122**	106	229
Nicholas Smith	**214**	**—**	**214**	223	451
Peregrine Moncreiffe	**116**	**—**	**116**	—	106
	2,709	**1,065**	**3,774**	2,985	5,983

Note: Sung Chi Keung was appointed as Executive Director effective from 15 January 2007.

12 DIVIDENDS

No dividend has been declared during the six months ended 31 December 2006 and 2005.

A final dividend of RMB0.62 per ordinary share for the year ended 30 June 2006 was paid on 29 December 2006.

13 PROPERTY, PLANT AND EQUIPMENT

	Buildings (Unaudited) *RMB'000*	Leasehold improvements (Unaudited) *RMB'000*	Leasehold furniture, fixtures and office equipment (Unaudited) *RMB'000*	Motor vehicles (Unaudited) *RMB'000*	Farmland infrastructure and machinery (Unaudited) *RMB'000*	Total (Unaudited) *RMB'000*
Cost						
As at 1 July 2005	8,340	431	465	1,180	314,338	324,754
Additions	—	282	1,871	229	55	2,437
Transfer from construction-in-progress *(Note 15)*	1,761	2,349	439	—	275,414	279,963
Disposals	—	—	—	—	(998)	(998)
As at 30 June 2006 and 1 July 2006	10,101	3,062	2,775	1,409	588,809	606,156
Additions	—	—	91	1,685	321	2,097
Transfer from construction-in-progress (Noted 15)	—	—	—	—	27,632	27,632
As at 31 December 2006	**10,101**	**3,062**	**2,866**	**3,094**	**616,762**	**635,885**
Accumulated depreciation						
As at 1 July 2005	888	53	312	839	48,478	50,570
Charge for the year	254	117	164	147	16,591	17,273
Disposals	—	—	—	—	(594)	(594)
As at 1 July 2006	1,142	170	476	986	64,475	67,249
Charge for the period	146	87	188	123	10,892	11,436
As at 31 December 2006	**1,288**	**257**	**664**	**1,109**	**75,367**	**78,685**
Carrying amounts						
As at 31 December 2006	**8,813**	**2,805**	**2,202**	**1,985**	**541,395**	**557,200**
As at 30 June 2006	8,959	2,892	2,299	423	524,334	538,907

14 LAND USE RIGHTS

	31 December		30 June
	2006	2005	2006
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	*RMB'000*	*RMB'000*
Cost			
At beginning of period/year	**65,654**	57,000	57,000
Additions	**—**	8,654	8,654
At end of period/year	**65,654**	65,654	65,654
Accumulated amortisation			
At beginning of period/year	**2,912**	1,628	1,628
Charge for the period/year	**656**	627	1,284
At end of period/year	**3,568**	2,255	2,912
Carrying amounts	**62,086**	63,399	62,742

Land use rights represent the right to use two pieces of land located in Xinfeng county of Jiangxi Province, PRC. The land use rights are valid for a period of 50 years up to August 2053 and for a period of 50 years up to July 2054 respectively.

15 CONSTRUCTION-IN-PROGRESS

	31 December		30 June
	2006	2005	2006
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	*RMB'000*	*RMB'000*
Cost			
At beginning of period/year	**257,147**	315,656	315,656
Additions	**58,717**	78,850	221,454
Transfer to property, plant and equipment *(Note 13)*	**(27,632)**	(120,801)	(279,963)
At end of period/year	**288,232**	273,705	257,147

Construction-in-progress is split as follows:

Lucky Team (Hepu)	**1,915**	—	1,410
Litian (Xinfeng)	**275,967**	273,705	245,805
Lucky Team Agriculture Development	**10,350**	—	9,932
	288,232	273,705	257,147
Infrastructure	**35,508**	994	27,376
Land improvements	**252,724**	272,711	229,771
	288,232	273,705	257,147

16 BIOLOGICAL ASSETS

Biological assets represent orange trees, infant trees and immature seedlings. The role of orange trees is to supply oranges through the processes of growth in each production cycle. The infant trees and immature seedlings are held for transforming into orange trees. The biological assets can be summarised as follows:

	Immature seedlings		Infant trees		Orange trees		Total
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Number	*RMB'000*	*Number*	*RMB'000*	*Number*	*RMB'000*	*RMB'000*
As at 1 July 2005	1,674	9	846,077	7,197	1,246,052	502,000	509,206
Additions	300,000	3,000	100,000	1,000	—	—	4,000
Intra transfer to infant trees	(300,000)	(3,000)	300,000	3,000	—	—	—
Gain arising from changes in fair value less estimated point-of-sale costs	—	—	—	—	—	115,000	115,000
As at 30 June and 1 July 2006	1,674	9	1,246,077	11,197	1,246,052	617,000	628,206
Additions	300,000	3,000	—	—	—	—	3,000
Intra transfer to infant trees	—	—	(400,000)	(2,828)	400,000	2,828	—
Gain arising from changes in fair value less estimated point-of-sale costs	—	—	—	—	—	83,172	83,172
Amounts written off	(1,539)	(9)	—	—	—	—	(9)
As at 31 December 2006	**300,135**	**3,000**	**846,077**	**8,369**	**1,646,052**	**703,000**	**714,369**

The biological assets, including orange trees, infant trees and immature seedlings, were stated at fair values less estimated point-of-sale costs as at 1 July 2006 and 31 December 2006.

The fair values of biological assets as at 31 December 2006 are determined by the Directors and the valuation methodology used is consistent with those used in the annual financial statements of the Group for the year ended 30 June 2006 expect for the assumed selling price of oranges which is revised to reflect the current market conditions.

16 BIOLOGICAL ASSETS *(continued)*

The valuation methodology used to determine the fair value less estimated point-of-sale cost of orange trees, is in compliance with IAS 41 which aims to determine the fair value of a biological asset in its present location and condition.

Both the infant trees and immature seedlings are still undergoing biological transformation before they are able to produce oranges. Once the infant trees and immature seedlings become mature and productive they will be transferred to the category of orange trees and measured at fair value less estimated point-of-sales costs at each balance sheet date.

Output of oranges

	Six months ended 31 December		Year ended 30 June
	2006	2005	2006
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	*RMB'000*	*RMB'000*
Total output for the period/year	**49,871**	40,604	111,201

The fair value less estimated point-of-sale costs of orange trees is calculated by deducting the value of machinery and equipment and other assets from the market value of the orange tree operation. In doing so the following important assumptions when using valuation methodology were made:

(a) With regard to the purchase price indices in the PRC over the past ten years, it has been assumed that the price of oranges will remain stable at the current level throughout the life of the assets ("Projection Period"). Based on Group records, the selling price of summer and winter oranges in Hepu Plantation are assumed to be RMB4,230 per tonne revised from RMB4,000 and RMB2,600 per tonne revised from RMB2,520 for the year ended 30 June 2006 respectively. The selling price of winter oranges in Xinfeng Plantation are assumed to be RMB2,800 per tonne.

16 BIOLOGICAL ASSETS *(continued)*

Output of oranges *(continued)*

(b) Production per tree will increase from age 3 to 8 and remain stable for approximately another 22 years thereafter, subsequently entering a diminishing phase and becoming non-productive at the age of 35 years.

	Annual total yield per tree (kg)					
Age	**3**	**4**	**5**	**6**	**7**	**8**
Winter	23.71	32.96	49.58	65.05	80.14	98.73
Summer	—	—	—	—	—	98.19

(c) Based on historic records of the Group, direct and other operating costs are assumed to be as follows:

Direct costs and operating expenses	**% of Sales**
Supplies and direct costs (excluding depreciation)	**31%**
Selling expenses	**5%**
Management expenses	**3%**

(d) In order to realise the growth potential in yield and maintain a competitive edge, additional manpower equipment and facilities are necessary to be employed. For the valuation exercise it is assumed that proposed facilities and systems are sufficient for future expansion.

(e) It has been assumed that there will be no material change in the existing political, legal, technological, fiscal or economic conditions during the Projection Period that would adversely affect the business. In addition, competitive advantages and disadvantages of the operation relating to orange trees do not change significantly during the Projection Period.

(f) Based on local weather information over the past 20 years it is assumed that no unusual change in weather that would have a significant impact on production during the Projection Period will occur.

16 BIOLOGICAL ASSETS *(continued)*

Output of oranges *(continued)*

(g) The Capital Asset Pricing Model (the "CAPM") has been used to determine a discount rate of 23% applied to the orange tree operation.

(h) 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 the structures and buildings, wind breakers, etc.), the total value of the assets involved as at 31 December 2006 is stated at the amount of approximately RMB371 million. No intangible assets are identified relating to the operation of the biological assets.

17 DEFERRED DEVELOPMENT COSTS

	31 December		30 June
	2006	2005	2006
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	*RMB'000*	*RMB'000*
Cost			
At beginning of period/year	**15,500**	10,000	10,000
Additions	**3,500**	—	5,500
At end of period/year	**19,000**	10,000	15,500
Accumulated amortisation			
At beginning of period/year	**5,000**	3,000	3,000
Charge for the period/year	**1,000**	1,000	2,000
At end of period/year	**6,000**	4,000	5,000
Carrying amounts	**13,000**	6,000	10,500

Deferred development costs relate to expenditure incurred in developing techniques relating to the cultivation of orange trees, which will increase the productivity of the biological assets in future periods.

18 INTEREST IN ASSOCIATES

	31 December		30 June
	2006	2005	2006
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	*RMB'000*	*RMB'000*
Share of net assets	**(785)**	(740)	(1,077)
Due from an associate	**6,165**	13,865	6,412
	5,380	13,125	5,335

The amount due from an associate is unsecured, interest free and has no fixed terms of repayment. The advances to the associate were primarily for the funding of the operation.

Details of the Group's associates as at 31 December 2006 are as follows:

Name of associate	**Place of incorporation and operation**	**Proportion of ownership interest**	**Principal activities**
Asian Fruits Limited	BVI	46%	Trading of fruits
Asian Fruits Trading (Dongguan) Limited	PRC	46%	Trading of fruits

19 PROPERTIES UNDER DEVELOPMENT

	31 December		30 June
	2006	2005	2006
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	*RMB'000*	*RMB'000*
Properties under development comprises:			
Construction costs and capitalised expenditures	**19,489**	—	10,355

Properties under development are located in Xinfeng country, Jiangxi Province in the PRC.

20 INVENTORIES

	31 December		30 June
	2006	2005	2006
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	*RMB'000*	*RMB'000*
Agricultural materials	**412**	1,745	1,092
Packing materials	**76**	67	76
	488	1,812	1,168

Agricultural materials include both the fertilisers and pesticides.

21 ISSUED CAPITAL

	Authorised ordinary shares of HK$0.1 each		
	Number of shares	*HKD'000*	*RMB'000*
As at 1 July 2005, 2006 and 31 December 2006	**200,000,000**	20,000	20,900

	Issued and fully paid ordinary shares of HK$0.10 each		
	Number of shares	*HKD'000*	*RMB'000*
As at 1 July 2005	**50,000,000**	5,000	5,300
Issue of new shares	**9,072,813**	907	944
Conversion of convertible bonds	**2,929,136**	293	304
Issue of new shares upon exercise of share options	**200,000**	20	21
As at 30 June and 1 July 2006	**62,201,949**	6,220	6,569
Issue of new shares upon exercise of share options	**115,500**	12	12
As at 31 December 2006	**62,317,449**	6,232	6,581

On 10 August 2006, 115,500 ordinary shares of HK$0.10 each were issued to a director and certain employees upon exercise of 115,500 options.

The ordinary shares issued for the six months ended 31 December 2006 rank pari passu with the existing ordinary shares in issue.

22 CONVERTIBLE BONDS

The principal terms of convertible bonds are set out as follow:

Beneficial holder	Metage Funds	Metage Special Emerging Market Fund
Face value	HK$38,500,000	HK$17,500,000
Maturity date	15 March 2008	15 March 2008
Coupon rate	Nil	Nil
Conversion price	At initial rate of HK$16.31 per share, subject to achieving an investment return of not less than 25 per cent per annum	At initial rate of HK$16.31 per share, subject to achieving an investment return of not less than 25 per cent per annum

The fair value of the liability component, stated as non-current liability, was calculated using a market interest rate for an equivalent non-convertible bonds. The residual amount, representing the value of the equity component, is included in the capital reserve within the shareholders' equity.

22 CONVERTIBLE BONDS *(continued)*

Convertible bonds recognised in the balance sheets of the Group are calculated as follows:

	Liability component *RMB'000*	Equity component *RMB'000*
As at 1 July 2005	87,978	15,107
Change of the terms of convertible bonds	(9,327)	7,790
Conversion of convertible bonds	(36,327)	(8,984)
Interest expense *(Note 7)*	7,126	—
Interest payable	(785)	—
Exchange difference	(1,137)	—
As at 30 June and 1 July 2006	47,528	13,913
Interest expense *(Note 7)*	2,981	—
Exchange difference	(1,887)	—
As at 31 December 2006	**48,622**	**13,913**

Interest expense on convertible bonds is calculated using the effective interest method by applying the effective interest rate of 12.79% to the liability component.

The fair value of the liability component of convertible bonds as at 31 December 2006 amounting to approximately RMB48,681,000. The fair value is calculated using cash flows discounted at a rate based on the borrowing rate of 12.027%.

23 COMMITMENTS

(a) Capital commitments

The Group had the following capital commitments:

	31 December 2006 (Unaudited) *RMB'000*	31 December 2005 (Unaudited) *RMB'000*	30 June 2006 (Audited) *RMB'000*
Contracted but not provided for			
– Construction-in-progress	**125,654**	129,145	106,995
– Properties under development	**17,420**	—	23,640
– Research and development	**3,000**	—	6,500
– Purchase of land use rights	**6,856**	—	8,227
– Purchases of immature seedlings	**1,000**	1,000	—
	153,930	130,145	145,362

23 COMMITMENTS *(continued)*

(b) Operating lease commitments

The Group had the future minimum lease payments under non-cancellable operating leases which fall due as follows:

	31 December		30 June
	2006	2005	2006
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	**6,741**	6,579	6,682
After 1 year but within 5 years	**24,865**	24,877	24,723
After 5 years	**242,288**	248,401	245,344
	273,894	279,857	276,749

Operating leases relate to the leases of the office premises in Hong Kong and Zigui, and the leases of land in which the Group's two plantations in Hepu County and Xinfeng County are situated. The leases of two plantations are for 50 years expiring in 2050 and 2052 respectively.

24 SHARE-BASED PAYMENT TRANSACTIONS

The Company's share option plan (the "Plan") is established for the primary purpose of providing incentives to the directors and eligible employees.

At 31 December 2006, the number of shares in respect of which options had been granted and remained outstanding under the Plan was 2,403,000 and 2,287,500, representing approximately 3.9% and 3.7% of the shares of the Company in issue at that date respectively. The total number of shares in respect of which options may be granted under the Plan is not permitted to exceed 10% of the shares of the Company from time to time.

On 27 July 2006, 1,248,000 share options were granted at an exercise price of £2.045 under the Plan. The options will normally vest and become exercisable annually at the rate of 20% for the period from 27 July 2007 to 27 July 2014, subject to continuing employment and the satisfaction of certain performance conditions. No consideration was paid for the granting of the options. The estimated fair value of options granted was £1,110,043.

On 10 August 2006, 115,500 new ordinary shares of HK$0.10 each were issued upon exercise of 115,500 share options.

The Group recognised the total expenses of and RMB4,149,000, RMB979,000 and RMB2,208,000 for the six months ended 31 December 2006, the six months ended 31 December 2005 and the year ended 30 June 2006, respectively in relation to the share options granted to the employees by the Company.

Additionally, the Company may, from time to time, grant share options to outside third parties for settlement in respect of goods or services provided to the Company. On 28 July 2005, 350,000 share options were granted at an exercise price of £1.12 to ESCL as corporate finance fee and commission pursuant to the placing agreement.

At 31 December 2006, the number of shares in respect of which option remained outstanding was 150,000.

24 SHARE-BASED PAYMENT TRANSACTIONS *(continued)*

The following table summarises the movements of the Company's share options held by employees and ESCL during the year:

	No. of share option	
	Employees	ESCL
Outstanding at 1 July 2005	—	—
Granted during the year	1,155,000	350,000
Exercised during the year	—	(200,000)
Outstanding at 30 June and 1 July 2006	1,155,000	150,000
Granted during the period	1,248,000	—
Exercised during the period	(115,500)	—
Outstanding at 31 December 2006	2,287,500	150,000

The fair value was calculated using the binomial model. The inputs into the model were as follows:

	July 2006	July 2005	
	Employees	Employees	ESCL
Spot price	£2.08	£1.12	£1.12
Life of options	8	10	3
Strike price	£2.045	£1.12	£1.12
Expected volatility	42%	43%	43%
Interest rate	4.61%	4.39%	4.24%

25 RELATED PARTY TRANSACTIONS

(a) The following is a summary of significant related party transactions:

	Six months ended 31 December 2006 (Unaudited) RMB'000	Six months ended 31 December 2005 (Unaudited) RMB'000	Year ended 30 June 2006 (Audited) RMB'000
Purchases of organic fertilisers from:			
Fujian Zhangzhou Chaoda Microbe Organic Fertiliser Company Limited ("Zhangzhou Chaoda")	**7,238**	3,045	13,902
Weizhou Chaoda Microbe Organic Fertiliser Company Limited ("Weizhou Chaoda")	—	1,950	6,450
	7,238	4,995	20,352
Management fees paid to:			
Top Nation Shipping Limited	—	51	50
Operating lease expenses paid to:			
Pan Air & Sea Forwarders (HK) Limited	**101**	86	185

The Directors are of the opinion that these transactions were conducted on normal commercial terms in the normal course of business at prices and terms not less that those charged to or contracted with other third parties.

25 RELATED PARTY TRANSACTIONS

(a) The following is a summary of significant related party transactions: *(continued)*

Zhangzhou Chaoda and Weizhou Chaoda are related parties of Lucky Team (Hepu) by virtue of Mr. Kwok Ho's interest. The entire registered share capital of Zhangzhou Chaoda and Weizhou Chaoda are 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 Investments Limited, a major shareholder in the Company.

Top Nation Shipping Limited and Pan Air & Sea Forwarders (HK) Limited are related by virtue of Mr. Tong Wang Chow's interest in their share capital.

(b) Compensation of key management personnel

	Six months ended 31 December		Year ended 30 June
	2006	2005	2006
	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	*RMB'000*	*RMB'000*
Salaries and other short-term employee benefits	**3,674**	3,404	6,876
Share-based payments	**2,162**	426	956
	5,836	3,830	7,832

26 SIGNIFICANT SUBSEQUENT EVENTS

Subsequent to 31 December 2006, the Group has launched a trial run of replanting programme in the Hepu Plantation in order to improve the quality of the species. The replanting programme includes replacement of existing species with more advanced and better quality species that have stronger resistance against diseases and higher yield. As of the date of this report, 37,542 winter orange trees have been removed and this area will be replanted with the new species according to our replanting programme.

27 APPROVAL OF THE INTERIM FINANCIAL REPORT

These interim financial statements were approved and authorized for issue by the Board of Directors on 21 March 2007.