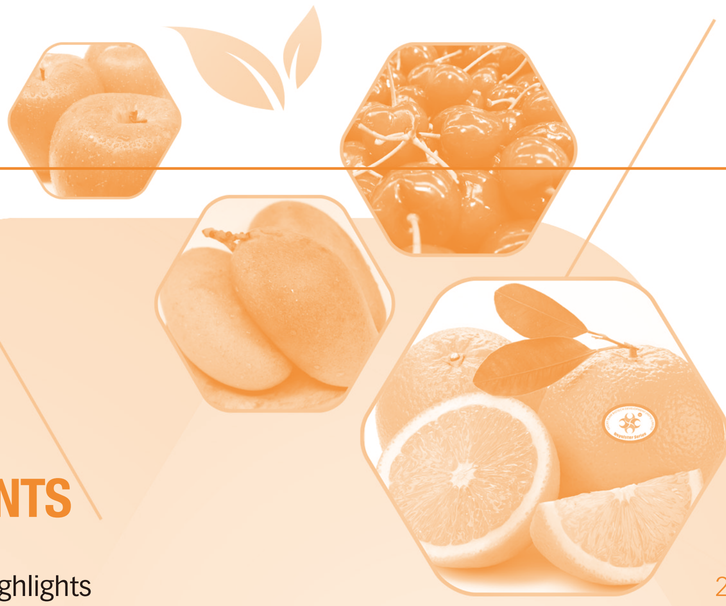
ASIAN CITRUS HOLDINGS LIMITED
亞洲果業控股有限公司*

(incorporated in Bermuda with limited liability)
(Stock Code: HKEx: 73)

INTERIM REPORT 2020/21

* *For identification purposes only*



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FINANCIAL HIGHLIGHTS

RESULTS OF OPERATIONS

	For the six months ended 31 December		
	2020	2019	% change
	(unaudited)	(unaudited)	
	RMB Million	*RMB Million*	
Reported financial information			
Revenue	**120.2**	116.9	2.8
Other income	**7.8**	6.7	16.4
Profit/(loss) before tax	**8.6**	-1.0	960.0
Profit/(loss) attributable to shareholders	**6.3**	-2.8	325.0
Basic earnings/(loss) per share (RMB)	**0.50 cents**	-0.23 cents	317.4

FINANCIAL POSITION

	As at 31 December 2020	As at 30 June 2020	% change
	(unaudited)	(audited)	
	RMB Million	*RMB Million*	
Total assets	**160.6**	159.1	0.9
Net current assets	**58.9**	52.7	11.8
Cash and cash equivalents	**13.7**	31.5	-56.5
Shareholders' fund	**136.3**	129.7	5.1
Current ratio (x)	**3.43**	2.80	22.5

CHAIRMAN'S STATEMENT

On behalf of the board (the "**Board**") of directors (the "**Directors**") of Asian Citrus Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**"), I am pleased to present the latest development, progress and interim results of the Group for the six months ended 31 December 2020 (the "**Review Period**") to the shareholders of the Company.

REVIEW

2020 was a challenging year, the global economy is in serious recession as the COVID-19 pandemic has caused a global health crisis and no country is spared. Many countries continue to flatten the spread of the COVID-19 by using lockdown to protect susceptible population that has had adverse impact on the economic activity. The global economy has only achieved a vulnerable recovery from the depths of the COVID-19. With renewed waves and new variants of the COVID-19 undermining efforts to return to normal, most countries need longer time to reach output at pre-pandemic levels. In the "World Economic Outlook Reports" issued by International Monetary Fund in January 2021, GDP in China is expected to grow at a rate of 8.1% in 2021.

With the persevering efforts of the Directors and senior management of the Company, significant progress had been made and the Company published the audited annual results announcement of the Group for the financial year ended 30 June 2020 (the "**FY2019/20 Results Announcement**") on 31 August 2020 with a view to resume the trading in shares of the Company as soon as practicable. In view of the business operations and financial position of the Group as disclosed in the FY2019/20 Results Announcement, the Company has demonstrated compliance with the Rule 13.24 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and has fulfilled this resumption condition. As all the resumption conditions have been satisfied, the Company has made an application to the Stock Exchange for resumption of trading in shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 1 September 2020. Details of these matters are disclosed in the "Management Discussion and Analysis" section under the subsection headed "Other Significant Events" in this report.

The principal activities of the Group include the Plantation Business and the Fruit Distribution Business. For the Group's operations, a total revenue of approximately RMB120.2 million was recorded for the Review Period, representing a slight increase of approximately 2.8% as compared to the total revenue of approximately RMB116.9 million for the six months ended 31 December 2019. The operating results has turned around from a net operating loss of approximately RMB2.8 million for the six months ended 31 December 2019 to a net operating profit of approximately RMB6.3 million for the Review Period. The significant improvement in the operating profit of the Group was contributed to the stringent cost control on cultivation and other administrative expenses through the implementation of different measures to improve its processes, the Group continued to develop its Plantation Business on the cultivation of a variety of fruits as well as to develop its Fruit Distribution Business on the distribution of a variety of premium fruits under its own brand "Royalstar 新雅奇". The Company strives to enhance the revenue and the shareholder value of the Company in the foreseeable future.

PROSPECT

The Plantation Business of the Group involves plantation of oranges and cooperation with the local farmers in plantation of various types of fruits. The Group continues to closely monitor the reform of its Plantation Business through the deploying procedures to improve its plantation technology and processes at the plantation, such as cost control and productivity management, and through diversified fruit projects by providing professional/technical advisory services to local farmers in exchange for certain management income. The Company considers that the Plantation Business will continue to perform steadily in accordance with its business plan.

The Fruit Distribution Business of the Group involves distribution of various types of high-quality fruits in the PRC by sourcing from quality suppliers, with value-added services for processing and distributing under its own brand "Royalstar 新雅奇" to the customers. The Group also continues to receive recurring orders from various customers and cooperate with its suppliers seamlessly for its Fruit Distribution Business. It is expected that the scale of the Fruit Distribution Business and market penetration of the high-quality fruits under its own brand "Royalstar 新雅奇" will continue to grow at a steady pace. The Company is moving forward to establish a comprehensive distribution centre, which would enhance the efficiency on processing fruits to achieve economies of scale by increasing the handling capacity of each distribution and the storage capacity, taking into account of the increasing trend in the sales volume under the Fruit Distribution Business in the foreseeable future.

The COVID-19 pandemic and the trade war negotiation between the PRC and the United States had slowed down the economic growth of China to a rate of 2.3% in 2020, the Company considers that, as long as the impacts persist, the market demand for high-quality fruits will experience a temporary decline due to consumers' spending sentiment is still sluggish and certain customers of the Fruit Distribution Business request for longer credit periods on sales transactions. The Group will remain conservative and formulate different sales strategies with prudent attitude towards market changes caused by the COVID-19 pandemic in 2021. Nevertheless, the Directors will take precautionary measures to mitigate any possible impact of economic downturn faced by the Group as well as to enhance the long-term profitability and sustainability of the Group.

APPRECIATION

On behalf of the Board, I would like to express our sincerest gratitude to our valued shareholders, customers and business partners for your persistent support and trust in the Company. I would also like to express my deepest thankfulness to our strong management team and staff for their enduring dedication to the Group during the past years. We look forward to creating a prosperous future of the Group from 2021.

Ng Ong Nee
Chairman

26 February 2021

BUSINESS REVIEW

During the six months ended 31 December 2020 (the "**Review Period**"), the principal business activities of Asian Citrus Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") include the Plantation Business and the Fruit Distribution Business (as defined below).

The Plantation Business is principally engaged in the planting, cultivation and sales of agricultural produce in the People's Republic of China (the "**PRC**") market (the "**Plantation Business**"). Currently, the agricultural produces, mainly oranges, are planted and cultivated by the Group at the Hepu Plantation located in Guangxi, the PRC (the "**Hepu Plantation**") and subsequently wholesaled to certain distributors in the PRC.

The Fruit Distribution Business is principally engaged in the distribution of various high-quality fruits in the PRC (the "**Fruit Distribution Business**"). The Group selects quality suppliers and provides technical and professional advisory services to them for improvement in cultivation yield. Driven by the demand of the customers for different types of fruits, the Group sources various types of fruits from those quality suppliers and then distributes the fruits to its customers, after necessary processing for the fruits (e.g. grading, cleaning, waxing, packing and labelling), under the Group's own brand "Royalstar 新雅奇" at a premium price.

The Group has continued to procure additional new customers across different cities in the PRC for further expansion of its Fruit Distribution Business as well as to secure additional supply agreements for enhancement of the variety of its fruits offered to customers. The recognition of the Group's own brand "Royalstar 新雅奇" and the strengthened relationships with the Group's suppliers and customers together attribute to the development in the scale of operation and market penetration of the Group's businesses.

FINANCIAL REVIEW

Revenue

The Group recorded total revenue of approximately RMB120.2 million (six months ended 31 December 2019: RMB116.9 million) for the Review Period.

The Group's operations can be divided into two segments, namely (i) Plantation Business; and (ii) Fruit Distribution Business. Below is an analysis of the revenue by segment.

	For the six months ended 31 December		
	2020 RMB'000	2019 RMB'000	% Change
Plantation Business	6,373	4,919	29.6%
Fruit Distribution Business	113,805	111,998	1.6%
Total	120,178	116,917	2.8%

For the Review Period, the Group recorded revenue of approximately RMB6.4 million (six months ended 31 December 2019: RMB4.9 million) from the Plantation Business during the harvest season of the winter oranges in the Hepu Plantation started and completed in December 2020.

For the Review Period, the Group recorded revenue of approximately RMB113.8 million (six months ended 31 December 2019: RMB112.0 million) from the Fruit Distribution Business, representing a slight increase by approximately 1.6% as compared to the corresponding period of last year.

Other income

For the Review Period, the Group recorded other income in the amount of approximately RMB7.8 million (six months ended 31 December 2019: RMB6.7 million), which were mainly generated from various business cooperation agreements with independent farmers; government subsidy received under the Employment Support Scheme from The Government of Hong Kong Special Administrative Region; and gain on disposal of property, plant and equipment.

Realised gain arising from change in fair value of biological assets less costs to sell

For the Review Period, realised gain arising from change in fair value of the biological assets less costs to sell, which represented the net increase of fair value of the oranges when the Group's oranges became mature and were harvested, amounting to approximately RMB5.1 million (six months ended 31 December 2019: RMB2.6 million) was recognised.

Staff costs

For the Review Period, the staff costs of the Group amounted to approximately RMB4.5 million (six months ended 31 December 2019: RMB6.2 million). The decrease in staff costs by approximately 27.4% was mainly attributable to the reduction of the rental expenses for the directors' accommodation and the total number of staff of the Group.

Distribution and other operating expenses

For the Review Period, the distribution and other operating expenses of the Group amounted to approximately RMB0.8 million (six months ended 31 December 2019: RMB0.7 million), which comprised of service charges for import of fruits agent and transportation expenses.

General and other administrative expenses

For the Review Period, the general and other administrative expenses of the Group amounted to approximately RMB5.4 million (six months ended 31 December 2019: RMB8.7 million), which comprised primarily of office administration expenses, legal and professional fees, plantation security charges, impairment losses recognised in respect of trade and other receivables, etc. These expenses decreased by approximately 37.9% mainly due to (i) the decrease in legal and professional fees incurred for various corporate matters, including the resumption of trading in the shares of the Company; and (ii) stringent cost control measures implemented by the Group.

Income tax expense

For the Review Period, income tax expense of the Group amounted to approximately RMB2.3 million (six months ended 31 December 2019: RMB1.8 million), which comprised the enterprise income tax charged and payable by the Group under the Fruit Distribution Business on the profit earned in the PRC.

Profit from operation and profit attributable to shareholders for the Review Period

For the Review Period, profit from operation of the Group and profit attributable to shareholders of the Company was approximately RMB6.3 million (six months ended 31 December 2019: loss from operation of the Group and loss attributable to shareholders of the Company was approximately RMB2.8 million), represented a significant increase by approximately 3.3 times as compared to the six months ended 31 December 2019, which was mainly due to (i) the increase in other income; and (ii) the decrease in depreciation of property, plant and equipment, staff costs and general and other administration expenses as explained above.

DIVIDEND

The board of directors of the Company (the "**Board**") did not recommend the payment of an interim dividend for the Review Period (six months ended 31 December 2019: Nil).

CAPITAL

As at 31 December 2020, the total number of issued shares of the Company (the "**Shares**") was 1,249,637,884 shares.

LIQUIDITY AND FINANCE RESOURCES

Liquidity

As at 31 December 2020, the Group did not have liabilities in respect of debt instruments nor bank borrowings. The net cash position of the Group was approximately RMB13.7 million as at 31 December 2020 (30 June 2020: RMB31.5 million).

As at 31 December 2020, the current ratio and quick ratio were 3.43 and 3.22 respectively (30 June 2020: 2.80 and 2.73 respectively).

Funding and treasury policy

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

Charge on assets

None of the Group's assets were pledged as at 31 December 2020 (30 June 2020: Nil).

Capital commitments

As at 31 December 2020, the Group did not have any capital commitments (30 June 2020: RMB70,000).

FOREIGN EXCHANGE RISK

The Group is exposed to foreign currency risk primarily through its cash and cash equivalents being denominated in a currency other than the functional currency of the operation to which they related. The currencies giving rise to this risk are primarily Hong Kong dollars.

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

EMPLOYEES 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 accommodation, discretionary bonuses, mandatory provident fund contributions and share options.

As at 31 December 2020, the Group had 29 (30 June 2020: 36) permanent employees.

CONTINGENT LIABILITIES

The Group did not have any contingent liabilities as at 31 December 2020 (30 Jun 2020: Nil).

OTHER SIGNIFICANT EVENTS

(1) Resumptions Conditions

At the request of the Company, trading in the Shares on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") has been suspended with effect from 9:00 a.m. on 29 September 2016.

As disclosed in the announcements of the Company dated 27 January 2017 and 6 September 2018, the Stock Exchange imposed the following resumption conditions on the Company before the making of any request by the Company for the resumption of trading in the Shares (the "**Resumption Conditions**"):

(A) publish all outstanding financial results under the Rules Governing the Listing Securities (the "**Listing Rules**") on the Stock Exchange and address any audit qualifications;

(B) clarify, address and take appropriate actions on the allegations;

(C) demonstrate the Company's compliance with Rule 13.24 of the Listing Rules; and

(D) inform the market of all material information for shareholders and investors to appraise the Company's position.

(2) Fulfillment of all Resumption Conditions

Resumption Conditions A and B – publish all outstanding financial results under the Listing Rules on the Stock Exchange and address any audit qualifications; and clarify, address and take appropriate actions on the allegations, respectively

On 9 September 2019, the Company received a letter from the Listing Department stating that it was satisfied that the Company had fulfilled the Resumption Conditions A and B. For further details on the Resumption Conditions A and B, please refer to the announcements of the Company dated 26 March 2019, 4 April 2019, 9 May 2019, 3 June 2019, 30 July 2019, 2 August 2019 and 31 August 2020.

Resumption Condition C – demonstrate the Company's compliance with Rule 13.24 of the Listing Rules

As disclosed in the annual results announcement of the Company for the year ended 30 June 2020 (the "**FY2019/20**"), a total revenue of approximately RMB451.8 million was recorded, representing a significant increase of approximately 7.6 times as compared to the total revenue of approximately RMB52.8 million for the year ended 30 June 2019 and the operating results had turned around from a net operating loss (excluding gain on disposal of subsidiaries) of approximately RMB38.9 million for the year ended 30 June 2019 to a net operating profit of approximately RMB24.8 million for the FY2019/20, representing a significant improvement in the financial performance of the Group.

Plantation Business

Currently, the agricultural produces are planted and cultivated by the Group at the Hepu Plantation under two business models, namely (1) cooperation with a cooperator in plantation of oranges and (2) cooperation with a cooperator and the local farmers in plantation of various types of fruit. The produces are wholesaled to certain distributors in the PRC.

Through continuously improving its plantation technology and processes at the Hepu Plantation by deploying procedures including soil enhancement measures, pest control, pruning of trees, and nutrition, quarantine and quality inspections, the Group has gradually shifted part of its focus to producing oranges at premium quality under model (1). At the same time, the Group has also been actively implementing its diversified fruit projects under model (2) by providing professional/technical advisory services to local farmers in exchange for certain management income. The Group has also successfully enhanced the consumer awareness of its own brand in the PRC and overseas by way of expanding the sales network of oranges under the brand of "Royalstar 新雅奇". Such brand has contributed to the competitiveness of the Group in the PRC fruit market and built a reputation for quality.

Fruit Distribution Business

To capture the business opportunity of identified unmet demands (of distributors from the Plantation Business) and to leverage the "Royalstar 新雅奇" brand name and the existing knowledge and expertise of the Group's veteran management team in the industry, the Group has expanded its distribution offering to other types of fruit since September 2018. Under the Fruit Distribution Business, which is principally engaged in the distribution of various high-quality fruits in the PRC, the Group utilises its knowledge of the local landscape of quality fruit supplies, deploys its technical know-how for quality control and improvement, and distributes the different types of fruits under the Group's premium brand "Royalstar 新雅奇" through its network of distributors.

The plantation industry and fruit distribution market in Mainland China are both fragmented. The former with a vast number of growers and the latter with distributors scattered and dispersed amongst different provinces in the PRC. There are very few domestic institutional players in the market. Therefore, it can be costly for a distributor to source premium and quality fruits and to run through the selection process in an efficient manner and at the same time, it is difficult for growers to secure stable sales channels.

On the supply side, the Group selects quality suppliers and provides technical and professional advisory services to improve their cultivation yield. On the distribution side, the Group utilises its existing network of distributors accumulated from the Plantation Business and solicits quality distributors through various fruit exhibition and fairs in the PRC. The Group's existing distributors include large sized regional distributors and chain-retailers, whom the Group has built strong relationship with, evidenced by the willingness of the distributors to enter into long-term sales agreements with the Group.

By being close to both the demand and supply sides, the Group is able to source various types of fruit as required by the distributors in a timely manner and ensure quality of the fruit. The Group then performs the necessary processing for the fruits (e.g. grading, cleaning, waxing, packing and labelling) which are subsequently distributed to the distributors under the Group's brand "Royalstar 新雅奇" at a premium price.

In view of the current business operations and financial position of the Group as elaborated above, the Company has demonstrated compliance with Rule 13.24 of the Listing Rules and fulfilled this Resumption Condition.

Resumption Condition D – inform the market of all material information for shareholders and investors to appraise the Company's position

Since the suspension of trading of the Shares, the Company has kept its shareholders and investors informed of all material information to appraise the Company's position by way of announcements published on the website of the Stock Exchange.

(3) *Resumption of trading in the Shares*

As all the resumption conditions have been satisfied, the Company has made an application to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 1 September 2020.

(4) *Acquisition of Land and Properties*

On 21 October 2020, Shenzhen First Class Fruits Company Limited (深圳市冠華水果商城有限公司) (the "**Potential Purchaser**"), a wholly-owned subsidiary of the Company, entered into a non-legally binding memorandum of understanding (the "**MOU**") with 高錫武 (Mr. Gao Xiwu*), an independent third party, relating to the potential acquisition of the Target Land and Properties (as defined below).

Pursuant to the MOU, the Potential Purchaser intends to acquire, or to nominate a member of the Group to acquire, and Mr. Gao Xiwu intends to dispose of, the entire interest in a building complex comprising four building blocks as plant, office premises, warehouse and staff quarters located at the junction of Dongcun Road and Xingqiao Road, Longgang District, Shenzhen, Guangdong Province, the PRC (中國廣東省深圳市龍崗區東村路與興橋路交界) (the "**Target Land and Properties**") free from encumbrances.

On 28 October 2020, an earnest money of RMB5 million was paid by the Group to Mr. Gao Xiwu pursuant to the MOU.

On 19 January 2021, 深圳市冠佳利實業有限公司 (Shenzhen Guanjiali Industrial Limited*), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement (the "**Sale and Purchase Agreement**") with Mr. Gao Xiwu, in respect of the sale and purchase of the Target Land and Properties at an aggregate consideration of RMB57 million, which shall be settled by cash to be financed by the net proceeds from the Placing (as defined below).

(5) *The placing of new shares under the specific mandate*

On 19 January 2021, the Company entered into a placing agreement (the "**Placing Agreement**") with Cinda International Securities Limited (the "**Placing Agent**"), pursuant to which the Placing Agent has conditionally agreed to procure, on a best-effort basis, not less than six placees, who and whose ultimate beneficial owner shall be independent third parties, to subscribe for up to 1,250,000,000 placing shares (the "**Placing Shares**") at the placing price of HK$0.08 per placing share (the "**Placing**"). Placing Shares will be allotted and issued pursuant to a Specific Mandate to be sought from the shareholders of the Company at the special general meeting (the "**SGM**") to be convened in accordance with the Listing Rules.

(6) *Proposed Increase in Authorised Share Capital*

The Company has an authorised share capital of HK$20,000,000 divided into 2,000,000,000 Shares. To facilitate the Placing and provide the Company with greater flexibility for future development, the Board proposed to increase the authorised share capital of the Company to HK$50,000,000 divided into 5,000,000,000 Shares by the creation of an additional 3,000,000,000 new Shares (the "**Proposed Increase in Authorised Share Capital**"). Such new Shares, upon issue, shall rank pari passu in all respects with the existing Shares. The Proposed Increase in Authorised Share Capital is subject to the approval of the shareholders of the Company by way of an ordinary resolution at the SGM.

Further details of the acquisition of the Target Land and Properties, the Placing and the Proposed Increase in Authorised Share Capital were disclosed in the Company's announcements dated 19 January 2021 and 20 January 2021.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 31 December 2020

	Note	Six months ended 31 December 2020 (unaudited) RMB'000	2019 (unaudited) RMB'000
Revenue	4	**120,178**	116,917
Other income	5	**7,820**	6,719
Cost of inventories used		**(109,205)**	(106,342)
Realised gain arising from changes in fair value of biological assets less costs to sell		**5,083**	2,559
Depreciation of property, plant and equipment and right-of-use assets		**(4,518)**	(5,197)
Staff costs		**(4,515)**	(6,208)
Finance costs		**(17)**	(41)
Distribution and other operating expenses		**(755)**	(724)
General and other administrative expenses		**(5,436)**	(8,688)
Profit/(loss) before tax	6	**8,635**	(1,005)
Income tax expense	7	**(2,328)**	(1,828)
Profit/(loss) for the period attributable to owners of the Company		**6,307**	(2,833)
		RMB	RMB
Earnings/(loss) per share	8		
– Basic and diluted		**0.50 cents**	(0.23) cents

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2020

	Six months ended 31 December	
	2020	2019
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Profit/(loss) for the period	**6,307**	(2,833)
Other comprehensive income for the period		
Item that may be reclassified subsequently to profit or loss:		
– Exchange differences on translation of financial statements of foreign operations, net of tax	**283**	1,165
Total comprehensive income/(loss) for the period attributable to owners of the Company	**6,590**	(1,668)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Note	31 December 2020 (unaudited) RMB'000	30 June 2020 (audited) RMB'000
ASSETS			
Non-current Assets			
Property, plant and equipment	9	71,824	75,821
Right-of-use assets		540	1,174
Other receivables	11	5,000	–
		77,364	76,995
Current Assets			
Biological assets	10	3,519	550
Inventories		1,637	1,478
Trade and other receivables	11	64,360	48,571
Cash and cash equivalents		13,685	31,496
		83,201	82,095
Total Assets		160,565	159,090
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	12	12,340	12,340
Reserves		123,982	117,392
Total Equity		136,322	129,732

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Note	31 December 2020 (unaudited) RMB'000	30 June 2020 (audited) RMB'000
LIABILITIES			
Current Liabilities			
Trade and other payables	13	23,224	24,818
Lease liabilities		556	1,197
Income tax payable		463	3,343
Total Liabilities		24,243	29,358
Total Equity and Liabilities		160,565	159,090

The condensed consolidated financial statements on pages 11 to 31 were approved and authorised for issued by the board of directors on 26 February 2021 and are signed on its behalf by:

Ng Ong Nee
Director

Ng Hoi Yue
Director

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
At 31 December 2020

	Attributable to owners of the Company					
	Share capital RMB'000	Share premium RMB'000 (Note (a))	Statutory reserve RMB'000 (Note (b))	Exchange reserve RMB'000 (Note (c))	Accumulated losses RMB'000	Total RMB'000
At 1 July 2020 (audited)	12,340	3,711,195	1,000	(2,247)	(3,592,556)	129,732
Profit for the period	–	–	–	–	6,307	6,307
Other comprehensive income						
Exchange differences on translation of financial statements of foreign operations, net of tax	–	–	–	283	–	283
Total comprehensive income for the period	–	–	–	283	6,307	6,590
At 31 December 2020 (unaudited)	12,340	3,711,195	1,000	(1,964)	(3,586,249)	136,322

	Attributable to owners of the Company					
	Share capital RMB'000	Share premium RMB'000 (Note (a))	Statutory reserve RMB'000 (Note (b))	Exchange reserve RMB'000 (Note (c))	Accumulated losses RMB'000	Total RMB'000
At 1 July 2019 (audited)	12,340	3,711,195	–	(1,811)	(3,616,328)	105,396
Loss for the period	–	–	–	–	(2,833)	(2,833)
Other comprehensive income						
Exchange differences on translation of financial statements of foreign operation, net of tax	–	–	–	1,165	–	1,165
Total comprehensive loss for the period	–	–	–	1,165	(2,833)	(1,668)
At 31 December 2019 (unaudited)	12,340	3,711,195	–	(646)	(3,619,161)	103,728

Notes:

(a) The application of the share premium account is governed by the Companies Act of Bermuda.

(b) The statutory reserve represents the appropriation of 10% of profit after taxation (after offsetting prior year losses) determined based on the accounting standards and regulations of the People's Republic of China (the "**PRC**") as required by the relevant PRC rules and regulations and the Articles of Association of the Company's PRC subsidiaries. The appropriation may cease to apply if the balance of the statutory reserve has reached 50% of that PRC subsidiary registered capital.

(c) The exchange reserve comprises all foreign exchange differences on translation of the financial statements of foreign operations.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2020

	Six months ended 31 December 2020 (unaudited) RMB'000	2019 (unaudited) RMB'000
Net cash used in operating activities	**(11,792)**	(8,160)
Investing activities		
Purchase of property, plant and equipment	**(215)**	(928)
Prepayment for purchase of property, plant and equipment	**(5,000)**	–
Proceeds from disposal of property, plant and equipment	**240**	–
Interest received	**29**	11
Net cash used in investing activities	**(4,946)**	(917)
Financing activities		
Repayment of principal portion of lease liabilities	**(545)**	(559)
Payment of interest on lease liabilities	**(17)**	(41)
Net cash used in financing activities	**(562)**	(600)
Net decrease in cash and cash equivalents	**(17,300)**	(9,677)
Cash and cash equivalents at beginning of the period	**31,496**	18,262
Effect of foreign exchange rate changes	**(511)**	2,072
Cash and cash equivalents at end of the period	**13,685**	10,657

1. BASIS OF PREPARATION

This interim financial information has been prepared in accordance with International Accounting Standard ("**IAS**") 34 *Interim financial reporting* issued by the International Accounting Standards Board ("**IASB**") and the applicable disclosure requirements of the Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The interim financial information has been prepared under the historical cost convention, except that certain biological assets are carried at their fair values. The principal accounting policies adopted in the preparation of this interim financial information are consistent with those followed by Asian Citrus Holdings Limited (the "**Company**") and its subsidiaries' (the "**Group**") in their annual financial statements for the year ended 30 June 2020 (the "**2020 Financial Statements**"), except for the accounting policy changes that are expected to be reflected in the Group's annual consolidated financial statements for the year ending 30 June 2021. Details of the applications of amendments to International Financial Reporting Standards ("**IFRSs**") are set out in note 2.

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

This interim financial information contains condensed consolidated financial statements and explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2020 Financial Statements. The condensed consolidated financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRSs.

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

2. APPLICATIONS OF AMENDMENTS TO IFRSs

This interim financial information has been prepared in accordance with IAS 34 issued by the IASB and the applicable disclosure provisions of the Listing Rules. All IFRSs effective for the accounting period commencing on 1 July 2020 together with the relevant transitional provisions have been adopted by the Group in the preparation of this interim financial information throughout the period covered in this report.

In the current period, the Group has applied the following amendments to IFRSs, which are effective for the Group's accounting period beginning on or after 1 July 2020.

Amendments to IFRS 3	Definition of a Business
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform
Amendments to IFRS 16	Covid-19-Related Rent Concessions
Amendments to IAS 1 and IAS 8	Definition of Material

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

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

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

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to IFRS 9, IAS 39, and IFRS 7	Interest Rate Benchmark Reform – Phase 2[1]
Amendments to IFRS 3	Reference to the Conceptual Framework[2]
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use[2]
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract[2]
IFRS 17	Insurance Contracts and the related Amendments[3]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current and related Amendments[3]
Amendments to IFRSs	Annual Improvements to IFRSs 2018-2020[2]

1 Effective for annual periods beginning on or after 1 January 2021
2 Effective for annual periods beginning on or after 1 January 2022
3 Effective for annual periods beginning on or after 1 January 2023
4 Effective for annual periods beginning on or after a date to be determined

3. SEGMENT INFORMATION

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

Plantation Business – Planting, cultivation and sale of agricultural produce

Fruit Distribution Business – Distribution of various fruits

Segment results, assets and liabilities

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

	Plantation Business Six months ended 31 December		Fruit Distribution Business Six months ended 31 December		Total Six months ended 31 December	
	2020 (unaudited) RMB'000	2019 (unaudited) RMB'000	**2020 (unaudited) RMB'000**	2019 (unaudited) RMB'000	**2020 (unaudited) RMB'000**	2019 (unaudited) RMB'000
RESULTS						
Reportable segment revenue and revenue from external customers	**6,373**	4,919	**113,805**	111,998	**120,178**	116,917
Reportable segment results	**4,653**	947	**7,546**	7,012	**12,199**	7,959
Unallocated finance costs					**(17)**	(41)
Unallocated corporate expenses					**(6,598)**	(10,809)
Unallocated corporate income					**723**	58
Profit/(loss) for the period					**6,307**	(2,833)

3. SEGMENT INFORMATION *(continued)*

Segment results, assets and liabilities *(continued)*

	Plantation Business		Fruit Distribution Business		Total	
	31 December 2020 (unaudited) RMB'000	30 June 2020 (audited) RMB'000	**31 December 2020 (unaudited) RMB'000**	30 June 2020 (audited) RMB'000	**31 December 2020 (unaudited) RMB'000**	30 June 2020 (audited) RMB'000
ASSETS						
Segment assets	**96,129**	92,260	**61,774**	61,487	**157,903**	153,747
Unallocated corporate assets					**2,662**	5,343
Total assets					**160,565**	159,090
LIABILITIES						
Segment liabilities	**(7,907)**	(9,790)	**(8,632)**	(7,591)	**(16,539)**	(17,381)
Unallocated corporate liabilities					**(7,704)**	(11,977)
Total liabilities					**(24,243)**	(29,358)

Segment results represent the profit/(loss) after tax from each segment without allocation of certain other income, certain depreciation of property, plant and equipment, depreciation of right-of-use assets, finance costs, central administration costs and directors' emoluments. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

There were no inter-segment revenue in both periods.

All assets and liabilities are allocated to the reportable segments other than those that are for central administrative purposes, including certain property, plant and equipment, right-of-use assets, certain deposits and other receivables, certain cash and cash equivalents, certain trade and other payables and lease liabilities.

3. SEGMENT INFORMATION *(continued)*

Other Segment Information

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

	Plantation Business Six months ended 31 December		Fruit Distribution Business Six months ended 31 December		Unallocated Six months ended 31 December		Total Six months ended 31 December	
	2020 (unaudited) RMB'000	2019 (unaudited) RMB'000	**2020 (unaudited) RMB'000**	2019 (unaudited) RMB'000	**2020 (unaudited) RMB'000**	2019 (unaudited) RMB'000	**2020 (unaudited) RMB'000**	2019 (unaudited) RMB'000
Realised gain arising from changes in fair value of biological assets less costs to sell	**5,083**	2,559	**–**	–	**–**	–	**5,083**	2,559
Depreciation of property, plant and equipment	**(3,921)**	(4,124)	**(8)**	(6)	**(47)**	(489)	**(3,976)**	(4,619)
Depreciation of right-of-use assets	**–**	–	**–**	–	**(542)**	(578)	**(542)**	(578)
Impairment loss (recognised)/ reversed in respect of trade and other receivables, net	**(839)**	(135)	**596**	(106)	**–**	5	**(243)**	(236)
Written-off of biological assets	**–**	(81)	**–**	–	**–**	–	**–**	(81)
Written-off of inventories	**–**	(46)	**–**	–	**–**	–	**–**	(46)
Interest income	**5**	6	**24**	5	**–**	–	**29**	11
Gain on disposal of property, plant and equipment	**–**	–	**–**	–	**240**	–	**240**	–

Geographical information

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

3. SEGMENT INFORMATION *(continued)*

Information about major customers

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

	Six months ended 31 December	
	2020	2019
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Customer A[1]	**28,813**	N/A[2]
Customer B[1]	**16,109**	N/A[2]
Customer C[1]	**14,084**	N/A[2]
Customer D[1]	**13,808**	23,611
Customer E[1]	**N/A[2]**	19,156

1 Revenue generated from Customer A, Customer B, Customer C, Customer D and Customer E are attributable to Fruit Distribution Business.

2 The corresponding revenue did not contribute 10% or more of the total revenue of the Group.

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

4. REVENUE

Disaggregation of revenue from contracts with customers:

	Plantation Business 31 December		Fruit Distribution Business 31 December		Total	
	2020	2019	**2020**	2019	**2020**	2019
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)	**(unaudited)**	(unaudited)
	RMB'000	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000
Sales of oranges and other citrus	**6,373**	4,919	**–**	32,142	**6,373**	37,061
Sales of other fruits	**–**	–	**113,805**	79,856	**113,805**	79,856
	6,373	4,919	**113,805**	111,998	**120,178**	116,917

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

5. OTHER INCOME

	Six months ended 31 December 2020 (unaudited) RMB'000	2019 (unaudited) RMB'000
Management income *(Note (i))*	**7,055**	6,661
Interest income	**29**	11
Government subsidy *(Note (ii))*	**135**	–
Gain on disposal of property, plant and equipment	**240**	–
Sundry income	**361**	47
	7,820	6,719

Notes:

(i) Management income was derived from the Group's provision of management service on cultivation under cooperation agreements with individual farmers.

(ii) Government subsidy was derived from the Employment Support Scheme provided by the Hong Kong Government.

6. PROFIT/(LOSS) BEFORE TAX

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

	Six months ended 31 December 2020 (unaudited) RMB'000	2019 (unaudited) RMB'000
(a) Finance costs		
Interest on lease liabilities	**17**	41
(b) Staff costs (including directors' emoluments)		
– salaries, wages and other benefits	**4,400**	5,938
– contribution to defined contribution retirement plans	**115**	270
	4,515	6,208

6. PROFIT/(LOSS) BEFORE TAX *(Continued)*

		Six months ended 31 December	
		2020 (unaudited) RMB'000	2019 (unaudited) RMB'000
(c)	**Other items**		
	Auditors' remuneration		
	– Audit services	**–**	–
	– Non-audit services	**–**	–
		–	–
	Cost of agricultural produce sold	**6,373**	4,871
	Cost of fruits sold	**102,832**	101,471
	Depreciation of property, plant and equipment	**3,976**	4,619
	Depreciation of right-of-use assets	**542**	578
	Exchange loss, net	**79**	1,189
	Legal and professional fees	**1,598**	2,962
	Operating lease expenses		
	– properties	**–**	121
	Expenses relating to short term leases	**145**	–
	Written-off of biological assets	**–**	81
	Written-off of inventories	**–**	46
	Impairment loss recognised in respect of trade and other receivables, net	**243**	236
	Gain on disposal of property, plant and equipment	**(240)**	–
	Plantation security charges	**509**	573

7. INCOME TAX EXPENSE

	Six months ended 31 December	
	2020 (unaudited) RMB'000	2019 (unaudited) RMB'000
Current tax		
PRC enterprise income tax	**2,328**	1,828

7. INCOME TAX EXPENSE *(continued)*

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

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

(ii) On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "**Bill**") which introduced the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HKD2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HKD2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The directors of the Company (the "**Directors**") considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the condensed consolidated financial statements. Hong Kong profits tax is calculated at 16.5% of the estimated assessable profits for both periods.

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

(iii) The Group determined its provision for PRC enterprise income tax based on the respective applicable rates on the estimated assessable income of the Group's subsidiaries in the PRC as determined in accordance with the relevant income tax laws, rules and regulations of the PRC.

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

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

(iv) PRC withholding income tax

According to the new Corporate Income Tax Law of the PRC, starting from 1 January 2008, a withholding tax of 10% will be levied on the immediate holding companies outside the PRC when their PRC subsidiaries declare dividend out of profits earned after 1 January 2008. A lower withholding tax rate of 5% may be applied when the immediate holding companies of the PRC subsidiaries are established in Hong Kong according to the tax treaty arrangements between the PRC and Hong Kong.

* *For identification purposes only*

8. EARNINGS/(LOSS) PER SHARE

The calculation of the earnings/(loss) per share is based on the following data:

	Six months ended 31 December	
	2020	2019
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Profit/(loss)		
Profit/(loss) attributable to owners of the Company used in basic and diluted earnings/(loss) per share calculations	**6,307**	(2,833)
Weighted average number of shares	**'000**	'000
Weighted average number of ordinary shares used in basic and diluted earnings/(loss) per share calculations	**1,249,638**	1,249,638

Diluted earnings/(loss) per share were the same as basic earnings/(loss) per share for the six months ended 31 December 2020 and 2019 as there were no potential ordinary shares in issue.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2020, the Group acquired items of property, plant and equipment with a cost of approximately RMB215,000 (six months ended 31 December 2019: RMB$928,000).

During the six months ended 31 December 2020, the Group disposed of property, plant and equipment with a carrying amount of nil for the proceeds of RMB240,000. No disposal of property, plant and equipment was incurred during the six months ended 31 December 2019.

10. BIOLOGICAL ASSETS

	31 December 2020 (unaudited) RMB'000	30 June 2020 (audited) RMB'000
At the beginning of the period/year	**550**	5,438
Increase due to cultivation	**4,259**	13,508
Realised gain from changes in fair value less costs to sell	**5,083**	31,552
Written-off of biological assets	**–**	(81)
Decrease due to harvested	**(6,373)**	(49,867)
At the end of the period/year	**3,519**	550

10. BIOLOGICAL ASSETS *(continued)*

Notes:

(a) During the six months ended 31 December 2020, the Group harvested approximately 1,162 tonnes (31 December 2019: 1,427 tonnes) of oranges. The Directors measured the fair value less costs to sell of oranges at the point of harvest based on market prices as at or close to the harvest dates.

(b) All oranges were harvested from December to June. The growing oranges cultivated by the Agriculture Company were in premature stage as at 31 December 2020, of which the future economic benefit and expected harvest quantity could not be reliably estimated for fair value measurement as this would involve adoption of subjective assumptions, such as weather conditions, natural disaster and effectiveness of fertilisers and pesticides. As such, the Directors considered that the fair value of these oranges at the end of the reporting period could not be measured reliably and no reliable alternative estimates existed to determine their fair value. Therefore, these oranges with carrying amount of approximately RMB3,519,000 (30 June 2020: RMB550,000) were stated at cost, representing the cultivation cost incurred, mainly comprising fertilisers, pesticides and labour costs.

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

(1) Regulatory and environmental risks

The Group is subject to laws and regulations in the jurisdiction in which it operates. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws. Management performs regular reviews to identify environmental risks and to ensure that the systems in place are adequate to manage those risks.

(2) Supply and demand risks

The Group is exposed to risks arising from fluctuations in the price and sales volume of oranges. Where possible the Group manages this risk by aligning its harvest volume to market supply and demand. Management performs regular industry trend analysis to ensure that the Group's pricing structure is in line with the market and to ensure that projected harvest volumes are consistent with the expected demand.

(3) Climate and other risks

The Group's orange plantations are exposed to the risk of damage from climatic changes, diseases, forest fires and other natural forces. The Group has extensive processes in place aimed to minimise those risks, including regular forest health inspections and industry pest and disease surveys.

(4) Price risk

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

11. TRADE AND OTHER RECEIVABLES

	31 December 2020 (unaudited) RMB'000	30 June 2020 (audited) RMB'000
Trade receivables	**33,251**	12,628
Less: Allowance for credit losses	**(410)**	(343)
	32,841	12,285
Deposits paid and other receivables (Note)	**39,825**	40,079
Prepayments	**976**	313
	40,801	40,392
Less: Allowance for credit losses	**(4,282)**	(4,106)
	36,519	36,286
Total trade and other receivables, net of allowance for credit losses	**69,360**	48,571
Analysed for reporting purposes as:		
Non-current assets	**5,000**	–
Current assets	**64,360**	48,571
	69,360	48,571

Note:

As at 31 December 2020, the deposits paid and other receivables mainly included (i) trade deposits of approximately RMB20,442,000 (30 June 2020: RMB29,211,000), which were refundable, paid to suppliers as prepayments for purchase for the Group's fruit distribution business; (ii) amount due from 利添生物科技發展（合浦）有限公司 (Lucky Team Biotech Development (Hepu) Limited*) of approximately RMB13,849,000 (30 June 2020: RMB10,563,000); and (iii) earnest money of RMB5,000,000 (30 June 2020: Nil), which was subsequently used as a deposit to acquire the property, plant and equipment. Details of the earnest money were set out in the Company's announcements dated 21 October 2020 and 19 January 2021.

The Group allows an average credit period of 30 to 90 days to its trade customers.

The following is an analysis of trade receivables by age, presented based on the invoice date, which approximates the respective revenue recognition dates and net of allowance for credit losses:

	31 December 2020 (unaudited) RMB'000	30 June 2020 (audited) RMB'000
Less than 3 months	**32,841**	12,285

* *For identification purposes only*

12. CAPITAL, RESERVES AND DIVIDENDS

(a) Share capital

	Number of shares	HKD'000
Authorised:		
Ordinary shares of HKD0.01 each		
At 30 June 2020 (audited) and 31 December 2020 (unaudited)	2,000,000,000	20,000
Issued and fully paid:		
At 30 June 2020 (audited) and 31 December 2020 (unaudited)	1,249,637,884	12,496
		RMB'000
Equivalent to		12,340

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All ordinary shares rank equally in regard to the Company's residual assets.

(b) Dividends

No dividend has been declared or proposed by the Company for the six months ended 31 December 2020 (six months ended 31 December 2019: Nil).

(c) Capital management

The Group manages its capital to ensure that the Group has sufficient liquidity to support the operation and development while maximising the value of shareholders. The Group's overall strategy remains unchanged from the prior year.

The Group regards total equity presented on the face of the condensed consolidated statement of financial position as capital for capital management purpose.

Management of the Group reviews its capital structure periodically by assessing budgets of major projects taking into account the provision of funding. The Group is not subject to externally imposed capital requirements.

13. TRADE AND OTHER PAYABLES

	31 December 2020 (unaudited) RMB'000	30 June 2020 (audited) RMB'000
Trade payables	15,412	13,100
Other payables and accruals	7,482	11,360
Amount due to a director	330	358
	23,225	24,818

The average credit period granted by suppliers was 30 days.

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:

	31 December 2020 (unaudited) RMB'000	30 June 2020 (audited) RMB'000
Less than 3 months	8,257	5,413
3 to 6 months	1,907	7,687
6 to 12 months	5,248	–
	15,412	13,100

14. CAPITAL COMMITMENTS

	31 December 2020 (unaudited) RMB'000	30 June 2020 (audited) RMB'000
Capital expenditure contracted for but not provided for in the condensed consolidated financial statements:		
– acquisition of property, plant and equipment	–	70

15. RELATED PARTY TRANSACTIONS

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

Compensation of key management personnel

	Six months ended 31 December	
	2020	2019
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Short-term employee benefits	**1,955**	2,625
Contributions to defined contribution retirement plans	**8**	8
	1,963	2,633

16. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, the Company made the following announcements to provide update of events and circumstances arising after 31 December 2020:

(i) On 19 January 2021, 深圳市冠佳利實業有限公司 (Shenzhen Guanjiali Industrial Limited*) ("**Shenzhen Guanjiali**"), a wholly owned subsidiary of the Company, and 高錫武 (Mr. Gao Xiwu*) ("**Mr.Gao**"), an independent third party, entered into a sale and purchase agreement pursuant to which Mr. Gao has conditionally agreed to sell and Shenzhen Guanjiali has conditionally agreed to purchase an industrial land and various buildings, located in the PRC (the "**Target Land and Properties**") free from encumbrances at the consideration of RMB57 million, which shall be settled by cash to be financed by the net proceeds from the Placing (as defined below).

(ii) On 19 January 2021, the Company entered into a placing agreement with Cinda International Securities Limited (the "**Placing Agent**"), pursuant to which the Placing Agent has conditionally agreed to procure, on a best effort basis, not less than six placees, who and whose ultimate beneficial owner shall be independent third parties, to subscribe for up to 1,250,000,000 placing shares ("**Placing Shares**") at the placing price of HK$0.08 per Placing Shares (the "**Placing**").

(iii) On 19 January 2021, the Board proposed to increase the authorised share capital of the Company to HK$50,000,000 divided into 5,000,000,000 Shares by the creation of an additional 3,000,000,000 new shares.

Details of the acquisition of the Target Land and Properties, the Placing and the proposed increase in authorised share capital were disclosed in the Company's announcements dated 19 January 2021 and 20 January 2021. As at the date of approval of these condensed consolidated financial statements, these transactions have not been completed and are subject to the shareholders' approval at the special general meeting to be convened by the Company.

* *For identification purposes only*

OTHER INFORMATION

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

As at 31 December 2020, the interests or short positions of the Directors and the Chief Executive of the Asian Citrus Holdings Limited (the "**Company**") in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong (the "**SFO**")) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**"), are set out below:

Name of Directors/ Chief Executive	Class of shares	Number of shares held			Number of underlying shares held under equity derivatives	Total	Approximate percentage of the Company's total issued share capital
		Personal interests	Family interests	Corporate interests			
Mr. Ng Ong Nee	Ordinary shares	–	–	179,252,394 *(Note)*	–	179,252,394	14.34%

Note:

The corporate interests of 179,252,394 shares are owned by Changjiang Tyling Management Company Limited ("**Changjiang Tyling**"), a company 50% owned by Mr. Ng Ong Nee, the Company's Chairman, an Executive Director and the Chief Executive Officer.

Save as disclosed above, none of the Directors, the Chief Executive of the Company or their respective associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (as defined in Part XV of SFO) as at 31 December 2020 as recorded in the register to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 31 December 2020, so far as is known to the Directors, the persons or companies (other than the Directors and the Chief Executive of the Company) who/which had an interest or short position in the shares or underlying shares of the Company, which would fall to be disclosed under the provision of Division 2 and 3 of Part XV of the SFO, or which would be required, to be entered in the register required to be kept by the Company pursuant to section 336 of the SFO, were as follows:

Name	Number of shares held	Approximate percentage of interest in the issued shares of the Company
Changjiang Tyling *(Note)*	179,252,394	14.34%
Mr. Ng Ong Nee *(Note)*	179,252,394	14.34%

Note:

Changjiang Tyling is 50% owned by Mr. Ng Ong Nee and 50% owned by a third party independent to the Company and its connected persons. Mr. Ng Ong Nee (who is also a director of Changjiang Tyling) is deemed to be interested in 179,252,394 shares held by Changjiang Tyling by virtue of the SFO.

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

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

The Company did not redeem any of its listed securities, nor did the Company or any of its subsidiaries purchase or sell any of such listed securities during the six months ended 31 December 2020.

CORPORATE GOVERNANCE CODE

During the six months ended 31 December 2020, the Directors, where practicable, sought to adopt the corporate governance code (the "**Code**") contained in the Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

The Company has complied with all the Code Provisions of the Code, except for the following deviations:

Code Provision A.2.1

Mr. Ng Ong Nee, the Chief Executive Officer of the Company, was appointed as Chairman of the board of directors of the Company (the "**Board**") on 4 August 2015. 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 together with the plans for orderly succession to the Board and its structure, size and composition. The Board has adopted a nomination policy which sets out the relevant appointment criteria and, in case of the INEDs, the independence requirements set out in the Listing Rules. 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 Provision A.6.7

INEDs and other non-executive directors should attend general meetings of the Company and develop a balanced understanding of the views of the shareholders. Although an INED and the Non-executive Director were unable to attend the annual general meeting (the "**AGM**") of the Company in 2020, the senior management of the Company had reported all special enquiries from the shareholders and acted as the communication bridge between the shareholders and the INED as well as the Non-executive Director so that they could be aware of and understand the view of the shareholders accordingly.

Code Provision E.1.2

The Chairman of the Board should attend the AGM of the Company. Although the Chairman of the Company was unable to attend the AGM of the Company in 2020 due to other business engagements, he had nominated the Deputy Chief Executive Officer as his alternate to attend and chair the AGM and to provide response in respect of any information required by the shareholders of the Company.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct for dealings in its securities. Following a specific enquiry made to all Directors by the Company, each of them has confirmed that he had fully complied with the required standard as set out in the Model Code throughout the six months ended 31 December 2020.

CHANGES IN THE COMPOSITION OF THE BOARD

There was no change in the composition of the Board during the six months ended 31 December 2020 and up to the date of this report.

REVIEW OF FINANCIAL STATEMENTS

The Audit Committee comprises three INEDs as members, Mr. Chung Koon Yan (acting as chairman of the committee), Dr. Lui Ming Wah, PhD, SBS, JP and Mr. Yang Zhen Han. The establishment of Audit Committee is in compliance with Rule 3.21 of the 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 relating to the interim financial statements, and monitoring the accounting, internal control and risk management systems in use throughout the Group for the six months ended 31 December 2020.

The Audit Committee has reviewed with the management regarding the accounting principles and practices adopted by the Group and has also discussed the internal control and financial reporting matters, including the review of the Group's unaudited consolidated financial statements and interim report for the six months ended 31 December 2020.

PUBLICATION OF INTERIM REPORT

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

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

Hong Kong, 26 February 2021

COMPANY INFORMATION

DIRECTORS

Executive Directors
Mr. NG Ong Nee *(Chairman and Chief Executive Officer)*
Mr. NG Hoi Yue *(Deputy Chief Executive Officer)*

Non-executive Director
Mr. HE Xiaohong

Independent Non-executive Directors
Mr. CHUNG Koon Yan
Dr. LUI Ming Wah, PhD, SBS, JP
Mr. YANG Zhen Han

COMPANY SECRETARY

Miss NG Ling Ling

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

1/F., Ching Cheong Industrial Building
1-7 Kwai Cheong Road, Kwai Chung
New Territories, Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton
Bermuda HM11

AUDITORS

HLB Hodgson Impey Cheng Limited
31/F., Gloucester Tower
The Landmark, 11 Pedder Street
Central, Hong Kong

BERMUDA AND BVI LEGAL ADVISER

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

JERSEY SHARE REGISTRAR

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

BERMUDA SHARE REGISTRAR

MUFG Fund Services (Bermuda) Limited
4th Floor North Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

HONG KONG SHARE REGISTRAR

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

STOCK CODE

The Stock Exchange of Hong Kong Limited: 73

WEBSITE

www.asian-citrus.com