ASIAN CITRUS HOLDINGS LIMITED
亞洲果業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 73)

ANNOUNCEMENT OF THE ANNUAL RESULTS FOR THE YEAR ENDED 30 JUNE 2016

The board (the "**Board**") of directors (the "**Directors**") of Asian Citrus Holdings Limited (the "**Company**") announces the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 30 June 2016 together with its comparative figures for the year ended 30 June 2015.

RESULTS HIGHLIGHTS

	For the year ended 30 June		
	2016	2015	% change
	(RMB Million)	*(RMB Million)*	
Reported financial information			
Revenue	**–**	962.7	–100.0
Gross loss	**–**	–418.8	–100.0
Other income	**0.7**	28.4	–97.5
EBITDA	**–5,216.6**	–1,070.1	387.5
Loss before tax	**–5,216.6**	–1,224.0	326.2
Loss attributable to shareholders	**–5,216.6**	–1,222.4	326.8
Basic loss per share (RMB)	**4.175**	0.978	326.9
FINANCIAL POSITION			
Total assets	**53.5**	5,274.7	
Net current (liabilities)/assets	**–188.8**	1,363.8	
Cash and cash equivalents	**49.5**	937.6	
Shareholders' fund	**–186.5**	5,021.8	
Current ratio (x)	**0.21**	10.83	

CONDITIONS FOR RESUMPTION OF TRADING OF SHARES OF THE COMPANY

At the request of the Company, trading in the shares of the Company on The Stock Exchange of Hong Kong Limited (the "**HKEx**") was suspended with effect from 9:00 a.m. (Hong Kong time) on Thursday, 29 September 2016. Reference is made to the announcement of the Company dated 27 January 2017 in relation to the resumption conditions (the "**Resumption Condition Announcement**"). As at the date of this announcement, all outstanding financial results (i.e. for the 12 months ended 30 June 2016, the 6 months ended 31 December 2016, the 12 months ended 30 June 2017 and the 6 months ended 31 December 2017) as required under the Rules Governing the Listing of Securities on the HKEx (the "**Hong Kong Listing Rules**") have been published by the Company. Trading in the shares of the Company on the HKEx will remain suspended pending the fulfilment of the remaining resumption conditions as stated in the Resumption Condition Announcement, including but not limited to the resumption condition that the Company will address the disclaimer opinion as included in the Company's annual results announcements for each of the two years ended 30 June 2016 and 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND FINANCIAL OVERVIEW

The Company had faced a hard and challenging financial year of 2015/16. The Directors and senior management of the Company are constantly striving to improve the Group's performance and to explore potential investments which can bring positive contribution to the Group. However, to the contrary, the unfavourable climate and disputes of certain uncooperative subsidiaries have had significant impacts to the financial performance of the Group for the year ended 30 June 2016.

Externally, among other things, the effect of extreme weather conditions such as typhoons, rainstorms and frosts which affected the plantation seriously. Internally, in late September 2016, a director and minority shareholder of a People's Republic of China ("**PRC**") subsidiary related to the Group's fruit processing business and a finance manager of that subsidiary in the PRC made certain allegations against certain PRC subsidiaries' internal records during the course of auditing for the year ended 30 June 2016. Therefore, this caused serious delay in the publication of financial results of the Group for the year ended 30 June 2016 and suspension of trading of the Company's shares on the HKEx and on the Alternative Investment Market ("**AIM**") of the London Stock Exchange respectively. Notwithstanding the patience and sincerity of the Directors offering to communicate with the aforesaid minority shareholder and the relevant employees in the PRC, they adopted uncooperative manners and refused to respond to the requests of the auditors, the Directors and the senior management of the Company. Details of these disputes are disclosed in the underneath paragraph with titled "The Beihai Minority Disputes".

On the horns of a dilemma, the Directors had to make a difficult decision to deconsolidate the uncooperative PRC subsidiaries for the financial year ended 30 June 2016 until the relevant issues were settled ("**Deconsolidation**"). Meanwhile, the Directors had already engaged legal professional in the PRC in order to protect and enforce all the legal rights of the Company and to obtain relevant information as a shareholder of those PRC subsidiaries.

FINANCIAL HIGHLIGHTS

During the financial year ended 30 June 2016, there was no revenue, cost of sales nor gross profit in respect of the plantation business of the Group (when compared to previous financial year ended 30 June 2015, which amounted to RMB962.7 million, RMB1,381.6 million and gross loss of RMB418.8 million respectively). Other income of the Group, mainly interest income, was reduced to RMB0.7 million for the financial year ended 30 June 2016 (2015: RMB28.4 million). The tremendous decrease was due to the Deconsolidation involving the PRC subsidiaries of the plantation business and processed fruit business. Loss on deconsolidation of the deconsolidated subsidiaries and the impairment losses on amounts due from deconsolidated subsidiaries amounted to RMB3,935.4 million and RMB1,250.9 million respectively (2015: both nil).

There were no selling and distribution expenses, other operating expenses, finance costs nor any change in fair value of biological assets of the Group for the year ended 30 June 2016 (2015: selling and distribution expenses amounted to RMB37.7 million, other operating expenses amounted to RMB418.4 million, finance costs amounted to RMB67,000 and change in fair value of biological assets amounted to RMB242.8 million respectively) due to the Deconsolidation as well. The general and administrative expenses reduced to RMB31.0 million for the year ended 30 June 2016 (2015: RMB134.4 million), representing approximately 76.9% decrease when compared to last year's record.

Loss attributable to shareholders for the year

Due to the Deconsolidation, the loss attributable to shareholders for the year ended 30 June 2016 was approximately RMB5,216.6 million, compared to a loss of approximately RMB1,222.4 million of last year, representing an increase of approximately 326.8%.

DIVIDEND

The Board of Directors did not recommend the payment of a final dividend for the year ended 30 June 2016 (2015: Nil).

CAPITAL

As at 30 June 2016, the total number of issued shares of the Company was 1,249,637,884. Based on the closing price of HK$0.80 as at 30 June 2016, the market capitalisation of the Company was approximately HK$999.7 million.

LIQUIDITY, FINANCE RESOURCES AND FINANCIAL RATIOS (NOT INCLUDING THOSE DECONSOLIDATED PRC SUBSIDIARIES)

Liquidity

The current ratio and quick ratio were 0.21 (2015: 10.83 and 8.16 respectively).

Gearing ratio and debt ratio

As at 30 June 2016, the Group did not incur any debt instruments nor any bank borrowings. The net cash position of the Group was approximately RMB49.5 million as at 30 June 2016 (2015: RMB937.6 million).

Funding and treasury policy

During the financial year ended 30 June 2016, the Group had sufficient funds for the operation and would continue to adopt stringent cost control and conservative treasury policies in the forthcoming financial year.

Internal cash resource

The Group's funding resource comprises internal cash and cash equivalents. The Group did not have any outstanding borrowings as at 30 June 2016.

Charge on assets

None of the Group's assets were pledged as at 30 June 2016.

Capital commitments

The Group did not have any capital commitments as at 30 June 2016 (2015: RMB43.5 million relating to the construction of the farmland infrastructure in Hepu Plantation and the acquisition of plant and machinery in Beihai Perfuming Garden Juice Co., Ltd.* (北海市果香園果汁有限公司) ("**Beihai Perfuming Garden**") and one of its subsidiaries, both of which were deconsolidated in this financial year ended 30 June 2016).

Foreign exchange risk

The Group is exposed to currency risk, primarily through its cash and cash equivalents that are 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.

The Group has limited transactions denominated in foreign currencies, hence exposure to exchange rate fluctuation is minimal. The Group currently does not use any derivative contracts to hedge against its exposure to currency risk. Management manages the currency risk by closely monitoring the movement of the foreign currency exchange rate.

EMPLOYEES OF THE GROUP

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 discretionary bonuses, mandatory provident fund contributions and share options.

As at 30 June 2016, the total headcount of the Group, not including the employees of the deconsolidated PRC subsidiaries after the Deconsolidation, was 18 (2015: 1,960).

PLANTATIONS

Due to the spread of Citrus Greening Disease (also known as "**Huanglongbing disease**") and the poor harvest conditions during the financial year ended 30 June 2016, Xinfeng Plantation and Hunan Plantation, which were operated by the deconsolidated PRC subsidiaries, had ceased operation permanently in December 2015 and May 2016 respectively.

CONTINGENT LIABILITIES

Due to the Beihai Minority Disputes (details of which are disclosed in the relevant paragraphs under the section headed "Post Balance Sheet Events"), the management of certain PRC subsidiaries of the Group did not provide sufficient explanation, financial information, or any monthly updates which would have offered a balanced and comprehensible assessment of those PRC subsidiaries' performance and position to the Directors for their duties under Rule 3.08 and Chapter 13 of the Hong Kong Listing Rules. As a result, those PRC subsidiaries were deconsolidated in the consolidated financial statements of the Group during the year ended 30 June 2016. Details of the deconsolidation of those PRC subsidiaries and the related contingent liabilities were also disclosed in notes 2 and 7(e) to the consolidated financial statements of the Group in this annual results announcement for the year ended 30 June 2016.

Therefore, based on the limited information provided to the Directors in this regard, it is impossible for the Directors to ascertain, as at the date of approval of this annual results announcement, the contingent liabilities of those deconsolidated subsidiaries during the reporting period of this annual results announcement as they have been unable to gain access to the complete books and records and management personnel of the deconsolidated subsidiaries.

Save as disclosed in the above paragraphs and in the section with titled "Legal Cases of Deconsolidated Subsidiaries", to the best knowledge of the Directors' information, the Company did not have any contingent liabilities as at 30 June 2016.

POST BALANCE SHEET EVENTS

(i) PRC Business Cooperation Agreements

On 11 August 2016, the Company announced that the Group, before the decision of the Deconsolidation, had entered into 19 business cooperation agreements with independent farmers and an agriculture company with various contract periods ranging from 1 year to 25 years, pursuant to which (i) the independent farmers/agriculture company undertake to produce certain farm products, such as oranges, bananas, canes, lychee, etc., in specific areas of Hepu Plantation based on the quality standards and production requirements as stipulated in the business cooperation agreements; and (ii) the Group, before the decision of the Deconsolidation, agreed to support the farmers and the agriculture company through land preparation as well as providing technical services and production advice. Details of the aforesaid business cooperation agreements were disclosed in the Company's announcement dated 11 August 2016.

(ii) Proposed Major Transaction and Subsequent Expiry of the Terms

On 25 August 2016, In-Season Limited, a wholly-owned subsidiary of the Company, had executed a conditional sales and purchase agreement ("**SPA**") with Greater Lead Limited, the vendor, to acquire the entire issued share capital of Eagleton Global Investments Limited, a limited company incorporated in the British Virgin Islands, which would indirectly hold 60% interest in a group (the "**Target Group**") after reorganization before completion. The Target Group owned two buildings of 8 storeys each, located at Nanshan Avenue, Nanshan District, Shenzhen, the PRC. The Company was a guarantor to the SPA and the total consideration of this transaction was HK$600 million, payable (i) by cash in the amount of HK$300 million and (ii) by procuring the Company to issue 600,000,000 consideration shares at the issue price of HK$0.50 per share to the vendor (or its designated nominee) on completion date. The transaction constituted a major transaction under the Hong Kong Listing Rules and would be subject to shareholders' approval in a special general meeting (the "**Major Transaction**").

On the same date, the Company entered into a placing agreement with a placing agent to procure, on a best effort basis, not less than six placees to subscribe, up to 610,000,000 shares of the Company at a price of HK$0.50 per share (the "**Placing**"). The entire net proceeds from the Placing would be applied as the cash consideration for the aforesaid acquisition under the SPA.

Due to the delay in publication of the annual results and annual report of the Company for the year ended 30 June 2016 and the relevant circular of the Major Transaction, the long stop dates of the SPA and the placing agreement had been extended on 23 December 2016 and 30 June 2017 to 30 June 2017 and 30 September 2017 respectively. However, the long stop dates of the SPA and the placing agreement had lapsed on 30 September 2017 eventually without further extension. Details of the Major Transaction, the extension of long stop dates, the delay in dispatch of the relevant circular and the lapse of the SPA and the placing agreement were disclosed in the Company's announcements dated 25 August 2016, 14 October 2016, 23 December 2016, 30 June 2017 and 29 September 2017 respectively.

(iii) The Beihai Minority Disputes

In late September 2016, during the course of auditing for the year ended 30 June 2016, the auditors of the Company reported that (i) Mr. Man Gui Fu* (滿桂富) ("**Mr. Man**"), who was a minority shareholder, director and general manager of Beihai Perfuming Garden and also held other positions in some of the other PRC subsidiaries, had alleged that there were inaccuracies in the books and records of certain PRC subsidiaries of the Group and (ii) a finance manager of certain PRC subsidiaries of the Group, Mr. Chen De Qiang* (陳德強) ("**Mr. DQ Chen**"), had sent written correspondence to the auditors of the Company which indicated that certain amounts or balances in the internal records of certain customers or suppliers did not correspond to the internal records of the Group. Subsequently, the management of those PRC subsidiaries of the Group refused to provide information requested by the Directors and senior management of the Company (the "**Beihai Minority Disputes**").

In view of these allegations, the auditors of the Company considered that there was a need to reinforce their audit procedures and implement wider and more extensive tests on audit sampling in order to obtain sufficient and appropriate audit evidence to allow it to form its audit opinion on the Group's consolidated financial statements for the year ended 30 June 2016. The auditors also required performance of additional audit procedures, however, Mr. Man and the employees of certain PRC subsidiaries adopted an uncooperative manner and refused to respond to the requests from the auditors, the Directors and the senior management of the Company. The Directors and senior management of the Company could not access the financial, legal and administration records of those PRC subsidiaries. In order to protect and enforce all the legal rights of the Group, the Company had engaged a legal professional in the PRC to handle the related disputes and issues.

Those PRC subsidiaries were deconsolidated in the Group's consolidated financial statements for the years ended 30 June 2016 and 2017.

Details of the Beihai Minority Disputes and its subsequent development were disclosed in the Company's announcements dated 29 September 2016, 8 November 2016, 22 December 2016, 15 March 2017, 30 June 2017, 29 September 2017, 31 October 2017, 30 November 2017, 28 December 2017, 31 January 2018, 28 February 2018 and 26 March 2018 and other monthly update announcements.

(iv) Delay in publication of the annual results, annual reports of the Company for the financial years ended 30 June 2016 and 2017 and the interim results and interim reports of the Company for the six months ended 31 December 2016 and 2017

Due to the Beihai Minority Disputes being arisen in late September 2016, the auditors of the Company were of the view that there was a need to reinforce their audit procedures and implement wider and more extensive tests on audit sampling in order to allow it to form its audit opinion on the Group's consolidated financial statements for the year ended 30 June 2016. It was noted that the Group's audited consolidated financial statements for the year ended 30 June 2016 were not available for publication by 30 September 2016, pursuant to Rule 13.49(1) of the Hong Kong Listing Rules.

On 27 February 2017 and 3 March 2017 respectively, the Company announced that there was no material development on the outstanding issues and documents from the PRC subsidiaries for the auditing purpose of the Company. The Company would continue to follow the necessary procedures advised by its PRC legal advisers to seek the requisite clarification and information that was needed by the auditors. As a result, the Company would not be able to publish the interim results and interim report for the six months ended 31 December 2016 pursuant to Rules 13.49(6) and 13.48(1) of the Hong Kong Listing Rules.

Subsequently, on 29 September 2017, the Company announced that it was working with its professional advisers and auditors to plan the necessary audit procedures following resumption of control over Lucky Team Biotech Development (Hepu) Limited* (利添生物科技發展(合浦)有限公司) ("**Lucky Team Hepu**") and would defer the publication of its audited financial statements for the years ended 30 June 2016 and 30 June 2017 to a later date.

Thereafter, on 28 February 2018, 26 March 2018, 30 April 2018, 31 May 2018 and 29 June 2018, the Company further announced that the publication of the interim results and interim report for the six months ended 31 December 2017, pursuant to Rules 13.49(6) and 13.48(1) of the Hong Kong Listing Rules, together with the outstanding financial statements for the 12 months ended 30 June 2016 and 2017 and the six months ended 31 December 2016 will be postponed to a later date which shall be no later than the end of July 2018.

Details of the delay in publication of annual results, interim results, annual reports and interim reports were disclosed in the Company's announcements dated 29 September 2016, 27 February 2017, 3 March 2017, 29 September 2017, 28 December 2017, 31 January 2018, 28 February 2018, 26 March 2018, 30 April 2018, 31 May 2018 and 29 June 2018 respectively.

(v) Suspension of Trading

On 29 September 2016, at the request of the Company, trading in the shares of the Company on the Main Board of the HKEx was suspended with effect from 9:00 a.m. (Hong Kong time) on Thursday, 29 September 2016 pending the release of the Group's annual results for the year ended 30 June 2016.

Meanwhile, at the request of the Company, trading in the shares of the Company on AIM was also suspended, with effect from 13:15 p.m. (UK time) on Wednesday, 28 September 2016.

(vi) Completion of the acquisition of the Agriculture Company

On 1 December 2016, Lucky Team Hepu had entered into a cooperation agreement with an agriculture Company, namely, Guangxi Hepu Guanhua Agriculture Co., Ltd.* (廣西合浦冠華農業有限公司) (the "**Agriculture Company**"), for a term of 30 years (the "**Cooperation Agreement**") whereby the Agriculture Company would contribute fertilisers, pesticides and labour while Lucky Team Hepu would contribute the land, trees, machinery and the provision of technical support on cultivation and soil management. Under the Cooperation Agreement, the revenues generated from harvested oranges would be shared between Lucky Team Hepu and the Agriculture Company in the proportion of 10% and 90% respectively.

On 3 January 2017, the Group entered into a sale and purchase agreement with the owner of the Agriculture Company, who was an independent third party, to acquire 100% equity interest in the Agriculture Company with a total cash consideration of RMB1,000,000 (the "**Acquisition**"). The Agriculture Company was principally engaged in the operation of cultivation management and sale of oranges.

On 18 September 2017, the legal tittle of the equity interests of the Agriculture Company was changed to the Company's wholly-owned subsidiary and the change of the legal representative of the Agriculture Company to the Company's nominated representative has also taken effect and reflected on public records of the State Administration for Industry and Commerce (the "**SAIC**") at Beihai City and Hepu County of the PRC.

Details of the Acquisition were also disclosed in notes 2 and 16(z) to the consolidated financial statements of the Group for the year ended 30 June 2016.

(vii) Cancellation from Trading on AIM

On 27 March 2017, the Company announced that, as the London Stock Exchange would cancel the admission of AIM securities where these securities had been suspended from trading for 6 months, the Company's shares were cancelled from trading on AIM with effect from 29 March 2017.

(viii) Resumption of the legal and physical control of Lucky Team Hepu

In August 2017, the legal representative of Lucky Team Hepu passed away and the Company initiated relevant applications to appoint a replacement legal representative and the directors of Lucky Team Hepu.

The Company had successfully resumed legal control over Lucky Team Hepu on 28 September 2017 and took possession and physical control of the land and buildings occupied by Lucky Team Hepu and the assets, books and records thereat in October 2017. Thereafter, the Company discussed with various professionals including valuers and auditors in relation to potential valuation and audit work in respect of Lucky Team Hepu and/or its property, plant and equipment and orange trees.

On 28 December 2017, the Company announced the update on work progress for Lucky Team Hepu. The Company had collated the documents found on-site at the Hepu office premises and appointed a PRC accountant to prepare the books and records and the financial statements of Lucky Team Hepu based on those available accounts and records for the period between January 2017 to September 2017.

Details of the aforesaid resumption of control were disclosed in the Company's announcements dated 15 March 2017, 27 March 2017, 29 September 2017, 31 October 2017, 30 November 2017 and 28 December 2017 respectively.

(ix) Legal Cases of Deconsolidated Subsidiaries

(1) Shareholders dispute relating to Beihai Perfuming Garden

In June 2017, the Company was made aware of service of proceedings from a PRC court whereby Mr. Man had commenced legal proceedings against a subsidiary of the Company alleging that Mr. Man had the right to require such subsidiary to transfer its 46.14% equity interest in Beihai Perfuming Garden to him pursuant to certain contractual arrangements alleged to have been executed by such subsidiary, Mr. Man and the original shareholders of Beihai Perfuming Garden in February 2010 ("**BPG Shareholders Dispute**").

On or about 30 January 2018, the Group received three writs of summon issued by Guangxi Zhuang Autonomous Region Beihai City Intermediate People's Court (廣西壯族自治區北海市中級人民法院) on 10 January 2018 against (1) the Company, (2) BPG Food & Beverage Holdings Ltd. (果香園食品控股有限公司) and (3)

Wealth Elite Investments Limited (鑫卓投資有限公司) requiring each to, among others, attend a court hearing scheduled on 13 March 2018 in respect of the BPG Shareholders Dispute.

On 13 March 2018, the representatives of the Group had attended a court hearing at Guangxi Zhuang Autonomous Region Beihai City Intermediate People's Court (廣西壯族自治區北海市中級人民法院) whereby the parties' submissions regarding the verification of evidence were heard. It was noted that further court procedures would be followed pursuant to the PRC laws.

(2) Information rights proceedings relating to Tianyang Perfuming Garden

On 20 November 2017, the Company received a PRC court order ("**TPG Order**") made in the Group's favor and against Tianyang Perfuming Garden Food Industrial Co., Ltd.* (田陽果香園食品工業有限公司) ("**Tianyang Perfuming Garden**"), against which the Group had instituted legal proceedings to enforce its information rights as shareholder. Pursuant to the TPG Order, amongst others, Tianyang Perfuming Garden should, within fifteen days of the order effective date, which was the date when the 30 days' period to appeal had lapsed since the date of receipt of the TPG Order by the last party, produce the following:

(i) for inspection and photocopying (for a period not more than 30 days) certain of its corporate records, including memorandum and articles of association and any amendments thereto, resolutions of the board of directors or any supervisory committee and financial reports; and

(ii) for inspection only (for a period not more than 30 days) certain of its accounting books and records, ledgers, contracts, invoices, bank confirmations as at 30 June 2015, 30 June 2016, 31 December 2016 and 30 June 2017 and latest company credit status report.

It was further noted that there was a request for appeal of the TPG Order from Tianyang Perfuming Garden made on 18 December 2017. On 24 January 2018, the Company was made aware of an appeal hearing scheduled on 5 February 2018 and the representative of the Company had attended the appeal hearing held on that date.

Finally, on 19 April 2018, the PRC legal advisers of the Company received a judgment in respect of the appeal delivered by Guangxi Zhuang Autonomous Region Higher People's Court (廣西壯族自治區高級人民法院) which stated that the court had (1) upheld the TPG Order, and (2) such judgement is final and conclusive.

(3) Information right proceedings relating to Beihai Perfuming Garden

On 26 June 2017, the PRC courts had formally accepted the Group's application to commence formal legal proceedings to enforce its information rights as shareholder of Beihai Perfuming Garden.

On 18 January 2018, the Group has received a court order ("**BPG Order**") made by Guangxi Zhuang Autonomous Region Beihai City Intermediate People's Court (廣西壯族自治區北海市中級人民法院) of the PRC made in favor of the Group and against Beihai Perfuming Garden. Pursuant to the BPG Order, Beihai Perfuming Garden shall, within thirty days of the effective date of the BPG Order, produce the following to the Group and its legal advisers:

(i) for inspection and photocopying (at the domicile of Beihai Perfuming Garden) its memorandum and articles of association and any amendments thereto, resolutions of the board of directors or any supervisory committee, financial reports for a period prescribed in the BPG Order;

(ii) for inspection only (at the domicile of Beihai Perfuming Garden) all of its accounting books and records (including general ledgers, detailed ledgers, daily ledgers and other supplemental ledgers) and accounting vouchers (including bookkeeping vouchers, related original vouchers and relevant information in respect of the source documents for entry bookkeeping) for a period prescribed in the BPG Order; and

(iii) for inspection only (at the domicile of Beihai Perfuming Garden) all of its original bank account transaction statements, bank confirmations as at 30 June 2015 and 30 June 2016, 31 December 2016 and 30 June 2017, the latest company credit status report, all documents related to the sales and merchandise transactions (including all types of contract, invoices, delivery acknowledgement receipts and receipts) for a period prescribed in the BPG Order.

Pursuant to the BPG Order, the PRC court rejected the Group's request for the production of certain accounting records of Hepu Perfuming Garden Food Co., Ltd.* (合浦果香園食品有限公司) and Beihai Super Fruit Co., Ltd.* (北海盛果商貿有限公司) (both subsidiaries of Beihai Perfuming Garden) on the basis that the claimant being only a shareholder of Beihai Perfuming Garden and had no ground to request such subsidiaries of Beihai Perfuming Garden to produce to it the requested records.

However, in early February 2018, the Group lodged a request for appeal of the rulings of the BPG Order ("**BPG Information Right Appeal**") which was transferred to Guangxi Zhuang Autonomous Region Higher People's Court (廣西壯族自治區高級人民法院) for the processing. On 27 April 2018, the Company was made aware of an appeal hearing would be scheduled to take place on 16 May 2018 and the representative of the Company had attended the appeal hearing held on that date. On 29 June 2018, the PRC legal advisers of the Company received a judgment in respect of the BPG Information Right Appeal delivered by Guangxi Zhuang Autonomous Region Higher People's Court (廣西壯族自治區高級人民法院) which stated that the court had (1) upheld the BPG Order, and (2) the judgement should be final and conclusive.

(4) Contractual dispute relating to Tianyang Perfuming Garden

In May 2017, the Group was informed that Tianyang Perfuming Garden was involved in a PRC court proceedings in which it was alleged to have defaulted in the payment of RMB3,717,017.28 for certain construction works and overdue interests of RMB340,674.95. Prior to May 2017, the Group was not made aware of any reports in respect of such court proceedings. The Company and had since taken actions to request for the inspection of the accounting books and records of Tianyang Perfuming Garden in order to better understand its operations but has not received any response.

Subsequently, the Group was informed that Guangxi Zhuang Autonomous Region Tianyang County People's Court (廣西壯族自治區田陽縣人民法院) had issued a judgment ordering Tianyang Perfuming Garden to pay damages and interests to the claimant and had further issued a notice on 12 January 2018 in respect of execution of the order ("**First TPG Judgement**"). The Company's PRC legal advisers advised the Group that upon issue of such notice, the court would initiate the process of seizure of the funds and assets of Tianyang Perfuming Garden and proceed with any other necessary recovery actions.

In late February 2018, it was noted that Tianyang Perfuming Garden had been served with a service of proceeding from Guangzi Zhuang Autonomous Region Tianyang County People's Court (廣西壯族自治區田陽縣人民法院) whereby the same claimant under the First TPG Judgment has commenced a legal proceeding against Tianyang Perfuming Garden alleging that it had defaulted in the payment of RMB836,590.46 together with interests for the same construction work. A hearing required the attendance of Tianyang Perfuming Garden was scheduled in late March 2018.

In May 2018, the Group was informed that Guangxi Zhuang Autonomous Region Tianyang County People's Court (廣西壯族自治區田陽縣人民法院) had issued an order ordering Tianyang Perfuming Garden to make a payment in the amount of RMB669,272.37, together with interests, ("**Second TPG Judgement**") to the aforesaid claimant. The Second TPG Judgement was subject to the requests for appeal by either party within the prescribed time limit under the PRC laws.

In June 2018, the senior management of Tianyang Perfuming Garden reported that the relevant PRC court had issued judgments ordering the freezing of a bank account held by Tianyang Perfuming Garden in respect of the First TPG Judgment, and the inclusion of Tianyang Perfuming Garden in the "List of Dishonest Persons subject to Enforcement" of the Supreme People's Court.

(5) Repayment of loan and interest in arrears relating to Tianyang Perfuming Garden

The Company was made aware of a PRC court order requiring Tianyang Perfuming Garden to repay a loan of RMB17 million together with interest in arrears. Pursuant to the court documents received, the Group understood the allegation relate to the fact that Tianyang Perfuming Garden had entered into a loan facility agreement with a person called Xue Zhen* (薛珍) on 1 June 2016 in respect of a loan in the amount of RMB17 million with interest rate of 6% per annum. It was alleged that such loan together with interests thereof were due for repayment. It was further alleged that Tianyang Perfuming Garden had also pledged two pieces of land to Xue Zhen as security for the loan but such pledge had not been registered with the relevant PRC authorities. The Company had since becoming aware of the legal proceedings made enquiries with Tianyang Perfuming Garden in connection with information related to such loan, but Tianyang Perfuming Garden (which to the Company's knowledge its senior management included Mr. Huang Xin, Mr. Pang Yi, Mr. Man Gui Fu and Mr. Wang Jia Yi) had yet to respond or cooperate. The Company had instructed its PRC legal advisers to attend the office of Tianyang Perfuming Garden to exercise its shareholders' right and made enquiries. The management at Tianyang Perfuming Garden refused to cooperate.

The Company was not aware of the existence of the above contractual documents or arrangements prior to receiving the above legal proceedings and would take the legal advice in response to such claims, including but not limited to checking the authenticity of the contracts received. The Company reiterated that it would defend the aforesaid legal proceedings vigorously and would endeavour to claim against any and all losses the Group might suffer as a result.

Details of the legal proceedings and their updates were disclosed in the Company's announcements dated 29 September 2016, 30 June 2017, 29 September 2017, 31 October 2017, 30 November 2017, 28 December 2017, 31 January 2018, 28 February 2018, 26 March 2018, 30 April 2018, 31 May 2018 and 29 June 2018 respectively.

DISCLAIMER OF OPINION FROM THE AUDITORS OF THE COMPANY

The auditors of the Company had issued a disclaimer of opinion on the consolidated financial statements of the Group for the year ended 30 June 2016. Details of the basis of the disclaimer opinion were disclosed under the heading of "Extract of Independent Auditors' Report on the Group's Consolidated Financial Statements for the Year Ended 30 June 2016" of this annual results announcement.

Reference was made to the Beihai Minority Disputes (as disclosed in the paragraphs titled "Post Balance Sheet Events" above). Since the uncooperative management of certain PRC subsidiaries refused to provide the requested information to the Directors and the auditors of the Company in connection with the preparation of the consolidated financial statements of the Group for the years ended 30 June 2016 and 2017, the Board tried to resolve the problems and had taken the following actions:

(i) Deconsolidated those PRC subsidiaries whose management refused to cooperate and response to the Directors and the auditors of the Company;

(ii) Engaged PRC legal professional to enforce the shareholders' right and information rights over those deconsolidated PRC subsidiaries;

(iii) Engaged an independent professional to review the internal control systems of the Group;

(iv) Engaged PRC legal professional to change the memorandum of the PRC subsidiaries to increase the control exercisable by the Company;

(v) Enhanced reporting procedures among all the subsidiaries of the Group, including strengthened treasury and control procedures; and

(vi) Considered to proceed necessary restructure of the Group in order to reduce the loss of the Group.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2016

	Notes	2016 RMB'000	2015 RMB'000
Revenue	5	**–**	962,727
Cost of sales		**–**	(1,381,565)
Gross loss		**–**	(418,838)
Other income	6	**702**	28,363
Loss arising from the Incidents	7(a)	**(3,935,432)**	–
Impairment losses on amounts due from Deconsolidated Subsidiaries	7(d)	**(1,250,898)**	–
Change in fair value of biological assets		**–**	(242,833)
Selling and distribution expenses		**–**	(37,734)
General and administrative expenses		**(31,001)**	(134,448)
Other operating expenses	8	**–**	(418,442)
Finance costs	9(a)	**–**	(67)
Loss before tax	9	**(5,216,629)**	(1,223,999)
Income tax expense	10	**–**	–
Loss for the year		**(5,216,629)**	(1,223,999)
Attributable to			
Owners of the Company		**(5,216,629)**	(1,222,371)
Non-controlling interests		**–**	(1,628)
		(5,216,629)	(1,223,999)
		RMB	*RMB*
Loss per share	11		
– Basic and diluted		**(4.175)**	(0.978)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2016

	2016	2015
	RMB'000	*RMB'000*
Loss for the year	**(5,216,629)**	(1,223,999)
Other comprehensive loss for the year		
Item that may be reclassified subsequently to profit or loss:		
– Exchange differences on translation of financial statements of foreign operations, net of tax	**(2,383)**	(7)
Total comprehensive loss for the year	**(5,219,012)**	(1,224,006)
Attributable to		
Owners of the Company	**(5,219,012)**	(1,222,378)
Non-controlling interests	**–**	(1,628)
	(5,219,012)	(1,224,006)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2016

	Notes	2016 RMB'000	2015 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		**2,370**	2,253,506
Land use rights		**–**	74,625
Construction-in-progress		**–**	49,430
Biological assets		**–**	1,332,482
Intangible assets		**–**	51,091
Deposits		**–**	11,012
Goodwill		**–**	–
		2,370	3,772,146
Current assets			
Biological assets		**–**	264,300
Properties for sale		**–**	–
Inventories		**–**	106,033
Trade and other receivables	*13*	**1,560**	194,607
Cash and cash equivalents		**49,539**	937,571
		51,099	1,502,511
Total assets		**53,469**	5,274,657
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		**12,340**	12,340
Reserves		**(198,809)**	5,009,497
(Capital deficiency)/equity attributable to owners of the Company		**(186,469)**	5,021,837
Non-controlling interests		**–**	113,525
(Capital deficiency)/total equity		**(186,469)**	5,135,362

	Notes	**2016**	2015
		RMB'000	*RMB'000*
Non-current liability			
Obligations under finance leases		**–**	596
Current liabilities			
Trade and other payables	*14*	**239,938**	138,576
Obligations under finance leases		**–**	123
		239,938	138,699
Total liabilities		**239,938**	139,295
Total equity and liabilities, net of capital deficiency		**53,469**	5,274,657
Net current (liabilities)/assets		**(188,839)**	1,363,812
Total assets less current liabilities		**(186,469)**	5,135,958

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

The Company is incorporated in Bermuda on 4 June 2003 as an exempted company with limited liability under the Companies Act of Bermuda and its shares were listed on the HKEx.

The address of the Company's registered office is Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda. The principal place of business of the Company is located at Suite 2609-11, 26/F., Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong.

The principal activities of the Company and its subsidiaries (together the "**Group**") are planting, cultivation and sale of agricultural produce and manufacture and sale of fruit juice concentrates, fruit purees, frozen fruits and vegetables.

The consolidated financial statements are presented in Renminbi ("**RMB**"), which is the same as the functional currency of the Group, and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

2 BASIS OF PREPARATION

The consolidated financial statements as at and for the year ended 30 June 2016 comprise the Company and its subsidiaries (other than those deconsolidated PRC subsidiaries).

During the audit process in respect of the consolidated financial statements of the Group for the year ended 30 June 2016, HLB Hodgson Impey Cheng Limited, the auditors of the Company, (the "**Auditors**") reported that it has received written correspondences which appeared to be sent by a person named Mr. DQ Chen, who is a finance manager of certain PRC subsidiaries of the Company and asserted in the correspondence that he was acting on behalf of Mr. Man, who (1) is a minority shareholder, director and general manager of Beihai Perfuming Garden, a PRC subsidiary of the Company; and (2) holders of positions in some other PRC subsidiaries of the Company and indicated to the Auditors that certain amounts or balances in the internal records of certain customers and suppliers did not correspond to the internal records of Hepu Perfuming Garden Food Co., Ltd* (合浦果香園食品有限公司) for the year ended 30 June 2016 ("**Mr. Chen's Allegation**"). Further details are disclosed in the Company's announcement dated 29 September 2016.

After that, at the request of a man who claimed to be Mr. Man's representative, the Auditors have arranged to meet Mr. Man in the office of the Auditors' legal adviser (the "**Meeting**"). A man who claimed to be Mr. Man attended the Meeting and asserted to the Auditors that there were inaccuracies in the books and records of certain subsidiaries of the Company and provided to the Auditors documents purporting to be copies of bank statements for the period from 1 January 2016 to 30 June 2016 of Lucky Team Hepu, a PRC subsidiary of the Company ("**Mr. Man's Allegation**").

In June 2017 the Company was made aware of service of proceedings from a court in the PRC whereby Mr. Man had commenced legal proceedings against Chance Lead Holdings Limited ("**Chance Lead**"), a subsidiary of the Company and the immediate holding company of Beihai Perfuming Garden, alleging that he had the right to require Chance Lead to transfer 46.14% equity interests in Beihai Perfuming Garden to him pursuant to certain contractual arrangements alleged to have been executed by Chance Lead, Mr. Man and the previous shareholders of Beihai Perfuming Garden in February 2010 (the "**Arrangements**"). Furthermore, the Company was made aware of a court order in the PRC requiring Tianyang Perfuming Garden, a PRC subsidiary of the Company, to repay a loan of RMB17 million and the interest in arrears. Based on the court documents received, the directors of the Company's understanding of the allegations is that Tianyang Perfuming Garden had allegedly entered into a loan facility agreement with a person called Xue Zhen* (薛珍) on 1 June 2016 in respect of a loan which amounted to RMB17 million with interest rate of 6% per annum. It is alleged that such loan and the interests were due for repayment. It is further alleged that Tianyang Perfuming Garden had also pledged two pieces of land to Xue Zhen as security for the loan but such pledge had not been registered with the PRC authorities (the "**Tianyang Perfuming Garden Proceeding**") (hereinafter, the Arrangements, the Tianyang Perfuming Garden Proceeding, Mr. Chen's Allegation and Mr. Man's Allegation are collectively referred to as the "**Allegations**"). The Board had, since becoming aware of the legal proceedings, made enquiries with Tianyang Perfuming Garden in connection with information related to this loan, but up to the date of approval of the consolidated financial statements, Tianyang Perfuming Garden (which to the Company's knowledge its senior management includes Mr. Huang Xin, Mr. Pang Yi, Mr. Man and Mr. Wang Jia Yi) has not responded nor cooperated. The Company had also instructed its PRC legal advisers to attend the office of Tianyang Perfuming Garden to exercise its shareholders' right and make enquiries. Nevertheless the management of Tianyang Perfuming Garden refused to cooperate. Further details are disclosed in the Company's announcement dated 30 June 2017.

As a result of the above, the Group's consolidated financial statements for the year ended 30 June 2016 were not available for publication by 30 September 2016, being the time by which the Company was obliged to make such publication under the Hong Kong Listing Rules and the AIM Rules for Companies governing the admission to and operation of AIM published by the London Stock Exchange. Consequently, the shares of the Company were suspended from trading on the HKEx and the AIM from 29 September 2016 and 28 September 2016 respectively. As disclosed in the Company's announcement dated 27 March 2017, the London Stock Exchange would cancel the admission of AIM securities where these securities had been suspended from trading for 6 months and as such the Company's shares would be cancelled from trading on AIM with effect from 29 March 2017, being the date that is 6 months from the date when the shares were initially suspended.

The directors of the Company have initiated and tried to establish communications with Mr. Man and Mr. DQ Chen as well as other senior management of the Company's subsidiaries established in the PRC (except for Guangzhou Asian Citrus Investment Consulting Co., Ltd.* (廣州市亞機果投資諮詢有限公司), which was established by the Group on 21 January 2016) (the "**PRC Subsidiaries**") with a view to clarify details in connection with the Allegations. The Group had initiated formal legal procedures to change the relevant senior management members of the PRC subsidiaries. After taking legal advice from a PRC lawyer, the implementation of such changes may take a prolonged time and cause undue delay. Up to the date of approval of the consolidated financial statements, (i) the Group has not yet received any of the requested information from Mr. Man and Mr. DQ Chen in respect of the Allegations which are required for the proper finalisation of the consolidated financial statements of the Group; and (ii) the relevant legal procedures to change the senior management members of the PRC subsidiaries are still in progress. Further details are disclosed in the Company's announcements dated 8 November 2016, 8 December 2016, 6 January 2017, 27 January 2017, 27 February 2017, 15 March 2017, 27 March 2017, 30 June 2017 and 29 September 2017.

The Board believes that the occurrences of the Allegations and the inability of the management of the Group to gain access to the complete books and records of the PRC subsidiaries of the Company or to obtain explanations and information from the management of the PRC subsidiaries (hereinafter, together with the incidents relating to the Allegations, are collectively referred to as the "**Incidents**") have adversely affected the normal operations of the Company and is against the interests of its shareholders.

Given the circumstances that the directors of the Company have not been able to have access to complete books and records of the PRC Subsidiaries and in the absence of Mr. Man, Mr. DQ Chen and the management of the PRC Subsidiaries to explain and validate the true state of the affairs of the PRC Subsidiaries as at 30 June 2016 and their financial performance for the financial year then ended 30 June 2016, the directors of the Company considered it would be extremely difficult and time consuming to ascertain the true and correct financial position and profit or loss as of and for the year ended 30 June 2016 for the Group on a consolidated basis or to obtain sufficient documentary information to satisfy themselves regarding the treatment of the transactions during the year and various balances of the Group and the PRC Subsidiaries as at 30 June 2016. As of the date of approval of the consolidated financial statements of the Group, the directors of the Company are satisfied that the Group have used its best efforts, to the extent commercially practicable, to attempt to obtain the accounting records of the PRC Subsidiaries for the year ended 30 June 2016, applying the best estimates and judgement based on the information of the Group that are available to the directors of the Company. In the opinion of the Board, any reconstruction of the correct accounting records would be impracticable as it will be necessary to verify the information with external and independent sources and such sources may not be available or may be unreliable due to their connections with the management of the PRC Subsidiaries or those responsible for the financial information within and outside of the Group.

Given these circumstances, the Board has not consolidated the financial statements of the PRC Subsidiaries (hereinafter referred to as the "**Deconsolidated Subsidiaries**") with effect from 1 July 2015. As such, the results, assets and liabilities of the Deconsolidated Subsidiaries have not been included into the consolidated financial statements of the Group since 1 July 2015 or as at 30 June 2016, as appropriate. The deconsolidation of the Deconsolidated Subsidiaries resulted in a loss of approximately RMB3,935,432,000, which was determined based on the carrying amounts of the assets and liabilities of the Deconsolidated Subsidiaries as at 1 July 2015. This loss had been recognised in the consolidated statement of profit or loss for the year ended 30 June 2016 and presented as "loss arising from the Incidents" and the resulting movement of approximately RMB136,625,000 had been recorded in the statutory reserve in the consolidated statement of changes in equity for the year ended 30 June 2016. Details of the Deconsolidated Subsidiaries are set out in note 7 to this annual results announcement.

In the opinion of the directors of the Company, the consolidated financial statements of the Group as at and for the year ended 30 June 2016 prepared on the aforementioned basis is the most appropriate and practical way of presenting the results and state of affairs of the Group as the directors of the Company were unable to obtain sufficient documentary information to satisfy themselves regarding the transactions and balances related to the Deconsolidated Subsidiaries. However, the deconsolidation of the Deconsolidated Subsidiaries is not in compliance with the requirements of International Financial Reporting Standard ("**IFRS**") 10 "Consolidated Financial Statements". Given the abovementioned circumstances, the directors of the Company are unable to ascertain the impact of the Incidents with respect to the accounting records and transactions of the Deconsolidated Subsidiaries, if any, and hence how much of the reported loss arising from the Incidents related solely to the impact of deconsolidation of the Deconsolidated Subsidiaries. Furthermore, the comparative financial information disclosed in the consolidated financial statements only represents such information as reported in the consolidated financial statements of the Group for the year ended 30 June 2015 (the "**2015 Financial Statements**") and therefore may not be comparable with the figures for the current year.

Due to limited books of account and records available to the directors of the Company and the non-consolidation of the Deconsolidated Subsidiaries with effect from 1 July 2015, the following disclosures have not been made in the consolidated financial statements insofar as the details or information relate to the Deconsolidated Subsidiaries as at and for the year ended 30 June 2016:

- Details of the credit policy and aging of debtors and creditors as required by the Hong Kong Listing Rules;

- Details of contingent liabilities and commitments as required by the Hong Kong Companies Ordinance and IFRSs;

- Details of allowance account for credit losses, financial risk management and fair value disclosure as required by IFRS 7 "Financial Instruments – Disclosures"; and

- Entity-wide disclosures as required by IFRS 8 "Operating Segments".

Further, for the same reasons as those stated above, the Board is unable to represent in these consolidated financial statements that all transactions entered into by the Group for the year ended 30 June 2016 have been properly reflected in the consolidated financial statements. In this connection, the Board is also unable to represent as to the completeness, existence and accuracy of identification and the disclosures of segment information, revenue, other income, loss arising from the Incidents, other operating expenses, loss before tax, income tax expense, directors' emoluments, individuals with highest emoluments, loss per share, property, plant and equipment, land use rights, construction-in-progress, biological assets, intangible assets, deposits, goodwill, properties for sale, inventories, trade and other receivables, cash and cash equivalents, capital, reserves and dividends, share-based payments, obligations under finance leases, trade and other payables, commitments, related party transactions, statement of financial position of the Company, major non-cash transactions and events after the reporting period insofar as the details or information relate to the Deconsolidated Subsidiaries.

Any adjustments arising from the matters described above would have a consequential significant effect on the net loss of the Group for the year ended 30 June 2016 and net liabilities of the Group as at 30 June 2016, as well as the elements presented in the consolidated financial statements.

Due to the limited financial information available and the non-cooperation of the management of the Deconsolidated Subsidiaries, the directors of the Company were unable to obtain sufficient documentary information to satisfy themselves regarding the genuineness and completeness of books and records and the treatment of various balances as included in the consolidated financial statements for the year ended 30 June 2016 and have formed the opinion as follows:

As per assessment by the Board based on the information available at this stage, all identified, required adjustments have been put through in the consolidated financial statements for the year ended 30 June 2016. Since the communication with Mr. Man and Mr. DQ Chen and formal legal procedures are still ongoing, any further adjustments and disclosures, if required, would be made in the consolidated financial statements of the Group as and when the outcome of the above uncertainties is known and the consequential adjustments and disclosures are identified, and would have a consequential effect on the net loss of the Group for the year ended 30 June 2016 and the net liabilities of the Group as at 30 June 2016.

Subsequent to the end of the reporting period, the legal representative of Lucky Team Hepu passed away in August 2017. In view of such development, following consultation with the PRC legal advisers, the Company had submitted applications to effect the appointment of a replacement legal representative of Lucky Team Hepu and its directors. Further details are disclosed in the Company's announcement dated 29 September 2017.

The Group thereafter obtained a copy of the business licence of Lucky Team Hepu re-issued by the SAIC at Beihai City and Hepu County of the PRC, effected changes of the legal representative, board of directors and supervisor of Lucky Team Hepu to the Company's nominated representatives, all of which have taken effect on 28 September 2017 and reflected on public records, and then entered into the premises of Lucky Team Hepu to take physical control and possession of the registered office of Lucky Team Hepu, including the land and buildings occupied by it, and made an inventory record of assets, books and records being held on site. The directors of the Company therefore considered that the Group's effective control over Lucky Team Hepu was resumed since 28 September 2017 and its financial statements would be consolidated into the Group's consolidated financial statements thereafter. The details of the assets and liabilities recorded on 28 September 2017 are set out in note 16(aa) to this annual results announcement. Further details are disclosed in the Company's announcement dated 31 October 2017, 30 November 2017 and 28 December 2017.

As disclosed in note 16(z) to this annual results announcement, on 3 January 2017, the Group entered into a sale and purchase agreement with an independent third party to acquire 100% equity interests in the Agriculture Company, of which principal activities are cultivation management and sales of oranges, with a total cash consideration of RMB1,000,000 (the "**Agriculture Company Acquisition**"). Prior to the Agriculture Company Acquisition, the Agriculture Company had entered into the Cooperation Agreement with Lucky Team Hepu on 1 December 2016 for a term of 30 years that the Agriculture Company would contribute fertilizers, pesticides and labour while Lucky Team Hepu would contribute the land, trees, machinery and the provision of technical support on cultivation and soil management. Under the Cooperation Agreement, the revenue generated from harvested oranges would be shared between the Agriculture Company and Lucky Team Hepu in the proportion of 90% and 10% respectively. On 18 September 2017, the legal title of the equity interests of the Agriculture Company changed to the Company's wholly-owned subsidiary and the legal representative of the Agriculture Company also changed to the Company's nominated representative and both of the above were reflected on public records of the SAIC at Beihai City and Hepu County of the PRC; and the Agriculture Company Acquisition was completed on the same date.

During the year ended 30 June 2016, the Group incurred loss of approximately RMB5,216,629,000 and as of that date, the Group's total liabilities exceeded its total assets by approximately RMB186,469,000. Following deconsolidation of the Deconsolidated Subsidiaries, the Group became principally an investment holding group without conducting any significant business and net liabilities in its consolidated statement of financial position. In addition, at the request of the Company, the trading of the shares of the Company on the HKEx was suspended with effect from 29 September 2016. The directors of the Company have been unable to represent that all present and contingent liabilities of the Group have been completely identified as abovementioned. These conditions indicate the existence of a material uncertainty which may cast significant doubts on the Group's ability to continue as a going concern.

Notwithstanding the above results, the consolidated financial statements have been prepared on a going concern basis. The validity of the going concern basis is dependent upon the success of the Group's future operations, its ability to generate adequate cash flows in order to meet its obligations as and when fall due. In addition, a substantial shareholder of the Company has confirmed his intention to provide continuing financial support to the Group to enable it to continue as a going concern and to settle its liabilities as and when they fall due for the foreseeable future such that the Group can meet its future working capital and financing requirements.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise. The effect of these adjustments has not been reflected in the consolidated financial statements.

3 APPLICATION OF NEW AND AMENDMENTS TO IFRSs

(a) Adoption of new or amended IFRSs

In the current year, the Group has applied a number of amendments to IFRSs issued by the International Accounting Standards Board ("**IASB**").

IFRSs (Amendments)	Annual Improvements to IFRSs 2010–2012 Cycle
IFRSs (Amendments)	Annual Improvements to IFRSs 2011–2013 Cycle
IAS 19 (Amendments)	Defined Benefit Plans: Employee Contributions

The application of the new and amended IFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or disclosures set out in these consolidated financial statements.

(b) New and amendments to IFRSs in issue but not yet effective

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

IFRSs (Amendments)	Annual Improvements to IFRSs 2012-2014 Cycle[1]
IFRSs (Amendments)	Annual Improvements to IFRSs 2014-2016 Cycle[4]
IFRSs (Amendments)	Annual Improvements to IFRSs 2015-2017 Cycle[5]
IFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions[4]
IFRS 4 (Amendments)	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts[4]
IFRS 9	Financial Instruments[4]
IFRS 9 (Amendments)	Prepayment Features with Negative Compensation[5]
IFRS 10 and IAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[7]
IFRS 10, IFRS 12 and IAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception[1]
IFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations[1]
IFRS 14	Regulatory Deferral Accounts[2]
IFRS 15	Revenue from Contracts with Customers[4]
IFRS 15 (Amendments)	Clarifications to IFRS 15 Revenue from Contracts with Customers[4]
IFRS 16	Leases[5]
IFRS 17	Insurance Contracts[6]
IAS 1 (Amendments)	Disclosure Initiative[1]
IAS 7 (Amendments)	Disclosure Initiative[3]
IAS 12 (Amendments)	Recognition of Deferred Tax Assets for Unrealised Losses[3]
IAS 16 and IAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
IAS 16 and IAS 41 (Amendments)	Agriculture: Bearer Plants[1]
IAS 19 (Amendments)	Plan Amendment, Curtailment or Settlement[5]
IAS 27 (Amendments)	Equity Method in Separate Financial Statements[1]
IAS 28 (Amendments)	Long-term Interests in Associates and Joint Ventures[5]
IAS 40 (Amendments)	Transfers of Investment property[4]
IFRIC 22	Foreign Currency Transactions and Advance Consideration[4]
IFRIC 23	Uncertainty over Income Tax Treatments[5]

1 Effective for annual periods beginning on or after 1 January 2016
2 Effective for first annual IFRS financial statements beginning on or after 1 January 2016
3 Effective for annual periods beginning on or after 1 January 2017
4 Effective for annual periods beginning on or after 1 January 2018
5 Effective for annual periods beginning on or after 1 January 2019
6 Effective for annual periods beginning on or after 1 January 2021
7 Effective for annual periods beginning on or after a date to be determined

The directors of the Company consider that the application of other new and amendments to IFRSs do not have material impact to the consolidated financial statements of the Group.

4 SEGMENT INFORMATION

The Group managed its business by lines of business. In a manner consistent with the way in which information was reported internally to the Group's chief operating decision maker ("**CODM**") for the purposes of resources allocation and performance assessment, the Group had two operating segments. The segments were managed separately as each business offered different products and requires different business strategies. The following summary describes the operations in each of the Group's reportable and operating segments in the years ended 30 June 2016 and 2015:

- Agricultural produce – planting, cultivation and sale of agricultural produce

- Processed fruits – manufacture and sale of fruit juice concentrates, fruit purees, frozen fruits and vegetables

No inter-segment transactions occurred between the two operating segments of the Group.

No customer accounted for 10% or more of the total revenue for both years.

As majority of the Group's non-current assets and revenue were located in/derived from the PRC, geographical information is not presented.

The directors of the Company assessed the performance of the operating segments based on a measure of operating segment results. This measurement basis excludes the central other income, expenses and finance costs.

Segment assets mainly exclude goodwill, certain property, plant and equipment, land use rights and other assets that were managed on a central basis. Segment liabilities mainly excluded liabilities that were managed on a central basis.

	Agricultural produce		Processed fruits		Total	
	2016	2015	**2016**	2015	**2016**	2015
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
RESULTS						
Reportable segment revenue and revenue from external customers	**–**	410,105	**–**	552,622	**–**	962,727
Reportable segment results	**–**	(844,519)	**–**	(47,853)	**–**	(892,372)
Unallocated corporate and other expenses*					**(5,217,331)**	(333,846)
Unallocated corporate other income					**702**	2,219
Loss before tax					**(5,216,629)**	(1,223,999)
Income tax expense					**–**	–
Loss for the year					**(5,216,629)**	(1,223,999)
ASSETS						
Segment assets	**–**	3,485,363	**–**	1,653,675	**–**	5,139,038
Unallocated corporate assets					**53,469**	135,619
Total assets					**53,469**	5,274,657
LIABILITIES						
Segment liabilities	**–**	(111,349)	**–**	(23,453)	**–**	(134,802)
Unallocated corporate liabilities					**(239,938)**	(4,493)
Total liabilities					**(239,938)**	(139,295)
OTHER INFORMATION						
Amortisation of land use rights	**–**	–	**–**	(500)	**–**	(500)
Amortisation of intangible assets	**–**	(5,360)	**–**	(5,464)	**–**	(10,824)
Depreciation	**–**	(95,253)	**–**	(73,491)	**–**	(168,744)
Loss on disposals of property, plant and equipment	**–**	(26)	**–**	(1,879)	**–**	(1,905)
Interest income	**–**	14,800	**–**	11,255	**–**	26,055
Change in fair value of biological assets	**–**	(242,833)	**–**	–	**–**	(242,833)
Write off of biological assets	**–**	(114,071)	**–**	–	**–**	(114,071)
Write off of inventories	**–**	–	**–**	(9,072)	**–**	(9,072)
Capital expenditure**	**–**	(66,615)	**–**	(91,658)	**–**	(158,273)

* Unallocated corporate and other expenses mainly included loss arising from the Incidents of approximately RMB3,935,432,000 (2015: RMBNil), impairment loss on amounts due from Deconsolidated Subsidiaries of approximately RMB1,250,898,000 (2015: RMBNil), staff costs (including directors' emoluments) of approximately RMB20,060,000 (2015: RMB15,791,000), consultancy fee of approximately RMB3,304,000 (2015: RMB2,295,000), operating lease expenses of approximately RMB2,030,000 (2015: RMB1,084,000) and impairment of goodwill of approximately RMB Nil (2015: RMB303,833,000).

** Capital expenditure consists of additions to property, plant and equipment, construction-in-progress, intangible assets and deposits.

5 REVENUE

The amount of each significant category of revenue recognised is as follows:

	2016	2015
	RMB'000	*RMB'000*
Sales of oranges	**–**	408,934
Sales of self-bred saplings	**–**	1,171
Sales of processed fruits	**–**	552,622
	–	962,727

6 OTHER INCOME

	2016	2015
	RMB'000	*RMB'000*
Interest income	**702**	28,273
Government grants	**–**	30
Sundry income	**–**	60
	702	28,363

7 LOSS ARISING FROM THE INCIDENTS

As explained in note 2 to this annual results announcement, the directors of the Company have been unable to locate and to get access to the complete books and records of the Deconsolidated Subsidiaries and the management of the Deconsolidated Subsidiaries did not respond to any request for information. The financial results, assets and liabilities of the Deconsolidated Subsidiaries have not been included in the consolidated financial statements of the Group since 1 July 2015.

For the purposes of the consolidated financial statements, in view of the deconsolidation of the Deconsolidated Subsidiaries with effect from 1 July 2015, all references to the "Group" refer to the Company and its subsidiaries excluding the Deconsolidated Subsidiaries if the words "the Group" are used in respect of the year ended or as at 30 June 2016, but refer to the Company and all its subsidiaries (including the Deconsolidated Subsidiaries) if the words are used in respect of the year ended or as at 30 June 2015, 1 July 2015 or earlier periods or dates.

Details of the carrying amounts of net assets of the Deconsolidated Subsidiaries as at 1 July 2015, determined based on the management accounts used in the preparation of the consolidated financial statements of the Group for the financial year ended 30 June 2015, are set out below:

(a) Deconsolidation of the Deconsolidated Subsidiaries

Details of net assets of the Deconsolidated Subsidiaries as at 1 July 2015

	RMB'000
Property, plant and equipment	2,250,979
Land use rights	74,625
Construction-in-progress	49,430
Biological assets	1,596,782
Intangible assets	51,091
Goodwill	–
Deposits	11,012
Inventories	106,033
Trade and other receivables	194,535
Amounts due from the ultimate holding company	31,072
Amounts due from an intermediate holding company	206,442
Cash and cash equivalents	864,883
Trade and other payables	(136,310)
Amounts due to the immediate holding company of the Deconsolidated Subsidiaries	(1,250,898)
Obligations under finance leases	(719)
Carrying amount of net assets of the Deconsolidated Subsidiaries	4,048,957
Less: Carrying amounts of non-controlling interests in the Deconsolidated Subsidiaries	(113,525)
Carrying amounts of net assets of the Deconsolidated Subsidiaries attributable to the owners of the Company, representing "Loss arising from the Incidents" in consolidated statement of profit or loss	3,935,432

Details of results of the Deconsolidated Subsidiaries for the year ended 30 June 2015

	RMB'000
Revenue	962,727
Cost of sales	(1,381,565)
Gross loss	(418,838)
Other revenue	26,147
Change in fair value of biological assets	242,833
Selling and distribution expenses	(37,734)
General and administrative expenses	(106,549)
Other operating expenses	(418,442)
Finance costs	(67)
Loss before tax	(712,650)
Income tax expense	–
Loss and other comprehensive loss for the year	(712,650)

Details of cash flows for the year ended 30 June 2015

Net cash used in operating activities	(519,723)
Net cash used in investing activities	(328,303)
Net cash used in financing activities	(180)
	(848,206)

(b) Net cash outflow on deconsolidation of the Deconsolidated Subsidiaries

	2016 *RMB'000*
Cash and cash equivalents of the Deconsolidated Subsidiaries derecognised upon deconsolidation	(864,883)

(c) Amounts due to the Deconsolidated Subsidiaries included in the consolidated statement of financial position as at 30 June 2016

	RMB'000
Trade and other payables	237,514

(d) Impairment losses

	2016
	RMB'000
Impairment losses on amounts due from the Deconsolidated Subsidiaries *(Note)*	1,250,898

Note:

During the year ended 30 June 2016, impairment losses have been recognised for the amounts due from the Deconsolidated Subsidiaries due to the amounts were considered by the directors of the Company to be highly unrecoverable and which were determined by reference to the estimation of future cash flows expected to be generated from the Deconsolidated Subsidiaries. Accordingly, impairment losses of approximately RMB1,250,898,000 were recognised during the year ended 30 June 2016 to fully write down the amounts due from the Deconsolidated Subsidiaries.

(e) Contingent liabilities

As set out in note 2, in June 2017, the Company was made aware of (i) service of proceedings from a court in the PRC whereby Mr. Man has commenced legal proceedings against Chance Lead alleging that he had the right to require Chance Lead to transfer 46.14% equity interests in Beihai Perfuming Garden to him pursuant to the Arrangements and (ii) the Tianyang Perfuming Garden Proceeding. The progress development of the above subsequent to the end of the reporting period is set out in note 16(l), 16(t) and 16(v).

In addition, the Company is made aware by the senior management of Tianyang Perfuming Garden in late February 2018 that Tianyang Perfuming Garden had been served with a service of proceeding from Guangxi Zhuang Autonomous Region Tianyang County People's Court (廣西壯族自治區田陽縣人民法院) whereby the same claimant under the First TPG Judgment (as defined in note 16(u)) has commenced a legal proceeding against Tianyang Perfuming Garden alleging that it had defaulted in the payment of approximately RMB836,000 together with interests for the same construction work. The progress development of the above subsequent to the end of the reporting period is set out in note 16(t), 16(u), 16(x) and 16(y).

8 OTHER OPERATING EXPENSES

	2016	2015
	RMB'000	*RMB'000*
Write off of biological assets	–	114,071
Impairment of goodwill	–	303,883
Write down of inventories	–	488
	–	418,442

9 LOSS BEFORE TAX

Loss before tax is stated after charging/(crediting) the following:

	2016 *RMB'000*	2015 *RMB'000*
(a) Finance costs		
Finance charges on obligations under finance leases	**–**	67
(b) Staff costs (including directors' emoluments)		
– salaries, wages and other benefits	**9,978**	144,810
– share-based payments	**10,706**	6,710
– contribution to defined contribution retirement plans	**167**	3,960
	20,851	155,480
(c) Other items		
Amortisation of land use rights	**–**	1,553
Amortisation of intangible assets	**–**	10,824
Auditor's remuneration:		
– audit services	**1,000**	1,170
– non-audit services	**667**	1,029
– under-provision in prior year	**133**	–
	1,800	2,199
Cost of agricultural produce sold#	**–**	842,570
Cost of inventories of processed fruits recognised as expenses##	**–**	538,995
Depreciation of property, plant and equipment	**748**	201,098
Add: Realisation of depreciation previously capitalised as biological assets	**–**	26,979
Less: Amount capitalised as biological assets	**–**	(58,386)
	748	169,691
Exchange gains, net	**(4,774)**	(2,744)
Legal and professional fees	**904**	335
Operating lease expenses		
– plantation bases	**–**	9,335
– properties	**2,069**	1,197
Research and development costs	**–**	8,592
Write down of inventories###	**–**	9,072
Write off of trade and other receivables	**–**	2,717
Loss on disposals of property, plant and equipment	**197**	1,905

\# Cost of agricultural produce sold for the year ended 30 June 2015 includes approximately RMB170,062,000 relating to staff costs, depreciation and operating lease expenses, which amount is also included in the respective total amount disclosed separately above for each of these types of expenses.

\## Cost of inventories of processed fruits recognised as expenses for the year ended 30 June 2015 includes approximately RMB100,572,000 relating to staff costs, amortisation of land use rights, amortisation of intangible assets and depreciation, which amount is also included in the respective total amount disclosed separately above for each of these types of expenses.

\### The write down of inventories for the year ended 30 June 2015 of approximately RMB8,584,000 and RMB488,000 were included in general and administrative expenses and other operating expenses, respectively, in the consolidated statement of profit or loss.

10 INCOME TAX EXPENSE

On the basis stated below, no income tax has been provided by the Group:

(i) Pursuant to the rules and regulations of Bermuda, Cayman Islands and BVI, the Group is not subject to any income tax in the respective tax jurisdictions.

(ii) No Hong Kong profits tax has been provided as the Group did not have assessable profits arising in or derived from Hong Kong.

(iii) No PRC enterprise income tax has been provided as the Group did not have assessable profit in the PRC during the year. Prior to the deconsolidation of the Deconsolidated Subsidiaries, 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 law, its rules and regulations, enterprises that engage in certain qualifying agricultural business are eligible for certain tax benefits, including full enterprise income tax exemption on profits derived from such business. Certain of the Deconsolidated Subsidiaries of the Group in the PRC engaged in qualifying agricultural business are entitled to full exemption of enterprise income tax.

The applicable enterprise income tax rate of the other operating entities comprising the Deconsolidated Subsidiaries in the PRC is 25%.

(iv) PRC withholding income tax

Under the PRC tax law, profits of the Group's subsidiaries in the PRC derived since 1 January 2008 are subject to withholding income tax upon the distribution of such profits at the rate of 5% for foreign investors or companies incorporated in Hong Kong and at the rate of 10% for other foreign investors. Pursuant to the grandfathering arrangements of the PRC tax law, dividends receivable by the Group from its subsidiaries in the PRC in respect of the undistributed profits derived prior to 31 December 2007 are exempt from the withholding income tax. At 30 June 2016, no deferred tax liabilities have been recognised (30 June 2015: Nil) in respect of the tax that would be payable on the unremitted profits of the subsidiaries in the PRC derived since 1 January 2008 as the Company is in a position to control the dividend policies of the subsidiaries in the PRC and no distribution of such profits is expected to be declared from the subsidiaries in the PRC in the foreseeable future. As at 30 June 2016, the Group has unremitted profits of the subsidiaries in the PRC of approximately RMBNil (2015: RMB3,922,279,000) due to the deconsolidation of the Deconsolidated Subsidiaries with effect from 1 July 2015.

11 LOSS PER SHARE

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

	2016	2015
	RMB'000	*RMB'000*
Loss		
Loss attributable to owners of the Company used in basic and diluted loss per share calculation	**(5,216,629)**	(1,222,371)
Weighted average number of shares	***'000***	*'000*
Weighted average number of ordinary shares used in basic and diluted loss per share calculation	**1,249,638**	1,249,638

Note:

There were no adjustments for the effects of potential ordinary shares arising from outstanding share options as the respective average share price of the Company during the years ended 30 June 2016 and 2015 did not exceed the exercise price of the then outstanding share options, hence they were anti-dilutive and ignored in the calculation of diluted loss per share.

12 DIVIDENDS

No dividend has been paid or proposed by the Company during the year ended 30 June 2016 (2015: Nil).

13 TRADE AND OTHER RECEIVABLES

	2016	2015
	RMB'000	*RMB'000*
Trade receivables	**–**	112,986
Other receivables, deposits and prepayments	**1,560**	81,621
	1,560	194,607

On 1 July 2015, the trade and other receivables of approximately RMB194,535,000, which were recorded in the Deconsolidated Subsidiaries, were derecognised from the Group's consolidated financial statements upon deconsolidation of the Deconsolidated Subsidiaries with effect from 1 July 2015.

Included in other receivables, deposits and prepayments as at 30 June 2015 were valued-added-tax receivables and deposits paid for inventories of approximately RMB28,850,000 and RMB40,111,000 respectively.

The amount of the Group's trade receivables, other receivables, deposits and prepayments expected to be recovered or recognised as expenses in normal operating cycle of the Group after one year is approximately RMB Nil (2015: RMB1,469,000). The remaining balance of trade and other receivables are expected to be recovered or recognised as expenses within one year and so are classified as current assets.

The ageing analysis of trade receivables based on invoice date is as follows:

	2016	2015
	RMB'000	*RMB'000*
Less than 1 month	**–**	59,183
1 to 3 months	**–**	51,464
3 to 6 months	**–**	2,339
	–	112,986

Trade receivables from sales of goods were normally due for settlement within 30 to 90 days from the date of billing, while that from the sale of property units were due for settlement in accordance with the terms of the related sale and purchase agreements.

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that had a good track record with the Group. Based on past experience, management believed that no impairment allowance was necessary in respect of these balances as there had not been a significant change in credit quality and the balances were considered fully recoverable.

14 TRADE AND OTHER PAYABLES

	2016	2015
	RMB'000	*RMB'000*
Trade payables	**–**	105,635
Other payables and accruals	**2,424**	32,941
Amounts due to the Deconsolidated Subsidiaries	**237,514**	–
	239,938	138,576

On 1 July 2015, the trade and other payables of approximately RMB136,310,000, which were recorded in the Deconsolidated Subsidiaries, were derecognised from the Group's consolidated financial statements upon deconsolidation of the Deconsolidated Subsidiaries with effect from 1 July 2015.

The balances of other payables and accruals are expected to be settled within one year or are repayable on demand.

The ageing analysis of trade payables by invoice date is as follows:

	2016	2015
	RMB'000	*RMB'000*
Less than 3 months	**–**	102,966
3 to 6 months	**–**	129
6 to 12 months	**–**	2,009
Over 1 year	**–**	531
	–	105,635

15 COMMITMENTS

(a) Operating lease commitments

At 30 June 2016 and 2015, the Group's total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2016	2015
	RMB'000	*RMB'000*
Within 1 year	**1,860**	7,174
After 1 year but within 5 years	**2,015**	36,079
After 5 years	**–**	320,701
	3,875	363,954

At 30 June 2016, operating lease payments represent rental payable by the Group for office premise, with lease negotiated for initial term for three years. None of the lease includes contingent rentals.

At 30 June 2015, operating lease payments represent rental payable by the Group for certain properties, premises and land on which the plantations were situated. The leases of properties typically run for an initial period of one to ten years, with options to renew the leases and renegotiate the terms at expiry dates or at dates mutually agreed with the respective lessors. The leases for the plantation bases were negotiated for a term of 50 years expiring from 2050 to 2060. None of the leases included contingent rentals.

On 1 July 2015, the operating lease commitments of approximately RMB363,954,000, which were recorded in the Deconsolidated Subsidiaries, were derecognised from the Group's consolidated financial statements upon the deconsolidation of the Deconsolidated Subsidiaries with effect from 1 July 2015.

(b) Capital commitments

At 30 June 2016 and 2015, the Group had the following capital commitments:

	2016	2015
	RMB'000	*RMB'000*
Contracted but not provided for:		
Construction-in-progress, property, plant and equipment and land use rights	**–**	43,467

On 1 July 2015, the capital commitments of approximately RMB43,467,000, which were recorded in the Deconsolidated Subsidiaries, were derecognised from the Group's consolidated financial statements upon the deconsolidation of the Deconsolidated Subsidiaries with effect from 1 July 2015.

16 EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the financial reporting period, the Company made the following announcements to provide update of events and circumstances arising after 30 June 2016:

(a) The 25 August 2016 announcement

On 25 August 2016, the Group (as purchaser) and Greater Lead Limited (as seller) entered into the SPA whereby the Group would acquire the entire share capital of Eagleton Global Investments Limited (the "**Target**") at a consideration of approximately HK$600 million, which would be settled in cash and by the issue of the Company's shares. Pursuant to the SPA, the seller would acquire the entire issued share capital of the Target. The Target would indirectly own 60% interest of Long Jia Investment Management (Shenzhen) Co., Ltd (the "**PRC Target Subsidiary**"), being the owner of two buildings of 8 storeys each, with a total gross floor area of 28,327.24 square metre, and were located at Nanshan Avenue, Nanshan District, Shenzhen, the PRC (the "**Property**") prior to completion of the acquisition by the Group.

Mr. Kung Chun Lung or companies held by him were then occupying certain part of the Property and would enter into a lease agreement with the PRC Target Subsidiary in respect of certain parts of the Property on or about completion of the acquisition. Given Mr. Justin Kung (being the son of Mr. Kung Chun Lung) would become a substantial shareholder of the Company upon completion, Mr. Kung Chun Lung would become a connected person/related party of the Company. Accordingly, the transactions contemplated under such lease agreement (if proceeded with) might become continuing connected transaction(s) of the Company under Chapter 14A of Hong Kong Listing Rules and related party transaction(s).

On the same date, the Company entered into a placing agreement pursuant to which the Company conditionally agreed to offer for subscription and the placing agent agreed to procure, on a best effort basis, as placing agent of the Company, not less than six placees to subscribe, up to 610,000,000 placing shares, at a price of HK$0.50 per placing share. As disclosed in the Company's announcement dated 29 September 2017, not all the conditions precedent were satisfied or waived, and the parties to the sale and purchase agreement and the related placement agreement had not reached any agreement to further extend the long stop dates of the respective agreements. Accordingly, such agreements were lapse and would have no further effect after 30 September 2017.

(b) The 29 September 2016 announcement

The Board was informed by its auditors that in light of the allegations made by a person who claimed to be Mr. Man on the accuracy of the books and records of certain subsidiaries of the Company and the receipt of written allegations on certain customers and suppliers balances which appeared to be sent by a person named Mr. DQ Chen, additional audit procedures would have to be carried out in connection with the Group's audited consolidated financial statements for the year ended 30 June 2016. The Group's audited consolidated financial statements for the year ended 30 June 2016 were not likely to be available for publication by 30 September 2016, being the time by which the Company was obliged to make such publication under the Hong Kong Listing Rules.

(c) The 8 November 2016 announcement

The directors of the Company had initiated communications with Mr. Man and Mr. DQ Chen with a view to clarify details in connection with the allegations made by them. As at the date of this announcement, the Board was continuing with its efforts to clarify the nature of these allegations and in the meantime the Company had also engaged and was taking legal advice from its PRC legal advisers in connection with their circumstances.

(d) The 8 December 2016 announcement

The directors of the Company had continued to establish communications with Mr. Man and Mr. DQ Chen as well as other senior management of the subsidiaries in the PRC (including arranging for site visits with its PRC lawyers) with a view of clarifying details in connection with the allegations made by them. As at the date of this announcement, the Board was continuing with its efforts to clarify the nature of these allegations and taking legal advice from its PRC legal advisers in connection with the current circumstances.

(e) The 22 December 2016 announcement

The Company had completed its site visits with its PRC lawyers to the offices of the Company's subsidiaries in the PRC as referred to in the previous announcement, and as at the date of this announcement, the Board had not yet received any of the requested information referred to in the Company's announcement dated 29 September 2016 for the purpose of allowing the auditors to complete its additional audit procedures. The Board had been informed that Mr. DQ Chen would discuss with his superiors in relation to providing the assistance requested by the Company. The Board was taking legal advice from its PRC legal advisers in connection with further steps to be taken in connection with the above.

(f) The 6 January 2017 announcement

Since the previous announcements, the directors of the Company had continued to establish communications with Mr. Man and Mr. DQ Chen as well as other senior management of the subsidiaries in the PRC (including arranging for site visits with its PRC lawyers) with a view to clarify details in connection with the allegations made by them. As at the date of this announcement, the Board was continuing with its efforts to clarify the nature of these allegations and taking legal advice from its PRC legal advisers in connection with the current circumstances.

(g) The 27 January 2017 announcement

The Board had sought to clarify the Allegations with both Mr. Man and Mr. DQ Chen, but as the date of this announcement had not made material progress. The Board was continuing with its efforts to clarify the nature of the Mr. Man's Allegation and Mr. Chen's Allegation and was taking legal advice from its PRC legal advisers in connection with the current circumstances.

The HKEx had notified the Company that the following conditions would apply for the resumption of trading of the shares of the Company: (i) publish all outstanding financial results under the Hong Kong Listing Rules and address any audit qualifications; (ii) clarify, address and take appropriate actions on the Mr. Man's Allegation and Mr. Chen's Allegation; and (iii) inform the market of all material information for the shareholders and the investors to appraise the Company's position. The Company was also required to comply with the Hong Kong Listing Rules and all applicable laws and regulations in Hong Kong and its place of incorporation before resumption.

(h) The 27 February 2017 announcement

There had been no material development since the announcement of 27 January 2017. The Company continued to follow the necessary procedures advised by its PRC legal advisers to seek the requisite clarification and information that was needed by the auditors.

(i) The 15 March 2017 announcement

The Company had been taking active steps to obtain relevant information from the relevant subsidiaries in the PRC in order to clarify the Mr. Man's Allegation and Mr. Chen's Allegation as referred to in the previous announcement, and to facilitate the additional audit procedures required by its auditors. As at the date of this announcement, the Company had not been successful in obtaining all required information.

In light of the above, the Company was considering its options and had initiated formal legal procedures to change the relevant senior management members of the relevant subsidiaries. The implementation of such changes might take time should there be resistance from the personnel concerned (for example, if legal proceedings ensue as a result).

(j) The 27 March 2017 announcement

The Company had initiated formal legal procedures to change certain senior management members of the relevant subsidiaries. The Company further announced that the implementation of such changes might take time should there be resistance from the personnel concerned (for example, if legal proceedings ensued as a result). Having taken legal advice from the PRC lawyer, the Company clarified that the timeline for this could take 12 months or more. As a consequence the Company was not able, as this time, to provide a definitive timetable to shareholders as to when it would be in a position to publish its annual report for the year ended 30 June 2016. The London Stock Exchange would cancel the admission of AIM securities where these securities had been suspended from trading for 6 months and as such the Company's shares were cancelled from trading on AIM with effect from 29 March 2017, being the date that is 6 months from the date when the shares were initially suspended.

(k) The 27 April 2017 and 29 May 2017 announcements

The Company continued to take all practical steps to change the relevant senior management members of relevant subsidiaries. However, implementation through formal legal procedures would take time and the Company would continue to update its shareholders through its monthly update announcements.

(l) The 30 June 2017 announcement

During the month of June 2017, the Company was made aware of service of proceedings from a PRC court whereby Mr. Man had commenced legal proceedings against Chance Lead alleging that he had the right to require Chance Lead to transfer 46.14% equity interest in Beihai Perfuming Garden to him pursuant to the Arrangements.

Furthermore the Company was made aware of a PRC court order requiring Tianyang Perfuming Garden to repay a loan of RMB17 million and the interest in arrears. Pursuant to the court documents received, the Group understands the allegation to be that the Company's PRC subsidiary, Tianyang Perfuming Garden, had entered into a loan facility agreement with a person called Xue Zhen* (薛珍) on 1 June 2016 in respect of a loan in the amount of RMB17 million with interest rate of 6% per annum. It was alleged that such loan and the interests were due for repayment. It was further alleged that Tianyang Perfuming Garden had also pledged two pieces of land to Xue Zhen as security for the loan but such pledge had not been registered with the PRC authorities. The Board had since becoming aware of the legal proceedings and made enquiries with Tianyang Perfuming Garden in connection with information related to this loan, but up to the date of this announcement, Tianyang Perfuming Garden (which to the Company's knowledge its senior management, includes Mr. Huang Xin, Mr. Pang Yi, Mr. Man Gui Fu and Mr. Wang Jia Yi) had yet to respond or cooperate. The Company had also instructed its PRC legal advisers to attend the office of Tianyang Perfuming Garden to exercise its shareholders' right and make enquiries. Nevertheless, the management at Tianyang Perfuming Garden refused to cooperate.

The Board believes that the non-cooperation of the management of the PRC subsidiaries has adversely affected the normal operations of the Company and is against the interests of its shareholders.

In addition, the long stop date in respect of the acquisition of the Property as disclosed in the Company's announcement dated 25 August 2016 had been further extended to 30 September 2017.

(m) The 31 July 2017 announcement

The Company continued to take relevant legal procedures in the PRC seeking to change the relevant senior management members of relevant subsidiaries and to enforce information rights as shareholder of relevant PRC subsidiaries.

(n) The 31 August 2017 announcement

The Board was taking the necessary steps in order to allow the auditors to carry out the additional audit procedures as set out in the Company's announcement dated 29 September 2016. However, given this was not expected to be completed within 2017, the Board would nevertheless like to keep the Company's shareholders informed to the extent possible and in order to give a responsible picture of the Group's operating status, it had been progressing the audit of those Group members referred to above.

(o) The 1 September 2017 announcement

The Board would like to clarify that resumption of trading in the shares are subject to the fulfillment of the resumption conditions as set out in the Company's announcement dated 27 January 2017, namely: (i) publish all outstanding financial results under the Hong Kong Listing Rules and address any audit qualifications; (ii) clarify, address and take appropriate actions on the Allegations; and (iii) inform the market of all material information for the shareholders and the investors to appraise the Company's position. The Company was also required to comply with the Hong Kong Listing Rules and all applicable laws and regulations in Hong Kong and its place of incorporation before resumption. The HKEx stated that it may modify any of the above conditions and/or impose further conditions if the situation changes.

(p) The 29 September 2017 announcement

On 15 March 2017 and 27 March 2017, the Company announced that it had initiated legal procedures to change certain senior management members of its relevant subsidiaries in the PRC. Those subsidiaries represent the two business segments of the Group, namely the agricultural produce business (which involves the planting, cultivation and sale of agricultural produce) ("**Plantation Operations**") and the processed fruit business (which involves the manufacture and sale of fruit juice concentrates, purees and frozen fruit and vegetables) ("**Processed Fruit Operations**"). The Company was advised by its PRC legal advisers that the proper legal procedures to effect changes would take 12 months or more.

The legal representative of Lucky Team Hepu that was the main subsidiary of the Company engaged in the Plantation Operations had recently passed away in August 2017. In view of such development, following consultation with its PRC legal advisers, the Company had submitted applications to effect the appointment of a replacement legal representative of Lucky Team Hepu and its directors which, based on enquiries made with the local authorities and barring unforeseen circumstances, is expected to be completed within October 2017.

Upon completion of the procedures above, the Company had been advised that the new appointees to Lucky Team Hepu could properly re-enter and take physical possession of the registered office of Lucky Team Hepu, including the land and buildings occupied by it and thereafter, made inventory of assets, books and records being held on site.

References were made to the Company's announcements dated 23 December 2016 and 30 June 2017 in relation to the major transaction in the proposed acquisition of 100% of Eagleton Global Investments Limited and the related placement of shares, which long stop dates were extended to 30 September 2017.

As at 29 September 2017, not all the conditions precedent had been satisfied or waived (where applicable), and the parties to the sale and purchase agreement and the related placement agreement had not reached any agreement to further extend the long stop dates of the respective agreements. Accordingly such agreements were lapse and would have no further effect after 30 September 2017.

(q) The 31 October 2017 announcement

As disclosed in the Company's announcement dated 29 September 2017, due to the demise of the then legal representative of Lucky Team Hepu, one of the major operating subsidiaries of the Company in the PRC, in August 2017, the Company had, as advised by its PRC legal advisers, filed applications in the PRC in order to effect the appointment of the replacement legal representative and directors of Lucky Team Hepu.

As of 31 October 2017, among others, (i) the Company had already obtained a copy of the business licence of Lucky Team Hepu re-issued by the SAIC at Beihai City and Hepu County of the PRC; (ii) the directors of the Company changed the legal representative, board of directors and supervisor of Lucky Team Hepu to the Company's nominated representatives had all taken effect on 28 September 2017 and reflected on public records of the SAIC at Beihai City and Hepu County of the PRC; and (iii) the Company had occupied and taken the control over the premises of Lucky Team Hepu, and made an inventory of assets, books and records being located in the office of Lucky Team Hepu.

The Company would continue to implement legal procedures in order to change the senior management members of the other relevant PRC subsidiaries of the Company and enforce its information rights as shareholder of the relevant PRC subsidiaries.

(r) The 30 November 2017 announcement

As disclosed in the Company's announcement dated 31 October 2017, the Company had successfully resumed legal control over Lucky Team Hepu and entered into the premises of Lucky Team Hepu to take possession and physical control of the land and buildings occupied by Lucky Team Hepu and the assets, books and records found thereat.

Subsequent to the taking control of Lucky Team Hepu, the Company had conducted various preliminary on-site stocktake of the assets and records found at the plantation site in Hepu County of the PRC and the premises occupied by Lucky Team Hepu, including without limitation, property, plant and equipment, orange trees, inventories, contracts and records. The Company had also been interviewing and discussing with workers at the plantation site in Hepu County of the PRC of Lucky Team Hepu and the employment status of the workers. In addition, the Company had been discussing with various professionals in relation to potential valuation and audit work in respect of Lucky Team Hepu and/or its property, plant and equipment and orange trees.

In respect of the PRC legal proceedings against certain subsidiaries of the Company as disclosed in its announcement dated 30 June 2017, the Group received the TPG Order which made in its favor and against Tianyang Perfuming Garden. Pursuant to the TPG Order, amongst others, Tianyang Perfuming Garden should, within fifteen days of the TPG Order Effective Date (as defined below), produce (i) for inspection and photocopying (for a period not more than 30 days) certain of its corporate records, including memorandum and articles of association and any amendments thereto, resolutions of the Board or any supervisory committee and financial reports; and (ii) for inspection only (for a period not more than 30 days) certain of its accounting books and records, ledgers, contracts, invoices, bank confirmations as at 30 June 2015, 30 June 2016, 31 December 2016 and 30 June 2017 and latest company credit status report.

The effective date of the TPG Order was the date when the 30 days' period to appeal had lapsed since the date of receipt of the TPG Order by the last party.

(s) The 28 December 2017 announcement

Subsequent to the taking control of Lucky Team Hepu, the Company had performed the following work in respect of the stocktake of the total assets and collation of the books and records of Lucky Team Hepu:

1) The Company had introduced the newly appointed legal representative and directors of Lucky Team Hepu to the staff of Lucky Team Hepu. As the Company had the intention to transfer certain employees of Lucky Team Hepu to the Agriculture Company so that they could assist with the management of the orange trees operated by the Agriculture Company, the management of Lucky Team Hepu had conducted interviews with the staff which also assisted the Lucky Team Hepu management to better understand the existing business operations of Lucky Team Hepu.

2) The Company had collated the documents found on-site at the office premises of Lucky Team Hepu and discovered that (i) there were no records of accounts, ledgers, books and/or certificates for the financial years 2015 and 2016; (ii) there were records of vouchers, bank records, bank statements and tax submission records for the period from January 2017 to September 2017 which had not been compiled in order, and the Company was in the process of re-compiling them to the extent possible. The Company had also found the original land use and building ownership related certificates, photo-copies of land contracts, original co-operation agreements and employment contracts relating to Lucky Team Hepu.

3) The Company had performed physical inspection of the orange trees at the plantation site in Hepu County of the PRC and formed a view that the plantation site in Hepu County of the PRC had approximately 512,500 orange trees which occupied a total area of approximately 22,000 mu.

4) The Company had performed a physical count of the property, plant and equipment onsite, including without limitation, the buildings, farmland infrastructure and machinery and fixtures onsite at the office premises of Lucky Team Hepu and the plantation site and observed that, among others, the buildings and machinery were in good condition, and some of the plant and equipment were aged and might need to be overhauled or disposed of.

5) The Company had performed a physical count of inventory, including without limitation, the fertilizers and metal hardware at the plantation site in Hepu County of the PRC and the value of the inventories would be calculated according to the relevant unit price by reference to Lucky Team's Hepu accounting records.

6) The Company had initiated discussions with a valuer in relation to the valuation of the property, plant and equipment, orange trees and agricultural produces for the purpose of preparing the accounts of Lucky Team Hepu and had arranged the Company's PRC accountants to conduct a site visit at the premises of Lucky Team Hepu and the Company's PRC accountants have performed a preliminary inspection of the available accounting documents and existing fixed assets. Based on the report of the Company's PRC accountants, given the unavailability of the records of accounts, ledgers, books or certificates in respect of Lucky Team Hepu for the financial years ended 30 June 2015 and 2016 and the six months ended 31 December 2016 as at the date of this announcement, the Company's PRC accountants advised that the Company should prepare the books and records and the financial statements of Lucky Team Hepu based on such accounts and records for the period between January 2017 to September 2017 which were the records currently available to the Company, and should make adjustments to the value of assets in accordance with the PRC accounting practice by recognising the shortfall as loss or impairment.

In respect of the TPG Order ruled against Tianyang Perfuming Garden as disclosed in the Company's announcement dated 30 November 2017, the Company was made aware of the request for appeal of the TPG Order from Tianyang Perfuming Garden on 18 December 2017. The Company continues to progress the relevant legal procedures in preparation for formal court proceedings for the appeal.

(t) The 31 January 2018 announcement

(1) Shareholders dispute relating to Beihai Perfuming Garden

Reference was made to the Company's announcement dated 30 June 2017 whereby the Company was made aware in June 2017 that legal proceedings against Chance Lead had been commenced by a Mr. Man alleging that Mr. Man had the right to require Chance Lead to transfer its 46.14% equity interest in Beihai Perfuming Garden, a subsidiary of Chance Lead, to him pursuant to certain contractual arrangements alleged to have been executed by Chance Lead, Mr. Man and the previous shareholders of Beihai Perfuming Garden in February 2010 ("**BPG Shareholders Dispute**").

On or about 30 January 2018, the Group received three writs of summon issued by Guangxi Zhuang Autonomous Region Beihai City Intermediate People's Court (廣西壯族自治區北海市中級人民法院) on 10 January 2018 against (1) the Company, (2) BPG Food & Beverage Holdings Ltd. (果香園食品控股有限公司) and (3) Wealth Elite Investments Limited (鑫卓投資有限公司) requiring each to, among others, attend a court hearing scheduled on 13 March 2018 in respect of the BPG Shareholders Dispute.

(2) Legal proceedings on the rights of information relating to Beihai Perfuming Garden

As stated in an announcement of the Company dated 30 June 2017, the relevant PRC court had on 26 June 2017 formally accepted the Group's application to commence formal legal proceedings to enforce its information rights as shareholder of Beihai Perfuming Garden.

On 18 January 2018, the Group had received the BPG Order made by Guangxi Zhuang Autonomous Region Beihai City Intermediate People's Court (廣西壯族自治區北海市中級人民法院) of the PRC made in favor of the Group and against Beihai Perfuming Garden. Pursuant to the BPG Order, amongst others, Beihai Perfuming Garden shall, within thirty days of the effective date of the BPG Order, produce the following to the Group and its legal advisers:

(i) for inspection and photocopying (at the domicile of Beihai Perfuming Garden) its memorandum and articles of association and any amendments thereto, resolutions of the board of directors or any supervisory committee, financial reports for a period prescribed in the BPG Order;

(ii) for inspection only (at the domicile of Beihai Perfuming Garden) all of its accounting books and records (including general ledgers, detailed ledgers, daily ledgers and other supplemental ledgers) and accounting vouchers (including bookkeeping vouchers, related original vouchers and relevant information in respect of the source documents for entry bookkeeping) for a period prescribed in the BPG Order; and

(iii) for inspection only (at the domicile of Beihai Perfuming Garden) all of its original bank account transaction statements, bank confirmations as at 30 June 2015 and 30 June 2016, 31 December 2016 and 30 June 2017, the latest company credit status report, all documents related to the sales and merchandise transactions (including all types of contract, invoices, delivery acknowledgement receipts and receipts) for a period prescribed in the BPG Order.

(3) Legal proceedings on the rights of information relating to Tianyang Perfuming Garden

References were made to the Company's announcements dated 30 November 2017 and 28 December 2017 in respect of the PRC court order made in favor of the Group and against Tianyang Perfuming Garden in respect of the information rights proceedings relating to Tianyang Perfuming Garden and the request for appeal against such court order. On 24 January 2018 the Company was made aware of an appeal hearing scheduled on 5 February 2018. The Company will continue to monitor the progress of the relevant legal procedures.

(4) Dispute on construction works relating to Tianyang Perfuming Garden

The Group was informed by the senior management of Tianyang Perfuming Garden in May 2017 that Tianyang Perfuming Garden was involved in certain court proceedings in the PRC in which it was alleged to have defaulted in the payment of approximately RMB3,717,000 for certain construction works and overdue interests of approximately RMB340,000. Prior to May 2017, the Group was not made aware of any reports in respect of this court proceeding and had since taken actions to request for the inspection of the accounting books and records of Tianyang Perfuming Garden in order to better understand its operations. Such requests were rejected.

Subsequently, the Group was informed that Guangxi Zhuang Autonomous Region Tianyang County People's Court (廣西壯族自治區田陽縣人民法院) had issued a judgment ordering Tianyang Perfuming Garden to pay damages and interests to the claimant and had further issued a notice on 12 January 2018 in respect of execution of the order. The Company's PRC legal advisers advised the Group that upon issue of such notice, the court will initiate the process of seizure of the funds and assets of Tianyang Perfuming Garden and proceed with any other necessary recovery actions.

(u) The 28 February 2018 announcement

Legal proceedings on the rights of information relating to Beihai Perfuming Garden

As disclosed in the announcement of the Company dated 31 January 2018, under the BPG Order, Guangxi Zhuang Autonomous Region Beihai City Intermediate People's Court (廣西壯族自治區北海市中級人民法院) of the PRC has rejected amongst others, the Group's request for the production of certain accounting records of Hepu Perfuming Garden Food Co., Ltd.* (合浦果香園食品有限公司) and Beihai Super Fruit Co., Ltd.* (北海盛果商貿有限公司) (the subsidiaries of Beihai Perfuming Garden) for the Group's inspection and photocopying ("**Rulings**"). In early February 2018, the Group lodged a request for appeal of the Rulings. Subsequently, the Group was made aware that the matter will be transferred to Guangxi Zhuang Autonomous Region Higher People's Court (廣西壯族自治區高級人民法院) for the processing of the appeal. The Company will continue to progress the relevant legal procedures in preparation for formal court proceedings for the appeal.

Dispute on construction works relating to Tianyang Perfuming Garden

In addition to the First TPG Judgment issued by Guangxi Zhuang Autonomous Region Tianyang County People's Court (廣西壯族自治區田陽縣人民法院) against Tianyang Perfuming Garden as disclosed in the announcement of the Company dated 31 January 2018, the Company was made aware by the senior management of Tianyang Perfuming Garden in late February 2018 that Tianyang Perfuming Garden had been served with a service of proceeding from Guangxi Zhuang Autonomous Region Tianyang County People's Court (廣西壯族自治區田陽縣人民法院) whereby the same claimant under the First TPG Judgment has commenced a legal proceeding against Tianyang Perfuming Garden alleging that it had defaulted in the payment of approximately RMB836,000 together with interests for the same construction work. The Company was further made aware by the senior management of Tianyang Perfuming Garden that a hearing requiring the attendance of Tianyang Perfuming Garden is scheduled in late March 2018.

(v) The 26 March 2018 announcement

Reference was made to the Company's announcements dated 30 June 2017 and 31 January 2018 as regards the BPG Shareholders Dispute which involves a subsidiary of the Company, Mr. Man and Beihai Perfuming Garden. On 13 March 2018, representatives of the Group had attended a court hearing at Guangxi Zhuang Autonomous Region Beihai City Intermediate People's Court (廣西壯族自治區北海市中級人民法院) whereby parties' submissions regarding verification of evidence were heard. The court has yet to come to a conclusion as at the date of this announcement.

(w) The 30 April 2018 announcement

Legal proceedings on the rights of information relating to Tianyang Perfuming Garden

References were made to the Company's announcements dated 30 November 2017, 28 December 2017 and 31 January 2018 in respect of the PRC court order made in favor of the Group and against Tianyang Perfuming Garden in respect of the information rights proceedings relating to Tianyang Perfuming Garden and Tianyang Perfuming Garden's request for appeal against the TPG Order (the "**Appeal**"). On 19 April 2018, the PRC legal advisers of the Company received a judgment in respect of the Appeal delivered by Guangxi Zhuang Autonomous Region Higher People's Court (廣西壯族自治區高級人民法院) which stated that the court had (1) upheld the TPG Order, and (2) the judgement should be final and conclusive.

Legal proceedings on the rights of information relating to Beihai Perfuming Garden

References were made to the Company's announcements dated 31 January 2018 and 28 February 2018 in respect of the BPG Order, the Rulings and the Group's appeal of the Rulings. On 27 April 2018, the Company was made aware of an appeal hearing scheduled to take place on 16 May 2018.

(x) The 31 May 2018 announcement

Contractual dispute relating to Tianyang Perfuming Garden

As disclosed in the announcement of the Company dated 28 February 2018, Tianyang Perfuming Garden was subject to a legal proceeding which it was alleged to have defaulted in the payment of approximately RMB836,000 together with interests for certain construction works. The Company had been recently made aware by the senior management of Tianyang Perfuming Garden that Guangxi Zhuang Autonomous Region Tianyang County People's Court (廣西壯族自治區田陽縣人民法院) has issued an order ordering Tianyang Perfuming Garden to make a payment in the amount of approximately RMB669,000 (together with interests) to the claimant. The aforesaid order remains subject to any requests for appeal by either party within the prescribed time limit.

(y) The 29 June 2018 announcement

Contractual dispute relating to Tianyang Perfuming Garden

As disclosed in the announcement of the Company dated 31 January 2018, the Company was informed that Guangxi Zhuang Autonomous Region Tianyang County People's Court (廣西壯族自治區田陽縣人民法院) had issued a judgment ordering Tianyang Perfuming Garden to pay damages in the amount of approximately RMB3,717,000 (together with interests) to the claimant ("**First TPG Jugdment**") and that the Company's PRC legal advisers advised the Group that the court would initiate the process of seizure of funds and assets of Tianyang Perfuming Garden and proceed with any other necessary recovery actions. The Company was recently made aware by the senior management of Tianyang Perfuming Garden that the relevant court has issued judgments ordering the freezing of a bank account held by Tianyang Perfuming Garden in respect of the First TPG Judgment, and the inclusion of Tianyang Perfuming Garden in the List of Dishonest Persons subject to Enforcement. The Company will continue to monitor the progress of the relevant legal procedure as reported to it by the senior management of Tianyang Perfuming Garden and make further announcement to inform its shareholders of any material developments of this case as and when appropriate.

Information rights proceedings relating to Beihai Perfuming Garden

Reference is made to the Company's announcements dated 31 January 2018, 28 February 2018 and 30 April 2018 in respect of the BPG Order, the Rulings and the Group's appeal of the Rulings ("**BPG Information Right Appeal**"). After the appeal hearing which had taken place in May 2018, on 29 June 2018, the PRC legal advisers of the Company received a judgment in respect of the BPG Information Right Appeal delivered by Guangxi Zhuang Autonomous Region Higher People's Court (廣西壯族自治區高級人民法院) which stated that the court has (1) upheld the BPG Order, and (2) the judgement shall be final and conclusive.

In addition to the above, the following significant event occurred after 30 June 2016.

(z) Acquisition of the Agriculture Company

On 3 January 2017, the Group entered into a sale and purchase agreement with an individual, who to the Company's directors' best knowledge, information, believe and having made all reasonable enquiries, was an independent third party to the Group, to acquire 100% equity interests in the Agriculture Company with a total cash consideration of RMB1,000,000. The Agriculture Company was principally engaged in the operation of cultivation management and sale of oranges.

Prior to the Agriculture Company Acquisition, the Agriculture Company entered into the Cooperation Agreement with Lucky Team Hepu on 1 December 2016 for a term of 30 years that the Agriculture Company would contribute fertilizers, pesticides and labour while Lucky Team Hepu would contribute the land, trees, machinery and the provision of technical support on cultivation and soil management. Under the Cooperation Agreement, the revenue generated from harvested oranges would be shared between the Agriculture Company and Lucky Team Hepu in the proportion of 90% and 10% respectively.

On 3 January 2017, consideration of RMB100,000 was paid and the remaining balance of RMB900,000 was settled on 18 May 2017 in accordance with the terms of agreement of the Agriculture Company Acquisition. On 18 September 2017, the legal title of the equity interests of the Agriculture Company changed to the Company's wholly-owned subsidiary and the legal representative of the Agriculture Company also changed to the Company's nominated representative and both of the above were reflected on public records of the SAIC at Beihai City and Hepu County of the PRC; and the directors of the Company are of the opinion that the Agriculture Company Acquisition was completed on the same date (the "**Acquisition Date**").

The provisional value of the identifiable assets and liabilities acquired were recognised as at the Acquisition Date were as follows:

	RMB'000
Inventories	4,858
Amount due from Lucky Team Hepu *(Note)*	4,574
Cash and cash equivalents	17,158
Trade and other payables	(3,722)
Net assets acquired	22,868
Gain on bargain purchase:	
Consideration transferred	1,000
Less: Provisional value of identifiable net assets acquired	(22,868)
Provisional gain on bargain purchase	(21,868)

Note:

The amount would be eliminated on consolidation when preparing the consolidated financial statements of the Group for the year ended 30 June 2018.

Upon the completion of the accounting for the Agriculture Company Acquisition, the gain on bargain purchase, if any, will be recognised in the Group's consolidated statement of profit or loss for the year ended 30 June 2018.

As at the date of approval for issuance of the consolidated financial statements, the initial accounting for the Agriculture Company Acquisition has not been completed and hence disclosures concerning transactions that are recognised separately from the acquisition of assets and assumption of liabilities in the business combination could not be disclosed.

(aa) Re-consolidation of a deconsolidated subsidiary

As disclosed in the Company's announcement dated 31 October 2017, (i) the Company obtained a copy of the business licence of Lucky Team Hepu re-issued by the SAIC at Beihai City and Hepu County of the PRC; (ii) the change of the legal representative, board of directors and supervisor of Lucky Team Hepu to the Company's nominated representatives was effected on 28 September 2017 and reflected on public records of the SAIC at Beihai City and Hepu County of the PRC; and (iii) the Company then occupied and took control over the registered office of Lucky Team Hepu located at No.51 Mingyuan South Road, Lianzhou Town, Hepu County, Beihai City, Guangxi Zhuang Autonomous Region, the PRC* (中國廣西壯族自治區北海市合浦縣廉州鎮明園南路51號) (the "**Office**") and made an inventory record of assets and books and records being located therein. The directors of the Company therefore considered that the Group's control over Lucky Team Hepu was resumed since 28 September 2017 and its financial statements has been consolidated into that of the Group since then.

The Group engaged a professional firm of registered accountants in the PRC to reconstruct the books and records of Lucky Team Hepu based on the books and records located in the Office. The Board considers that it has used its best effort to retrieve all available supporting documents for the accounting records of Lucky Team Hepu.

Following the Group resuming control over Lucky Team Hepu on 28 September 2017, the Group recognised the provisional value of the following assets and liabilities which were based on historical cost of net carrying amounts of the assets and liabilities for which the available accounting records could be reconstructed: (a) property, plant and equipment, comprised of machinery and equipment, land and buildings, farmland infrastructure and machinery and orange trees classified as bearer plants under IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture", which were derived based on the physical counts, land and building certificate located in the Office, fixed assets register and valuation reports; (b) cash and bank balances were mainly derived based on the bank statements at 28 September 2017; and (c) amount due from the Company, amount due to the Agriculture Company and amounts due to the Deconsolidated Subsidiaries which were derived based on the accounting vouchers located in the Office, the statutory audited financial statements of Lucky Team Hepu for the year ended 31 December 2016 issued by a firm of Certified Public Accountants registered in the PRC and available information of the Company and the Agriculture Company.

The provisional value of the identifiable assets and liabilities resumed are as follows:

	RMB'000
Property, plant and equipment	
– Bearer plants	52,950
– Others	49,725
Amount due from the Company *(Note)*	31,072
Cash and bank balances	4,109
Amount due to the Agriculture Company *(Note)*	(4,574)
Amounts due to the Deconsolidated Subsidiaries	(365,000)
Net liabilities resumed	(231,718)

Note:

The amounts would be eliminated on consolidation when preparing the consolidated financial statements of the Group for the year ended 30 June 2018.

Upon the Group resumed recording the above assets and liabilities on 28 September 2017, the resulting loss of approximately RMB231,718,000 will be recognised in the Group's consolidated statement of profit or loss for the year ended 30 June 2018.

EXTRACT OF INDEPENDENT AUDITORS' REPORT ON THE GROUP'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

The Company's auditors have issued disclaimer of opinion on the Group's consolidated financial statements for the year ended 30 June 2016, and extract of which is as follows:

Disclaimer of Opinion

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements and as to whether the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

a) Authenticity of accounting records and deconsolidation of all subsidiaries of the Company incorporated in the People's Republic of China (the "PRC")

As disclosed in note 2 to the consolidated financial statements:

(i) during the course of our audit of the consolidated financial statements of the Group for the financial year ended 30 June 2016, we had received written correspondences which appeared to be sent by a person named Mr. Chen De Qiang (陳德強), who is a finance manager of certain PRC subsidiaries of the Company. It was asserted in the correspondences that he was acting on behalf of Mr. Man Gui Fu (滿桂富) ("**Mr. Man**"), a minority shareholder, director and general manager of Beihai Perfuming Garden Juice Co., Ltd (北海市果香園果汁有限公司) ("**Beihai Perfuming Garden**"), a PRC subsidiary of the Company, and holder of positions in some other PRC subsidiaries of the Company. In the correspondences, it was indicated to us that certain amounts or balances in the internal records of certain customers and suppliers did not correspond to the internal records of Hepu Perfuming Garden Food Co., Ltd (合浦果香園食品有限公司), a PRC subsidiary of the Company, for the year ended 30 June 2016;

(ii) at the request of a man who claimed to be Mr. Man's representative, we have arranged to meet Mr. Man in the office of our legal adviser (the "**Meeting**"). A man who claimed to be Mr. Man attended the Meeting and asserted to us that there were inaccuracies in the books and records of certain subsidiaries of the Company and provided to us documents purporting to be copies of bank statements for the period from 1 January 2016 to 30 June 2016 of Lucky Team Biotech Development (Hepu) Limited (利添生物科技發展（合浦）有限公司) ("**Lucky Team Hepu**"), a PRC subsidiary of the Company;

(iii) the Company was made aware of services of proceedings from a court in the PRC whereby Mr. Man had commenced legal proceedings against Chance Lead Holdings Limited ("**Chance Lead**"), a subsidiary of the Company, alleging that he had the right to require Chance Lead to transfer 46.14% equity interests in Beihai Perfuming Garden to him pursuant to certain contractual arrangements alleged to have been executed by Chance Lead, Mr. Man and the previous shareholders of Beihai Perfuming Garden in February 2010 (the "**Arrangements**"); and

(iv) The Company was made aware of a court order in the PRC requiring Tianyang Perfuming Garden Food Industrial Co., Ltd (田陽果香園食品工業有限公司) ("**Tianyang Perfuming Garden**"), a PRC subsidiary of the Company, to repay a loan of RMB17 million and the interests in arrears. Tianyang Perfuming Garden had allegedly entered into a loan facility agreement with a person named Xue Zhen* (薛珍) on 1 June 2016 in respect of a loan amounting to RMB17 million with interest rate of 6% per annum and had allegedly pledged two pieces of land to Xue Zhen as security for the loan (the "**Tianyang Perfuming Garden Proceeding**") (hereinafter, the Tianyang Perfuming Garden Proceeding, together with the other assertions and allegations referred to in sub-paragraphs (i) to (iii) above, are collectively referred to as the "**Allegations**").

Upon our further inquiries, we were informed that the directors of the Company had sought, but were unable, to gain access to the books and records of Lucky Team Hepu, Beihai Perfuming Garden, Tianyang Perfuming Garden and all the other PRC subsidiaries of the Company except for Guangzhou Asian Citrus Investment Consulting Co., Ltd. (廣州市亞機果投資諮詢有限公司) (the "**PRC Subsidiaries**"). Further, the management of the PRC Subsidiaries did not respond to the requests of the directors of the Company for additional information and explanations relating to the subject matters of the Allegations.

Under the circumstances as described above, we have not been able to obtain sufficient appropriate audit evidence to enable us to assess the effects of the matters to which the Allegations relate. There were no alternative audit procedures that we could perform to obtain sufficient and appropriate evidence as to the causes and effects of the alleged discrepancies and other matters which are the subject matters of the Allegations, and their implications and impacts on the elements presented in the consolidated financial statements of the Group for the year ended 30 June 2016 and the comparative figures presented in these consolidated financial statements. In particular, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves regarding (i) whether there were problematic transactions and balances that caused, or were caused by, the alleged discrepancies and other matters which are the subject matters of the Allegations and if there were, whether these were appropriately reflected in the Group's consolidated financial statements for the respective financial years to which they relate (i.e. the year ended 30 June 2016 or preceding year or years); (ii) the nature, extent and validity of the problematic transactions and balances, if any, and the reasons why they arose; (iii) whether there were any contingent or unrecorded liabilities arising from the problematic transactions and balances, if any, including penalties and other financial consequences from breaches of laws and regulations; and (iv) whether there were any problematic transactions and balances involving related parties but which had not been identified by the management of the Group. These scope limitations also impacted on our ability to determine the reliability of the management representations received by us as audit evidence for our audit testing purposes and hence of the audit evidence in general. Any adjustments found to be required may have consequential significant effects on the elements in the consolidated financial statements for the year ended 30 June 2016 and the comparative figures for the preceding financial year and hence on the net liabilities or net assets of the Group as at 30 June 2016 and 2015 and the loss and other comprehensive loss and cash flows of the Group for the years ended 30 June 2016 and 2015.

Given the inability of the management of the Group to gain access to the complete books and records of the PRC Subsidiaries or to obtain explanations and information from the management of these subsidiaries (hereinafter, together with the incidents relating to the Allegations, are collectively referred to as the "**Incidents**"), the board of directors of the Company (the "**Board**") considered that the Group did not have the necessary information about the transactions and account balances of the PRC Subsidiaries for inclusion of these entities in the consolidated financial statements of the Group for the year ended 30 June 2016 and subsequent financial years. Accordingly, the Board had determined that the PRC Subsidiaries (the "**Deconsolidated Subsidiaries**") shall be deconsolidated from the consolidated financial statements of the Group with effect from 1 July 2015.

* *For identification purpose only*

The deconsolidation of the Deconsolidated Subsidiaries resulted in a loss of approximately RMB3,935,432,000, representing the carrying amounts of the net assets of the Deconsolidated Subsidiaries, less the related non-controlling interests, as at 1 July 2015 as included in the management accounts of the Deconsolidated Subsidiaries used in the preparation of the consolidated financial statements of the Group for the year ended 30 June 2015. This loss amount, which includes the effects of the Incidents which as at the date of this report are still unascertained, has been recognised as "loss arising from the Incidents" in the consolidated statement of profit or loss for the year ended 30 June 2016.

The deconsolidation of the Deconsolidated Subsidiaries with effect from 1 July 2015 also resulted in the exclusion of the assets, liabilities, revenue, income, expenses, and cash flows of the Deconsolidated Subsidiaries from the consolidated financial statements of the Group for the year ended 30 June 2016. Except possibly in the case of Beihai Perfuming Garden and its subsidiaries (see the next sub-paragraph below), this accounting outcome is a departure from the requirements of International Financial Reporting Standard ("**IFRS**") 10 "Consolidated Financial Statements", which requires all subsidiaries controlled by the Company and its subsidiaries to be included in the consolidated financial statements of the Group. The facts and circumstances described above do not show that the Group had lost control over the Deconsolidated Subsidiaries (except possibly for Beihai Perfuming Garden and its subsidiaries) with effect from 1 July 2015. Accordingly, under IFRS 10, the Company should have consolidated the Deconsolidated Subsidiaries (except possibly for Beihai Perfuming Garden and its subsidiaries) in its consolidated financial statements for the year ended 30 June 2016. Had these subsidiaries been consolidated, many elements in the consolidated financial statements of the Group for the year ended 30 June 2016 would have been materially affected. In addition, the effects of the Incidents would have to be recognised, and reflected, in the consolidated financial statements and the loss arising from the Incidents, to the extent of the loss that is not the effects of the Incidents, as well as the impairment losses on amounts due from the Deconsolidated Subsidiaries (see paragraph (o) below), would not have been recognised in the consolidated statement of profit or loss for the year ended 30 June 2016. However, as stated above, we have not been able to obtain sufficient appropriate audit evidence to enable us to assess the effects of the matters to which the Allegations relate, including the effects of the Incidents. Accordingly, the effects on the consolidated financial statements of the Group of the failure to consolidate the Deconsolidated Subsidiaries (except possibly for Beihai Perfuming Garden and its subsidiaries) could not be determined.

In the case of the deconsolidation of Beihai Perfuming Garden and its subsidiaries, we have not been able to obtain sufficient appropriate audit evidence to enable us to assess the effects of the matters to which the allegations described in sub-paragraph (iii) above relate. There were no alternative audit procedures that we could perform to obtain sufficient and appropriate evidence as to the causes and effects of these alleged matters and their implications and impacts on the elements presented in the consolidated financial statements of the Group for the year ended 30 June 2016 and the comparative figures presented in these consolidated financial statements. In particular, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves regarding whether Mr. Man had the right to require Chance Lead to transfer 46.14% equity interests in Beihai Perfuming Garden to him pursuant to the Arrangements. If Mr. Man did have such right, the existence of the potential voting right might cause Beihai Perfuming Garden and its subsidiaries to be controlled by Mr. Man rather than by the Company and hence in such circumstances, Beihai Perfuming Garden and its subsidiaries should not be included in the consolidated financial statements of the Group as they would then not be subsidiaries of the Company. However, we were unable to perform audit procedures to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether Beihai Perfuming Garden and its subsidiaries were subsidiaries of the Company during the financial years ended 30 June 2016 and 2015. Hence, we were unable to satisfy ourselves about the validity and appropriateness of treating Beihai Perfuming Garden and its subsidiaries as subsidiaries of the Company until the effective date of the deconsolidation and conversely, of deconsolidating Beihai Perfuming Garden and its subsidiaries with effect from 1 July 2015. Any adjustments found to be required may have consequential significant effects on the elements in the consolidated financial statements for the year ended 30 June 2016 and the comparative figures for the preceding financial year and hence on the net liabilities or net assets of the Group as at 30 June 2016 and 2015 and the loss and other comprehensive loss and cash flows of the Group for the years ended 30 June 2016 and 2015.

b) Opening balances and the comparative information

The opening balances as at 1 July 2015 and the comparative figures as at and for the year ended 30 June 2015 presented or disclosed in the consolidated financial statements are based on the audited consolidated financial statements of the Group for the year ended 30 June 2015 on which the auditors' report issued by the predecessor auditors dated 30 September 2015 expressed a qualified opinion.

The predecessor auditors were unable to obtain sufficient appropriate audit evidence relating to the recorded purchases from a supplier (the "**Supplier**") with a reported value of RMB104,317,000 for the year ended 30 June 2015 and the corresponding trade payable balance due to the Supplier with a carrying amount of RMB24,800,000 as at 30 June 2015 because (i) they were unable to obtain adequate appropriate documentary audit evidence to satisfy themselves of the identity of the Supplier and the recorded recipient of the Group's payments for the recorded purchases; (ii) they were unable to obtain satisfactory documentary audit evidence to explain how the Supplier was able to conduct the recorded transactions with and receive the recorded payments from the Group while not possessing a valid business licence; and (iii) there were no alternative audit procedures that they could perform to satisfy themselves as to whether the recorded purchases referred to above and trade payable balance due to the Supplier were free from material misstatement or whether any adjustments to these recorded purchases or balance may be necessary. Any adjustments found to be necessary would have an effect on the Group's trade payables and the current portion of biological assets as at 30 June 2015, the Group's cost of sales and consequently the loss and cash flows for the year ended 30 June 2015 and the disclosures relating to those items presented as comparative information in the consolidated financial statements.

As explained in paragraph (a) above, the scope of our audit work was limited as there were no alternative procedures that we could perform to obtain sufficient and appropriate evidence as to the causes and effects of the matters to which the Allegations relate, and their implications and impacts on, inter alia, the elements presented as comparative figures in the consolidated financial statements of the Group. In addition, due to lack of access to books and records of the Deconsolidated Subsidiaries, we have not been able to obtain sufficient appropriate audit evidence as to whether the opening balances as at 1 July 2015 and the comparative figures for the year ended 30 June 2015 were properly recorded and accounted for and in compliance with the requirements of applicable IFRSs.

In view of the matters described above, we were unable to determine whether adjustments might have been necessary in respect of the figures as at and for the year ended 30 June 2015 presented as comparative figures in the consolidated financial statements and the possible effects of these matters on the comparability of the current year's figures and the comparative figures.

Furthermore, the closing balances as at 30 June 2015 of the assets and liabilities of the Group entered into the determination of the financial performance and cash flows of the Group for the current financial year ended 30 June 2016 and have carry forward effects on the closing balances of the assets and liabilities of the Group as at 30 June 2016. Consequently, any adjustments found to be necessary to the closing balances as at 30 June 2015 may significantly affect the balance of retained profits of the Group as at 1 July 2015, the Group's results and cash flows for the year ended 30 June 2016, the closing balances of assets and liabilities as at 30 June 2016 and related disclosures in the notes to the consolidated financial statements of the Group for the year ended 30 June 2016. Accordingly, we were also unable to determine whether adjustments might have been necessary in respect of the financial performance of the Group for the year ended 30 June 2016 reported in the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income, the cash flows for the year ended 30 June 2016 reported in the consolidated statement of cash flows and the financial position of the Group as at 30 June 2016 reported in the consolidated statement of financial position.

c) Compliance with IFRSs and applicable laws and regulations

As disclosed in note 2 to the consolidated financial statements, the consolidated financial statements of the Group have been prepared by the directors of the Company under the circumstances of limited financial information concerning the books and records of the Deconsolidated Subsidiaries and lack of response from management of the Deconsolidated Subsidiaries to the requests for information and explanations concerning the books and records of the Deconsolidated Subsidiaries. The Board believed it was not practicable to ascertain the correct amounts and balances of the Deconsolidated Subsidiaries for inclusion in the consolidated financial statements.

As disclosed in notes 2 and 10(e) to the consolidated financial statements, Mr. Man requested Chance Lead to transfer 46.14% equity interests in Beihai Perfuming Garden to him pursuant to the Arrangements. We have been unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the validity of the Arrangements, which allegedly had been in existence since February 2010, including the validity of the commercial terms arrived at under the Arrangements and whether Mr. Man and the previous shareholders of Beihai Perfuming Garden were related to related parties of the Group in accordance with International Accounting Standard ("**IAS**") 24 "Related Party Disclosures" or connected parties as defined under the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**"). In addition, the Company was made aware of a PRC court order requiring Tianyang Perfuming Garden to repay a loan of RMB17 million and the interests in arrears pursuant to a loan facility agreement dated 1 June 2016 entered into with a person called Xue Zhen. We have been unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the validity of the loan facility agreement, including the validity of the commercial terms arrived at under the loan facility agreement, and whether the lender Xue Zhen was related to related parties of the Group as defined under IAS 24 or connected parties as defined under the Hong Kong Listing Rules.

The matters described above also caused the Board to believe it was unable to assert that the consolidated financial statements complied with IFRSs, or that the disclosure requirements of the Hong Kong Companies Ordinance and the Hong Kong Listing Rules had been complied with. Accordingly, the notes to the consolidated financial statements do not contain the statement of compliance with IFRSs and these disclosure requirements. This constitutes a non-compliance with the relevant disclosure requirements to state such compliance in the consolidated financial statements.

Further, due to lack of access to complete books and records and management personnel of the Deconsolidated Subsidiaries made available to us, we have not been able to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether there was non-compliance with applicable laws and regulations by the Deconsolidated Subsidiaries and hence about the completeness of any actual or contingent liabilities in the consolidated financial statements. There were no practicable alternative procedures that we could perform to satisfy ourselves as to whether there existed unrecorded provisions or undisclosed contingent liabilities and hence whether there were material misstatements of the consolidated financial statements due to non-compliance with laws and regulations. Any adjustments found to be necessary may have a consequential significant effect on the net liabilities or net assets of the Group as at 30 June 2016 and 2015 and of the loss and other comprehensive loss and cash flows of the Group for the years then ended and the related disclosures thereof in the consolidated financial statements.

d) Property, plant and equipment, land use rights and construction-in-progress

Included in the consolidated statement of financial position were property, plant and equipment, land use rights and construction-in-progress (collectively, the "**Tangible Assets**") with gross carrying amounts of approximately RMB3,194,184,000, RMB87,870,000 and RMB49,430,000 respectively and net carrying amounts of approximately RMB2,253,506,000, RMB74,625,000 and RMB49,430,000 respectively as at 1 July 2015.

As set out in notes 10(a), 17, 18 and 19 to the consolidated financial statements, movements in gross and net carrying amounts of the property, plant and equipment, land use rights and construction-in-progress during the year ended 30 June 2016 related mainly to derecognition of the property, plant and equipment, land use rights and construction-in-progress upon deconsolidation of the Deconsolidated Subsidiaries with gross carrying amounts derecognised amounting to approximately RMB3,189,770,000, RMB87,870,000 and RMB49,430,000 respectively. Due to lack of access to complete books and records and management personnel of the Deconsolidated Subsidiaries made available to us, we have been unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to (i) the validity of the derecognition of the gross and net carrying amounts of the Tangible Assets as at 1 July 2015; (ii) the validity of ownership of the Tangible Assets under the Deconsolidated Subsidiaries as at 1 July 2015; (iii) the validity of the gross and net carrying amounts of the Tangible Assets as at 1 July 2015 which were carried forward from previous years, including the components of the Tangible Assets, the validity of the commercial terms arrived at in acquiring the Tangible Assets, and whether the vendors of the Tangible Assets were related to related parties of the Group in accordance with IAS 24; (iv) the basis of determining and the reasonableness of the depreciation and amortisation charges of the Tangible Assets adopted by the Group for the year ended 30 June 2015; (v) the basis of conducting the impairment assessment of the Tangible Assets as at 30 June 2015 and the supporting bases for the key inputs and assumptions used in the impairment assessment as at 30 June 2015; and (vi) the basis for the determination that the net carrying amounts of the property, plant and equipment, land use rights and construction-in-progress of approximately RMB2,250,979,000, RMB74,625,000 and RMB49,430,000 respectively as at 30 June 2015 were recoverable. Therefore, we were unable to satisfy ourselves as to whether the gross and net carrying amounts of the Tangible Assets and nil impairment loss on the Tangible Assets as at and for the year ended 30 June 2015 were free from material misstatements and hence whether the amount recognised as loss arising from the Incidents in the financial year ended 30 June 2016 was also free from material misstatements. Any adjustments found to be necessary to these carrying amounts and impairment loss may have a consequential significant impact on the loss and other comprehensive loss and cash flows of the Group for the years ended 30 June 2016 and 2015, the Group's net assets as at 30 June 2015 and the related disclosures thereof in the consolidated financial statements.

e) *Biological assets*

Included in the consolidated statement of financial position were biological assets with carrying amounts of approximately RMB1,596,782,000 as at 1 July 2015.

As set out in notes 10(a) and 20 to the consolidated financial statements, movements in the carrying amounts of the biological assets during the year ended 30 June 2015 comprised of (i) net additions; (ii) sales of citrus self-bred saplings; (iii) intra transfer to citrus infant trees; (iv) intra transfer to citrus trees; (v) net increase due to cultivation; (vi) write off of citrus trees; and (vii) change in fair value due to price, yield, maturity and cost changes. Movements in carrying amounts of the biological assets during the year ended 30 June 2016 related to derecognition of the biological assets upon deconsolidation of the Deconsolidated Subsidiaries with carrying amounts derecognised amounting to approximately RMB1,596,782,000 for the biological assets. Due to lack of access to complete books and records and management personnel of the Deconsolidated Subsidiaries made available to us, we have been unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to (i) the validity of the derecognition of the biological assets as at 1 July 2015; (ii) the validity of ownership as at 1 July 2015 of the biological assets, which were all held by the Deconsolidated Subsidiaries; (iii) the validity of the carrying amounts of the biological assets at 1 July 2015 which were carried forward from previous years, including (a) in respect of biological assets acquired in previous years, the validity of the commercial terms arrived at in acquiring the biological assets and whether the vendors or suppliers of the biological assets were related to related parties of the Group in accordance with IAS 24; (b) the validity of and supporting bases for the intra transfers referred to above; and (c) the validity of and supporting bases for the determination of the net increase due to cultivation; (iv) the validity, the basis of determination and recording accuracy of the fair value measurements and fair value change as at and for the year ended 30 June 2015 of the biological assets carried at fair value and the reasonableness of supporting bases for the key inputs and assumptions used in the fair value measurements as at 30 June 2015 as disclosed in notes 4(i) and 20 to the consolidated financial statements, including but not limited to the market price variables, the yield per tree variables, the direct production cost variables, the discount rate and the projected cash flows adopted; (v) the basis for the write off of biological assets of approximately RMB114,071,000 during the year ended 30 June 2015; (vi) the basis for the determination that the carrying amounts of those biological assets carried on cost basis were recoverable as at 30 June 2015; and (vii) the validity and the basis of determination of (a) the cost of agriculture produce sold of approximately RMB842,570,000 recognised in consolidated profit or loss for the year ended 30 June 2015; (b) the realisation in consolidated profit or loss for the year ended 30 June 2015 of depreciation previously capitalised as cost of biological assets of approximately RMB26,979,000; and (c) the amount of depreciation capitalised as biological assets of approximately RMB58,386,000 during the year ended 30 June 2015. Therefore, we were unable to satisfy ourselves as to whether the carrying amounts of the biological assets and nil impairment loss on the biological assets as at and for the year ended 30 June 2015 were free from material misstatement and hence whether the amount recognised as loss arising from the Incidents in the financial year ended 30 June 2015 was also free from material misstatements. Any adjustments found to be necessary to these carrying amounts and nil impairment loss may have a consequential significant impact on the loss and other comprehensive loss and cash flows of the Group for the years ended 30 June 2016 and 2015, the Group's net assets as at 30 June 2015 and the related disclosures thereof in the consolidated financial statements.

f) *Intangible assets*

Included in the consolidated statement of financial position were intangible assets related to capitalised development costs with gross carrying amounts of approximately RMB115,926,000 and net carrying amounts of approximately RMB51,091,000 as at 1 July 2015. As set out in notes 10(a) and 21 to the consolidated financial statements, movements in gross and net carrying amounts of the intangible assets during the year ended 30 June 2016 related to derecognition of the intangible assets upon deconsolidation of the Deconsolidated Subsidiaries with gross carrying amounts of approximately RMB115,926,000 and net carrying amounts of approximately RMB51,091,000 for capitalised development costs. Due to lack of access to complete books and records and management personnel of the Deconsolidated Subsidiaries made available to us, we have been unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to (i) the validity of derecognition of the gross and net carrying amounts of the intangible assets as at 1 July 2015; (ii) the validity of the gross carrying amounts of the intangible assets which were carried forward from previous years, including the components of the intangible assets, the validity of the commercial terms arrived at in acquiring the intangible assets or the development costs paid or incurred which arose from the year ended 30 June 2006 and the years thereafter, and the reasonableness and recording accuracy on initial recognition of the capitalised development costs, including whether the capitalisations were in compliance with IAS 38 "Intangible Assets", and whether the vendors or counter parties of the intangible assets were related to related parties of the Group in accordance with IAS 24; (iii) the basis of determination and the reasonableness of the amortisation charge of the intangible assets recognised by the Group for the year ended 30 June 2015; (iv) the basis of conducting impairment assessment by the management of the Group and the reasonableness of and supporting bases for the key inputs and assumptions used in the impairment assessment as at 30 June 2015; and (v) the basis for the determination that the net carrying amount of the intangible assets of approximately RMB51,091,000 as at 30 June 2015 was recoverable. Therefore, we were unable to satisfy ourselves as to whether the carrying amounts of the intangible assets and the related amortisation charges and nil impairment loss on the intangible assets as at and for the year ended 30 June 2015 were free from material misstatements and hence whether the amount recegnised as loss arising from the Incidents in the financial year ended 30 June 2016 was also free from material misstatements. Any adjustments found to be necessary to these carrying amounts and impairment loss may have a consequential significant impact on the loss and other comprehensive loss and cash flows of the Group for the years ended 30 June 2016 and 2015, the Group's net assets as at 30 June 2015 and the related disclosures thereof in the consolidated financial statements.

g) *Goodwill*

Included in the consolidated statement of financial position were goodwill relating to the acquisition of BPG Food and Beverage Holdings Ltd. ("**BPG Food and Beverage**"), the intermediate holding company of Beihai Perfuming Garden and details of the acquisition were set out in the Company's circular dated 1 November 2010, with gross carrying amount of approximately RMB1,157,261,000 and nil net carrying amount respectively as at 1 July 2015. As set out in note 23 to the consolidated financial statements, movement in gross carrying amount and accumulated impairment of the goodwill during the year ended

30 June 2016 related to derecognition of the goodwill upon deconsolidation of the Deconsolidated Subsidiaries of gross carrying amount of approximately RMB1,157,261,000 and nil net carrying amount for the goodwill. Due to lack of access to complete books and records and management personnel of the Deconsolidated Subsidiaries made available to us, we have been unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to (i) the validity of the derecognition of the goodwill and accumulated impairment as at 1 July 2015; (ii) the validity of the gross carrying amount of the goodwill as at 1 July 2015 which were carried forward from previous years, including the validity of (a) the recognition of the goodwill in accordance with IFRS 3 "Business Combination", in view of the alleged existence of the Arrangements; and (b) the commercial terms arrived at in the business combination which led to the recognition of the goodwill and whether the vendors in the business combination in which the goodwill was recognised were related to related parties of the Group in accordance with IAS 24; (iii) the basis of identifying the cash generating unit to which the goodwill belonged when conducting impairment tests as at 30 June 2015 as disclosed in note 23 to the consolidated financial statements; (iv) the basis of preparation of cash flow projections for a five-year period from financial budgets and forecasts approved by the management of the Group and related supporting bases and documents when conducting impairment tests as at 30 June 2015 as disclosed in note 23 to the consolidated financial statements and the reasonableness of and supporting bases for the key inputs and assumptions used in the impairment tests as at 30 June 2015, including but not limited to growth rates during and beyond the five years' projection period and discount rates, budgeted sales and gross margins and their related cash inflow and outflow patterns; and (v) the basis of the determination that the recoverable amount of the goodwill was nil as at 30 June 2015 and impairment loss on goodwill of approximately RMB303,883,000 which was provided for during the year ended 30 June 2015. We were unable to satisfy ourselves as to whether the carrying amount of the goodwill and the impairment loss on the goodwill as at and for the year ended 30 June 2015 were free from material misstatements and hence whether the amount recognised as loss arising from the Incidents in the financial year ended 30 June 2016 was also free from material misstatements. Any adjustments found to be necessary to these carrying amounts and impairment loss may have a consequential significant impact on the loss and other comprehensive loss and cash flows of the Group for the years ended 30 June 2016 and 2015, the Group's net assets as at 30 June 2015 and the related disclosures thereof in the consolidated financial statements.

h) *Deposits*

Included in the consolidated statement of financial position were deposits with carrying amount of approximately RMB11,012,000 as at 1 July 2015. As set out in notes 10(a) and 22 to the consolidated financial statements, movement in carrying amount of the deposits during the year ended 30 June 2016 related to derecognition of the deposits upon deconsolidation of the Deconsolidated Subsidiaries of carrying amount of approximately RMB11,012,000 for the deposits. Due to lack of access to complete books and records and management personnel of the Deconsolidated Subsidiaries made available to us, we have been unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to (i) the validity of derecognition of the deposits as at 1 July 2015; (ii) the validity of the carrying amount of the deposits which was carried forward from previous years, including the nature of the deposits, the validity of the commercial terms arrived at under the deposits and whether the counter parties of the deposits were related to related parties of the Group in accordance with IAS 24; (iii) the basis of conducting impairment assessment on the deposits by the management of the Group during the year ended 30 June 2015; and (iv) the basis for the determination that the carrying amount of the deposits of approximately RMB11,012,000 as at 30 June 2015 was recoverable as no documentation on impairment assessment on the deposits as at 30 June 2015 was made available to us. Therefore, we were unable to satisfy ourselves as to whether the carrying amount of the deposits and nil impairment loss as at and for the year ended 30 June 2015 were free from material misstatements and hence whether the amount recognised as loss arising from the Incidents in the financial year ended 30 June 2016 were also free from material misstatements. Any adjustments found to be necessary to these carrying amount and impairment loss may have a consequential significant impact on the loss and other comprehensive loss and cash flows of the Group for the years ended 30 June 2016 and 2015, the Group's net assets as at 30 June 2015 and the related disclosures thereof in the consolidated financial statements.

i) Properties for sale

Included in the consolidated statement of financial position were properties for sale with gross carrying amount of approximately RMB5,830,000 and nil net carrying amount as at 1 July 2015. As disclosed in notes 10(a) and 24 to the consolidated financial statements, movement in gross and net carrying amounts of the properties for sale during the year ended 30 June 2016 related to derecognition of the properties for sale upon deconsolidation of the Deconsolidated Subsidiaries of gross carrying amounts of approximately RMB5,830,000 and nil net carrying amount for the properties for sale. Due to lack of access to complete books and records and management personnel of the Deconsolidated Subsidiaries made available to us, we have been unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to (i) the validity of derecognition of the gross and net carrying amounts of the properties for sale as at 1 July 2015; (ii) the validity of the gross carrying amount of the properties for sale which were carried forward from previous years, including the validity of (a) the recognition of the properties for sale in accordance with applicable IFRSs; and (b) the commercial terms arrived at under the properties for sale and whether the counterparties involved were related to related parties of the Group in accordance with IAS 24; (iii) the basis of conducting impairment assessment on the properties for sale by the management of the Group during the year ended 30 June 2015; and (iv) the basis for the determination that the recoverable amount of the properties for sale was nil as at 30 June 2015 and the impairment loss of approximately RMB5,830,000 that was provided for in the year then ended. We were unable to satisfy ourselves as to whether the carrying amount of and impairment loss on the properties for sale as at and for the year ended 30 June 2015 were free from material misstatements and hence whether the amount recognised as loss arising from the Incidents in the financial year ended 30 June 2016 was also free from material misstatements. Any adjustments found to be necessary to these carrying amounts and impairment loss may have a consequential significant impact on the loss and other comprehensive loss and cash flows of the Group for the years ended 30 June 2016 and 2015, the Group's net assets as at 30 June 2015 and the related disclosures thereof in the consolidated financial statements.

j) Inventories

Included in the consolidated statement of financial position were inventories with gross and net carrying amounts of approximately RMB106,033,000 as at 1 July 2015. As set out in notes 10(a) and 25 to the consolidated financial statements, movements in gross and net carrying amounts of the inventories during the year ended 30 June 2016 related to derecognition of the inventories upon deconsolidation of the Deconsolidated Subsidiaries of gross and net carrying amounts of approximately RMB106,033,000 for the inventories. Due to lack of access to complete books and records and management personnel of the Deconsolidated Subsidiaries made available to us, we have been unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to (i) the validity of the derecognition of the gross and net carrying amounts of the inventories as at 1 July 2015; (ii) the validity of the gross and net carrying amounts of the inventories as at 1 July 2015 which were carried forward from previous years, including the components of the inventories and the validity of the commercial terms arrived at in acquiring the inventories and whether the vendors of the inventories were related to related parties of the Group in accordance with IAS 24; (iii) the basis of conducting assessment on impairment of inventories by the management of the Group on determining the write down of inventories of approximately RMB9,072,000 for the year ended 30 June 2015; (iv) the basis for the determination that the carrying amount of the inventories of approximately RMB106,033,000 as at 30 June 2015 was recoverable as no documentation on impairment assessment of inventories as at 30 June 2015 was made available to us; and (v) the validity, the basis for the determination and the recording accuracy of the cost of inventories of processed fruits recognised as expenses of approximately RMB538,995,000 for the year ended 30 June 2015. Therefore, we were unable to satisfy ourselves as to whether the carrying amounts of the inventories, the amount of write down of inventories and the cost of inventories of processed fruit recognised as expenses as at and for the year ended 30 June 2015 were free from material misstatements and hence whether the amount recognised as loss arising from the Incidents in the financial year ended 30 June 2016 was also free from material misstatements. Any adjustments found to be necessary to these carrying amounts and amounts of write off may have a consequential significant impact on the loss and other comprehensive loss and cash flows of the Group for the years ended 30 June 2016 and 2015, the Group's net assets as at 30 June 2015 and the related disclosures thereof in the consolidated financial statements.

k) Trade and other receivables

Included in the consolidated statement of financial position were trade and other receivables with gross and net carrying amounts of approximately RMB194,607,000 as at 1 July 2015. As set out in notes 10(a) and 26 to the consolidated financial statements, movements in gross and net carrying amounts of the trade and other receivables during the year ended 30 June 2016 related to derecognition of the trade and other receivables upon deconsolidation of the Deconsolidated Subsidiaries of gross and net carrying amounts of approximately RMB194,535,000 for the trade and other receivables. Due to lack of access to complete books and records and management personnel of the Deconsolidated Subsidiaries made available to us, we have been unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to (i) the validity of the derecognition of the gross and net carrying amounts of the trade and other receivables as at 1 July 2015; (ii) the validity of the gross and net carrying amounts of the trade and other receivables which were carried forward from previous years, including the nature of the trade and other receivables, the validity of the commercial terms arrived at under the trade and other receivables, the identity of the debtors and whether the debtors were related to related parties of the Group in accordance with IAS 24; (iii) the basis of conducting impairment assessment on trade and other receivables by the management of the Group and that a write off of trade and other receivables of approximately RMB2,717,000 be recognised for the year ended 30 June 2015; and (iv) the basis for the determination that the carrying amount of the trade and other receivables of approximately RMB194,535,000 as at 30 June 2015 was recoverable as no documentation on impairment assessment on the trade and other receivables as at 30 June 2015 was made available to us. Therefore, we were unable to satisfy ourselves as to whether the carrying amounts of the trade and other receivables and no impairment loss as at and for the year ended 30 June 2015 were free from material misstatements and hence whether the amount recognised as loss arising from the Incidents in the financial year ended 30 June 2016 was also free from material misstatements. Any adjustments found to be necessary to these carrying amounts and impairment loss may have a consequential significant impact on the loss and other comprehensive loss and cash flows of the Group for the years ended 30 June 2016 and 2015, the Group's net assets as at 30 June 2015 and the related disclosures thereof in the consolidated financial statements.

l) Cash and cash equivalents

Included in the consolidated statement of financial position were cash and cash equivalents with carrying amounts of approximately RMB937,571,000 as at 1 July 2015. As set out in notes 10(a) and 27 to the consolidated financial statements, movements in carrying amounts of the cash and cash equivalents during the year ended 30 June 2016 related to derecognition of the cash and cash equivalents upon deconsolidation of the Deconsolidated Subsidiaries of carrying amounts of approximately RMB864,883,000 for cash and cash equivalents. Due to lack of access to complete books and records and management personnel of the Deconsolidated Subsidiaries made available to us, we have been unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to (i) the validity of derecognition of the cash and cash equivalents as at 1 July 2015; and (ii) the completeness, existence and recording accuracy of the balances and the transactions of the cash and cash equivalents as at and for the year ended 30 June 2015. We were unable to satisfy ourselves as to whether the carrying amounts and the transactions of the cash and cash equivalents as at and for the year ended 30 June 2015 were free from material misstatements and hence whether the amount recognised as loss arising from the Incidents in the financial year ended 30 June 2016 was also free from material misstatements. Any adjustments found to be necessary to the carrying amounts of the cash and cash equivalents may have a consequential significant impact on the loss and other comprehensive loss and cash flows of the Group for the years ended 30 June 2016 and 2015, the Group's net assets as at 30 June 2015 and the related disclosures thereof in the consolidated financial statements.

m) Trade and other payables

Included in the consolidated statement of financial position were trade and other payables with carrying amounts of approximately RMB138,576,000 as at 1 July 2015. As set out in notes 10(a) and 31 to the consolidated financial statements, movements in carrying amounts of the trade and other payables during the year ended 30 June 2016 related to derecognition of the trade and other payables upon deconsolidation of the Deconsolidated Subsidiaries of carrying amounts of approximately RMB136,310,000 for trade and other payables. Due to lack of access to complete books and records and management personnel of the

Deconsolidated Subsidiaries made available to us, we have been unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to (i) the validity of derecognition of the trade and other payables as at 1 July 2015; (ii) the validity of the carrying amounts of the trade and other payables which were carried forward from previous years, including the nature of the trade and other payables, the validity of the commercial terms arrived at under the trade and other payables, the identity of the creditors and whether the creditors were related to related parties of the Group in accordance with IAS 24; and (iii) the completeness and the recording accuracy of the balances and the transactions incurred under the trade and other payables as at and for the year ended 30 June 2015. We were unable to satisfy ourselves as to whether the carrying amounts and the transactions of the trade and other payables as at and for the year ended 30 June 2015 were free from material misstatements and hence whether the amount recognised as loss arising from the Incidents in the financial year ended 30 June 2016 was also free from material misstatements. Any adjustments found to be required to the carrying amounts of the trade and other payables may have consequential significant impacts on the loss and other comprehensive loss and cash flows of the Group for the years ended 30 June 2016 and 2015, the Group's nets assets as at 30 June 2015 and the related disclosures thereof in the consolidated financial statements.

n) *Amounts due to the Deconsolidated Subsidiaries*

As disclosed in note 31 of the consolidated financial statements, the Group recorded amounts due to the Deconsolidated Subsidiaries of approximately RMB237,514,000 as at 30 June 2016. As further disclosed in note 2 to the consolidated financial statements, the directors of the Company have been unable to gain access to complete books and records of the Deconsolidated Subsidiaries and have been unable to obtain information and explanations from management of the Deconsolidated Subsidiaries on matters concerning the books and records of the Deconsolidated Subsidiaries. Due to these factors, we have not been able to obtain sufficient appropriate audit evidence to determine the validity and completeness of the amounts due to the Deconsolidated Subsidiaries as at 30 June 2016 and whether there were unrecorded transactions entered into with the Deconsolidated Subsidiaries during the year ended 30 June 2016 which had not been accounted for and in compliance with the requirements of applicable IFRSs and the Hong Kong Listing Rules. There were no alternative audit procedures that we could perform to satisfy ourselves as to whether the amounts due to the Deconsolidated Subsidiaries were free from material misstatements. Any adjustments found to be required may have consequential significant effects on the balances of the amounts due to the Deconsolidated Subsidiaries, the recorded amounts and description of the relevant transactions with the Deconsolidated Subsidiaries as at and for the year ended 30 June 2016 and other elements in the consolidated financial statements for the year ended 30 June 2016 and hence on the net liabilities of the Group as at 30 June 2016 and loss and other comprehensive loss and cash flows of the Group for the year then ended and related disclosures thereof in the consolidated financial statements.

o) *Amounts due from the Deconsolidated Subsidiaries*

Included in the consolidated statement of profit or loss of the Group for the year ended 30 June 2016 as disclosed in note 10(d) was the impairment loss recognised in respect of the amounts due from the Deconsolidated Subsidiaries of approximately RMB1,250,898,000. As disclosed in note 2 to the consolidated financial statements, the directors of the Company have been unable to gain access to complete books and records of the Deconsolidated Subsidiaries and have been unable to obtain information and explanations from management of the Deconsolidated Subsidiaries on matters concerning the books and records of the Deconsolidated Subsidiaries. Given these circumstances, the directors of the Company considered that the Group does not possess relevant information about the Deconsolidated Subsidiaries' financial position and financial ability to repay for the purpose of impairment assessments of the receivable balances to be carried out and the recoverability of the outstanding balances as at 30 June 2016 to be assessed. Accordingly, the directors of the Company have recognised the impairment loss to fully write down the amounts due from the Deconsolidated Subsidiaries as no settlement was recorded up to the date of approval of the consolidated financial statements.

Due to the circumstances as described herein, we were unable to perform audit procedures to obtain sufficient appropriate audit evidence to satisfy ourselves about the validity and completeness of the gross carrying amount of the amounts due from the Deconsolidated Subsidiaries of approximately RMB1,250,898,000 as at 30 June 2016 and whether there were unrecorded transactions entered into with the Deconsolidated Subsidiaries during the year ended 30 June 2016 which had not been accounted for in accordance with IFRSs or disclosed or otherwise treated in compliance with the applicable Hong Kong Listing Rules. In addition, as no acceptable practical impairment assessment could be carried out by management of the Group during the year ended 30 June 2016 on the balances owed by the Deconsolidated Subsidiaries, we have not been able to obtain sufficient appropriate audit evidence to satisfy ourselves that the recoverable amounts of the balances due from the Deconsolidated Subsidiaries were nil as at 30 June 2016 and that the impairment loss recognised in respect of the amounts due from the Deconsolidated Subsidiaries was properly assessed in accordance with the requirements of IAS 39 "Financial Instruments: Recognition and Measurement". There were no alternative audit procedures that we could perform to satisfy ourselves as to whether the amounts due from the Deconsolidated Subsidiaries as at 30 June 2016 and the impairment loss recognised in respect of these amounts due from the Deconsolidated Subsidiaries were free from material misstatement and whether there were unrecorded transactions entered into with the Deconsolidated Subsidiaries. Any adjustments found to be required may have consequential significant effects on the balances of the amounts due from the Deconsolidated Subsidiaries and the impairment loss in respect thereof, the recorded amounts and description of the relevant transactions entered into with the Deconsolidated Subsidiaries for the year ended 30 June 2016 and other elements in the consolidated financial statements as at and for the year ended 30 June 2016 and hence on the net liabilities of the Group as at 30 June 2016 and the loss and other comprehensive loss and cash flows of the Group for the year then ended and the related disclosures thereof in the consolidated financial statements.

p) *Interests in subsidiaries and amount due to the Deconsolidated Subsidiaries*

Included in the statement of financial position of the Company as disclosed in note 34 to the consolidated financial statements were (i) investment in subsidiaries of gross carrying amount of approximately RMB4,049,373,000 at 1 July 2015 and (ii) amount due to the Deconsolidated Subsidiaries of approximately RMB31,072,000 at 30 June 2016. Impairment losses in respect of the interests in subsidiaries of approximately RMB4,049,373,000 were recognised by the Company for the year ended 30 June 2016.

As disclosed in note 34 to the consolidated financial statements, the cost of investment in subsidiaries of the Company as at 30 June 2016 represented the investment cost in the equity interests in wholly owned subsidiaries directly held by the Company. These subsidiaries are investment holding companies and the investment costs were utilised by them, to a large extent, as investment costs in and loans and advances to the Deconsolidated Subsidiaries. As disclosed in note 2 to the consolidated financial statements, the directors of the Company have been unable to gain access to complete books and records of the Deconsolidated Subsidiaries and have been unable to obtain information and explanations from management of the Deconsolidated Subsidiaries on matters concerning the books and records of the Deconsolidated Subsidiaries. Given these circumstances, the directors of the Company considered that the Group does not possess relevant information about the Deconsolidated Subsidiaries' financial position and financial ability to repay to enable impairment assessments of the Company's investment cost in its subsidiaries to be carried out. Accordingly, the directors of the Company have recognised the impairment loss in respect of the full amount of the investment cost in subsidiaries for the year ended 30 June 2016.

Due to the circumstances as described herein, we were unable to perform audit procedures to obtain sufficient appropriate audit evidence to satisfy ourselves about the validity and completeness of the investment costs in subsidiaries as at 30 June 2016 and 2015. In addition, as no documentation of impairment assessment of the interests in subsidiaries as at 30 June 2016 and 2015 was made available to us, we have not been able to obtain sufficient appropriate audit evidence to satisfy ourselves that the recoverable amounts of the interests in subsidiaries were properly assessed as at 30 June 2016 and 2015. There were no alternative audit procedures that we could perform to satisfy ourselves as to whether the interests in subsidiaries as at 30 June 2016 and 2015, and the impairment loss recognised in respect of these interests in subsidiaries were free from material misstatement. Any adjustments found to be required may have consequential significant effects on the carrying amounts of the interests in subsidiaries and the impairment loss in respect thereof as at 30 June 2016 and 2015 and hence on the net assets of the Company as at 30 June 2016 and 2015 and related disclosures thereof in the consolidated financial statements.

q) Share premium

As disclosed in the consolidated statement of change in equity for the year ended 30 June 2016, the Group recorded share premium of approximately RMB3,698,234,000 as at 1 July 2015 and 30 June 2016. However, as disclosed in note 28(a) of the consolidated financial statements, the Company recorded share premium of approximately RMB3,711,195,000 as at 1 July 2015 and 30 June 2016. The difference between the balances of the share premium accounts of the Group and the Company was due to consolidation adjustments amounting to approximately RMB12,961,000 in relation to expenses of issuing new shares of the Company during the initial public offering of the Company which were borne by subsidiaries of the Company and not recharged to the Company. We have not been able to obtain sufficient appropriate audit evidence to support the validity and recording accuracy of these share issuance expenses charged directly to the Group's share premium account, including (i) the nature of these issuance expenses such that they qualified as initial public offering expenses that could be treated as deductions from the share premium account of the Group rather than as expenses in profit or loss and (ii) the manner and basis of allocation of common expenses incurred and recognised in consolidated profit or loss and share premium account during the initial public offering process. Hence, we were unable to determine whether the difference between the share premium account balances of the Group and of the Company as at 30 June 2016 and 1 July 2015 were properly recorded and accounted for and in compliance with the requirements of applicable company legislation and IFRSs. There were no alternative audit procedures that we could perform to satisfy ourselves as to whether the share premium account balances of the Company and of the Group were free from material misstatements. Any adjustments found to be required may have consequential significant effects on the balances of the share premium as at 30 June 2016 and 2015 and other elements in the Group and the Company's financial statements for the years ended 30 June 2016 and 2015 and the details of the Company's individual components of equity disclosed in note 28 to the consolidated financial statements.

r) Statutory reserve

Included in the consolidated financial statements were statutory reserve of the Group with carrying amount of approximately RMB136,625,000 as at 1 July 2015. For the year ended 30 June 2015, there was a movement in the statutory reserve relating to an amount of approximately RMB57,202,000 which was debited to the statutory reserve and credited to retained profits during the year ended 30 June 2015. Movements in carrying amounts of the statutory reserve during the year ended 30 June 2016 related to derecognition of the statutory reserve upon disconsolidation of the Deconsolidated Subsidiaries of carrying amounts of approximately RMB136,625,000 for the statutory reserve. Due to lack of access to complete books and records and management personnel of the Deconsolidated Subsidiaries made available to us, we have been unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to (i) the validity of the movement of the statutory reserve for the years ended 30 June 2016 and 2015 and whether it was in compliance with the relevant laws and regulations; and (ii) the basis of determining the amount for the movement in the statutory reserve. Therefore, we were unable to satisfy ourselves as to whether the carrying amount and the movement of the statutory reserve as at and for the years ended 30 June 2016 and 2015 were free from material misstatements. Any adjustments found to be necessary to the carrying amount or movement may have a consequential significant effect on the Group's net assets as at 30 June 2016 and 2015 and the related disclosures thereof in the consolidated financial statements.

s) Share-based payments

Included in the consolidated statement of change in equity of the Group for the year ended 30 June 2016 were share options reserve with carrying amount of approximately RMB88,253,000 as at 30 June 2016 (30 June 2015: RMB131,381,000). During the year ended 30 June 2016, the Group (i) recognised an amount of approximately RMB10,706,000 (2015: RMB6,710,000) as share-based payment expenses in the consolidated statement of profit or loss with the corresponding amount credited to the share options reserve; (ii) transferred an amount of approximately RMB2,280,000 (2015: RMB3,193,000) from share options reserve to accumulated loss for share options lapsed; and (iii) transferred an amount of approximately RMB51,554,000 (2015: RMBNil) from share options reserve to accumulated loss for share options cancelled. As disclosed in note 2 to the consolidated financial statements, the directors of the Company have been unable to obtain information and explanations from management of the

Deconsolidated Subsidiaries on matters concerning the books and records of the Deconsolidated Subsidiaries, including the identity and relationship with the Group of the grantees. Given these circumstances, the directors of the Company were unable to identify the identities of the grantees and confirm the validity of the share options recorded in the consolidated financial statements. We have been unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to (i) the validity of the identities of the grantees and recording accuracy of the number of share options outstanding at 1 July 2015 and 30 June 2016; (ii) the validity of the movements of the share options reserve during the years ended 30 June 2016 and 2015; and (iii) the basis of determining the amounts of the movements in the share options reserve, including amounts recognised for share-based payment expenses, share options lapsed and share options cancelled of approximately RMB9,033,000, RMB498,000 and RMB29,879,000 respectively during the year ended 30 June 2016 and of approximately RMB6,710,000, RMB3,193,000 and RMB Nil during the year ended 30 June 2015. Therefore, we were unable to satisfy ourselves as to whether the carrying amounts and the movements of the share options reserve of the Group as at and for the years ended 30 June 2016 and 2015 were free from material misstatements. Any adjustments found to be necessary to the carrying amount or movements may have a consequential significant effect on the loss and other comprehensive loss and cash flows of the Group for the years ended 30 June 2016 and 2015, balances of the share options reserve as at 30 June 2016 and 2015, the Group's net liabilities and assets as at 30 June 2016 and 2015 and the related disclosures thereof in the consolidated financial statements.

t) *Contingent liabilities and commitments*

As explained in paragraph (a) above, the Company should have consolidated the Deconsolidated Subsidiaries, except possibly for Beihai Perfuming Garden and its subsidiaries, in its consolidated financial statements for the year ended 30 June 2016. Had these subsidiaries been consolidated, the contingent liabilities of the Deconsolidated Subsidiaries and commitments of the Group as disclosed in notes 10(e) and 32 respectively to the consolidated financial statements which related to the Deconsolidated Subsidiaries should include the contingent liabilities and commitments of these subsidiaries. Further, the contingent liabilities and commitments of these subsidiaries may affect or involve the entities included in the consolidated financial statements. Due to the lack of access to complete books and records of the Deconsolidated Subsidiaries made available to us, we have not been able to obtain sufficient appropriate audit evidence to satisfy ourselves as to the completeness of the contingent liabilities of the Deconsolidated Subsidiaries and commitments of the Group as disclosed in notes 10(e) and 32 respectively to the consolidated financial statements which related to the Deconsolidated Subsidiaries. There were no alternative audit procedures that we could perform to satisfy ourselves as to whether there existed other material amounts of contingent liabilities and commitments of the Deconsolidated Subsidiaries as at 30 June 2016. Any undisclosed material amounts of contingent liabilities and commitments related to the Deconsolidated Subsidiaries found to be in existence may have consequential significant effects on the fair presentation of the net liabilities of the Group as at 30 June 2016 and the loss and other comprehensive loss and cash flows of the Group for the year then ended and the related disclosures thereof in the consolidated financial statements.

u) *Events after the reporting period*

As explained in paragraph (a) above, the Company should have consolidated the Deconsolidated Subsidiaries, except possibly for Beihai Perfuming Garden and its subsidiaries, in its consolidated financial statements for the year ended 30 June 2016. Had these subsidiaries been consolidated, the events after the reporting period of the Group as disclosed in note 36 to the consolidated financial statements should include the events and transactions after the reporting period of these subsidiaries. Further, the events and transactions after the reporting period of these subsidiaries may affect or involve the entities included in the consolidated financial statements.

In addition, as disclosed in note 36(aa) of the consolidated financial statements, it was disclosed in the Company's announcement dated 31 October 2017 that the Group resumed the control over Lucky Team Hepu on 28 September 2017 (the "**Resumed Date**"). Due to the lack of access to complete books and records of Lucky Team Hepu for periods up to the Resumed Date, the Group had to undertake efforts to reconstruct the books and records of Lucky Team Hepu. As at the date of this report, the reconstruction of the books and records could not be completed, hence the Board considered that the Group still did not have the necessary information about the transactions and account balances of Lucky Team Hepu for inclusion in the consolidated financial statements of the Group for the year ended 30 June 2016. Instead, the financial statements of Lucky Team Hepu would be included in the consolidated financial statements of the Group only with effect from the Resumed Date. On the Resumed Date, the Group recorded (i) property, plant and equipment of approximately RMB102,675,000 including bearer plants of approximately RMB52,950,000; (ii) amount due from the Company (which was eliminated on consolidation) of approximately RMB31,072,000; (iii) cash and bank balances of approximately RMB4,109,000; (iv) amount due to the Agriculture Company of approximately RMB4,574,000; and (v) amounts due to the Deconsolidated Subsidiaries of approximately RMB365,000,000 (collectively, the "**Assets and Liabilities**"). Due to the circumstances of lack of access to complete books and records of Lucky Team Hepu for periods up to the Resumed Date and the inability to complete the work to reconstruct the books and records, the Board is unable to ascertain the completeness and recording accuracy of the property, plant and equipment and the amounts due to the Deconsolidated Subsidiaries as at the Resumed Date. We have been unable to carry out alternative audit procedures to obtain sufficient appropriate audit evidence to satisfy ourselves as to (i) the validity, accuracy and completeness of the carrying amounts at initial recognition of the property, plant and equipment and the amounts due to the Deconsolidated Subsidiaries at the Resumed Date disclosed in note 36(aa) to the consolidated financial statements, including the validity, accuracy and completeness of the carrying amounts at initial recognition of the bearer plants under the property, plant and equipment; (ii) whether the suppliers and counterparties in relation to the property, plant and equipment and the amounts due to the Deconsolidated Subsidiaries were related to related parties of the Group in accordance with IAS 24; (iii) the effects of all the transactions of Lucky Team Hepu that occurred between 1 July 2015 to the Resumed Date on the Assets and Liabilities of Lucky Team Hepu; and (iv) the validity and recording accuracy of recognition of the net liabilities resumed, represented by the net carrying amount of the Assets and Liabilities, of approximately RMB231,718,000 which is recognised as expense in the consolidated statement of profit or loss of the Group in the financial year ended 30 June 2018. Therefore, we were unable to satisfy ourselves as to whether the carrying amounts of the Assets and Liabilities recognised on the Resumed Date were free from material misstatements. Further, as explained in paragraph (a) above, the Company should have consolidated the Deconsolidated Subsidiaries including Lucky Team Hepu, except possibly for Beihai Perfuming Garden and its subsidiaries, in its consolidated financial statements for the year ended 30 June 2016. Had Lucky Team Hepu been consolidated, the resumption of control over Lucky Team Hepu on 28 September 2017 would not have been recorded and presented in note 36(aa) as an acquisition on the Resumed Date. However, due to lack of access to complete books and records and management personnel of Lucky Team Hepu prior to the Resumed Date made available to us, we are unable to determine the effects of these matters.

Due to lack of access to complete books and records of the Deconsolidated Subsidiaries, we have not been able to obtain sufficient appropriate audit evidence to satisfy ourselves as to the completeness of the events and transactions after the reporting period of the Group as disclosed in note 36 to the consolidated financial statements. There were no practicable alternative procedures that we could perform to satisfy ourselves as to whether there had occurred significant events or transactions during the period from 1 July 2016 to the date of this auditors' report which require disclosure in or adjustments to the consolidated financial statements. Any undisclosed or unadjusted events or transactions related to the Deconsolidated Subsidiaries found to have occurred during this intervening period may have consequential significant effects on the balances presented for the elements in the consolidated financial statements for the year ended 30 June 2016 and hence on the net liabilities of the Group as at 30 June 2016 and the loss and other comprehensive loss and cash flows of the Group for the year then ended or on the fair presentation of these net liabilities, loss and other comprehensive loss and cash flows and the related disclosures in the consolidated financial statements.

v) *Related party transactions*

As explained in paragraph (a) above, the Company should have consolidated the Deconsolidated Subsidiaries, except possibly for Beihai Perfuming Garden and its subsidiaries, in its consolidated financial statements for the year ended 30 June 2016. Had these subsidiaries been consolidated, the related party transactions and balances as disclosed in note 33 to the consolidated financial statements should include the transactions and balances of these subsidiaries with related parties of the Group. Further, the related party transactions and balances of these subsidiaries may affect or involve the entities included in the consolidated financial statements. Due to lack of access to complete books and records of the Deconsolidated Subsidiaries made available to us, we have not been able to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether there were material related party transactions and balances of the Deconsolidated Subsidiaries and hence about the completeness of the related party transactions and balances as disclosed in the consolidated financial statements. There were no practicable alternative procedures that we could perform to satisfy ourselves as to whether there existed material related party transactions and balances of the Deconsolidated Subsidiaries which require disclosure in the consolidated financial statements. Any undisclosed transactions or balances related to the Deconsolidated Subsidiaries found to have occurred or existed may have consequential significant effects on the fair presentation of the net liabilities of the Group as at 30 June 2016 and the loss and other comprehensive loss and cash flows of the Group for the year then ended and the related disclosures thereof in the consolidated financial statements.

w) *Going concern basis of accounting*

As disclosed in note 2 to the consolidated financial statements, (i) the Group incurred a loss attributable to the owners of the Company of approximately RMB5,216,629,000 for the year ended 30 June 2016 and, as of that date, the Group's total liabilities exceeded its total assets by approximately RMB186,469,000; and (ii) the Company's shares have been suspended from trading on The Stock Exchange of Hong Kong Limited with effect from 29 September 2016. The directors of the Company were unable to represent that all present and contingent liabilities of the Group have been completely identified. In addition, any adjustments found to be necessary to the Group's results for the year ended 30 June 2016 and closing balances of its assets and liabilities as at 30 June 2016 of the matters described in the paragraphs above may cause the operating results, liquidity position and financial position of the Group as presented in the consolidated financial statements for the year ended 30 June 2016 to be adversely affected. These conditions indicate the existence of material uncertainties which may cast significant doubts about the Group's ability to continue as a going concern. Notwithstanding the abovementioned, the consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the Group's ability to successfully operate of the Group's future business and generate adequate cash flows. As of the date of this report, we have not obtained the Group's cash flow forecast, including related reasonable and supportable bases for the underlying data and assumptions, which are necessary for us to assess the appropriateness of the use of the going concern assumption in the preparation of the consolidated financial statements. Because of the significance of these matters, we were unable to satisfy ourselves as to whether the use of going concern assumption in the preparation of the consolidated financial statements was appropriate. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively.

Report on Other Matters Under Sections 407(2) and 407(3) of the Hong Kong Companies Ordinance

In respect alone of the inability to obtain sufficient appropriate audit evidence regarding the items stated under Basis for Disclaimer of Opinion for the year ended 30 June 2016,

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and

- we were unable to determine whether proper books of account had been kept for the year ended 30 June 2016.

OTHER INFORMATION

PURCHASE, SALE OR 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 any of such listed securities during the year ended 30 June 2016.

CORPORATE GOVERNANCE CODE

During the year ended 30 June 2016, the Directors, where practicable, sought to adopt the two corporate governance codes below:

1. the UK Corporate Governance Code, which is the key source of corporate governance recommendations for listed companies in the United Kingdom and consists of principles of good governance and covers the following areas: (i) Leadership; (ii) Effectiveness; (iii) Accountability; (iv) Remuneration; and (v) Relations with shareholders; and

2. the Corporate Governance Code (the "**Code**") contained in the Appendix 14 to the Hong Kong Listing Rules on the HKEx, which took effect on 1 April 2012.

The Company has complied with all the code provisions as set out in the Code for the year ended 30 June 2016 except the deviations set out below:

Code Provision A.2.1

During the period from 1 July 2015 to 4 August 2015, Mr. Ng Hoi Yue was the Non-executive Chairman of the Board and Mr. Ng Ong Nee was the Chief Executive Officer of the Company.

With effect from 4 August 2015, Mr. Ng Hoi Yue resigned as the Non-executive Chairman of the Board and was re-designated as an Executive Director and was also appointed as the Deputy Chief Executive Officer of the Company. On the same date, Mr. Ng Ong Nee, the Executive Director and Chief Executive Officer of the Company, was appointed as Chairman of the Board. Since then, the roles of the Chairman and Chief Executive Officer have been performed by same individual, Mr. Ng Ong Nee, and were not separated. The Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same person enables more effective and efficient overall strategic planning for the Group. The Board meets regularly to consider issues related to corporate matters affecting the operations of the Group and considers that the balance of power and authority for such arrangement will not be impaired and is adequately ensured by the current Board which comprises experienced and high caliber individuals with sufficient number thereof being Independent Non-Executive Directors ("**INEDs**").

Code Provision A.5.1

The Company does not have a nomination committee. The Directors do not consider that, given the size of the Group and current stage of its development, it is necessary to have a nomination committee. However, this will be kept under regular review by the Board. The Board as a whole regularly reviews the plans for orderly succession to the Board and its structure, size and composition. If the Board considers that it is necessary to appoint new

Director(s), it will set the relevant appointment criteria which may include, where applicable, the background, experience, professional skills, personal qualities, availability to commit to the affairs of the Company and, in case of the INEDs, the independence requirements set out in the Hong Kong Listing Rules from time to time. Nomination of new Director(s) will normally be made by the Executive Directors and is subject to the Board's approval. External consultants may be engaged, if necessary, to access a wider range of potential candidate(s).

Code Provisions C.1.1 & C.1.2

The management of certain PRC subsidiaries of the Group did not provide sufficient explanation and information to the Directors to make an informed assessment of financial and other information, nor provide any monthly updates giving a balanced and understandable assessment of those PRC subsidiaries' performance and position to the Directors for their duties under Rule 3.08 and Chapter 13 of the Hong Kong Listing Rules.

During the course of auditing for the year ended 30 June 2016, the auditors of the Company reported that: (i) a director of certain PRC subsidiaries of the Group had alleged that there were inaccuracies in the books and records of certain subsidiaries of the Group and (ii) a finance manager of certain PRC subsidiaries of the Group had sent written correspondence to the auditors indicated that certain amounts or balances in the internal records of certain customers or suppliers did not correspond to the internal records of the Group. Subsequently, those management of such PRC subsidiaries of the Group refused to provide information requested by the Directors and senior management of the Company. In order to protect and enforce all the legal rights of the Group, the Company had engaged legal professional in PRC to handle those disputes/issues arose and there were judgments of certain litigations which have been granted in favour of the Group (the "**Beihai Minority Disputes**"). Those PRC subsidiaries were deconsolidated in the Company's financial statements for the year ended 30 June 2016.

Details of the legal procedures and audit work progress and their updates are disclosed in the Company's announcements dated 29 September 2016, 30 June 2017, 29 September 2017, 31 October 2017, 30 November 2017, 28 December 2017 and 31 January 2018, 28 February 2018, 26 March 2018, 30 April 2018, 31 May 2018 and 29 June 2018 respectively.

Code Provisions C.2.1, C.2.3 (b) & C.2.4

Due to the aforesaid Beihai Minority Disputes, the Directors and senior management of the Company could not access the financial, legal and administration records of certain PRC subsidiaries and that affected the execution of annual review under the existing internal control system of the Group. As mentioned in the above paragraph, the Company had engaged legal professional in the PRC in order to protect and enforce all the legal rights of the Group and to obtain copies of the relevant documents as a shareholder of those PRC subsidiaries.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code for Directors' dealings appropriate for a company whose shares are admitted to trading on AIM of the London Stock Exchange and takes all reasonable steps to ensure compliance by the Directors and any relevant employees. The Company has also adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the

"**Model Code**") 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 had fully complied with the required standard as set out in the Model Code throughout the year ended 30 June 2016.

CHANGE IN THE COMPOSITION OF THE BOARD AND OTHER POSITIONS OF DIRECTORS

Changes in the composition of the Board during the year ended 30 June 2016 and up to the date of this announcement are as follows:

With effect from 4 August 2015:

(a) Mr. Ng Hoi Yue was re-designated from an INED to an Executive Director and stood down as the Non-executive Chairman of the Board; and

(b) Mr. Ng Ong Nee was appointed the Chairman of the Board.

With effect from 12 November 2015:

(a) Mr. Cheung Wai Sun, Mr. Pang Yi and Mr. Ng Cheuk Lun retired as Executive Directors, effective from the conclusion of the annual general meeting of the Company held on 12 November 2015 (the "**AGM**").

(b) Mr. Tong Hung Wai, Tommy resigned as an Executive Director and the Vice Chairman of the Company; and

(c) Mr. Ho Wai Leung resigned as an INED.

Changes in other positions of the Directors during the year ended 30 June 2016 are as follows:

With effect from 3 August 2015:

(a) Mr. Ng Cheuk Lun resigned as the Secretary of the Company and an authorised representative of the Company under the Hong Kong Listing Rules (the "**LR Representative**"); and

(b) Mr. Ng Ong Nee was appointed as a LR Representative.

With effect from 4 August 2015:

(a) Mr. Tong Hung Wai, Tommy resigned as a LR Representative, and an authorised representative (the "**CO Representative**") of the Company for accepting service of process and notices in Hong Kong on behalf of the Company under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "**Companies Ordinance**");

(b) Mr. Ng Hoi Yue was appointed as the Deputy Chief Executive Officer of the Company, a LR Representative and a CO Representative and resigned as the chairman and a member of the Audit Committee and the Remuneration Committee of the Company;

(c) Mr. Chung Koon Yan was appointed as the chairman of the Audit Committee and the Remuneration Committee; and

(d) Dr. Lui Ming Wah, PhD, SBS JP was appointed as a member of the Audit Committee.

With effect from 12 November 2015:

(a) Mr. Ho Wai Leung resigned as a member of the Remuneration Committee; and

(b) Dr. Lui Ming Wah, PhD, SBS JP was appointed as a member of the Remuneration Committee.

With effect from 10 February 2017:

(a) Mr. He Xiaohong was appointed as a Non-executive Director.

REVIEW OF THE FINAL RESULTS BY AUDIT COMMITTEE

The audit committee of the Board (the "**Audit Committee**") comprises three INEDs. Mr. Chung Koon Yan acts as chairman of the committee with Dr. Lui Ming Wah, SBS JP and Mr. Yang Zhen Han acting as members. The arrangement of Audit Committee is in compliance with Rule 3.21 of the Hong Kong Listing Rules.

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 and the external auditors relating to the annual financial statements, and monitoring the accounting, internal control and risk management systems in use throughout the Group for the year ended 30 June 2016.

The Audit Committee has reviewed with the management and the Company's independent auditor the accounting principles and practices adopted by the Group and has discussed auditing, internal control and financial reporting matters, including the review of the audited consolidated financial statements and annual results of the Group for the year ended 30 June 2016.

PUBLICATION OF ANNUAL REPORT

The annual report will be published on the respective websites of the Company (www.asian-citrus.com) under the investor relations section and the HKEx (www.hkex.com.hk).

By Order of the Board
Asian Citrus Holdings Limited
Ng Ong Nee
Chairman

Hong Kong, 12 July 2018

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Ng Ong Nee (Chairman and Chief Executive Officer) and Mr. Ng Hoi Yue (Deputy Chief Executive Officer); a non-executive director, namely Mr. He Xiaohong; and three independent non-executive directors, namely Mr. Chung Koon Yan, Dr. Lui Ming Wah, PhD, SBS, JP and Mr. Yang Zhen Han.

* *For identification purposes only*