AustAsia Group Ltd.

澳亞集團有限公司 *

(Incorporated in the Republic of Singapore with limited liability)

(Stock Code: 2425)

PROFIT WARNING

This announcement is made by AustAsia Group Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company's board of directors (the "**Board**") wishes to inform the Company's shareholders and potential investors that based on the preliminary assessment of the Group's unaudited consolidated management accounts (the "**Management Accounts**") for the six months ended 30 June, 2024 (the "**Period**"), the Group expects to record a consolidated net loss of approximately RMB600 million to RMB700 million, compared with the net loss of RMB310 million for the six months ended 30 June, 2023.

The expected loss is attributable principally to:

(i) An increase in the loss arising from changes in fair value less costs to sell off other biological assets (the "**Revaluation Loss**"). For the Period, the Revaluation Loss is expected to be ranging from approximately RMB550 million to RMB650 million, as compared to approximately RMB415 million of the Revaluation Loss for the same period of 2023. The Revaluation Loss was mainly attributable to the decreases in selling price of raw milk and culling cattle; and

(ii) Decreases in the selling prices for both raw milk and beef cattle during the period as the Group's average selling price of raw milk and beef cattle were approximately 16% and 17% lower respectively, compared with the same period of 2023.

Despite this challenging operating environment, the Group has implemented effective measures to reduce the feed costs and has obtained significant cost saving effects throughout the Period. Additionally, the Group has continued to make breakthroughs on milk yields, with milking cows average daily milk yield reaching historically high-levels of 45 kg per day in May 2024 (May 2023: 43 kg).

Mainly due to the Revaluation Loss, as referred to in the paragraph (i) above, the Group expects to record a consolidated net loss of approximately RMB600 million to RMB700 million for the Period.

The Company would like to remind shareholders of the Company and potential investors that the information set out in this announcement is based on a preliminary assessment with reference to the information currently available to the Board and has not been reviewed by the audit committee of the Company and the independent auditor of the Company, respectively, and may differ with the actual interim results for the Period of the Group. Shareholders of the Company and potential investors are advised to carefully read the interim results announcement of the Group for the six months ended 30 June 2024, which is expected to be published in August 2024 in accordance with the Listing Rules.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
AustAsia Group Ltd.
Edgar Dowse COLLINS
CEO and Executive Director

Hong Kong, 11 July 2024

As at the date of this announcement, the Board comprises Mr. TAN Yong Nang as Executive Chairman, Mr. Edgar Dowse COLLINS as CEO and Executive Director and Mr. YANG Ku as COO and Executive Director, Ms. GAO Lina, Mr. Tamotsu MATSUI and Ms. Gabriella SANTOSA as Non-executive Directors and Messrs. SUN Patrick, CHANG Pan, Peter and LI Shengli as Independent Non-executive Directors.

* *For identification purpose only*