



ASIAN CITRUS HOLDINGS LIMITED

亞洲果業控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code : 73)

2024/25

INTERIM REPORT

* For identification purposes only

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FINANCIAL HIGHLIGHTS

RESULTS OF OPERATIONS

	Six months ended 31 December		
	2024	2023	% change
	(unaudited)	(unaudited)	
	(RMB Million)	(RMB Million)	
Reported financial information			
Revenue	36.8	61.3	-40.0
Other income and gain	1.8	1.5	20.0
Loss before income tax	(17.8)	(11.7)	52.1
Loss attributable to the owners of the Company	(14.5)	(11.8)	22.9
Basic loss per share attributable to the owners of the Company (RMB)	(97.15) cents	(94.82) cents	2.5

FINANCIAL POSITION

	As at 31 December 2024	As at 30 June 2024	% change
	(unaudited)	(audited)	
	(RMB Million)	(RMB Million)	
Total assets	146.9	160.1	-8.2
Net current assets	56.8	70.9	-19.9
Cash and cash equivalents	7.8	16.8	-53.6
Total equity	122.2	137.0	-10.8
Current ratio	3.8	5.1	-25.5

CHAIRMAN'S STATEMENT

On behalf of the board (the “**Board**”) of directors (the “**Directors**”), I am pleased to present the latest development, progress and interim results of Asian Citrus Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) for the six months ended 31 December 2024 (the “**Review Period**”) to the shareholders of the Company.

REVIEW

The geo-political risks persisted and the rate of economic recovery in various sectors of the economy of the People's Republic of China (the “**PRC**”) has been modest. With the anticipated imposition of tariffs from the United States of America (the “**U.S.**”), many PRC businesses had re-aligned their strategies to manage the corresponding risks. Against this backdrop and coupled with a slowed consumer market and increased competition, the Group had to prioritise the deployment of its resources and adopted a prudent management of its businesses and operations by focusing its efforts on operations with reasonable rewards without taking on excessive risks.

During the Review Period, the Group experienced headwinds in our line of businesses, but we acted prudent and managed to navigate through the challenging economic landscape. Nonetheless, we continue to believe in the resilience and solid foundation of our businesses as well as the long-term growth potentials of the PRC market. We remain committed to improve our operational efficiencies and exploring new opportunities with a view to enhance overall shareholders' value.

The main focus of the Group's planting, cultivation and sale of agricultural produce business (the “**Plantation Business**”) continued to be passion fruit, although the results of the Plantation Business had met our expectations during the Review Period, we will continue to optimise our plantation strategies to manage the overall harvest and crop yield. On the other hand, the fruit distribution business of the Group (the “**Fruit Distribution Business**”) experienced a decline in revenue as a result of our decision to adopt a less aggressive business strategy whereby the Group focuses on higher-value fruits with reasonable margins rather than lower-value fruits with comparatively narrow margins. The Group commenced its air-conditioners distribution business (the “**Air-conditioners Distribution Business**”) in or around late 2021 with the aim to expand revenue sources and its product offerings as well as diversifying from the risks associated with the Group's other business segments. While the Group is gaining a foothold in the market, such business is still being developed. During the Review Period, the Group has primarily been focusing on the sale of a well-known PRC brand of air-conditioners and may expand its customer base in the future, thus revenue from this business segment may fluctuate from time to time, subject to the then prevailing demand arising from new residential properties as well as weather conditions, and market competition.

During the Review Period, the Group, via its joint venture, being its indirectly non-wholly owned subsidiary, also commenced its business for the sale and distribution of consumables and others (the “**Sales and Distribution of Consumables and Others Business**”). The Group has been developing its online and offline sale and distribution channels in this connection.

CHAIRMAN'S STATEMENT

PROSPECTS

Looking ahead, geo-political tension is likely to remain in the near future. Such may weigh on consumers' confidence and economic activities in the PRC. While the Group partakes in various businesses across multiple segments to widen its revenue base, the Group shall continue to adhere to our cautious yet pragmatic approach to deliver sustainable value to our shareholders. With a view to manage the uncertainties around the consumer market, we will incorporate sufficient flexibilities in our strategies for the respective businesses, actively identify and address the prevailing challenges through cost optimisation, improve operational efficiencies and enhance our core competences so as to enhance our overall competitiveness.

The Group's diversified business portfolio has demonstrated its resilience in navigating a challenging environment. While it remains important for our existing operations to be able to adapt and operate in different economic environments, we will also continue to explore new opportunities in the PRC with a view to broaden the Group's income base.

APPRECIATION

I, on behalf of the Board, would like to express our sincere gratitude to our valued shareholders, customers and business partners for your continuous support in the Company. We would also like to express my heartfelt thanks to our committed management team and staff for their professionalism, determination and invaluable contribution to the Group during the Review Period.

Li Ziyang
Chairman

28 February 2025

MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK

Looking ahead to year 2025, while the Group is optimistic for the gradual improvement to the PRC consumer market, the rate of improvement may be uncertain subject to external factors, such as the possible imposition of tariffs by the U.S.. To this end, the Group shall continue to monitor the macro-economic environment and adjust the strategy for the Plantation Business and the Fruit Distribution Business to maintain the Group's competitiveness.

For the Air-conditioners Distribution Business, being the largest revenue contributor during the Review Period, its revenue may continue to fluctuate from period-to-period as local weather and the timing of completion of sizeable residential property projects would affect the demand of this business line. Against this backdrop, the Group will tailor its marketing strategies with a view to extend its reach to a larger group of the targeted consumers according to the then situation. In addition, the Group will also focus on improvements to its operational efficiencies, expanding into the market of commercial buildings and improving its economy of scales.

BUSINESS REVIEW

During the Review Period, the Plantation Business contributed approximately RMB1.6 million, which is in line with the Group's expectation considering the scale of the operations for passion fruits cultivation and harvest at the relevant time. The Group will continue to tailor-made strategy for its cultivation operations and strive to further improve its performance.

On the other hand, given the competition experienced by the Fruit Distribution Business, the Group only managed to generate approximately RMB7.9 million in revenue during the Review Period compared to the corresponding six months period ended 31 December 2023 of approximately RMB25.4 million, which was primarily attributable to a decrease in sales volume of the existing fruit offerings as the Group primarily focused in a narrower selection of higher-value fruits with reasonable margins to minimise the risks of forgoing profits for revenue.

The focus of the Air-conditioners Distribution Business is the distribution and installation of air-conditioners in the PRC. The Air-conditioners Distribution Business has established its presence in both Meizhou and Shenzhen, the PRC. The Group recorded revenue of approximately RMB26.9 million during the Review Period (six months ended 31 December 2023: RMB35.9 million), such fluctuation in revenue was primarily attributable to local weather and that there were less newly completed residential projects at the time.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group recorded revenue of approximately RMB36.8 million (six months ended 31 December 2023: RMB61.3 million) for the Review Period.

The Group's operations are divided into four segments, namely (i) Plantation Business; (ii) Fruit Distribution Business; (iii) Air-conditioners Distribution Business and (iv) Sales and Distribution of Consumables and Others Business.

Below is an analysis of the Group's revenue by segment:

	For the six months ended 31 December		
	2024	2023	% Change
	RMB'000	RMB'000	
Plantation Business	1,595	57	2,698.2%
Fruit Distribution Business	7,922	25,386	-68.8%
Air-conditioners Distribution Business	26,905	35,905	-25.1%
Sales and Distribution of Consumables and Others Business	356	—	100.0%
Total	36,778	61,348	-40.0%

For the Review Period, the Group recorded revenue of approximately RMB1.6 million (six months ended 31 December 2023: RMB0.06 million) from the Plantation Business on completion of the harvest season of passion fruits in the Group's Hepu Plantation located in Guangxi, the PRC (the "**Hepu Plantation**"), representing an increase of approximately 2,698.2% as compared to the corresponding period of last year. The increase in revenue was mainly due to absence of severe weather condition at Hepu Plantation during the Review Period, leading to improvement in harvest quality and quantity.

In respect of the Fruit Distribution Business, the Group recorded revenue of approximately RMB7.9 million (six months ended 31 December 2023: RMB25.4 million) for the Review Period, representing a significant decline of approximately 68.8%. The Group strategically changed its product mix under the Fruit Distribution Business during the Review Period based on its market assessment, leading to the decline.

MANAGEMENT DISCUSSION AND ANALYSIS

Regarding the Air-conditioners Distribution Business, the Group recorded revenue of approximately RMB26.9 million (six months ended 31 December 2023: RMB35.9 million). The Air-conditioners Distribution Business commenced upon the completion of the acquisition of 深圳市金龍建设工程有限公司 (Shenzhen Jinlong Construction Engineering Co., Ltd.*) ("**Jinlong Construction**") in December 2021. The Group purchased air-conditioners from the brand owners and sold the air-conditioners to electrical appliance stores in Meizhou City, the PRC. Having established the business presence in Meizhou, the Group continued to explore and expand its air conditioner distribution business into the market in Shenzhen. The decline in sales under the Air-conditioners Distribution Business is related to weather conditions at the relevant time and the timing of completion of sizeable residential property projects in PRC, leading to sluggish demand.

In the later stages of the Review Period, the Group commenced its Sales and Distribution of Consumables and Others Business through its joint ventures, being indirect non-wholly owned subsidiaries of the Company. As this new business is still in its early exploratory phase, it has yet to make a significant impact on the Group's overall revenue. This new business segment contributed approximately RMB0.3 million to the revenue. At this stage, efforts are primarily focused on market research, operational setup, and strategy development.

Other income and gain

For the Review Period, the Group recorded other income and gain in the amount of approximately RMB1.8 million (six months ended 31 December 2023: RMB1.5 million), which mainly consists of management income generated from various business cooperation agreements with independent farmers, government subsidy and interest income in connection with the loan to independent third party which is secured by a substantial shareholder of the Company.

Staff costs

For the Review Period, the staff costs of the Group amounted to approximately RMB8.3 million (six months ended 31 December 2023: RMB5.6 million). An increase in staff costs by approximately RMB2.7 million was mainly attributable to (i) the staff costs incurred for the initial setup and development of the new Sales and Distribution of Consumables and Others Business segment; and (ii) the compensation payment for termination of employment of relevant PRC staff.

Distribution and other operating expenses

For the Review Period, the distribution and other operating expenses of the Group amounted to approximately RMB1.0 million (six months ended 31 December 2023: RMB0.5 million), which comprised primarily of transportation costs incurred for the delivery of fruits and air-conditioners as well as the sales commission, marketing and promotion expenses incurred for the Sales and Distribution of Consumables and Others Business.

MANAGEMENT DISCUSSION AND ANALYSIS

General and other administrative expenses

For the Review Period, the general and other administrative expenses of the Group amounted to approximately RMB10.5 million (six months ended 31 December 2023: RMB7.8 million), which comprised primarily of consultancy fees for setting up the online platform for the Sales and Distribution of Consumables and Others Business segment, legal and professional fees, office accommodation expenses and plantation security charges. The general and other administrative expenses increased for the Review Period as compared to the corresponding period of last year was due to consultancy fee incurred for the new business segment development and initial setup.

Income tax

For the Review Period, income tax expense of the Group amounted to approximately RMB0.07 million (six months ended 31 December 2023: approximately RMB0.07 million), which comprised primarily of the enterprise income tax charged and payable by the Group on the profit generated from the Air-conditioners Distribution Business in the PRC.

Loss attributable to owners of the Company

For the Review Period, loss attributable to owners of the Company was approximately RMB14.5 million (six months ended 31 December 2023: RMB11.8 million). The increase in loss for the Review Period was mainly due to (i) overall surge in staff costs; (ii) decline in the fair value gain arising from the financial assets at fair value through profit or loss; (iii) absence of reversal of the allowance for expected credit losses ("**ECLs**") on trade and other receivables or loans receivable; and being offset by (iv) the remarkable decrease in the depreciation and (v) the decrease in legal and professional fees incurred for corporate actions, e.g. share consolidation during the period.

RISK FACTORS

The Group's business is exposed to the risk factors as set out below.

Plantation Business

Climate changes and natural disasters

The Group's fruits plantation is exposed to the risk of damage from climatic changes and natural disasters. In the event of adverse weather conditions, such as droughts, floods, typhoons, hailstorms, frost and rainstorms, and natural disasters, such as forest fire, diseases, insect infestation and pests, occur in Hepu Plantation area, the Plantation Business is likely to suffer a significant decline in productivity due to the damage to farming and its infrastructure. Eventually, it will have an adverse impact on the Group's revenue and financial performance.

MANAGEMENT DISCUSSION AND ANALYSIS

Contractual arrangement at Hepu Plantation

The Hepu Plantation, which comprises approximately 46,000 mu farmland located in Hepu county of Guangxi, is operated under a business cooperation agreement ending in 2050 (the “**Agreement**”). The Agreement was entered into between the Group and a cooperator (the “**Cooperator**”) whereby the Cooperator would contribute farmland for use in the Plantation Business and the Group would be responsible for contributing those property, plant and equipment as well as providing and bearing the costs of fertilisers, pesticides, labour, technical support on cultivation and soil management. The Group will be entitled to 90% of the income generated from the Hepu Plantation accordingly.

Any raise in monthly management fee payable to the Cooperator will increase Hepu plantation’s operating costs and lower its profit level to a certain extent. However, the Company believes a reasonable increase in the rent will help to promote a harmonic cooperation environment between the Cooperator and the owners of the farmland to facilitate a smooth running of the Plantation Business.

Fruit Distribution Business

PRC’s economy experienced recovery from the COVID-19 epidemic during the second half of 2023 after the removal of prevention and control measures. However, it is expected to take time for the PRC domestic consumption level to further improve. As such, the demand for fruits may recover sluggishly and hindered the development.

Moreover, prevailing technologies nor preventive measures may not be able to effectively tackle the unprecedented diseases nor infestations. The supply chain may face the increment in expenses, decrease in fruit yield and quality, which in turn, increase the purchase prices we may incur. As a result, our operation and revenue may be adversely affected.

Air-conditioners Distribution Business

The size of our customer base and the level of satisfaction are critical to our success. Air-conditioners Distribution Business has been depending on and will continue to significantly depend on our customers and their loyalty in and level of satisfaction with our products and services. If customers no longer view our products and services as useful and attractive as compared to other offerings in market, we may not be able to increase or maintain our customer base and the level of satisfaction, such that, the revenue may be adversely affected.

DIVIDEND

The Board did not recommend the payment of an interim dividend for the Review Period (six months ended 31 December 2023: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL

As at 31 December 2024, the total number of issued shares of the Company was 14,900,529 (six months ended 31 December 2023: 2,980,105,859).

On 13 October 2023, the Company announced a proposed rights issue on the basis of one rights share for every two shares in issue at a subscription price of HK\$0.035 per rights share to raise up to approximately HK\$43,700,000 before expenses. On 7 November 2023, the Company allotted and issued 480,467,975 ordinary shares of HK\$0.035 each by way of rights issue and the number of issued shares of the Company was increased from 2,499,637,884 shares as at 30 June 2023 to 2,980,105,859 (the “**Rights Issue**”).

On 14 December 2023, the Company proposed the capital reorganisation (“**Capital Reorganisation**”) to be implemented in the following manner:

- (i) the share consolidation (“**Share Consolidation**”) whereby every two hundred (200) issued and unissued existing shares of par value of HK\$0.01 each will be consolidated into one (1) consolidated share (“**Consolidated Share**”) of par value of HK\$2.00 each;
- (ii) immediately following the Share Consolidation becoming effective, the capital reduction (“**Capital Reduction**”) whereby the issued share capital of the Company will be reduced from an amount of approximately HK\$29,801,000 by an amount of approximately HK\$29,652,000 to an amount of approximately HK\$149,000 such that the par value of each issued Consolidated Share be reduced from HK\$2.00 to HK\$0.01 by (a) an elimination of any fraction of a Consolidated Share arising from the Share Consolidation in order to round down the total number of the Consolidated Shares to a whole number; and (b) a cancellation of HK\$1.99 of the paid-up capital of the Company on each issued Consolidated Share so that each issued Consolidated Share will be treated as one (1) fully paid-up share of par value HK\$0.01 each in the share capital of the Company;
- (iii) immediately following the Share Consolidation becoming effective, the sub-division (“**Sub-division**”), whereby each authorised but unissued Consolidated Shares (including the authorized unissued Consolidated Shares arising from the Capital Reduction) be subdivided into two hundreds (200) authorised but unissued New Shares of par value HK\$0.01 each so that immediately following the Capital Reorganisation, the authorised share capital of the Company shall remain HK\$50,000,000 divided into 5,000,000,000 New Shares;
- (iv) immediately following the Capital Reduction and Sub-division becoming effective, the entire amount standing to the credit of the share premium account of the Company is proposed to reduce to nil (“**Share Premium Reduction**”); and
- (v) upon the Capital Reorganisation becoming effective, the credits arising from the Capital Reduction and the Share Premium Reduction will be transferred to the contributed surplus account of the Company within the meaning of the Companies Act to then be applied to set off the accumulated losses of the Company or be applied by the Board in a manner as permitted by the Bye-Laws and all applicable laws of Bermuda from time to time without further authorisation from the shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

The proposed Capital Reorganisation was passed and approved as the special resolution by the shareholders at a special general meeting held on 19 February 2024. Accordingly, the Capital Reorganisation has become effective on 21 February 2024. As a result, the Company has 14,900,529 shares in issue and the authorised share capital of the Company remains at HK\$50,000,000, which is divided into 5,000,000,000 ordinary shares.

For details, please refer to the announcements of the Company dated 14 December 2023, 27 December 2023, 19 February 2024 and 21 February 2024, and the circular of the Company dated 22 January 2024.

LIQUIDITY AND FINANCE RESOURCES

Liquidity

As at 31 December 2024, the Group had liabilities of approximately RMB11.2 million (30 June 2024: RMB12.0 million) in respect of bank borrowings and other borrowings with particulars disclosed in note 18 and note 19 to the interim financial information respectively. The cash and cash equivalents of the Group was approximately RMB7.8 million (30 June 2024: RMB16.8 million).

As at 31 December 2024, the current ratio and quick ratio were approximately 3.8 and approximately 3.5 respectively (30 June 2024: 5.1 and 4.6 respectively).

Funding and treasury policy

During the Review Period, the Group had sufficient funds for the operation and would continue to adopt stringent cost control and conservative treasury policies in the running the businesses.

Charge on assets

As at 31 December 2024, the Group's prepayment of approximately RMB16.1 million (30 June 2024: RMB13.3 million) was used as security for obtaining bank borrowings of RMB3.3 million (30 June 2024: RMB4.7 million) and other borrowings of approximately RMB1.3 million (30 June 2024: RMB1.0 million).

Net gearing ratio

The net gearing ratio of the Group (bank borrowings plus other borrowings less cash and cash equivalents, divided by total equity multiplied by 100%) increased from approximately -3.5% as at 30 June 2024 to approximately 2.8% as at 31 December 2024. The increase in net gearing ratio was mainly attributable to the decline in balance of cash and cash equivalents.

Capital commitments

As at 31 December 2024, the Group did not have any capital commitments (30 June 2024: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FOREIGN EXCHANGE RISK

The Group is exposed to foreign currency risk primarily through its cash and cash equivalents, cryptocurrencies as well as equity securities listed in the United States being 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 and United States dollars. The Group has relatively limited transactions denominated in foreign currencies, hence its exposure to exchange rate fluctuation is currently minimal and the Group does not need to use any derivative contracts to hedge against its exposure to foreign exchange risk. Management manages the foreign exchange risk by closely monitoring the movement of the currency exchange rate from time to time.

EMPLOYEES

The Group has adopted a competitive remuneration package since it aims to attract, retain and motivate high calibre individuals. Remuneration packages are performance-linked and business performance, market practices and competitive market conditions are all taken into consideration in determining remuneration. Remuneration packages, which are reviewed annually, include salaries/wages and other employee benefits, such as accommodation, discretionary bonuses, mandatory provident fund contributions and share options. As at 31 December 2024, the Group had 90 (30 June 2024: 61) permanent employees.

CONTINGENT LIABILITIES

The Group did not have any contingent liabilities as at 31 December 2024 (30 June 2024: Nil).

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Saved as disclosed in the note 22 to the interim financial information, no other significant event has taken place subsequent to 31 December 2024 and up to the date of this interim report.

SIGNIFICANT INVESTMENT HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period. Saved for disclosed below, the Group had no significant investments held during the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS

As at 31 December 2024, the Group was holding equity securities listed in the United States and cryptocurrencies for trading, being classified as financial assets at fair value through profit or loss as shown below:

Company name (stock code) /cryptocurrency	Principal activities	Number of shares/ units held	% of shareholdings	Cost of acquisition RMB'000	Dividend income RMB'000	Six months ended 31 December 2024		Reasons for unrealised gain/(losses)	As at 31 December 2024	
						Realised losses on disposal RMB'000	Unrealised gain/(losses) on fair value change RMB'000		Fair value RMB'000	% of total asset of the Group RMB'000
Microsoft Corporation (MSFT)	Developing, licensing, and supporting a wide range of software products and services, designing and selling hardware devices, and delivering relevant online advertising to a global customer audience	590	0.000008%	1,975	7	(1,365)	(149)	Share price moves downwards	1,836	1.2%
NVIDIA Corporation (NVDA)	Graphics and compute and networking	3,940	0.00002%	731	2	(269)	372	Share price moves upwards	3,967	2.7%
Bitcoin	N/A	10	N/A	6,959	–	–	(55)	Market price drops	6,985	4.8%
Dogecoin	N/A	100,000	N/A	300	–	–	(61)	Market price drops	240	0.2%
				9,965	9	(1,634)	107		13,028	8.9%

Apart from the above, the Group was also holding unlisted notes with details disclosed in note 11(c) for trading purpose as at 31 December 2024. These unlisted notes accounted for approximately 7.1% of the total assets of the Group.

FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

The Group did not have specific plans for material investments or capital assets as at 31 December 2024.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

As at 31 December 2024

		Six months ended 31 December	
		2024	2023
		(unaudited)	(unaudited)
	Notes	RMB'000	RMB'000
Revenue	4	36,778	61,348
Cost of inventories		(33,152)	(59,817)
Other income and gain	5	1,840	1,456
Changes in fair value of investment properties		(210)	(970)
Changes in fair value of financial assets at fair value through profit or loss		169	3,105
(Provision for)/reversal of allowance of expected credit losses on trade and other receivables, net		(847)	71
(Provision for)/reversal of allowance of expected credit losses on loan receivables, net		(295)	1,696
Depreciation of property, plant and equipment and right-of-use assets		(1,863)	(4,427)
Staff costs		(8,283)	(5,623)
Finance costs	6	(474)	(295)
Distribution and other operating expenses		(963)	(509)
General and other administrative expenses		(10,455)	(7,779)
Loss before income tax	6	(17,755)	(11,744)
Income tax expense	7	(70)	(70)
Loss for the period		(17,825)	(11,814)
Loss for the period attributable to:			
Owners of the Company		(14,476)	(11,814)
Non-controlling interests		(3,349)	–
		(17,825)	(11,814)
		RMB	RMB
Loss per share attributable to the owners of the Company	8		
— Basic and diluted		(97.15) cents	(94.82) cents

The accompanying notes form part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2024

	Six months ended 31 December	
	2024	2023
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Loss for the period	(17,825)	(11,814)
Other comprehensive income/(loss)		
<i>Items that will not be reclassified to profit or loss:</i>		
— Exchange differences on translation from foreign currency to presentation currency	(1,185)	(2,376)
<i>Item that may be reclassified subsequently to profit or loss:</i>		
— Exchange differences on translation of financial statements of foreign operations, net of tax	1,333	1,572
Other comprehensive income/(loss) for the period	148	(804)
Total comprehensive loss for the period	(17,677)	(12,618)
Total comprehensive loss for the period attributable to:		
Owners of the Company	(14,328)	(12,618)
Non-controlling interests	(3,349)	—
	(17,677)	(12,618)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	31 December 2024 (unaudited) RMB'000	30 June 2024 (audited) RMB'000
ASSETS			
Non-current Assets			
Property, plant and equipment	9	3,093	3,054
Right-of-use assets		49,909	51,520
Investment properties	10	14,030	14,240
Goodwill		2,916	2,916
		69,948	71,730
Current Assets			
Biological assets	12	566	992
Inventories		5,964	8,210
Trade and other receivables	13	6,589	9,631
Loan receivables	14	2,495	2,883
Prepayments	15	30,184	20,927
Financial assets at fair value through profit or loss	11	23,398	28,891
Cash and cash equivalents		7,751	16,804
		76,947	88,338
Total Assets		146,895	160,068
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	16	137	137
Reserves		122,516	136,844
		122,653	136,981
Total equity attributable to the owners of the Company		(409)	—
Non-controlling interests			
Total Equity		122,244	136,981

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	31 December 2024 (unaudited) RMB'000	30 June 2024 (audited) RMB'000
LIABILITIES			
Current Liabilities			
Trade and other payables	17	5,993	5,355
Contract liabilities		2,834	720
Lease liabilities		879	767
Bank borrowings	18	8,386	9,576
Other borrowings	19	1,986	1,000
Tax payables		39	60
		20,117	17,478
Non-current Liabilities			
Lease liabilities		3,708	4,209
Bank borrowings	18	689	1,400
Other borrowings	19	137	–
		4,534	5,609
Total Equity and Liabilities		146,895	160,068

The condensed consolidated financial statements on pages 14 to 43 were approved and authorised for issued by the board of directors on 28 February 2025 and are signed on its behalf by:

Li Ziying
Executive Director

James Francis Bittl
Non-executive Director

The accompanying notes form part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As 31 December 2024

	Attributable to owners of the Company							Total	Non-controlling interests	Total equity
	Share capital	Share premium	Revaluation reserve	Contributed surplus	Statutory surplus reserve	Exchange reserve	Retained earnings			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000 (note (a))	RMB'000 (note (b))	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 July 2024 (audited)	137	-	644	8,055	2,004	2,737	123,404	136,981	-*	136,981
Loss for the period	-	-	-	-	-	-	(14,476)	(14,476)	(3,349)	(17,825)
Other comprehensive (loss)/income for the period:										
Exchange differences on translation from foreign currency to presentation currency	-	-	-	-	-	(1,185)	-	(1,185)	-	(1,185)
Exchange differences on translation of financial statements of foreign operations, net of tax	-	-	-	-	-	1,333	-	1,333	-	1,333
Total comprehensive income/(loss) for the period	-	-	-	-	-	148	(14,476)	(14,328)	(3,349)	(17,677)
Capital injection	-	-	-	-	-	-	-	-	2,940	2,940
As at 31 December 2024 (unaudited)	137	-	644	8,055	2,004	2,885	108,928	122,653	(409)	122,244

* Amount less than RMB1,000

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As 31 December 2024

	Attributable to owners of the Company						
	Share capital RMB'000	Share premium RMB'000	Revaluation reserve RMB'000	Statutory surplus reserve RMB'000 (note (a))	Exchange reserve RMB'000 (note (b))	Accumulated losses RMB'000	Total RMB'000
As at 1 July 2023 (audited)	22,831	3,782,111	644	1,811	2,646	(3,662,081)	147,962
Loss for the period	-	-	-	-	-	(11,814)	(11,814)
Other comprehensive income/ (loss) for the period:							
Exchange differences on translation from foreign currency to presentation currency	-	-	-	-	(2,376)	-	(2,376)
Exchange differences on translation of financial statements of foreign operations, net of tax	-	-	-	-	1,572	-	1,572
Total comprehensive loss for the period	-	-	-	-	(804)	(11,814)	(12,618)
Appropriation to statutory reserve	-	-	-	48	-	(48)	-
Issue of shares pursuant to Rights Issue	4,503	11,258	-	-	-	-	15,761
As at 31 December 2023 (unaudited)	27,334	3,793,369	644	1,859	1,842	(3,673,943)	151,105

Notes:

- In accordance with the Company Law of the PRC, the Company's subsidiaries registered in the PRC are required to appropriate 10% of the annual statutory profit after tax (after offsetting any prior years' losses) determined in accordance with generally accepted accounting principles in the PRC to the statutory surplus reserve until the balance of the reserve fund reaches 50% of the entity registered capital. The statutory surplus reserve can be utilised to offset prior years' losses or to increase capital, provided the remaining balance of the statutory surplus reserve is not less than 25% of registered capital.
- The exchange reserve comprises all foreign exchange differences on translation of the financial statements of foreign operations.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2024

	Six months ended 31 December	
	2024	2023
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Net cash used in operating activities	(6,139)	(21,459)
Investing activities		
Purchase of property, plant and equipment	(140)	(415)
Loan to an independent third party	–	(2,737)
Repayment of loan by an independent third party	–	8,000
Interest received	231	414
Net cash generated from investing activities	91	5,262
Financing activities		
Capital injection by non-controlling interest	2,940	–
Issue of shares pursuant to Rights Issue	–	15,761
Proceeds from bank borrowings	5,000	–
Repayment of bank borrowings	(9,031)	(1,143)
Repayment of other borrowings	(1,018)	–
Repayment of principal portion of lease liabilities	(540)	(126)
Payment of interest on lease liabilities	(111)	(114)
Payment of interest on bank borrowings	(325)	(180)
Payment of interest on other borrowing	(38)	–
Net cash (used in)/generated from financing activities	(3,123)	14,198
Net decrease in cash and cash equivalents	(9,171)	(1,999)
Cash and cash equivalents at beginning of the period	16,804	26,099
Effect of foreign exchange rate changes	118	(97)
Cash and cash equivalents at end of the period	7,751	24,003

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 31 December 2024

1. BASIS OF PREPARATION

This interim financial information has been prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim financial reporting* issued by the International Accounting Standards Board (“IASB”) and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The interim financial information has been prepared under the historical cost convention, except for investment properties, financial assets at fair value through profit or loss and biological assets which are measured at fair values. The principal accounting policies adopted in the preparation of this interim financial information are consistent with those followed by Asian Citrus Holdings Limited (the “**Company**”) and its subsidiaries’ (the “**Group**”) in their annual financial statements for the year ended 30 June 2024 (the “**2024 Financial Statements**”), except for certain accounting policies and the applications of amendments to International Financial Reporting Standards (“**IFRSs**”) that are expected to be reflected in the Group’s annual consolidated financial statements for the year ending 30 June 2025 of which details are set out in note 2.

The preparation of interim financial information in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial information contains condensed consolidated financial statements and explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 Financial Statements. The condensed consolidated financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRSs.

The interim financial information is unaudited, but has been reviewed by the Company’s Audit Committee.

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 31 December 2024

2. APPLICATIONS OF AMENDMENTS TO IFRSs

This interim financial information has been prepared in accordance with IAS 34 issued by the IASB and the applicable disclosure provisions of the Listing Rules. All IFRSs effective for the accounting period commencing on 1 July 2024 together with the relevant transitional provisions, have been adopted by the Group in the preparation of this interim financial information throughout the period covered in this report.

In the current period, the Group has applied the following amendments to IFRSs, which are effective for the Group's accounting period beginning on or after 1 July 2024.

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the amendments to IFRSs in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

New and amendments to IFRSs that are in issue but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

		Effective for accounting periods beginning on or after
Amendments to IAS 21	Lack of Exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRSs Accounting Standards	Annual improvements to IFRS Accounting Standards — Volume 11	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group is in the process of making an assessment of what the impact of these new and amendments to IFRSs is expected to be in the period of initial application. So far the Group has not identified any aspects of the new standards which may have a significant impact on the condensed consolidated financial statements.

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 31 December 2024

3. SEGMENT INFORMATION

For management purpose, the Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other operating segments. Particulars of the Group's reportable operating segments are summarised as follows:

Plantation Business — Planting, cultivation and sale of agricultural produce

Fruit Distribution Business — Distribution of various fruits

Air-conditioners Distribution Business — Distribution and installation of air-conditioners

Sales and Distribution of Consumables and Others Business — Trading and distribution of consumables and others

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 31 December 2024

3. SEGMENT INFORMATION (continued)

Segment results, assets and liabilities

The following is an analysis of the Group's revenue and results by reportable operating segment:

	Plantation Business		Fruit Distribution Business		Air-conditioners Distribution Business		Sales and Distribution of Consumables and Others Business		Total	
	Six months ended 31 December		Six months ended 31 December		Six months ended 31 December		Six months ended 31 December		Six months ended 31 December	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
RESULTS										
Reportable segment revenue and revenue from external customers	1,595	57	7,922	25,386	26,905	35,905	356	-	36,778	61,348
Reportable segment results	(1,792)	(8,719)	(1,790)	(1,666)	(84)	857	(6,835)	-	(10,501)	(9,528)
Unallocated corporate expenses									(7,650)	(2,856)
Unallocated corporate income									326	570
Loss for the period									(17,825)	(11,814)
ASSETS										
Segment assets	25,805	27,607	55,280	58,844	28,508	28,047	8,462	-	118,055	114,498
Unallocated corporate assets									28,840	45,570
Total assets									146,895	160,068
LIABILITIES										
Segment liabilities	825	755	199	1,900	18,146	17,603	2,250	-	21,420	20,258
Unallocated corporate liabilities									3,231	2,829
Total Liabilities									24,651	23,087

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 31 December 2024

3. SEGMENT INFORMATION (continued)

Other Segment Information

Amounts included in the measurement of segment profit or loss or segment assets:

	Plantation Business		Fruit Distribution Business		Air-conditioners Distribution Business		Sales and Distribution of Consumables and Others Business		Unallocated		Total	
	Six months ended		Six months ended		Six months ended		Six months ended		Six months ended		Six months ended	
	31 December		31 December		31 December		31 December		31 December		31 December	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Interest income	1	3	1	240	1	4	4	-	114	2	121	249
Depreciation of property, plant and equipment	(2)	(2,716)	-	(1)	(3)	(2)	(12)	-	(84)	(99)	(101)	(2,818)
Depreciation of right-of-use assets	-	-	-	-	(324)	(340)	(169)	-	(1,269)	(1,269)	(1,762)	(1,609)
(Provision for)/reversal of allowance of ECLs on trade and other receivables, net	(869)	-	15	28	7	43	-	-	-	-	(847)	71
Reversal of/(provision for) allowance of ECLs on loan receivables, net	-	-	-	1,725	-	-	-	-	(295)	(29)	(295)	1,696
Written-down of biological assets	-	(145)	-	-	-	-	-	-	-	-	-	(145)
Additions to property, plant and equipment	38	412	-	3	-	-	102	-	-	-	140	415
Additions to right-of-use assets	-	-	-	-	-	-	151	-	-	-	151	-

Geographical information

Since over 90% of the Group's revenue and operating profit or loss were generated in the PRC for both periods and over 90% of the Group's non-current assets were located in the PRC, no geographical segment information in accordance with IFRS 8 Operating Segments is presented.

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 31 December 2024

3. SEGMENT INFORMATION (continued)

Information about major customers

Revenue from customers of the corresponding periods contributing over 10% of the total sales of the Group are as follows:

	Six months ended 31 December 2024 (unaudited) RMB'000	2023 (unaudited) RMB'000
Customer A ¹	6,857	12,722
Customer B ¹	— ²	9,861

¹ Revenue generated from customers A and B were attributable to Fruit Distribution Business.

² Revenue generated from customer B did not contribute over 10% of the total revenue of the Group for the six months ended 31 December 2024.

Except disclosed above, no other customers contributed 10% or more to the Group's total revenue for both periods.

4. REVENUE

Disaggregation of revenue from contracts with customers:

	Plantation Business		Fruit Distribution Business		Air-conditioners Distribution Business		Sales and Distribution of Consumables and Others Business		Total	
	Six months ended 31 December		Six months ended 31 December		Six months ended 31 December		Six months ended 31 December		Six months ended 31 December	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Sales of fruits	1,595	57	7,922	25,386	—	—	—	—	9,517	25,443
Sales of air-conditioners	—	—	—	—	26,905	35,905	—	—	26,905	35,905
Sales of consumables and others	—	—	—	—	—	—	356	—	356	—
	1,595	57	7,922	25,386	26,905	35,905	356	—	36,778	61,348

All of the Group's revenue is recognised at a point in time.

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 31 December 2024

5. OTHER INCOME AND GAIN

		Six months ended 31 December	
		2024	2023
		(unaudited)	(unaudited)
	Notes	RMB'000	RMB'000
Other income:			
Bank interest income		10	16
Dividend income		36	24
Government subsidy	(i)	510	390
Interest income on loan receivables		111	233
Management income	(ii)	1,112	308
Rental income		50	–
Sundry income		11	383
		1,840	1,354
Other gain:			
Gain on lease modification		–	102
Total		1,840	1,456

Notes:

- (i) During the six months ended 31 December 2024, the Group recognised government subsidy of approximately RMB410,000 (2023: RMB390,000) which related to the farmland construction support given by the PRC local authority and approximately RMB100,000 (2023: Nil) which related to general support of local entities development given by the PRC local authority.
- (ii) The Group has entered into a business cooperation agreement with Cooperator. Pursuant to the business cooperation agreement, the Cooperator would contribute farmlands while the Group would contribute property, plant and equipment for the purpose of providing farmlands and facilities to individual farmers and generating management income during the periods ended 31 December 2024 and 2023. According to business cooperation agreement, the Group is entitled to 90% of the income generated and it was recognised in the condensed consolidated statement of profit or loss and other comprehensive income.

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 31 December 2024

6. LOSS BEFORE INCOME TAX

Loss before income tax is stated after charging the following:

	Six months ended 31 December	
	2024	2023
	(unaudited)	(unaudited)
	RMB'000	RMB'000
(a) Finance costs		
Interest on bank borrowings	325	180
Interest on other borrowings	38	—
Interest on lease liabilities	111	115
	<u>474</u>	<u>295</u>
(b) Employee benefit expenses (including directors' remuneration)		
— Salaries, allowance and benefits in kind	7,741	5,279
— Retirement benefit scheme contribution	542	344
	<u>8,283</u>	<u>5,623</u>
(c) Other items		
Depreciation of property, plant and equipment	101	2,818
Depreciation of right-of-use assets	1,762	1,609
Exchange loss, net	330	—
Office accommodation charges included in general and other administrative expenses	913	1,334
Expenses relating to short term leases included in general and other administrative expenses	250	100
Loss on written-off of biological assets included in general and other administrative expenses	—	145
Plantation security charges included in general and other administrative expenses	413	483
Legal and professional fees included in general and other administrative expenses	840	2,497

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 31 December 2024

7. INCOME TAX EXPENSE

	Six months ended 31 December	
	2024	2023
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Current tax		
PRC enterprise income tax	70	70

(a) Income tax has been provided for by the Group on the basis stated below:

- (i) Pursuant to the rules and regulations of Bermuda and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in the respective tax jurisdictions.
- (ii) Under the two-tiered profits tax rates regime in Hong Kong, the first HKD2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HKD2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

As the amount involved upon implementation of the two-tiered profits tax rates regime is considered insignificant to the condensed consolidated financial statements, Hong Kong profits tax is calculated at 16.5% of the estimated assessable profits for both periods.

No provision for taxation in Hong Kong has been made as the Group has no assessable profits for the purpose of Hong Kong profits tax for both periods.

- (iii) The Group determined its provision for PRC enterprise income tax 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 laws, rules and regulations, enterprises that engage in certain qualifying agricultural businesses are eligible for certain tax benefits, including full enterprise income tax exemption on profits derived from such business. 廣西合浦冠華農業有限公司 (Guangxi Hepu Guanhua Agriculture Co., Ltd.*) in the PRC engaged in qualifying agricultural business was entitled to full exemption of enterprise income tax.

The applicable enterprise income tax rate of the other operating entities in the PRC was 25%.

* For identification purposes only

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 31 December 2024

8. LOSS PER SHARE

The calculation of the loss per share is based on the following data:

	Six months ended 31 December	
	2024 (unaudited) RMB'000	2023 (unaudited) RMB'000
Loss attributable to the owners of the Company used in basic and diluted loss per share calculations	(14,476)	(11,814)
Weighted average number of shares	'000	'000
Weighted average number of ordinary shares used in basic and diluted loss per share calculations	14,901	12,459

Diluted loss per share were the same as basic loss per share for the six months ended 31 December 2024 and 2023 as there were no potential ordinary shares in issue.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2024, the Group acquired items of property, plant and equipment with a cost of approximately RMB140,000 (six months ended 31 December 2023: RMB415,000).

10. INVESTMENT PROPERTIES

	31 December 2024 (unaudited) RMB'000	30 June 2024 (audited) RMB'000
At fair value		
At the beginning of the period/year	14,240	15,060
Changes in fair value recognised in consolidated profit or loss	(210)	(820)
At the end of period/year	14,030	14,240

Notes:

- (a) At 31 December 2024, the fair value of the investment properties was approximately RMB14,030,000 (30 June 2024: RMB14,240,000) based on the valuation carried out by Peak Vision Appraisals Limited ("Peak Vision"). The fair value changes of approximately RMB210,000 was recognised in the condensed consolidated statement of profit or loss and other comprehensive income during the six months ended 31 December 2024 (six months ended 31 December 2023: RMB970,000).

Peak Vision has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations.

At 31 December 2024, the fair value of investment properties was based on the income capitalisation approach (30 June 2024: income capitalisation approach) which capitalised the net income of the properties and takes into account the significant adjustments on term yield to account for the risk upon reversion.

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 31 December 2024

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2024 (unaudited) RMB'000	30 June 2024 (audited) RMB'000
Cryptocurrencies (<i>note(a)</i>)	7,225	–
Equity securities listed in United States (<i>note (b)</i>)	5,803	19,942
Unlisted notes (<i>note (c)</i>)	10,370	8,949
	<u>23,398</u>	<u>28,891</u>

Notes:

(a) The Group acquired cryptocurrencies through a licensed corporation in Hong Kong during the period ended 31 December 2024. These cryptocurrencies were classified as financial assets at fair value through profit or loss (“FVTPL”) as they were held for trading. The fair value of these cryptocurrencies as at 31 December 2024 was determined based on a quoted market price. A loss from change in fair value amounting to approximately RMB116,000 was recognised to the condensed consolidated statement of profit or loss and other comprehensive income during the period ended 31 December 2024 (2023: Nil).

(b) These listed securities were classified as financial assets at FVTPL as they were held for trading. The fair values of these listed securities as at 31 December 2024 and 30 June 2024 were determined based on the quoted market closing prices on the National Association of Securities Dealers Automated Quotations Stock Market.

During the period ended 31 December 2024, the dividends received from these equity securities amounting to approximately RMB36,000 (2023: RMB24,000), was recognised under other income and gain in the condensed consolidated statement of profit or loss and other comprehensive income. In addition, a loss from change in fair value of these listed securities amounting to approximately RMB1,023,000 (2023: gain from change in fair value of approximately RMB1,258,000) was recognised to the condensed consolidated statement of profit or loss and other comprehensive income during the period ended 31 December 2024.

(c) During the year ended 30 June 2023, the Group has set up an investment account in a security company in Hong Kong which managed by an investment manager who is an independent third party to the Group, and has the power and authority to manage and make decisions for the investments. Unlisted notes were acquired during the year ended 30 June 2023 and were classified as financial assets at FVTPL as they were held for trading. In addition, a gain from change in fair value of these unlisted notes amounting to approximately RMB1,308,000 (2023: RMB1,908,000) was also recognised to the condensed consolidated statement of profit or loss and other comprehensive income during the period ended 31 December 2024.

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 31 December 2024

12. BIOLOGICAL ASSETS

	31 December 2024 (unaudited) RMB'000	30 June 2024 (audited) RMB'000
At the beginning of the period/year	992	2,251
Increase due to cultivation	1,069	2,219
Written-down of biological assets	–	(2,156)
Decrease due to harvested	(1,495)	(1,322)
At the end of the period/year	566	992
	31 December 2024 (unaudited) RMB'000	30 June 2024 (audited) RMB'000
Passion fruits	566	992

Note:

The Group measured the fair value less costs to sell of passion fruits at the point of harvest based on market prices as at or close to the harvest dates.

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 31 December 2024

12. BIOLOGICAL ASSETS *(continued)*

The Group is exposed to a number of risks related to its plantation:

(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 passion fruits. 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 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 to minimise those risks, including regular forest health inspections and industry pest and disease surveys.

(4) Price risk

The Group is exposed to price risks arising from changes in passion fruit prices. The Group does not anticipate that passion fruit prices will decline significantly in the foreseeable future. The Group reviews its outlook for passion fruit prices regularly in considering the need for active price risk management.

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 31 December 2024

13. TRADE AND OTHER RECEIVABLES

	31 December 2024 (unaudited) RMB'000	30 June 2024 (audited) RMB'000
Trade receivables, gross	8	3,421
Less: Allowance for ECLs on trade receivables	—	(22)
Trade receivables, net (<i>note (a)</i>)	8	3,399
Deposits paid and other receivables, gross	11,736	10,518
Less: Allowance for ECLs on other receivables	(5,155)	(4,286)
Deposits paid and other receivables, net (<i>note (b)</i>)	6,581	6,232
Trade and other receivables, net	6,589	9,631

Notes:

- (a) The Group generally granted a credit period of 30 days (30 June 2024: 30 days) to customers for sales of fruits, while no credit period was granted to sales of air-conditioners, consumables and others as the Group generally requests customers to pay in advance.

The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest bearing and the Group does not hold any collateral in relation to these receivables.

The ageing analysis of trade receivables, net of ECLs allowance, based on the due dates, is as follows:

	31 December 2024 (unaudited) RMB'000	30 June 2024 (audited) RMB'000
Not past due	—	3,134
1 to 30 days past due	—	252
31 to 60 days past due	—	—
61 to 90 days past due	—	13
Over 90 days past due	8	—
	8	3,399

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 31 December 2024

13. TRADE AND OTHER RECEIVABLES (continued)

Notes: (continued)

(a) (continued)

The ageing analysis of trade receivables, net of ECLs allowance, based on the invoice dates, is as follows:

	31 December 2024 (unaudited) RMB'000	30 June 2024 (audited) RMB'000
1 to 30 days	–	3,386
31 to 60 days	–	–
61 to 90 days	–	13
Over 90 days	8	–
	<u>8</u>	<u>3,399</u>

The movements in allowance for ECLs on trade receivables are as follows:

	RMB'000
At 1 July 2024 (audited)	22
Reversal of ECLs allowance recognised to the condensed consolidated profit or loss, net	(22)
At 31 December 2024 (unaudited)	<u><u>–</u></u>

- (b) At 31 December 2024, the gross balances mainly comprised of an amount due from the Cooperator amounting to approximately RMB10,431,000 (30 June 2024: RMB9,510,000) in relation to the management income distributions as mentioned in note 5(ii). The provision for ECLs allowance on this amount due amounted to approximately RMB5,155,000 (30 June 2024: RMB4,286,000). The amount due was unsecured, non-interest bearing and repayable on demand.

The movements in allowance for ECLs on other receivables are as follows:

	RMB'000
At 1 July 2024 (audited)	4,286
Provision for ECLs allowance recognised to the condensed consolidated profit or loss, net	869
At 31 December 2024 (unaudited)	<u><u>5,155</u></u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 31 December 2024

14. LOAN RECEIVABLES

	31 December 2024 (unaudited) RMB'000	30 June 2024 (audited) RMB'000
Loan receivables (<i>Note</i>)	2,832	2,918
Less: Allowance for ECLs on loan receivables	(330)	(35)
Exchange alignment	(7)	–
	<u>2,495</u>	<u>2,883</u>

Note: On 28 December 2023, the Group entered into a loan agreement with an individual, who is independent third party to the Group. The loan with principal amount of HK\$3,000,000 (equivalent to approximately RMB2,804,000), carrying a fixed interest rate at 8% per annum and repayable on 27 December 2024, is guaranteed by Mr. Kung Chak Ming ("**Mr. Kung**").

As disclosed in the announcement of the Company on 10 January 2025, a supplementary agreement was entered to extend the repayment date to 26 December 2025 while other terms remain the same.

Movement in the allowance for ECLs of loans receivables is as follow:

	RMB'000
At 1 July 2024 (audited)	35
Provision for ECLs allowance recognised to the condensed consolidated profit or loss	<u>295</u>
At 31 December 2024 (unaudited)	<u>330</u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 31 December 2024

15. PREPAYMENTS

	31 December 2024 (unaudited) RMB'000	30 June 2024 (audited) RMB'000
Prepayments to suppliers (<i>Note (a)</i>)	22,634	16,369
Other prepayments (<i>Note (b)</i>)	7,550	4,558
	<u>30,184</u>	<u>20,927</u>

Notes:

- (a) At 31 December 2024, the balance of approximately RMB20,134,000 (30 June 2024: RMB16,369,000) and approximately RMB2,500,000 (30 June 2023: Nil) represented prepayments to the suppliers for the procurement of inventories and prepayments to the sales and marketing service provider, respectively. The prepayments to the suppliers for the procurement of inventories were expected to be utilised as cost of inventories incurred within the next financial year. Included in the balance, the amount of approximately RMB16,134,000 (30 June 2024: RMB13,260,000) were pledged to secure the bank borrowings (note 18) and of which a balance amounting to approximately RMB6,511,000 (30 June 2024: RMB11,719,000) is also secured to the other borrowings (note 19).
- (b) The balance as at 31 December 2024 included prepayments of approximately RMB4,200,000 (30 June 2024: RMB4,200,000) to the Cooperator in relation to consultation fee on plantation, which were expected to be utilised as expenses within the next twelve months.

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 31 December 2024

16. CAPITAL, RESERVES AND DIVIDENDS

(a) Share capital

	31 December 2024 (unaudited)		30 June 2024 (audited)	
	Number of shares	Carrying amount HK\$'000	Number of shares	Carrying amount HK\$'000
Authorised:				
Ordinary shares of HK\$0.01 each				
At the beginning of the period/year	5,000,000,000	50,000	5,000,000,000	50,000
Share Consolidation (note (b)(i))	–	–	(4,975,000,000)	–
Share sub-division (note (b)(iii))	–	–	4,975,000,000	–
At the end of the period/year	5,000,000,000	50,000	5,000,000,000	50,000
Issued and fully paid:				
At the beginning of the period/year	14,900,529	149	2,499,637,884	24,996
Issue of shares pursuant to Rights Issue (note (a))	–	–	480,467,975	4,805
Share Consolidation (note (b)(i))	–	–	(2,965,205,330)	–
Capital Reduction (note (b)(ii))	–	–	–	(29,652)
At the end of the period/year	14,900,529	149	14,900,529	149
		RMB'000		RMB'000
Equivalent to		137		137

Notes:

- (a) On 13 October 2023, the Company announced a proposed rights issue on the basis of one right share for every two shares in issue at a subscription price of HK\$0.035 per rights share to raise up to approximately HK\$43,700,000 before expenses ("**Rights Issue**"). On 7 November 2023, the Company allotted and issued 480,467,975 ordinary shares of HK\$0.035 each by way of rights issue and the number of issued shares of the Company was increased to 2,980,105,859. The proceeds from the Rights Issue were approximately HK\$16,816,000 (equivalent to approximately RMB15,762,000) by which the share capital increased by approximately HK\$4,805,000 (equivalent to approximately RMB4,503,000). The remaining proceeds of approximately HK\$12,011,000 (equivalent to approximately RMB11,259,000), deducted by transaction costs of approximately HK\$1,327,000 (equivalent to approximately RMB1,226,000), to a net proceed of approximately HK\$10,684,000 (equivalent to approximately RMB10,033,000) were credited to the share premium account. Details of the rights issue were set out in the Company's announcements dated 11 September 2023, 25 September 2023 and 6 November 2023 and the Company's prospectus published on 12 October 2023.

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 31 December 2024

16. CAPITAL, RESERVES AND DIVIDENDS (continued)

(a) Share capital (continued)

Notes: (continued)

- (b) Pursuant to resolutions passed by the shareholders of the Company in a special general meeting held on 19 February 2024, the Company carried out the following capital reorganisation (“**Capital Reorganisation**”) and has become effective on 21 February 2024:
- (i) Every 200 issued and unissued ordinary shares with a par value of HK\$0.01 each in the existing share capital of the Company were consolidated into 1 ordinary share with a par value of HK\$2.00 each (“**the Consolidated Share(s)**”) (the “**Share Consolidation**”). The total number issued shares of the Company was reduced by 2,965,205,330 shares, from 2,980,105,859 shares to 14,900,529 shares;
 - (ii) Immediately following the Share Consolidation become effective, the issued share capital of the Company was reduced from an amount of approximately HK\$29,801,000 (equivalent to approximately RMB27,334,000) by an amount of HK\$29,652,000 (equivalent to approximately RMB27,197,000) to an amount of HK\$149,000 (equivalent to approximately RMB137,000) by a cancellation of HK\$1.99 of paid-up capital of the Company on each issued Consolidated Shares will be treated as one fully paid-up share of par value of HK\$0.01 each in the share capital of the Company (the “**Capital Reduction**”);
 - (iii) Upon the Share Consolidation become effective, each of the then authorized but unissued Consolidated Shares be sub-divided into two hundreds new shares so that the authorised share capital of the Company shall remain HK\$50,000,000 divided into 5,000,000,000 new shares of HK\$0.01 each (the “**Share sub-division**”);
 - (iv) Immediately following the Capital Reduction becoming effective, the entire amount of approximately RMB3,792,144,000 standing to the credit of the share premium account of the Company be reduced to Nil (the “**Share Premium Reduction**”) and transferred to the Contributed Surplus reserve;
 - (v) The entire credit amount arising from the Share Premium Reduction and Capital Reduction amounting to RMB3,819,341,000, be transferred to contributed surplus in the reserves in the financial statement of financial position of the Company to then set off the accumulated losses of the Company as at the effective date of the Capital Reorganisation of approximately RMB3,811,286,000.

Details of the Capital Reorganisation were set out in the Company’s announcements dated 14 December 2023, 27 December 2023, 19 February 2024 and 21 February 2024 and the Company’s circular dated 22 January 2024.

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 31 December 2024

16. CAPITAL, RESERVES AND DIVIDENDS (continued)

(a) Share capital (continued)

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 general meetings of the Company. All ordinary shares rank equally in regard to the Company's residual assets.

(b) Dividends

No interim dividend has been paid or proposed by the Company during the six months ended 31 December 2024 (six months ended 31 December 2023: Nil).

(c) 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 condensed 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.

17. TRADE AND OTHER PAYABLES

	31 December 2024 (unaudited) RMB'000	30 June 2024 (audited) RMB'000
Trade payables (Note (a))	735	1,895
Other payables and accruals (Note (b))	3,702	2,661
Accrued staff costs	1,556	799
	<u>5,993</u>	<u>5,355</u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 31 December 2024

17. TRADE AND OTHER PAYABLES (continued)

Notes:

- (a) The average credit period granted by suppliers was 30 days.

Ageing analysis of trade payables by invoice date is shown as follows:

	31 December 2024 (unaudited) RMB'000	30 June 2024 (audited) RMB'000
Within 3 months	556	1,793
Over 3 months but within 1 year	124	14
Over 1 year	55	88
	<u>735</u>	<u>1,895</u>

- (b) At 31 December 2024, other payables and accruals mainly comprise of accrued legal and professional fees of approximately RMB1,497,000 (30 June 2024: RMB1,721,000). The balances of other payables and accruals are expected to be settled within one year or are repayable on demand.

18. BANK BORROWINGS

As at 30 June 2024, the bank borrowings amounting to RMB4,676,000 were secured by certain prepayments to the supplier which amounted to approximately RMB13,260,000, the remaining balance of approximately RMB6,300,000 is secured by a director of a wholly owned subsidiary. These bank borrowings carried at fixed interest rates ranging from 4.50% to 11.80% per annum and the bank borrowings amounted to approximately RMB5,976,000 are repayable by monthly instalments up to the period between December 2024 and May 2026, and the remaining portion amounted to approximately RMB5,000,000 is repayable on maturity date in October 2024.

During the six months ended 31 December 2024, the Group obtained secured bank loans amounting to approximately RMB7,130,000, of which RMB2,130,000 were directly deposited to the suppliers by the banks.

Included in the balance of the bank borrowings as at 31 December 2024, approximately RMB3,312,000 were secured by certain prepayments to the suppliers which amounted to approximately RMB16,134,000 (note 15), whilst approximately RMB5,000,000 were secured by a director of a wholly owned subsidiary. The bank borrowings carried at fixed interest rates ranging from 4.60% to 11.80% per annum and the bank borrowings amounted to approximately RMB4,075,000 are repayable by monthly instalments up to the period between September 2025 and September 2026, and the remaining portion amounted to approximately RMB5,000,000 is repayable on maturity date in April 2025.

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 31 December 2024

19. OTHER BORROWINGS

During the year ended 30 June 2024, the Group has obtained a facility from a licensed money lender in the PRC amounting to RMB1,000,000. At 30 June 2024, the facility has been fully utilised of which the outstanding balance amounting to RMB1,000,000 bears interest of 5.9% per annum, repayable on 23 September 2024 is secured by prepayment to a supplier amounted to RMB11,719,000 (note 15) and was directly deposited to the suppliers by the licensed money lender.

During the period ended 31 December 2024, the Group has obtained a facility from a licensed money lender in the PRC amounting to RMB1,000,000 and a facility from a corporation possessing Financial Permit granted by PRC authority amounting to RMB360,000, which were directly deposited to a supplier's account. As at 31 December 2024, the outstanding balance of these facilities amounting to approximately RMB1,343,000 bears interest in the range of 6.18% to 7.56% per annum, repayable by monthly instalments up to the period between September 2025 and August 2026 and secured by prepayment to a supplier amounted to approximately RMB6,511,000 (note 15), whilst the remaining balance of other borrowings amounted to approximately RMB780,000 related to factoring loan advanced and deposited directly to suppliers' account, charging at a interest rate of 9% per annum and being secured by the goods to be supplied by these suppliers under the factoring loan agreements.

20. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the condensed consolidated financial statements, the Group had the following material transactions with related parties during the period:

(a) Office accommodation arrangement

Office accommodation charges disclosed in note 6(c) included a sum of approximately RMB913,000 (six months ended 31 December 2023: RMB1,334,000) in respect of a short-term arrangement for the provision of office accommodation and related facilities by a company of which is controlled by Mr. Kung and Mr. Kung and Mr. James Francis Bittl are the directors of the company.

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 31 December 2024

20. RELATED PARTY TRANSACTIONS (continued)

(b) Compensation of key management personnel

	Six months ended 31 December 2024 (unaudited) RMB'000	2023 (unaudited) RMB'000
Short-term employee benefits	927	855
Contributions to defined contribution retirement plans	8	8
	<u>935</u>	<u>863</u>

21. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current period's presentation.

22. EVENTS AFTER THE REPORTING PERIOD

On 10 January 2025, an indirect wholly-owned subsidiary of the Company, namely Asian Citrus (H.K.) Company Limited (the "**Lender**"), entered in the supplemental loan agreement (the "**Supplemental Loan Agreement**") with Mr. Chen Wensheng (the "**Borrower**") and Mr. Kung Chak Ming (the "**Guarantor**"), pursuant to the Supplemental Loan Agreement the parties agreed to extend the maturity date of the loan (the "**Loan**"), in the principal amount of HK\$3,000,000 (equivalent to approximately RMB2,832,000) being granted to the Borrower from 28 December 2023 to 27 December 2024 at an interest rate of 8% per annum, and the Guarantor agreed to provide a personal guarantee in favour of the Lender as security for the Loan, to 26 December 2025, with effect from 27 December 2024.

For details, please refer to the Company's announcement dated 10 January 2025 and supplemental announcement dated 13 March 2025.

OTHER INFORMATION

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

As at 31 December 2024, 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 (the “SFO”), which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix C3 to the Listing Rules, were as follows:

Name of Director/ Chief Executive	Class of shares	Capacity/Nature of Interest	Number of Shares	Approximate percentage of the Company's total issued share capital	Long position/ Short position/ Lending pool
Ms. Li Ziying	Ordinary shares	Interest of spouse	4,449,485	29.86%	Long position

Note: Ms. Li Ziying is the spouse of Mr. Kung Chak Ming, Ms. Li Ziying is therefore deemed to be interested in all the shares in which Mr. Kung Chak Ming is interested under the SFO, which is 4,449,485 shares.

Save as disclosed above, none of the Directors, the Chief Executive of the Company or their respective associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (as defined in Part XV of SFO) as at 31 December 2024 as recorded in the register to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2024, so far as is known to the Directors, the substantial shareholders and persons or companies (other than the Directors and the Chief Executives of the Company) who/which had an interest or short position in the shares or underlying shares of the Company, which would fall to be disclosed under the provision of Division 2 and 3 of Part XV of the SFO, or which would be required, to be entered in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:

Name	Capacity/ Nature of interests	Number of shares held	Approximate percentage of interest in the issued shares of the Company
Mr. Kung Chak Ming	Beneficial owner/Personal	4,449,485	29.86%
Mr. Xu Guodian	Beneficial owner/Personal	1,381,215	9.27%
Changjiang Tyling Management Company Limited ("Changjiang Tyling") (Note 1)	Beneficial owner/Corporate	896,261	6.01%
Mr. Ng Ong Nee (Note 1)	Interest in a controlled corporation	896,261	6.01%

Note:

- (1) Changjiang Tyling is 50% owned by Mr. Ng Ong Nee (who is the former Chairman, Executive Director and Chief Executive Officer of the Company) and 50% owned by a third party independent to the Company and its connected persons. Mr. Ng Ong Nee (who is also a director of Changjiang Tyling) is deemed to be interested in 896,261 shares held by Changjiang Tyling by virtue of the SFO.

Save as disclosed above, the Directors are not aware of any other persons or corporations (other than the Directors and the Chief Executives of the Company) who/which had interests or short positions in the shares or underlying shares of the Company, which would fall to be disclosed under the provision of Division 2 and 3 of Part XV of the SFO or were required to be entered in the register required to be kept by the Company under section 336 of the SFO.

OTHER INFORMATION

SHARE OPTION SCHEME

The Company has adopted a new share option scheme at the annual general meeting of the Company held on 30 December 2020 (the **"2020 Share Option Scheme"**), which is valid and effective for a period of 10 years commencing on 30 December 2020.

The 2020 Share Option Scheme enables the Company to grant options to eligible participants to subscribe for shares in the Company as incentives and rewards for their contributions to the Group. The Board may, at its discretion, invite (i) any employee including executive directors (whether full time or part time) of the Company, any subsidiary or any invested entity; (ii) any non-executive director (including any independent non-executive director) of the Company, any subsidiary or any invested entity; (iii) any consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Company, any subsidiary or any invested entity, to take up options to subscribe for the shares in the Company.

The option period shall not expire later than 10 years from the date of grant of option. The vesting period shall not be less than 12 months except for employee participants who may be subject to a shorter vesting period under specific circumstances, for which an option must be held or a performance target which must be achieved before it can be exercised.

The total number of shares in respect of which options may be granted under the 2020 Share Option Scheme must not in aggregate exceed 124,963,788 shares, representing 10% of the shares in issue as at the date of adoption of the 2020 Share Option Scheme. A scheme mandate refreshment must be approved by the shareholders of the Company in general meeting. The total number of the shares issued and to be issued upon exercise of the options granted and to be granted to each grantee under the 2020 Share Option Scheme in any 12-month period must not exceed 1% of the shares in issue from time to time unless approval from the shareholders of the Company in general meeting is obtained with such grantee and his/her/its associates abstaining from voting. Options to a director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by the independent non-executive directors (excluding whom is the grantee) of the Company. Options to an independent non-executive director or a substantial shareholder of the Company or any of their respective associates in any 12-month period in aggregate over 0.1% of the relevant class of shares in issue must be approved by the shareholders of the Company in general meeting with such grantee and his/her/its associates and all core connected persons of the Company abstaining from voting in favour at such general meeting.

OTHER INFORMATION

The subscription price for the shares payable on the exercise of an option shall be a price determined by the Board and notified to each participant and will be at least the highest of (i) the closing price of the Company's shares on the Main Board as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a business day; (ii) the average closing price of the Company's shares on the Main Board as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's shares.

No share option was granted, cancelled or exercised or lapsed pursuant to the 2020 Share Option Scheme during the six months ended 31 December 2023 and none of the Directors nor the Chief Executives of the Company or their respective spouses or children under 18 years of age were granted or exercised any right to subscribe for any equity or debt securities of the Company or any of its associated corporations within the meaning of the SFO.

As at 31 December 2024, the total number of shares available for issue under the 2020 Share Option Scheme shall be 745,026, representing approximately 5% of the entire issued share capital of the Company and the Company had no outstanding share options under the 2020 Share Option Scheme.

USE OF PROCEEDS FROM THE COMPANY'S PLACING OF NEW SHARES UNDER SPECIFIC MANDATE

On 19 April 2021, the Company completed a placing of an aggregate of 1,250,000,000 placing shares at HK\$0.08 for each placing share to not less than six placees who and whose ultimate beneficial owner(s) are independent third parties pursuant to the terms and conditions of a placing agreement dated 19 January 2021 (the "**Placing**"). For further details, please refer to the Company's announcements dated 19 January 2021, 20 January 2021, 8 April 2021 and 19 April 2021 and the Company's circular dated 16 March 2021 ("**Transaction Circular**"). The net proceeds raised from the Placing, after deduction of all relevant expenses (including but not limited to placing fees, legal expenses and disbursements, and other expenses incidental to the Placing), were approximately HK\$94.7 million (the "**Net Proceeds**").

As set out in the Transaction Circular, the Net Proceeds were intended to be used for the following purposes:

- (i) approximately HK\$68.4 million would be used for the financing of the consideration ("**Consideration**") in respect of the acquisition of the land and properties (the "**Land and Properties**");
- (ii) approximately HK\$11.0 million would be used for the refurbishment of the Land and Properties; and
- (iii) approximately HK\$15.3 million would be used for the working capital of the Group for daily operations.

OTHER INFORMATION

As at 30 June 2023, the Company had utilised approximately HK\$83.7 million of the Net Proceeds for the financing the Consideration in respect of the acquisition of the Land and Properties and for the Group's working capital for daily operations and approximately HK\$11.0 million remained unutilised.

Pursuant to the Company's announcement dated 5 January 2024 in relation to the change in use of proceeds from Placing, in light of the Group's business environment, operation needs, business segments and their future prospects, the Board has resolved that it would be in the best interest of the Company and the shareholders to reallocate the unutilised net proceeds of HK\$11.0 million which was originally allocated for the refurbishment of the Land and Properties to (i) HK\$2 million for the potential refurbishment of the Land and Properties; (ii) HK\$5 million towards the Plantation Business for passion fruits, mainly including cost for labour, fertilisers and seedlings; and (iii) HK\$4 million for the working capital of the Group for daily operations. The unutilised Net Proceeds are expected to be utilised by 30 June 2025.

An analysis of the utilisation of the Net Proceeds as at 31 December 2024 and the change in the use of the unutilised Net Proceeds is set out as below:

	Planned use of the Net Proceeds as disclosed in the Transaction Circular HK\$'000	Actual use of the Net Proceeds from the date of completion of the Placing up to 30 June 2023 HK\$'000	Unutilised Net Proceeds as at 30 June 2023 HK\$'000	Reallocation of the unutilised Net Proceeds on 5 January 2024 HK\$'000	Actual utilised amount as at 31 December 2024 HK\$'000	Unutilised amount as at 31 December 2024 HK\$'000	Expected timeline
Financing of the Consideration	68,400 (72.2%)	68,400 (72.2%)	– (0.0%)	– (0.0%)	– (0.0%)	– (0.0%)	N/A
Refurbishment of the Land and Properties	11,000 (11.6%)	– (0.0%)	11,000 (11.6%)	2,000 (2.1%)	– (0.0%)	2,000 (2.1%)	30 June 2025
Plantation Business	N/A	N/A	N/A	5,000 (5.3%)	2,266 (2.4%)	2,734 (2.9%)	30 June 2025
Working capital of the Group for daily operations	15,300 (16.2%)	15,300 (16.2%)	– (0.0%)	4,000 (4.2%)	4,000 (4.2%)	– (0.0%)	N/A
Total	94,700 (100%)	83,700 (88.4%)	11,000 (11.6%)	11,000 (11.6%)	6,266 (6.6%)	4,734 (5.0%)	

OTHER INFORMATION

RIGHTS ISSUE AND USE OF THE NET PROCEEDS

On 11 September 2023, the Company announced that the Board proposed to implement the rights issue on the basis of one (1) rights share for every two (2) existing Shares in issue at the subscription price of HK\$0.035 per rights share, to raise up to approximately HK\$43.7 million before expenses by way of issuing up to 1,249,818,942 rights shares.

On 7 November 2023, the Company completed the Rights Issue and issued 480,467,975 rights shares. The net proceeds from the Rights Issue was approximately HK\$15.5 million ("**Net Proceeds From Rights Issue**").

Further details of the Rights Issue were set out in the Company's announcements dated 11 September 2023, 25 September 2023 and 6 November 2023, together with the Company's prospectus dated 13 October 2023 (collectively "**Rights Issue Documents**").

Pursuant to the Company's announcement dated 2 January 2025 ("**Announcement**"), the Group has utilised approximately HK\$13.9 million of the Net Proceeds From Rights Issue and the Board resolved to change the use of unutilised portion amounted to approximately HK\$1.6 million (the "**Unutilised Net Proceeds From Rights Issue**").

The following table sets out the utilisation of the Net Proceeds From Rights Issue, the change in use of the Unutilised Net Proceeds From Rights Issue, and the expected timeline for utilising the remaining Unutilised Net Proceeds From Rights Issue:

	Intended use of Net Proceeds From Rights Issue as disclosed in the Rights Issue Documents HK\$'000	Utilised Net Proceeds From Rights Issue as at the date of the Announcement HK\$'000	Unutilised Net Proceeds From Rights Issue as at the date of the Announcement HK\$'000	Reallocation of the Unutilised Net Proceeds From Rights Issue HK\$'000	Expected timeline
Expansion and development of the Air-conditioners Distribution Business					
(a) Purchase of inventories	7,130 (46.0%)	7,130 (46.0%)	– N/A	– N/A	N/A
(b) Rental cost of warehouse in Shenzhen	728.5 (4.7%)	728.5 (4.7%)	– N/A	– N/A	N/A
(c) Staff costs of additional headcounts	1,612 (10.4%)	– (0.0%)	1,612 (10.4%)	– N/A	N/A
(d) Repayment of bank borrowings	1,379.5 (8.9%)	1,379.5 (8.9%)	– N/A	– N/A	N/A
Financing any investment opportunities	3,100 (20.0%)	3,100 (20.0%)	– N/A	– N/A	N/A
General working capital	1,550 (10.0%)	1,550 (10.0%)	– N/A	1,612 (10.4%)	30 June 2025
Total	15,500 (100%)	13,888 (89.6%)	1,612 (10.4%)	1,612 (10.4%)	

OTHER INFORMATION

PURCHASE, SALE OF REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company did not redeem any of its listed securities, nor did the Company or any of its subsidiaries purchase or sell of any of such listed securities during the six months ended 31 December 2024.

CORPORATE GOVERNANCE CODE

During the six months ended 31 December 2024, the Directors, where practicable, sought to adopt the Corporate Governance Code (the **"CG Code"**) contained in Appendix C1 to the Listing Rules.

The Company has complied with all the Code Provisions of the CG Code.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the **"Model Code"**) as set out in Appendix C3 to the Listing Rules as its own code of conduct for dealings in its securities. Following a specific enquiry made to all Directors by the Company, each of them has confirmed that he/she had fully complied with the required standard as set out in the Model Code throughout the six months ended 31 December 2024.

CHANGES IN THE COMPOSITION OF THE BOARD

Change in the composition of the Board during the six months ended 31 December 2024 and up to the date of this report are as follows:

- (i) Ms. Liu Jie retired as an independent non-executive Director, effective from the conclusion of the annual general meeting of the Company held on 30 December 2024.
- (ii) Mr. Zhuang Canbin was appointed as an independent non-executive Director with effect from 30 December 2024.

OTHER INFORMATION

REVIEW OF FINANCIAL STATEMENTS

The audit committee of the Board (the “**Audit Committee**”) comprises three independent non-executive Directors as members, Mr. Liu Ruiqiang, Mr. Wang Tianshi and Mr. Zhuang Canbin, and Mr. Liu Ruiqiang was the chairman of the committee.

The Audit Committee has the primary responsibility for reviewing the effectiveness of the Company’s financial control, internal control and risk management systems and ensuring that the financial performance of the Company is properly measured and reported on, receiving and reviewing reports from management relating to the interim financial statements, and monitoring the accounting, internal control and risk management systems in use throughout the Group.

The Audit Committee has reviewed with the management regarding the accounting principles and practices adopted by the Group and discussed the financial reporting matters, including the review of the Group’s unaudited consolidated financial statements and interim report for the six months ended 31 December 2024.

PUBLICATION OF INTERIM REPORT

The interim report of the Company containing all the information required by the Listing Rules will be made available on the respective websites of the Company (www.asian-citrus.com) under the investor relations section and Stock Exchange (www.hkex.com.hk) in due course and dispatched to the shareholders, upon request.

By Order of the Board
Asian Citrus Holdings Limited
Li Ziyang
Chairman

Hong Kong, 28 February 2025

COMPANY INFORMATION

DIRECTORS

Executive Director

Ms. LI Ziying (*Chairman*)

Non-executive Director

Mr. James Francis BITTL

Independent Non-executive Directors

Mr. LIU Ruiqiang

Mr. WANG Tianshi

Ms. LIU Jie (*retired on 30 December 2024*)

Mr. ZHUANG Canbin

(*appointed on 30 December 2024*)

COMPANY SECRETARY

Mr. TSE Chi Hong

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 2510, 25/F,
Arion Commercial Centre,
2–12 Queen's Road West,
Sheung Wan, Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton
Bermuda HM11

AUDITOR

Moore CPA Limited
Registered Public Interest Entity Auditor
1001–1010, North Tower
World Finance Centre
Harbour City, 19 Canton Road
Tsimshatsui, Kowloon
Hong Kong

BERMUDA AND BVI LEGAL ADVISER

Conyers Dill & Pearman
2901 One Exchange Square
8 Connaught Place
Central, Hong Kong

JERSEY SHARE REGISTRAR

Computershare Investor Services (Jersey) Limited
Computershare Channel Islands
13 Castle Street
St. Helier, Jersey CI, JE1 1ES

BERMUDA SHARE REGISTRAR

Appleby Global Corporate Services (Bermuda) Limited
Canon's Court, 22 Victoria Street
PO Box HM 1179, Hamilton HM EX
Bermuda

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

STOCK CODE

The Stock Exchange of Hong Kong Limited: 73

WEBSITE

www.asian-citrus.com