



CHINA HEALTH

China Health Technology Group Holding Company Limited

中國健康科技集團控股有限公司

*(Incorporated in the Cayman Islands with limited liability and formerly known as
China Bozza Development Holdings Limited 中國寶沙發展控股有限公司)*

(Stock code: 1069)

2024

INTERIM REPORT



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Corporate Information

DIRECTORS

Executive Directors

Professor Fei Phillip (*Chairman*)
Mr. Wang Yibin

Independent non-executive Directors

Mr. Guo Zhonglong
Mr. Chau Wing Nam
Ms. Bu Xue

AUDIT COMMITTEE

Mr. Chau Wing Nam (*Chairman*)
Mr. Guo Zhonglong
Ms. Bu Xue

REMUNERATION COMMITTEE

Mr. Chau Wing Nam (*Chairman*)
Mr. Guo Zhonglong
Ms. Bu Xue

NOMINATION COMMITTEE

Mr. Guo Zhonglong (*Chairman*)
Mr. Wang Yibin
Ms. Bu Xue

COMPANY SECRETARY

Mr. Chan Ngai Fan

AUTHORISED REPRESENTATIVES

Professor Fei Phillip
Mr. Chan Ngai Fan

INDEPENDENT AUDITORS

Jon Gepsom CPA Limited
Certified Public Accountants

REGISTERED OFFICE

PO Box 1350
Windward 3 Regatta Office Park
Grand Cayman
KY1-1108
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 12, 12/F., Tower A
New Mandarin Plaza
No. 14 Science Museum Road
Tsim Sha Tsui, Kowloon
Hong Kong

HEAD OFFICE IN THE PEOPLE'S REPUBLIC OF CHINA

Room 4101, Phase II Jingji Binhe Shidai
Tower North,
Binhe Road South, Futian District,
Shenzhen, China

CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited
PO Box 1350
Clifton House
75 Fort Street
Grand Cayman
KY1-1108
Cayman Islands

Corporate Information

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKER

China Construction Bank (Asia)
Corporation Limited
11/F, Devon House
979 King's Road
Quarry Bay, Hong Kong

COMPANY WEBSITE

www.01069.com.cn

STOCK CODE

01069

Management Discussion and Analysis

The board (the “**Board**”) of directors (the “**Director(s)**”) of China Health Technology Group Holding Company Limited (the “**Company**”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 31 December 2024 (the “**Reporting Period**”) together with the comparative figures for the six months ended 31 December 2023 (the “**Previous Period**”) as set out below:

BUSINESS AND OPERATIONAL REVIEW

The Group is principally engaged in the businesses of (a) forestry management; (b) ginseng business; and (c) health products business.

Forestry Management Business

The Group has been engaging in the forestry management business since 2013. Revenue generated from the Group’s forestry management business is mainly derived from sales of timber logs which are harvested from the Group’s forests. The Group recognises revenue from timber log sales when control of the relevant goods is transferred to the customers.

As at the date of this report, all of the forest lands owned by the Group are located in the Sichuan Province in the PRC.

The table below sets forth all forest land owned by the Group:

Name	Location	Size	Type of timber
Hengchang Forests	Muma Town, Jiange County of Sichuan Province	21,045 Chinese Mu (equivalent to 1,403 hectares)	Cypress
Kunlin Forests	Zhengxing Town, Jiange County of Sichuan Province	9,623 Chinese Mu (equivalent to 642 hectares)	Cypress
Senbo Forests	Yixing Town, Jiange County of Sichuan Province	13,219 Chinese Mu (equivalent to 881 hectares)	Cypress
Ruixiang Forests	Longyuuanzhen, Houshixiang and Dianzixiang Town, Jiange County of Sichuan Province	30,653 Chinese Mu (equivalent to 2,044 hectares)	Cypress
Wantai Forests	Kaifeng Town, Yingshui Village, Guangping Village, and Zheba Village, Jiange County of Sichuan Province	42,814 Chinese Mu (equivalent to 2,854 hectares)	Cypress

Management Discussion and Analysis

In December 2024, the Group successfully obtained the logging permits for the calendar year of 2024 with logging quantity of 8,547 cubic meters in aggregate. During the Reporting Period, the Group has completed the sales of logging quantity of approximately 8,547 cubic meters and has generated logging revenue of approximately RMB11,560,000.

Ginseng Business

To fully utilise the woodland of the Group and to maximise shareholders' return, the Group has begun the plantation of ginseng in the Group's existing forests and has commenced the trading of ginseng in August 2022.

During the year ended 30 June 2023, the Group has entered into a legally-binding ginseng planting framework agreement with an independent third party supplier (the **"Supplier"**) for the plantation of ginseng on the Senbo Forest. Pursuant to the said framework agreement, the Supplier will be responsible for, among others, the supply of ginseng seeds and culture medium, and provision of technical support and maintenance services (including fertilisation, weeding, insecticide and soil preparation) to the Group for a period of 10 years.

In December 2022, the Group has completed the first phrase of ginseng seeding according to its ginseng plantation plan of approximately 6 million pieces on the designated 59 Chinese Mu forest land in the Senbo Forest, which are expected to be sold in batches within 5 years. During the Reporting Period, the Group recorded the revenue in sales of self-grown ginseng of approximately RMB5.38 million (Previous Period: RMB2.56 million).

As it will take time for the Group to self-grow its inventory of aged ginseng, as well as to capture the market share and develop its customer base in the ginseng industry in the PRC, the Group has also commenced the ginseng trading business in August 2022 by purchasing aged ginseng. The Group has also entered into a long-term supply framework agreement with the Supplier to ensure the stable supply of aged ginseng. Hence, revenue currently generated from the ginseng business is derived from the sale of ginseng that are purchased from the Supplier. During the Reporting Period, the Group has recorded revenue of approximately RMB16.15 million from the ginseng business, including approximately RMB10.77 million derived from the sale of ginseng purchased from suppliers and approximately RMB5.38 million from its self-grown ginseng.

Management Discussion and Analysis

Health Products Business

The Group commenced its business in manufacturing and trading of health products since November 2024 and has opened a 150-square-foot store in Hong Kong. The store is currently selling ginseng gift boxes under our own brand name and other health products. The ginseng are sourced from outside suppliers and processed and packaged by a third-party factory.

The Group plans to produce ginseng gift boxes using our self-grown ginseng in the first half of 2025, which will be processed and packaged through a third-party factory according to our quality standards and formulations. We will create exquisite gift boxes under our brand to sell in the retail market. In addition to producing our own brand, we will also introduce other brands for sale in the store.

The Group aims to provide customers with high-quality health products and promote our business growth continuously. During the Reporting Period, the Group has recorded revenue of approximately RMB3.40 million from the health products retail and trading business.

Prospect

In respect of the forestry management business, In December 2024, the Group has obtained the logging permits for the calendar year of 2024 with logging quantity of 8,547 cubic meters in aggregate, which is higher than the logging quantity obtained last year.

In respect of the ginseng business, to reduce reliance on the Supplier, the Group intends to gradually decrease the purchases of aged ginseng from the Supplier when it has self-grown sufficient inventory of aged ginseng. Currently, the Group is in the process of actively cultivating the first phase of ginseng. Upon successful cultivation, the Group could breed the ginseng using its own ginseng seeds through seed cultivation method. The Group will harvest and apply the seeds from the fruit of ginseng upon cultivation in order to achieve self-plantation. The ginseng plants from the plantation process shares the same genes as those supplied by the Supplier, therefore the quality of which is guaranteed. Nonetheless, the Group will conduct self-inspection from time to time and engages third-party laboratory for laboratory testing on an annual basis in order to ensure the quality of its ginseng and the nutrient content is able to meet the customer requirements.

The Group has commenced the manufacturing and trading of health products since November 2024. The business is currently focused in Hong Kong, the Group aims to expand its market into China in the future.

Management Discussion and Analysis

In June 2024, the Group has successfully planted the first batch of horny goat weed in its forest land owned by the Group. It is expected the horny goat weed will be sold to customers and generate revenue in the future.

FINANCIAL REVIEW

Revenue

During the Reporting Period, the Company recorded a revenue of approximately RMB31.1 million (Previous Period: approximately RMB19.0 million). The Group's revenue for the Reporting Period was attributable to the revenue from the forestry business, ginseng business and health products manufacturing and trading business of the Group.

Gross Profit

The Group recorded a gross profit of approximately RMB2.8 million for the Reporting Period (Previous Period: approximately RMB3.8 million).

Selling and Distribution Expenses

The selling and distribution expenses for the Reporting Period amounted to RMB148,000 (Previous Period: RMB623,000). The selling and distribution costs were mainly attributable to advertising expense.

Administrative Expenses

The administrative expenses increased appropriately 11.9% from approximately RMB8.4 million for the Previous Period to approximately RMB9.4 million for the Reporting Period. The increase in administrative expenses was mainly attributable to legal and professional fee and depreciation charge.

Other Gains

For the Reporting Period, the Group recorded approximately RMB13.1 million other gains (Previous Period: approximately RMB4.7 million). Other gains mainly consisted of net gain on change in fair value less costs to sell of plantation forest assets of approximately RMB11.6 million.

Finance Costs

For the Reporting Period, the Group recorded finance costs of RMB1.3 million (Previous Period: approximately RMB0.1 million). The increase in finance cost was attributable to the interest of the promissory note payable.

Management Discussion and Analysis

Profit and Total Comprehensive Income for the Period

The Company recorded a profit of approximately RMB5.0 million for the Reporting Period as compared to a profit of approximately RMB201.4 million for the Previous Period. The total comprehensive income attributable for the period was RMB6.4 million for the Reporting Period as compared to the total comprehensive income of approximately RMB207.9 million for the Previous Period.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its daily operations from internally generated cash flows and proceeds from restructuring. As at 31 December 2024, the Group had total assets of approximately RMB191.1 million and net assets of approximately RMB24.9 million. The Group's cash and bank balances as at 31 December 2024 amounted to approximately RMB2.7 million. As at 31 December 2024, there was no unutilised banking facilities (30 June 2024: nil).

PLEDGE ON ASSETS

As at 31 December 2024, there was no pledge of assets of the Group (30 June 2024: nil).

CONTINGENT LIABILITIES

Save as disclosed in this interim report, the Group did not have any significant contingent liabilities as at 31 December 2024.

FOREIGN EXCHANGE EXPOSURE AND RELATED HEDGES

The Group's transactions are mainly denominated in Hong Kong dollars and RMB. Therefore, the Group is exposed to exchange rate risk. The majority of the Group's cash and bank balances are also denominated in these two currencies. During the Reporting Period, the Group did not experience significant exposure to exchange rate and interest rate fluctuations. Accordingly, the Group has not implemented any foreign currency hedging policy at the moment. However, the management of the Group will constantly review the economic situation, development of each business segment and the overall foreign exchange risk profile, and will consider appropriate hedging measures in the future when necessary.

GEARING RATIO

The gearing ratio of the Group, which is calculated as total liabilities divided by total assets of the Group was approximately 87.0% as at 31 December 2024 (30 June 2024: 92.7%).

Management Discussion and Analysis

CAPITAL STRUCTURE

The share capital of the Company comprises only ordinary shares. As at 31 December 2024, the total number of the ordinary shares of the Company in issue was 859,242,204 shares (30 June 2024: 716,242,204 shares). The total equity attributable to owners of the Company was approximately RMB24.9 million (30 June 2024: approximately RMB13.0 million).

CAPITAL COMMITMENTS

The Group has no capital commitments as at 31 December 2024 (30 June 2024: nil).

SIGNIFICANT INVESTMENTS HELD AND MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

The Group had no material acquisitions or disposals during the Reporting Period and up to the date of this interim report.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group had no future plans for material investments or capital assets as at 31 December 2024.

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 4 September, the Company and Cheong Lee Securities Limited (the “**Placing Agent**”) entered into a placing agreement (the “**Placing Agreement**”), pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to an aggregate of 143,000,000 new shares of the Company (the “**Placing Share(s)**”), to not less than six placees who and whose beneficial owners are independent third parties at the placing price of HK\$0.043 per Placing Share subject to the terms and conditions of the Placing Agreement (the “**Placing**”).

The placing price of HK\$0.043 (the “**Pricing Price**”) represents: (i) a discount of approximately 15.69% to the closing price of HK\$0.051 per share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 19.78% to the average closing price per Share of approximately HK\$0.0536 as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement. The Placing Price was determined after arm’s length negotiation between the Company and the Placing Agent with reference to the prevailing market price of the Shares and the financial condition of the Group.

The Directors consider that the Placing will provide a good opportunity to raise further capital for the Company whilst broadening its shareholder base and capital base.

Management Discussion and Analysis

On 25 September 2024, the Company completed the Placing to allot and issue the Placing Shares at HK\$0.043 each in accordance with the terms and conditions of the Placing Agreement. The net proceeds from the Placing were approximately HK\$5.85 million. As at 31 December 2024, the Company has fully utilised the following amount according to the use of proceeds as disclosed in the announcement of the Company dated 4 September 2024:

**31 December
2024**

HKD'000

Net proceeds from the Placing	5,850
Less: Utilised for the general working capital of the Group	5,850
Unutilised proceeds	–

There are no unutilised proceeds as at the date of this interim report.

Details of the Placing were disclosed in the announcements of the Company dated 4 September 2024 and 10 September 2024.

The total issued shares of the Company as at 31 December 2024 were 859,242,204 shares.

EVENTS AFTER REPORTING PERIOD

Save for disclosed in this interim report, there was no material event which could have material impact to the Group's operating and financial performance after the Reporting Period and up to the date of this announcement.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2024, the Group had a total of 27 employees and management personnel as compared to 27 employees and management personnel as at 31 December 2023. Total staff costs for the Reporting Period, including Directors' remuneration, amounted to approximately RMB1.4 million (Previous Period: RMB1.9 million). The Group's remuneration policy is in line with the prevailing market standards and is determined on the basis of performance and experience of individual employee. Other employee benefits include contributions to social insurance scheme.

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Reporting Period (Previous Period: nil).

Other Information and Corporate Governance

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

As at 31 December 2024, to the best knowledge of the Directors, the following persons had, or were deemed or taken to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the “SFO”), or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name	Capacity	Long position/ Short position	Number of ordinary shares	Number of ordinary shares ⁽¹⁾
Zhonggangtong International Holding Group Co., Limited	Beneficial Owner	Long position	70,368,000 ⁽²⁾	8.19%
Ms. Huang Hou	Interest in a controlled corporation	Long position	70,368,000 ⁽²⁾	8.19%

Notes:

1. The relevant percentage is calculated by reference to the Shares in issue on 31 December 2024 i.e. 859,242,204 shares.
2. Zhonggangtong International Holding Group Co., Limited is wholly owned by Ms. Huang Hou. Accordingly, Ms. Huang Hou is deemed, or taken to be, interested in all the Shares held by Zhonggangtong International Holding Group Co., Limited for the purpose of the SFO.

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2024, none of the Directors or the chief executive of the Company had or was deemed to have any interests or short position in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which had been recorded in the register maintained by the Company pursuant to section 352 of the SFO or which had been notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules.

Other Information and Corporate Governance

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed shares of the Company (including treasury shares (as defined in the Listing Rules, if any) during the Reporting Period.

COMPETING INTEREST

During the Reporting Period, the Directors were not aware of any business or interest of the Directors or any substantial shareholder (as defined under the Listing Rules) of the Company and their respective associates that had competed or might compete with the business of the Group and any other conflicts of interests which any such person had or might have with the Group.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save for the service contracts and letters of appointment entered into with the respective Directors, no contract of significance to which the Company or any of its subsidiaries was a party and in which a director had a material interest, whether directly or indirectly, subsisted at the end of the Reporting Period or any time during the Reporting Period.

OTHER CHANGES IN DIRECTORS' INFORMATION

There are no changes in Directors' information of the Company subsequent to the publication of the 2024 annual report and no other information in respect of Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Other Information and Corporate Governance

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICE

The Company has adopted all the code provisions (the “**Code Provisions**”) contained in the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules as the Company’s code on corporate governance. The Board shall review and update its code of corporate governance from time to time to ensure its continuous compliance with the CG Code. Throughout the Reporting Period, in the opinion of the Board, the Company complied with all the Code Provisions contained in the CG Code and, where appropriate, adopted the Recommended Best Practices set out in the CG Code, with the exceptions of Code Provisions C.1.8 and D.1.2 as addressed below:

1. Under Code Provision C.1.8, the Company should arrange appropriate insurance cover in respect of any legal action against its Directors and officers. As at 31 December 2024, the Company has not arranged to purchase any Directors and Officers’ Liability Insurance, which covers in respect of legal action against the Directors, as the Directors take the view that the Company shall provide support to the Directors in any events arising from corporate activities;
2. Under Code Provision D.1.2, the management should provide all members of the Board with monthly updates giving a balanced and understandable assessment of the Company’s performance, position and prospects in sufficient detail to enable the Board as a whole and each director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules. Although the management of the Company did not provide a regular monthly update to the members of the Board, the management provides information and updates to the members of the Board from time to time, which the Directors consider to be sufficient and appropriate in the circumstances to enable them to form a balanced and understandable assessment of the Company’s performance and to discharge their duties.

The Company periodically reviews its corporate governance practices to ensure they continue to meet the requirements of the Code Provisions contained in the CG Code.

Other Information and Corporate Governance

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Appendix C3 – Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules. Having made specific enquiry with all the Directors, the Company confirmed that all the Directors have complied with the code of conduct and the required standard of dealings concerning securities transactions by the Directors for the Reporting Period.

AUDIT COMMITTEE

The Company has established the audit committee (the “**Audit Committee**”) in accordance with the requirements of the Code Provisions as set out in Appendix C1 of the Listing Rules. As at the date of this announcement, the Audit Committee has three members comprising our three independent non-executive Directors, namely Mr. Chau Wing Nam, Mr. Guo Zhonglong and Ms. Bu Xue. Mr. Chau Wing Nam has been appointed as the chairman of the Audit Committee.

The Audit Committee focuses not only on the impact of the changes in accounting policies and practices but also on the compliance with accounting standards, the Listing Rules and the legal requirements in the review of the Company's interim and annual reports.

The Group's unaudited interim financial statements for the Reporting Period have been reviewed by the Audit Committee.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, the Company has maintained the prescribed public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

By order of the Board
China Health Technology Group Holding Company Limited
Professor Fei Phillip
Chairman and Executive Director

Hong Kong, 28 February 2025

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 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
	Notes		
Revenue	4	31,112	19,020
Cost of sales		(28,335)	(15,262)
Gross profit		2,777	3,758
Investment and other income	6	2	3
Other gains	7	13,140	4,726
Selling and distribution expenses		(148)	(623)
Administrative expenses		(9,392)	(8,414)
Finance costs	8	(1,337)	(51)
Gain on debt restructuring	9	–	202,024
Profit before tax	10	5,042	201,423
Income tax expense	11	(64)	(2)
Profit for the period		4,978	201,421
OTHER COMPREHENSIVE INCOME			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translation of financial statements of foreign operations		1,375	6,448
Other comprehensive income for the period		1,375	6,448
Total comprehensive income for the period		6,353	207,869
		RMB Cents	RMB Cents
Profit per share	13		
Basic		0.63	32.11
Diluted		N/A	N/A

Condensed Consolidated Statement of Financial Position

As at 31 December 2024

		31 December 2024 (Unaudited) RMB'000	30 June 2024 (Audited) RMB'000
	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment	14	1,094	1,267
Right-of-use asset	15	39,583	42,275
Plantation forest assets	16	50,670	50,670
Plantation ginseng assets	17	32,995	29,400
Plantation horny goat weed assets	18	13,386	7,232
		137,728	130,844
CURRENT ASSETS			
Inventories		3,600	1,309
Trade and other receivables	19	23,594	18,530
Deposits and prepayments		23,487	24,253
Bank balances and cash		2,676	3,230
		53,357	47,322
CURRENT LIABILITIES			
Trade and other payables	20	26,924	16,304
Contract liabilities		22,468	28,209
Lease liabilities		2,375	3,225
Income tax payable		1,589	1,577
		53,356	49,315
NET CURRENT ASSETS/(CURRENT LIABILITIES)			
		1	(1,993)
TOTAL ASSETS LESS CURRENT LIABILITIES			
		137,729	128,851

Condensed Consolidated Statement of Financial Position

As at 31 December 2024

	Notes	31 December 2024 (Unaudited) RMB'000	30 June 2024 (Audited) RMB'000
NON-CURRENT LIABILITIES			
Promissory notes payable	21	112,860	115,153
Lease liabilities		–	735
		112,860	115,888
NET ASSETS			
		24,869	12,963
Capital and reserves			
Share capital	22	7,856	6,564
Reserves		17,013	6,399
Total equity		24,869	12,963

Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 December 2024

	Attributable to owners of the Company					
	Share capital RMB'000	Share premium RMB'000	Translation reserve RMB'000	Other reserves RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 July 2023 (audited)	19,016	807,536	419	18,038	(1,161,717)	(316,708)
Profit for the period	-	-	-	-	201,421	201,421
Other comprehensive income for the period	-	-	6,448	-	-	6,448
Total comprehensive income for the period	-	-	6,448	-	201,421	207,869
Share restructure	(18,008)	(807,536)	-	825,544	-	-
Placement of new share	5,556	120,066	-	-	-	125,622
At 31 December 2023 (unaudited)*	6,564	120,066	6,867	843,582	(960,296)	16,783
Loss for the period	-	-	-	-	(1,408)	(1,408)
Other comprehensive expenses for the period	-	-	(2,412)	-	-	(2,412)
Total comprehensive expenses for the period	-	-	(2,412)	-	(1,408)	(3,820)
At 30 June 2024 and 1 July 2024 (audited)	6,564	120,066	4,455	843,582	(961,704)	12,963
Profit for the period	-	-	-	-	4,978	4,978
Other comprehensive income for the period	-	-	1,375	-	-	1,375
Total comprehensive income for the period	-	-	1,375	-	4,978	6,353
Issue of shares	1,292	4,261	-	-	-	5,553
At 31 December 2024 (unaudited)	7,856	124,327	5,830	843,582	(956,726)	24,869

* The figures have been adjusted to conform to current period presentation.

Condensed Consolidated Statement of Cash Flows

For the six months ended 31 December 2024

	Six months ended 31 December 2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Net cash generated from operating activities	1,769	3,293
Net cash used in investing activities	(6,154)	(6,108)
Net cash generated from financing activities	3,831	—
Net decrease in cash and cash equivalents	(554)	(2,815)
Cash and cash equivalents at beginning of the period	3,230	4,327
Cash and cash equivalents at end of the period, represented by bank balances and cash	2,676	1,512

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 31 December 2024

1. GENERAL INFORMATION

China Health Technology Group Holding Company Limited is a public limited company incorporated in the Cayman Islands and its shares are listed on the Main Board of the Stock Exchange.

The Group is principally engaged in forestry management, ginseng plantation and trading, horny goat weed plantation and trading, health products manufacturing and trading and investment holding.

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the **"functional currency"**). The consolidated financial statements are presented in Renminbi (**"RMB"**), which is also the functional currency of the Company.

The condensed consolidated interim financial statements are unaudited but have been reviewed by the Audit Committee.

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements and selected explanatory notes have been prepared in accordance with Hong Kong Accounting Standard 34 (**"HKAS 34"**) "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (**"HKICPA"**) as well as the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (**"Listing Rules"**).

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated interim financial statements for the six months ended 31 December 2024 are the same as those presented in the Group's consolidated financial statements for the year ended 30 June 2024.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 31 December 2024

2. BASIS OF PREPARATION (CONTINUED)

Going concern basis

The directors of the Company have, at the time of approving the condensed consolidated interim financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated interim financial statements have been prepared on the historical cost basis, except for plantation forest assets, which are measured at fair value. Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated interim financial statements for the six months ended 31 December 2024 are the same as those presented in the Group’s audited consolidated financial statements for the year ended 30 June 2024.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual periods beginning on or after 1 July 2024 for the preparation of the Group’s condensed consolidated interim financial statements:

HKAS 1	Classification of Liabilities as Current or Non-current (amendments)
HKAS 1	Non-current Liabilities with Covenants (amendments)
HKFRS 16	Lease Liability in a Sale and Leaseback (amendments)
HK Int 5 (Revised)	Hong Kong Interpretation 5 (Revised) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (amendments)
HKAS 7 and HKFRS 7	Supplier Finance Arrangements (amendments)

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

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 31 December 2024

4. REVENUE

An analysis of the Group's revenue is as follows:

	Six months ended 31 December 2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Revenue from sales of goods	31,112	19,020
Total revenue	31,112	19,020

Revenue from sales of goods is recognised at point in time when the control of the goods are transferred to customers.

5. SEGMENT INFORMATION

Information reported to the chairman of the Board (being the chief executive decision maker) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods and services delivered.

The Group's reportable operating segments are analysed as follows:

- (i) Forestry Business – plantation, logging and sale of timber related products;
- (ii) Ginseng Business – ginseng plantation and trading of related products;
- (iii) Horny Goat Weed Business – horny goat weed plantation and trading of related products; and
- (iv) Health Products Business – manufacturing and trading of health products.

Information regarding the above segments for the six months ended 31 December 2024 and 2023 respectively is presented below.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 31 December 2024

5. SEGMENT INFORMATION (Continued)

Segment revenues and results

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

For the six months ended 31 December 2024 (unaudited)

	Forestry Business RMB'000	Ginseng Business RMB'000	Horny Goat Weed Business RMB'000	Health Products Business RMB'000	Total RMB'000
Segment revenue	11,564	16,152	–	3,396	31,112
Segment profit	9,105	1,751	–	508	11,364
Unallocated bank interest income					2
Other unallocated expenses					(4,987)
Finance costs					(1,337)
Profit before tax					5,042
Income tax expense					(64)
Profit for the period					4,978

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 31 December 2024

5. SEGMENT INFORMATION (Continued)

Segment revenues and results (Continued)

For the six months ended 31 December 2023 (unaudited)

	Forestry Business RMB'000	Ginseng Business RMB'000	Total RMB'000
Segment revenue	5,440	13,580	19,020
Segment profit	2,763	2,470	5,233
Unallocated bank interest income			3
Other unallocated income			202,024
Other unallocated expenses			(5,786)
Finance costs			(51)
Profit before tax			201,423
Income tax expense			(2)
Profit for the period			201,421

Segment assets and liabilities

	31 December 2024 (Unaudited) RMB'000	30 June 2024 (Audited) RMB'000
Segment assets		
Forestry Business	99,984	98,594
Ginseng Business	67,043	62,779
Horny Goat Weed Business	13,386	7,232
Health Products Business	1,614	–
Total segment assets	182,027	168,605
Unallocated assets	9,058	9,561
Consolidated assets	191,085	178,166

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 31 December 2024

5. SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

	31 December 2024 (Unaudited) RMB'000	30 June 2024 (Audited) RMB'000
Segment liabilities		
Forestry Business	6,346	3,507
Ginseng Business	33,524	33,892
Horny Goat Weed Business	–	–
Health Products Business	1,116	–
Total segment liabilities	40,986	37,399
Unallocated liabilities	125,230	127,804
Consolidated liabilities	166,216	165,203

6. INVESTMENT AND OTHER INCOME

	Six months ended 31 December 2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Bank interest income	2	3
Total investment and other income	2	3

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 31 December 2024

7. OTHER GAINS, NET

	Six months ended 31 December	
	2024	2023
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Net gain on change in fair value less costs to sell of plantation forest assets		
– forest	11,564	5,027
– ginseng	1,576	–
Exchange loss	–	(301)
Total other gains, net	13,140	4,726

8. FINANCE COSTS

	Six months ended 31 December	
	2024	2023
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Interest on:		
– corporate bonds payable	1,200	–
– lease liabilities	137	51
	1,337	51

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 31 December 2024

9. GAIN ON DEBT RESTRUCTURING

On 3 December 2020, the Company announced that to facilitate the debt restructuring of the Company, Professor Fei Phillip, the chairman of the Board, has filed a winding up petition against the Company at the Grand Court of the Cayman Islands (the “**Cayman Court**”) and the Company has also made an application to the Cayman Court for an application for the appointment of JPLs of the Company, with the hearing held at the Cayman Court on 3 December 2020 (Cayman Islands time). At the hearing, an order (the “**Order**”) in favour of the Company was granted and Mr. Osman Mohammed Arab and Mr. Lai Wing Lun of RSM Corporate Advisory (Hong Kong) Limited, and Mr. Martin Trott of R&H Restructuring (Cayman) Ltd. were appointed as the JPLs (for restructuring purposes) on a light touch approach for restructuring purposes.

The Order provides that for so long as JPLs are appointed to the Company, no suit, action or other proceeding, including criminal proceedings, shall be proceeded with or commenced against the Company except with the leave of the Cayman Court and subject to such terms as the Cayman Court may impose.

On 11 May 2021, the Company announced that the provisional liquidation of China Bozza Development Holdings Limited (in Provisional Liquidation in the Cayman Islands) was effected from 11 May 2021 and Mr. Osman Mohammed Arab, Mr. Lai Wing Lun and Mr. Martin Nicholas John Trott were appointed as JPLs for restructuring purposes with effect from 11 May 2021.

To further facilitate the restructuring of the Company and fulfilment of the resumption guidance set out by the Stock Exchange, the Company, Zhonggangtong International Holding Group Co., Limited (“**Zhanggangtong**”), an independent third party, and the JPLs have entered into a funding agreement (the “**Funding Agreement**”) on 23 August 2022, pursuant to which Zhonggangtong has agreed to grant a credit facility of up to HK\$26 million to the Company, subject to the terms and conditions stipulated in the Funding Agreement. Details regarding the Funding Agreement are set out in the announcement dated 26 August 2022 made by the Company.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 31 December 2024

9. GAIN ON DEBT RESTRUCTURING (Continued)

On 30 December 2022, the Company, the JPLs and Zhonggangtong entered into a restructuring framework agreement (the “**Restructuring Framework Agreement**”), pursuant to which the Company will implement a restructuring of the debts and liabilities, capital structure and share capital of the Company (the “**Proposed Restructuring**”) including (i) the capital reorganisation of the Company and the change in board lot size of shares of the Company; (ii) subscription by Zhonggangtong of the new shares of the Company (as defined in the Restructuring Framework Agreement) for an aggregate subscription price of HK\$60 million; (iii) restructure of the Group’s debts through the Creditors’ Scheme (as defined in the Restructuring Framework Agreement), involving (a) the Creditors’ Scheme Cash Consideration; (b) the Scheme Shares Issue; and (c) the Promissory Notes Issue.

On 14 July 2023, the Company implemented capital reorganization under which every 100 existing issued shares of HK\$0.002 each was consolidated into 1 consolidated share of the Company of HK\$0.20 each; and the par value of each consolidated share was reduced from HK\$0.20 to HK\$0.01.

On 28 July 2023, the Company issued 466,000,000 shares of HK\$0.01 each to Zhanggangtong at the issue price of HK\$0.1288 per share, which was satisfied (i) by offsetting the outstanding amount drawn down from the credit facility provided under the Funding Agreement for a maximum of HK\$29,999,999; and (ii) the remainder of which, at least HK\$30,000,000, was settled by way of cash to the Company. In additions, under the Proposed Restructuring of the Restructuring Framework Agreement, the Company issued 140,000,000 shares of HK\$0.01 each to the Scheme Company, which holds the shares for the benefit of the creditors, at the issue price of HK\$0.55 per share.

Details regarding the above Proposed Restructuring are set out in the Company’s announcements dated 30 December 2022, 13 July 2023, and 28 July 2023 and the Company’s circular dated 3 March 2023.

Following the completion of debt restructuring on 28 July 2023, certain liabilities, including previously recognized promissory notes, corporate bonds, accrued interest, and other payables under the creditors’ scheme, were derecognized. In their place, new promissory notes and newly issued shares were recognized. This restructuring resulted in a gain of approximately RMB202,024,000 for the period ended 31 December 2023.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 31 December 2024

10. PROFIT BEFORE TAX

	Six months ended 31 December	
	2024	2023
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Profit before tax has been arrived at after charging:		
Directors' emoluments	421	1,074
Other staff costs	1,107	810
Total staff costs	1,528	1,884
Cost of timber harvested	11,564	15,262
Cost of ginseng harvested	5,380	–
Cost of ginseng trading	8,712	–
Cost of health products trading	2,679	–
Depreciation charge in respect of:		
– property, plant and equipment	113	64
– right-of-use assets	2,717	1,777
Short-term lease expenses	302	698

11. INCOME TAX EXPENSE

	Six months ended 31 December	
	2024	2023
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
PRC Enterprise Income Tax		
Charge for the year	64	–
Under-provision in prior years	–	2
Income tax expense	64	2

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 31 December 2024

11. INCOME TAX EXPENSE (Continued)

A group entity is chargeable to Hong Kong Profits Tax under the two-tiered profits tax rates regime whereby, the first HK\$2 million of assessable profits of the qualifying group entity will be taxed at 8.25%, and assessable profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime are chargeable to Hong Kong Profits Tax at the tax rate of 16.5%. No provision for Hong Kong Profits Tax of the current year and the prior period has been made in the consolidated financial statements as the Group has no assessable profit subject to tax in respect of both of the periods.

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the PRC Enterprise Income Tax rate of the PRC subsidiaries is 25%. Pursuant to the Implementation Regulation of the EIT Law, the Group’s PRC subsidiaries which are engaged in forestry business are entitled to full exemption from PRC Enterprise Income Tax in respect of both of the year presented.

Pursuant to the laws and regulations of the Cayman Islands and the British Virgin Islands (“**BVI**”), the Group is not subject to any income tax in the Cayman Islands and the BVI.

12. DIVIDEND

No dividend was paid, declared or proposed during the six months ended 31 December 2024, nor had any dividend been proposed since the end of the reporting period six months ended 31 December 2023.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 31 December 2024

13. PROFIT PER SHARE

The calculation of basic profit per share attributable to owners of the Company is based on the following data:

	Six months ended 31 December 2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Profit		
Profit for the purpose of basic profit per share		
Profit for the period attributable to owners of the Company	4,978	201,421
	Six months ended 31 December 2024 (Unaudited) '000	2023 (Unaudited) '000
Number of shares		
Weighted average number of ordinary shares in issue during the period for the purpose of basic profit per share	792,405	627,318

Note:

- (i) No diluted profit per share were presented as there were no potentially dilutive ordinary share in issue during both of the periods presented.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 31 December 2024

14. PROPERTY, PLANT AND EQUIPMENT

	Office equipment, furniture and fixtures RMB'000	Leasehold improvement RMB'000	Total RMB'000
COST			
At 1 July 2023 (audited)	1,732	939	2,671
Additions	231	–	231
Exchange realignment	1	8	9
At 30 June 2024 and 1 July 2024 (audited)	1,964	947	2,911
Disposal	(68)	–	(68)
Exchange realignment	4	8	12
At 31 December 2024 (unaudited)	1,900	955	2,855
ACCUMULATED DEPRECIATION			
At 1 July 2023 (audited)	439	939	1,378
Depreciation provided for the year	257	–	257
Exchange realignment	1	8	9
At 30 June 2024 and 1 July 2024 (audited)	697	947	1,644
Depreciation provided for the period	113	–	113
Disposal	(6)	–	(6)
Exchange realignment	2	8	10
At 31 December 2024 (unaudited)	806	955	1,761
CARRYING AMOUNTS			
At 31 December 2024 (unaudited)	1,094	–	1,094
At 30 June 2024 (audited)	1,267	–	1,267

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 31 December 2024

15. RIGHT-OF-USE ASSETS

	Leased land RMB'000	Leased properties RMB'000	Total RMB'000
Carrying amount at 1 July 2023 (audited)	43,170	3,139	46,309
Additions, at cost	–	3,972	3,972
Depreciation provided for the year	(1,463)	(3,417)	(4,880)
Impairment provided for the year	(3,152)	–	(3,152)
Exchange realignment	–	26	26
Carrying amount at 30 June 2024 and 1 July 2024 (audited)	38,555	3,720	42,275
Depreciation provided for the period	(676)	(2,041)	(2,717)
Exchange realignment	–	25	25
Carrying amount at 31 December 2024 (unaudited)	37,879	1,704	39,583

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 31 December 2024

16. PLANTATION FOREST ASSETS

	Hengchang Forest (Note (a)) RMB'000	Kunlin Forest (Note (b)) RMB'000	Senbo Forest (Note (c)) RMB'000	Ruixiang Forest (Note (d)) RMB'000	Wantai Forest (Note (e)) RMB'000	Total RMB'000
At 1 July 2023	11,200	6,630	7,990	12,200	10,400	48,420
Additions	2,213	–	–	–	–	2,213
Harvested timber transferred to cost of inventories sold	(4,318)	(7,436)	(5,042)	(4,597)	(11,129)	(32,522)
Changes in fair value less costs to sell	275	14,306	6,332	1,137	10,509	32,559
At 30 June 2024 and 1 July 2024 (audited)	9,370	13,500	9,280	8,740	9,780	50,670
Harvested timber transferred to cost of inventories sold	(4,578)	–	(6,986)	–	–	(11,564)
Changes in fair value less costs to sell	4,578	–	6,986	–	–	11,564
At 31 December 2024 (unaudited)	9,370	13,500	9,280	8,740	9,780	50,670

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 31 December 2024

16. PLANTATION FOREST ASSETS (Continued)

Notes:

(a) Hengchang Forest

On 28 May 2013, the Group acquired the entire equity interest in China Timbers Limited (**"China Timbers"**) and its subsidiaries (collectively referred as to the **"China Timbers Group"**) which are principally engaged in the operation and management of the forest in Muma Town, Jiange County, Sichuan Province, the PRC (**"Hengchang Forest"**). The Hengchang Forest had a total leasehold land base of approximately 21,045 Chinese Mu (equivalent to approximately 1,403 hectares). All of the forestry ownership certificates for the plantation forest assets were obtained. The Group conducted various activities for assessing the species mix and forest volume of the Hengchang Forest. During the period under review, timber logs 3,349 cubic meters (six months ended 31 December 2023: nil) in respect of the Hengchang Forest was harvested and the fair value of the timber logs harvested amounted to approximately RMB4,577,660 (six months ended 31 December 2023: nil) which was estimated by reference to their sale prices less costs to sell, was transferred to cost of inventories sold. As at 31 December 2024, the Hengchang Forest is estimated to comprise approximately 1,389 hectares (30 June 2024: 1,389 hectares) of cypress with no tree plantations aged 40 years or older.

(b) Kunlin Forest

On 26 February 2016, the Group acquired the entire equity interest in Exceed Target Investment Group Limited (**"Exceed Target"**) and its subsidiaries (collectively referred to as the **"Exceed Target Group"**). At the date of acquisition, Excel Target Group included Jiange Kunlin Linye Company Limited, which is principally engaged in the operation and management of the forest in Zhengxing Town, Jiange County, Sichuan Province, the PRC (**"Kunlin Forest"**). Jiange Kunlin Linye Company Limited was transferred from Exceed Target Group to China Timbers Group on 14 November 2018. The Kunlin Forest had a total leasehold land base of approximately 9,623 Chinese Mu (equivalent to approximately 642 hectares). All of the forestry ownership certificates for the plantation forest assets were obtained. The Group conducted various activities for assessing the species mix and forest volume of the Kunlin Forest. During the period under review, no timber logs (six months ended 31 December 2023: 5,620 cubic metres) in respect of Kunlin Forest was harvested and the fair value of the timber logs harvested amounted to nil (six months ended 31 December 2023: RMB5,027,000) which was estimated by reference to their sale prices less costs to sell, was transferred to cost of inventories sold. As at 31 December 2024, the Kunlin Forest is estimated to comprise of approximately 642 hectares (30 June 2024: 642 hectares) of cypress with no tree plantations aged 40 years or older.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 31 December 2024

16. PLANTATION FOREST ASSETS (Continued)

Notes: (Continued)

(c) Senbo Forest

On 11 October 2016, the Group acquired the entire equity interest in Huxiang International Holdings Limited ("**Huxiang**") and its subsidiaries (collectively referred to as the "**Huxiang Group**") which principally holds plantation forest assets in Yixing Town, Jiange County, Sichuan Province, the PRC ("**Senbo Forest**"). The Senbo Forest had a total leasehold land base of approximately 13,219 Chinese Mu (equivalent to approximately 881 hectares). All of the forestry ownership certificates for the plantation forest assets were obtained. The Group conducted various activities for assessing the species mix and forest volume of the Senbo Forest. During the period under review, timber logs of 5,198 cubic meters (six months ended 31 December 2023: nil) in respect of Senbo Forest was harvested and the fair value of the timber logs harvested amounted to approximately RMB6,986,160 (six months ended 31 December 2023: nil) which was estimated by reference to their sale prices less costs to sell, was transferred to cost of inventories sold. As at 31 December 2024, the Senbo Forest is estimated to comprise of approximately 881 hectares (30 June 2024: 881 hectares) of cypress with approximately 169 hectares (30 June 2024: 169 hectares) of tree plantations aged 40 years or older.

(d) Ruixiang Forest

On 6 June 2017, the Group acquired the entire equity interest in Garden Glaze Limited ("**Garden Glaze**") and its subsidiaries (collectively referred to as the "**Garden Glaze Group**") which principally holds plantation forest assets in Longyuanzhen, Houshixiang and Dianzixiang Town, Jiange County of the Sichuan Province in the PRC ("**Ruixiang Forest**"). The Ruixiang Forest had a total leasehold land base of approximately 30,653 Chinese Mu (equivalent to approximately 2,044 hectares). All of the forestry ownership certificates of the plantation forest assets were obtained. The Group conducted various activities for assessing the species mix and forest volume of the Ruixiang Forest. During the period under review, no timber logs (six months ended 31 December 2023: nil) in respect of the Ruixiang Forest were harvested and the fair value of the timber logs harvested amounted to nil (six months ended 31 December 2023: nil), which was estimated by reference to their sale prices less costs to sell, was transferred to cost of inventories sold. As at 31 December 2024, the Ruixiang Forest is estimated to comprise approximately 2,044 hectares (30 June 2024: 2,044 hectares) of cypress trees with approximately 9 hectares (30 June 2024: 9 hectares) of tree plantations with aged 40 years or older.

(e) Wantai Forest

On 24 August 2018, the Group acquired the entire equity interest in Today Bridge Limited ("**Today Bridge**") and its subsidiaries (collectively referred to as the "**Today Bridge Group**") which principally holds plantation forest assets in Kaifeng Town, Yingshui Village, Guangping Village, Zheba Village, Jiange County of the Sichuan Province in the PRC ("**Wantai Forest**"). The Wantai Forest had a total leasehold land base of approximately 42,814 Chinese Mu (equivalent to approximately 2,854 hectares). All of the forestry ownership certificates of the plantation forest assets were obtained. The Group conducted various activities for assessing the species mix and forest volume of the Wantai Forest. During the period under review, no timber logs (six months ended 31 December 2023: nil) in respect of Wantai Forest was harvested and the fair value of the timbers logs harvested amounted to nil (six months ended 31 December 2023: nil), which was estimated by reference to their sale prices less costs to sell, was transferred to cost of inventories sold. As at 31 December 2024, the Wantai Forest is estimated to comprise approximately 2,854 hectares (30 June 2024: 2,854 hectares) of cypress with no tree plantations with aged 40 years or older.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 31 December 2024

16. PLANTATION FOREST ASSETS (Continued)

Notes: (Continued)

(f) Valuation of plantation forest assets

Management is of the view that the fair value less cost to sell of the Group's plantation forest assets at 31 December 2024 approximates those as at 30 June 2024.

(g) Other risks associated with the plantation forest assets

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

Regulatory and environmental risks

The Group is subject to laws and regulations in the PRC 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.

Climate and other risks

The State Council of the PRC manages the country's harvesting activities by imposing annual logging quotas which are determined by the local forestry authorities. Other than the above-mentioned quotas, the Group's revenue also depends significantly on the ability to harvest wood at adequate levels. The ability to harvest wood and the growth of the trees in the forests may be affected by unfavourable local weather conditions and natural disasters. The Group's standing timbers are exposed to the risk of damage from climatic changes, diseases, forest fires and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating those risks, including regular forest health inspections and industry pest and disease surveys.

Supply and demand risk

The Group is exposed to risks arising from fluctuations in the price and sales volume of timber. When possible the Group manages this risk by aligning its harvest volume to market supply and demand. Management performs regular industry trend analyses 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.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 31 December 2024

17. PLANTATION GINSENG ASSETS

	Total RMB'000
At 1 July 2023	22,000
Additions	16,817
Harvested ginseng transferred to cost of inventories sold	(2,562)
Changes in fair value less costs to sell	(6,855)
At 30 June 2024 and 1 July 2024 (audited)	29,400
Additions	7,399
Harvested ginseng transferred to cost of inventories sold	(5,380)
Changes in fair value less costs to sell	1,576
At 31 December 2024 (unaudited)	32,995

18. PLANTATION HORNY GOAT WEED ASSETS

	Total RMB'000
At 1 July 2023	–
Additions	7,232
At 30 June 2024 and 1 July 2024 (audited)	7,232
Additions	6,154
At 31 December 2024 (unaudited)	13,386

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 31 December 2024

19. TRADE AND OTHER RECEIVABLES

	31 December 2024 (Unaudited) RMB'000	30 June 2024 (Audited) RMB'000
Trade receivables	20,745	17,343
Other receivables	2,849	1,187
	23,594	18,530

The Group generally allows an average credit period of 120 days (2024: 120 days) to its trade customers, where partial payment in advance is normally required. The Group does not hold any collateral over these balances. The following is an aged analysis of trade receivables, net of allowance for doubtful debts, presented based on invoice dates:

	31 December 2024 (Unaudited) RMB'000	30 June 2024 (Audited) RMB'000
0–90 days	19,708	16,924
91–180 days	1,037	419
181–365 days	–	–
Total	20,745	17,343

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For the six months ended 31 December 2024

20. TRADE AND OTHER PAYABLES

	31 December 2024 (Unaudited) RMB'000	30 June 2024 (Audited) RMB'000
Trade payables (Note (i) & (ii))	12,195	3,746
Amounts due to former directors (Note (iii))	–	9,066
Other payables and accrued charges	13,529	3,492
Interests payable on promissory notes payable and corporate bonds payable	1,200	–
	26,924	16,304

Notes:

(i) The average credit period on purchase of goods is within 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

(ii) The following is an aged analysis of trade payables presented based on invoice dates:

	31 December 2024 (Unaudited) RMB'000	30 June 2024 (Audited) RMB'000
0–30 days	11,585	3,541
31–90 days	405	–
Over 90 days	205	205
	12,195	3,746

(iii) The amounts due to former directors, which resigned during the prior years, were unsecured, interest free and repayable on demand.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 31 December 2024

21. PROMISSORY NOTES PAYABLE

	31 December 2024 (Unaudited) RMB'000	30 June 2024 (Audited) RMB'000
Promissory notes payable beyond one year:		
– issued on 23 July 2023 (note a)	112,860	115,153

(a) Promissory note issued on 23 July 2023 (the “Note A”)

Pursuant to the Creditors' Scheme which has become effective on 28 July 2023, the Company issued the Note A in the aggregate principal amount of HK\$120,000,000, secured by the charge of all forest lands owned by the Group, or secured by the charge of the entire shares in the company(ies) that owns those forest lands, to the Scheme Company for the benefit of the Creditors on a pro-rata basis for their Admitted Claims. The Note A has a maturity of five years and carry interest payable annually in arrears at the following rates; nil for the first year, 2% per annum for the second year, 3% per annum for the third year; 4% per annum for the fourth year, and 6% per annum for the fifth year. The principal of the Note A will be repaid on the maturity date.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 31 December 2024

22. SHARE CAPITAL

	Note	Par value HK\$	Number of ordinary shares '000	Nominal amount of ordinary shares HK\$'000	
Authorised:					
At 1 July 2024		0.01	10,000,000	100,000	
At 31 December 2024		0.01	10,000,000	100,000	
	Note	Par value HK\$	Number of ordinary shares '000	Nominal amount of Ordinary Shares HK\$'000	Carrying amount RMB'000
Issued and fully paid:					
Ordinary shares of HK\$0.01 per share					
At 1 July 2024		0.01	716,242	7,162	6,564
Issuance of shares			143,000	1,430	1,292
At 31 December 2024		0.01	859,242	8,592	7,856

23. COMPARATIVE FIGURES

Certain comparative figures have been adjusted to conform to current period presentation.