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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 2024

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 2024 together with the comparative figures for the year ended 30 June 2023.

FINANCIAL HIGHLIGHTS

	For the year ended 30 June		
	2024	2023	% change
	(RMB Million)	*(RMB Million)* (restated)	
Reported financial information			
Revenue	**168.6**	110.0	53.3
Other income and gains	**5.1**	4.8	6.3
Loss before income tax	**(25.4)**	(58.9)	–56.9
Loss attributable to the owners of the Company	**(25.6)**	(58.7)	–56.4
Basic loss per share attributable to the owners of the Company *(RMB)*	**(1.858)**	(5.002)	–62.9

FINANCIAL POSITION

	As at 30 June 2024	As at 30 June 2023	% change
	(RMB Million)	*(RMB Million)*	
Total assets	**160.1**	188.1	–14.9
Net current assets	**70.9**	59.6	19.0
Cash and cash equivalents	**16.8**	26.1	–35.6
Total equity	**137.0**	148.0	–7.4
Current ratio	**5.1**	2.7	88.9

CHAIRMAN’S STATEMENT

On behalf of the Board, I am pleased to present the latest development, progress and annual results of the Group for the year ended 30 June 2024 (the “**Year**”).

REVIEW

With COVID-19 behind us, the Group encountered a mix of opportunities and challenges during the Year. The resurgence of economic activities following the reopening of the People’s Republic of China (the “**PRC**”) has been significant yet sluggish, on the other hand such was accompanied by intensifying competition among market participants. Nonetheless, with the support of the management team, we remained steadfast in our pursuit of improvements in operational efficiencies to the existing businesses as well as explored new potential business opportunities and revenue streams with a view to enhance our shareholders’ overall long-term returns.

I am also happy to report that during the Year the Group has successfully completed (i) a rights issue in the second half of 2023, raising net proceeds of approximately HK$15.5 million for the business development of the Group despite the then challenging environment in the capital markets; and (ii) the capital reorganisation in the first half of 2024, which comprised of share consolidation, capital reduction, share premium reduction and sub-division, thereby enhances the Group’s future equity fund raising flexibilities as the share price was trading at a discount to the par value of the shares at the material time making it legally not feasible to carry out further equity fund raising exercises. The above corporate exercises not only enhanced the Group’s financial position and replenished the Group’s working capital for the expansion and development of the core businesses of the Group, they also placed the Group in a better position to weather the challenges ahead.

As mentioned above, the PRC economy experienced an initial surge in activities shortly after the re-opening. In this connection, the PRC government has introduced various supportive policies during the Year, such as the lowering of loan prime rate and reserve requirement ratio for banks, thereby increasing liquidity in the domestic economy. While it might take time for the positive effects of these policies to take full effect, the Board has managed the uncertainties around the Group’s businesses by demonstrating resilience and implemented the Group’s strategy and operated its businesses prudently.

During the first half of the Year, the Group's planting, cultivation and sale of agricultural produce business (the "**Plantation Business**") has continued facing challenges as many of the Group's citrus trees were severely affected by the subsequent effects of pests, HuangLongBing* (黃龍病) and/or citrus canker even after the uplift of the COVID-19 related lockdowns attributable to the fact that farmers were unable to provide the necessary maintenance and care for the citrus trees during the COVID-19 lockdown period as they were restricted from accessing to the farmlands at the time.

With a view to alleviate these problems, the Group has sought ways to improve fruit quality and crop yield of its harvests as well as shifting the main focus of the Plantation Business to passion fruits in the second half of the Year, albeit at a smaller scale, thereby allowing the Group to implement its tailored fruit plantation solution without committing significant resources. However, if and when the Group has attained proven results of its tailored fruit plantation solution with certainty, it will consider to implement the solution at a greater scale. In the meantime, the Group is using this opportunity to further optimise the quality and crop yield of its passion fruits by utilising the expertise of the Group. Given the above factors, with certain unforeseeable circumstances which were beyond the Group's control, the Plantation Business was mainly in a transitional stage during the Year. Although there has been a slight improvement in revenue contribution, the above factors still adversely affected its ability to contribute positive segment results to the Group.

As for the Group's fruit distribution business (the "**Fruit Distribution Business**"), attributable to the business environment and development needs of the Group at the time, the Group announced in January 2024 that it reallocated a portion of the net proceeds from the placing originally for establishing a comprehensive distribution centre for its value-added services on processing fruits under its Fruit Distribution Business in the Guangdong province to its orchards under the Plantation Business in the Guangxi province with a view to enhance the overall efficiency in the allocation of resources. Overall, the Group has continued to satisfy market demand and performed satisfactorily in its role as a fruit distributor during the Year. The Fruit Distribution Business has recorded notable year-on-year increase in revenue and contributed to the Group's financial performance positively during the Year.

The distribution and installation of air-conditioners business of the Group (the "**Air-conditioners Distribution Business**") commenced back in 2022 has continued to develop. During the Year, the Group has primarily operated in Meizhou and Shenzhen, the PRC. On the back of the Group's continuous efforts and commitments, the Air-conditioners Distribution Business have been rewarded with a year-on-year increase in revenue.

Attributable to the factors as mentioned above, the Group recorded revenue of approximately RMB168.6 million for the Year, representing an increase of approximately 53.3% as compared to the revenue of approximately RMB110.0 million for the year ended 30 June 2023 (the "**Prior Year**"). Apart from the improvements in revenue, there is decline in impairment loss on property, plant and equipment of approximately RMB22.5 million, the Group recorded a net loss attributable to the owners of the Company of approximately RMB25.6 million for the Year, representing a decrease of approximately RMB33.1 million as compared to the Prior Year.

PROSPECTS

With the present challenges in the PRC domestic economy and the ongoing geo-political tension, the Board recognises the need to stay vigilant about possible economical risks that the Group may encounter. Therefore, not only will the Group remain resilient from a financial as well as an operational perspective, the Board will also maintain sufficient flexibility in the Group's overall strategy to enable it to react in a timely manner and in the best interests of the shareholders.

The Group is cautiously optimistic on the positive effects stimulating from supportive PRC government policies, which will foster a conducive business environment for domestic businesses over time. The Board, as supported by the management team, will actively seek to capitalise on suitable market opportunities after due consideration while navigating through the different challenges ahead.

Having established a solid foothold in each of the Group's respective core businesses and gained access to the necessary infrastructure, expertise and business network, the Group is well positioned to expand its operations to capture appropriate new business opportunities and to further strengthen the core competences of the Group.

Going forward, the Board will continue to manage its operations effectively and efficiently and to review its businesses for further improvements, such as, broadening the Group's overall income base, adjusting the respective scales of the businesses, diversifying from its core businesses depending on the market dynamics and opportunities at the time, maintaining a robust cost structure and enhancing the Group's overall profitability so as to improve the shareholders' overall return.

APPRECIATION

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

Li Ziying
Chairman

26 September 2024

MANAGEMENT DISCUSSION & ANALYSIS

During the year ended 30 June 2024, the principal business activities of the Group include (i) the Plantation Business; (ii) the Fruit Distribution Business; and (iii) the Air-conditioners Distribution Business, which were operating in the PRC.

OUTLOOK

Looking forward, the Group is confident that the PRC domestic consumption will gradually improve as the PRC economy continues to grow. The expanding middle-income class is expected to be one of the main demand drivers for the fruit plantation and distribution industry in the PRC. While opportunities will be aplenty, management also acknowledges that competition will remain fierce with the current consumer trends emphasising on value and are price sensitive. Against this backdrop, the Group will implement a prudent yet adaptable strategy for its Plantation Business and Fruit Distribution Business.

The Air-conditioners Distribution Business has recorded steady growth over the past year and emerged as one of the significant revenue contributors of the Group. Going forward, the Group will focus on enhancing operational efficiencies and scaling the business gradually. As air-conditioners increasingly become household essentials and more affordable for PRC households, the Group is confident that the Air-conditioners Distribution Business will be able to continue its growth momentum and attain stable growth in the year ahead.

BUSINESS REVIEW

During the Year, the Group's Hepu Plantation located in Guangxi, the PRC (the "**Hepu Plantation**") was the main revenue contributor for agricultural produces under the Plantation Business. At the Hepu Plantation, the Group mainly focused on the plantation and cultivation of passion fruits. The harvested produces were mainly sold in the PRC.

Through improving fruit quality and crop yield, the Group strive to enhance the overall performance of this business. The management also maintained an overview of the feasibility of this business by monitoring and evaluating its financial return. Given the Plantation Business can be affected by numerous external factors, such as weather, rainfall, soil, pests and plant diseases, the Group carefully monitored and managed its Plantation Business, formulated and applied tailor-made solutions for specific problems that may affect the quality and/or yield of its produces in a timely manner.

While the Plantation Business was mainly in a transitional stage during the Year, there has been a slight improvement in its revenue contribution, the Group recorded revenue of approximately RMB1.3 million for the Year compared to approximately RMB0.7 million for the corresponding prior year.

The Group has carefully navigated through the increasingly competitive market, through the Group's market orientated strategy, the Fruit Distribution Business achieved a year-on-year increase in its revenue from approximately RMB55.6 million for the year ended 30 June 2023 to approximately RMB106.5 million for the Year, which was primarily attributable to an increase in sales volume of the existing offering and increase in the variety of fruit supply.

As for the Air-conditioners Distribution Business, the Group primarily engaged in the distribution and installation of air-conditioners and the provision of after-sale services air-conditioners in the PRC. The Group has steadily established its Air-conditioners Distribution Business and gained a foothold in Meizhou and Shenzhen, being the main areas of the Air-conditioners Distribution Business. The Group has attained satisfactory revenue growth and recorded revenue of approximately RMB60.8 million during the Year compared to approximately RMB53.8 million during the corresponding prior year. With improved living standards and affordability of households, the Company is optimistic on the demand for air-conditioners from PRC households in the long run.

FINANCIAL REVIEW

Revenue

The Group recorded total revenue of approximately RMB168.6 million (2023: RMB110.0 million) for the year ended 30 June 2024.

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

	For the year ended 30 June		
	2024	2023	% change
	RMB'000	*RMB'000*	
Plantation Business	**1,321**	664	98.9%
Fruit Distribution Business	**106,507**	55,615	91.5%
Air-conditioners Distribution Business	**60,807**	53,750	13.1%
Total	**168,635**	110,029	53.3%

For the year ended 30 June 2024, the Group recorded revenue of approximately RMB1.3 million (2023: RMB0.7 million) from the Plantation Business in the Hepu Plantation. The Group's citrus trees were severely and broadly affected by pests, HuangLongBing* (黃龍病) and/or citrus canker as there was no proper maintenance and care could be provided for the citrus trees during the COVID-19 lockdown period , the yield and value of the citrus trees became nominal. Considered a substantial investment required for rejuvenation or re-plantation, the Group took a conservatively approach to remove the citrus tress progressively.

Despite the Group devoted effort in diversifying its plantation business by planting the passion fruits, the harvest was not satisfactory. At the end of March 2023, the Group has accomplished the cultivation of passion fruits, with an expectation of two harvests in August 2023 and April 2024. The harvest quantity is minimal due to (i) the consecutive typhoons in mid-July 2023 and mid-October 2023 have made damages to the shelter, leading to the outbreak of disease; (ii) the consistent high temperature in summer has adversely affected the blossoming period; and (iii) the absence of rain shelter.

In respect of the Fruit Distribution Business, the Group recorded revenue of approximately RMB106.5 million (2023: RMB55.6 million) for the year ended 30 June 2024, representing an increment of approximately 91.5% as compared to last year. The significant surge in revenue is mainly attributable to the full year impact regarding the contribution by 陝西品尚農產品貿易有限公司 (Shaanxi Pinshang Agricultural Products Trading Co., Ltd.*) ("**Shaanxi Pinshang**"), being an acquisition by the Group completed around the end of March 2023.

Regarding the Air-conditioners Distribution Business, the Group recorded revenue of approximately RMB60.8 million (2023: RMB53.8 million) for the year ended 30 June 2024, representing an increase of approximately 13.1% as compared to last year. At inception, 深圳市金龍建設工程有限公司 (Shenzhen Jinlong Construction Engineering Co., Ltd.*), the key operating unit of the Air-conditioners Distribution Business established its presence in Meizhou, it has further expanded into the market in Shenzhen in beginning of 2023. The Group continuously received new orders of air-conditioners from Shenzhen's customers and successfully penetrated the market. During the year ended 30 June 2024, the full year impact of the expansion is unveiled, rendering for the surge in revenue.

Other income and gains

For the year ended 30 June 2024, the Group recorded other income and gains of approximately RMB5.1 million (2023: RMB4.8 million), which mainly consists of government grants, promotion fee income as well as the interest income on loans receivable.

Impairment loss on property, plant and equipment

As mentioned in the supplemental announcement of the Company dated 5 January 2024, the economic benefits expected from the bearer plants was nominal. As a result, the Group recorded an impairment loss on the bearer plant of approximately RMB28.0 million during the year ended 30 June 2023. The bearer plants, referring to the citrus trees, have been infected with diseases and insect and could not be revitalised even with the Group's best effort. The Group is in the progress of removing them progressively. Nil impairment loss has been recorded in this regard during the year ended 30 June 2024. Instead, a reversal of impairment loss has been recorded to offset the depreciation charges.

Furthermore, an impairment losses of approximately RMB13.6 million (2023: RMB4.4 million) on the property, plant and equipment (other than bearer plants) was recorded during the year ended 30 June 2024. In view of unsatisfactory agricultural output and continuous losses under the Plantation Business cash generating unit ("**CGU**"), the recoverability of the carrying amounts of the Plantation Business CGU is in question. Hence, Peak Vision Appraisals Limited, an independent valuer was engaged to conduct a valuation on the property, plant and equipment (other than bearer plants) of which the Directors based their assessment of the subject impairment loss on.

Changes in fair value of investment properties

For the year ended 30 June 2024, the Group recorded decrease in fair value of investment properties of approximately RMB0.8 million (2023: RMB0.5 million), which was mainly attributable to the decrease in the appraised value of a commercial property of the Group located in the PRC. Such commercial property was previously occupied by the Group and leased out by the Group to an independent third party since 1 September 2022.

Changes in fair value of financial assets at fair value through profit or loss

For the year ended 30 June 2024, the Group recorded substantial increase in fair value of financial assets at fair value through profit or loss of approximately RMB11.3 million (2023: decrease of RMB0.6 million), which was mainly attributable to the increase in the market value of the equity securities listed in the United States.

Staff costs

For the year ended 30 June 2024, the staff costs of the Group amounted to approximately RMB11.3 million (2023: RMB11.8 million). A slight decline of RMB0.5 million was noted. The decline is due to the reduction of headcount at head office, being offset by the effect of strengthening the man-power for the Air-conditioners Distribution Business expansion and penetration in Shenzhen.

Distribution and other operating expenses

For the year ended 30 June 2024, the distribution and other operating expenses of the Group amounted to approximately RMB0.5 million (2023: RMB1.2 million), which mainly comprised of transportation expenses incurred for the delivery of fruits and air-conditioners and the rental incurred on the warehouse for storing the air-conditioners. The decrease was mainly attributable to the substantially decline in demand for imported fruits during the year ended 30 June 2024.

General and other administrative expenses

For the year ended 30 June 2024, the general and other administrative expenses of the Group amounted to approximately RMB17.7 million (2023: RMB12.3 million), which comprised primarily of office administration expenses, legal and professional fees and plantation security charges. The increase is mainly attributable to legal and professional fees or related expenses incurred for corporate actions, including the capital reorganization and the setup of system at share registrar in Hong Kong for tackling the paperless regime, the lease of an extra office premise at Shenzhen for the expansion of Air-conditioners Distribution Business, and the increase in written off of biological asset as a result of poor yield during the year.

Income tax expense/credit

The Group recorded an income tax expenses for the year ended 30 June 2024 of approximately RMB0.2 million as compared to income tax credit for the year ended 30 June 2023 of approximately RMB0.2 million. It was mainly attributable to the absence of reversal of overprovided income tax expense of approximately RMB0.3 million in current year.

Loss for the year attributable to the owners of the Company

For the year ended 30 June 2024, loss attributable to the owners of the Company was approximately RMB25.6 million (2023: RMB58.7 million). The decrease in net loss for the year mainly due to (i) absence of the impairment loss on bearer plants of approximately RMB28.0 million; (ii) fair value gain in respect of the financial assets at fair value through profit or loss amounting to approximately RMB11.3 million (2023: fair value loss of RMB0.6 million) and (iii) the reversal of provision for allowance of expected credit losses on loan receivables of approximately RMB1.7 million (2023: provision for allowance of expected credit losses on loans receivables of approximately RMB1.6 million).

RISK FACTORS

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

PLANTATION BUSINESS

Climate changes and natural disasters

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

Contractual arrangement at Hepu Plantation

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

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

FRUIT DISTRIBUTION BUSINESS

PRC's economy was experiencing recovery from the COVID-19 epidemic during the second half of 2023 after the removal of prevention and control measures. However, it is expected to take duration for the consumption level of Chinese resident to resume. As such, the demand for fruits may recover sluggishly and hindered its development.

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

AIR-CONDITIONERS DISTRIBUTION BUSINESS

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

DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended 30 June 2024 (2023: Nil).

CAPITAL

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

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

(i) the share consolidation ("**Share Consolidation**") whereby every two hundred (200) issued and unissued existing shares of par value of HK$0.01 each will be consolidated into one (1) consolidated share ("**Consolidated Share**") of par value of HK$2.00 each;

(ii) immediately following the Share Consolidation becoming effective, the capital reduction ("**Capital Reduction**") whereby the issued share capital of the Company will be reduced from an amount of approximately HK$29,801,000 by an amount of approximately HK$29,652,000 to an amount of approximately HK$149,000 such that the par value of each issued Consolidated Share be reduced from HK$2.00 to HK$0.01 by (a) an elimination of any fraction of a Consolidated Share arising from the Share Consolidation in order to round down the total number of the Consolidated Shares to a whole number; and (b) a cancellation of HK$1.99 of the paid-up capital of the Company on each issued Consolidated Share so that each issued Consolidated Share will be treated as one (1) fully paid-up share of par value HK$0.01 each in the share capital of the Company;

(iii) immediately following the Share Consolidation becoming effective, the sub-division ("**Sub-division**"), whereby each authorised but unissued Consolidated Shares (including the authorized unissued Consolidated Shares arising from the Capital Reduction) be subdivided into two hundreds (200) authorised but unissued New Shares of par value HK$0.01 each so that immediately following the Capital Reorganisation, the authorised share capital of the Company shall remain HK$50,000,000 divided into 5,000,000,000 New Shares;

(iv) immediately following the Capital Reduction and Sub-division becoming effective, the entire amount standing to the credit of the share premium account of the Company is proposed to reduce to nil ("**Share Premium Reduction**"); and

(v) upon the Capital Reorganisation becoming effective, the credits arising from the Capital Reduction and the Share Premium Reduction will be transferred to the contributed surplus account of the Company within the meaning of the Companies Act to then be applied to set off the accumulated losses of the Company or be applied by the Board in a manner as permitted by the Bye-Laws and all applicable laws of Bermuda from time to time without further authorisation from the shareholders.

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

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

LIQUIDITY AND FINANCE RESOURCES

Liquidity

As at 30 June 2024, the Group had liabilities of approximately RMB12.0 million (2023: RMB3.4 million) in respect of bank borrowings and other borrowing. The cash and cash equivalents of the Group was approximately RMB16.8 million (2023: RMB26.1 million).

As at 30 June 2024, the current ratio and quick ratio were 5.1 and 4.6, respectively (2023: 2.7 and 2.3 respectively).

Funding and treasury policy

During the year ended 30 June 2024, the Group had sufficient funds for the operation and would continue to adopt stringent cost control and conservative treasury policies in the running the businesses.

Charge on assets

As at 30 June 2024, the Group's prepayment of approximately RMB13.3 million (2023: RMB4.6 million) was used as security for obtaining bank borrowings of approximately RMB4.7 million (2023: RMB3.4 million) and other borrowing of RMB1.0 million (2023: Nil).

Net gearing ratio

The net gearing ratio of the Group (bank loans plus other borrowing less cash and cash equivalents, divided by total equity multiplied by 100%) as at 30 June 2024 was 3.5% (2023: 15.3%).

Capital commitments

As at 30 June 2024, the Group did not have any capital commitments (2023: Nil).

FOREIGN EXCHANGE RISK

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

The Group has relatively limited transactions denominated in foreign currencies, hence its exposure to exchange rate fluctuation is currently minimal and the Group does not intend 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 30 June 2024, the Group had 61 (2023: 59) permanent employees.

CONTINGENT LIABILITIES

The Group did not have any contingent liabilities as at 30 June 2024 (2023: Nil).

OTHER SIGNIFICANT EVENTS

Apart from the Rights Issue and the Capital Reorganisation and disclosed elsewhere in this announcement, the followings are the significant events during the year ended 30 June 2024 and up to the date of this announcement:

On 14 February 2024, a wholly owned subsidiary of the Company, namely Cheer Kind Limited ("**Cheer Kind**"), entered into a joint venture agreement ("**JV Agreement A**") with Hangzhou Leshu Digital Technology Co., Ltd.* (杭州樂書數字科技有限公司) ("**JV Partner A**") pursuant to which the parties agreed to establish a joint venture company ("**JV Company A**"), whom business scope shall cover the provision of supply chain finance technology solution in the PRC. In accordance with the JV Agreement A, Cheer Kind or its wholly owned subsidiary and the JV Partner A shall contribute their respective portion of the registered capital of the JV Company A, in cash, namely RMB10,200,000 by Cheer Kind and RMB9,800,000 by JV Partner A, within 24 months after the establishment of the JV Company A, or an extended time as may be agreed between the contracting parties. The JV Company A was subsequently set up in the PRC in the name of Shenzhen City Jiu Yuan Wan Jiang Huitu Technology Limited* (深圳市玖源萬江匯圖科技有限公司) ("**Jiu Yuan Wan Jiang**"). For further details, please refer to the announcement of the Company dated 14 February 2024.

On 7 June 2024, Jiu Yuan Wan Jiang. a non-wholly owned subsidiary of the Company, entered into a joint venture agreement ("**JV Agreement B**") with Hubei Qi Ai Technology Group Limited* (湖北蘄艾科技集團有限公司) ("**JV Partner B**") pursuant to which the parties agreed to establish a joint venture company ("**JV Company B**"), whom business scope shall include, inter alia, manufacturing and production, and sales and distribution of goods as well as the provision of technology related services. In accordance with the JV Agreement B, Jiu Yuan Wan Jiang and the JV Partner B shall contribute their respective portion of the registered capital of the JV Company B, in cash, namely RMB3,060,000 by Jiu Yuan Wan Jiang and RMB2,940,000 by JV Partner B, within 15 business days (excluding Saturdays, Sundays and statutory holidays in the PRC) after the completion of the industrial and commercial registration filing for the establishment of the JV Company B. The JV Company B was subsequently set up in the PRC in the name of Qi Chun Aimu Technology Limited* (蘄春艾沐科技有限公司) ("**Qi Chun Aimu**"). For further details, please refer to the announcement of the Company dated 7 June 2024.

On 11 July 2024, Jiu Yuan Wan Jiang, an indirect non-wholly owned subsidiary of the Company, entered into the loan agreement with Qi Chun Aimu in relation to the loan in the principal amount of RMB5,000,000 for a period of six months commencing from the date of drawdown of the loan at an interest rate of 4% per annum. For further details, please refer to the announcement of the Company dated 11 July 2024.

* *For identification purposes only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 30 June 2024

	Notes	2024 RMB'000	2023 RMB'000
Revenue	4	**168,635**	110,029
Cost of inventories		**(161,235)**	(103,619)
Other income and gains	5	**5,084**	4,813
Impairment loss on property, plant and equipment		**(9,864)**	(32,416)
Changes in fair value of investment properties	10	**(820)**	(530)
Realised loss arising from changes in fair value of biological assets less costs to sell		**–**	(51)
Reversal of allowance of expected credit losses ("**ECLs**") on trade receivables, net	11(a)	**57**	125
Reversal of allowance of ECLs on other receivables, net	11(b)	**2,277**	121
Reversal of/(provision for) allowance of ECLs on loan receivables, net		**1,690**	(1,605)
Changes in fair value of financial assets at fair value through profit or loss	12	**11,290**	(649)
Depreciation of property, plant and equipment and right-of-use assets		**(12,353)**	(9,641)
Staff costs		**(11,336)**	(11,787)
Distribution and other operating expenses		**(477)**	(1,188)
General and other administrative expenses		**(17,673)**	(12,330)
Finance costs		**(722)**	(196)
Loss before income tax	6	**(25,447)**	(58,924)
Income tax (expense)/credit	7	**(161)**	194
Loss for the year		**(25,608)**	(58,730)
Loss for the year attributable to:			
Owners of the Company		**(25,608)**	(58,730)
Non-controlling interests		**–***	–
		(25,608)	(58,730)

* *Amount less than RMB1,000*

	Notes	**2024** *RMB'000*	2023 *RMB'000*
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
— Exchange differences on translation from foreign currency to presentation currency		**(851)**	7,998
— Fair value change on investments funds classified as financial assets at fair value through other comprehensive income		**–**	131
— Fair value adjustment upon transfer of self-occupied properties to investment properties	*10*	**–**	644
Items that may be reclassified subsequently to profit or loss:			
— Release of exchange reserve upon deregistration of a subsidiary		**–**	2
— Exchange differences on translation of financial statements of foreign operations, net of tax		**942**	(3,603)
Other comprehensive income for the year		**91**	5,172
Total comprehensive loss for the year		**(25,517)**	(53,558)
Total comprehensive loss for the year attributable to:			
Owners of the Company		**(25,517)**	(53,558)
Non-controlling interests		**–***	–
		(25,517)	(53,558)
		RMB	*RMB* (Restated)
Loss per share attributable to the owners of the Company	*8*		
— Basic and diluted		**(1.858)**	(5.002)

* *Amount less than RMB1,000*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Notes	2024 RMB'000	2023 RMB'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**3,054**	21,892
Right-of-use assets		**51,520**	54,171
Investment properties	*10*	**14,240**	15,060
Goodwill		**2,916**	2,916
		71,730	94,039
Current assets			
Biological assets		**992**	2,251
Inventories		**8,210**	12,544
Trade and other receivables	*11*	**9,631**	9,366
Loan receivables		**2,883**	6,673
Prepayments		**20,927**	14,957
Financial assets at fair value through profit or loss	*12*	**28,891**	22,183
Cash and cash equivalents		**16,804**	26,099
		88,338	94,073
Current liabilities			
Trade and other payables	*13*	**5,355**	27,014
Contract liabilities		**720**	4,706
Lease liabilities		**767**	425
Bank borrowings		**9,576**	2,286
Other borrowing		**1,000**	–
Tax payable		**60**	92
		17,478	34,523
Net current assets		**70,860**	59,550
Total assets less current liabilities		**142,590**	153,589

	Note	2024	2023
		RMB'000	*RMB'000*
Non-current liabilities			
Lease liabilities		**4,209**	4,485
Bank borrowings		**1,400**	1,142
		5,609	5,627
Net assets		**136,981**	147,962
EQUITY			
Share capital	*14*	**137**	22,831
Reserves		**136,844**	125,131
Total equity attributable to the owners of the Company		**136,981**	147,962
Non-controlling interests		**–***	–
Total equity		**136,981**	147,962

* *Amount less than RMB1,000*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

1. GENERAL INFORMATION

The Company was incorporated in Bermuda as an exempted company with limited liability on 4 June 2003 under the Companies Act of Bermuda. 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 Room 2510, 25/F, Arion Commercial Centre, 2–12 Queen's Road West, Sheung Wan, Hong Kong. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 26 November 2009.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are planting, cultivation and sale of agricultural produce, distribution of fruits and distribution and installation of air-conditioners.

The substantial shareholders of the Company are Mr. Kung Chak Ming ("**Mr. Kung**"), Mr. Xu Guodian and Changjiang Tyling Management Company Limited which is 50% owned by Mr. Ng Ong Nee, a former executive director of the Company.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("**IFRSs**"), which collective term includes all IFRSs, International Accounting Standards ("**IASs**") and Interpretations issued by the International Accounting Standards Board (the "**IASB**"), and the disclosure requirement of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosures provision of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

The consolidated financial statements have been prepared under the historical cost convention, except for investment properties, financial assets at fair value through profit or loss ("**FVTPL**") and biological assets, which have been measured at fair values as at the end of the reporting period. Certain comparative figures have been reclassified to conform to the current year's presentation.

The functional currency of the Company is Hong Kong dollar ("**HK$**"). However, the consolidated financial statements are presented in Renminbi ("**RMB**"), as the board of directors of the Company considers that RMB is the functional currency of the primary economic environment in which most of the transactions of the Group are denominated and settled in and this presentation is more useful for its current and potential investors. All values are rounded to the nearest thousand except when otherwise indicated.

(a) New and amendments to IFRSs that are mandatorily effective for the current year

In the preparation of the consolidated financial statements for the year ended 30 June 2024, the Group has applied the following new and amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 July 2023:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform — Pillar Two Model Rules

Except as described below, the application of the new and amendments to IFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impacts on application of Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies

The Group has applied the amendments for the first time in the current year. IAS 1 *Presentation of Financial Statements* is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

IFRS Practice Statement 2 *Making Materiality Judgements* (the "**Practice Statement**") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group's financial position and performance but has affected the Group's accounting policies disclosed in the consolidated financial statements. In accordance with the guidance set out in the policy information that is standardised information, or information that only duplicates or summarises the requirements of the IFRS, is considered immaterial accounting policy information and is no longer notes to the consolidated financial statements so as not to obscure the material accounting policy information disclosed in the notes to the 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 amendments to IFRSs that have been issued but are not yet effective:

		Effective for accounting periods beginning on or after
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to IAS 1	Non-current Liabilities with Covenants	1 January 2024
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to IAS 21	Lack of Exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRSs	Annual Improvements to IFRS Accounting Standards — Volume 11	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

Except as described below, the Group is in the process of making an assessment of what the impact of these new and amendments to IFRSs is expected to be in the period of initial application. So far the Group has not identified any aspects of the new standards which may have a significant impact on the consolidated financial statements. The actual impacts upon the initial adoption of the standards may differ as the assessment completed to date is based on the information currently available to the Group, and further impacts may be identified before the standards are initially applied in the Group's annual report for the year ending 30 June 2025. The Group may also change its accounting policy elections, including the transition options, until the standards are initially applied in the consolidated financial statements.

Impacts on application of IFRS 18

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 *Earnings per Share*.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures in the notes to the financial statements
- improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The directors of the Company anticipate that the application of IFRS 18 may have an impact on the disclosure and presentation of the Group's consolidated financial statements in future periods.

3. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision markers ("**CODM**"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. No operating segments identified by the executive directors of the Company have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments under IFRS 8 for the years presented are as follows:

Plantation Business	— Planting, cultivation and sale of agricultural produce
Fruit Distribution Business	— Distribution of various fruits
Air-conditioners Distribution Business	— Distribution and installation of air-conditioners

Segment revenue and financial performance

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

	Plantation Business		Fruit Distribution Business		Air-conditioners Distribution Business		Total	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Gross segment revenue	**1,321**	664	**106,507**	55,615	**60,807**	53,750	**168,635**	110,029
Inter-segment revenue	**–**	–	**–**	–	**–**	–	**–**	–
Revenue	**1,321**	664	**106,507**	55,615	**60,807**	53,750	**168,635**	110,029
Segment results	**(23,375)**	(42,715)	**527**	(3,521)	**896**	2,138	**(21,952)**	(44,098)
Unallocated corporate expenses							**(15,729)**	(15,923)
Unallocated corporate income							**12,073**	1,291
Loss for the year							**(25,608)**	(58,730)

There was no inter-segment revenue in both years.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment (loss)/profit represents the (loss incurred)/profit earned by each segment without allocation of certain administration costs, directors' emoluments, certain other income and changes in fair value of financial assets at FVTPL. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

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

	2024	2023
	RMB'000	*RMB'000*
Segment assets		
Plantation Business	**27,607**	51,456
Fruit Distribution Business	**58,844**	82,254
Air-conditioners Distribution Business	**28,047**	30,614
Total segment assets	**114,498**	164,324
Unallocated corporate assets	**45,570**	23,788
Total assets	**160,068**	188,112
Segment liabilities		
Plantation Business	**755**	1,040
Fruit Distribution Business	**1,900**	18,933
Air-conditioners Distribution Business	**17,603**	18,565
Total segment liabilities	**20,258**	38,538
Unallocated corporate liabilities	**2,829**	1,612
Total liabilities	**23,087**	40,150

Segment assets include the current and non-current assets except for unallocated corporate assets, being certain property, plant and equipment, right-of-use assets and loan receivables. Segment liabilities include the current and non-current liabilities with the exception of other corporate liabilities such as certain other payables and accruals.

Other segment information

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

	Plantation Business		Fruit Distribution Business		Air-conditioners Distribution Business		Unallocated		Total	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Additions to property, plant and equipment	**1,328**	13,602	**3**	–	**–**	8	**–**	10	**1,331**	13,620
Additions to right-of use assets	**–**	–	**–**	–	**–**	4,899	**503**	–	**503**	4,899
Depreciation of property, plant and equipment	**(8,958)**	(6,860)	**(2)**	(168)	**(5)**	(5)	**(187)**	(30)	**(9,152)**	(7,063)
Depreciation of right-of-use assets	**–**	–	**–**	(2,537)	**(664)**	(41)	**(2,537)**	–	**(3,201)**	(2,578)
Reversal of/(provision for) allowance of ECLs on trade receivables, net	**–**	–	**7**	(23)	**50**	148	**–**	–	**57**	125
Reversal of/(provision for) allowance of ECLs on other receivables, net	**2,254**	–	**23**	(23)	**–**	–	**–**	144	**2,277**	121
Reversal of/(provision for) allowance of ECLs on loan receivables, net	**–**	120	**–**	–	**–**	–	**1,690**	(1,725)	**1,690**	(1,605)
Loss on disposal of property, plant and equipment	**–**	–	**–**	–	**–**	–	**(74)**	(1)	**(74)**	(1)
Loss on written-off of property, plant and equipment	**(973)**	(553)	**–**	–	**–**	–	**–**	–	**(973)**	(553)
Loss on written-off biological assets	**(2,156)**	(692)	**–**	–	**–**	–	**–**	–	**(2,156)**	(692)
Loss on write-down of inventories	**–**	–	**(1,122)**	(1,202)	**–**	–	**–**	–	**(1,122)**	(1,202)
Impairment loss on property, plant and equipment	**(9,864)**	(32,416)	**–**	–	**–**	–	**–**	–	**(9,864)**	(32,416)
Changes in fair value of investment properties	**(820)**	(530)	**–**	–	**–**	–	**–**	–	**(820)**	(530)
Changes in fair value of financial assets at FVTPL	**–**	–	**61**	(942)	**–**	–	**11,229**	293	**11,290**	(649)
Realised gain/(loss) arising from changes in fair value of biological assets less costs to sell	**–**	(51)	**–**	–	**–**	–	**–**	–	**–**	(51)
Finance costs	**–**	–	**–**	–	**(722)**	(196)	**–**	–	**(722)**	(196)
Interest income	**4**	16	**10**	7	**4**	6	**355**	670	**373**	699
Income tax (expense)/credit	**–**	–	**(100)**	200	**(61)**	(6)	**–**	–	**(161)**	194

Geographical information

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

Information about major customers

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

	2024	2023
	RMB'000	*RMB'000*
Customer A[1]	**68,497**	35,743
Customer B[1]	**29,274**	13,281

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

4. REVENUE

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

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15 recognised at a point in time		
Sales of passion fruits and other fruits	**107,828**	56,279
Sales of air-conditioners	**60,807**	53,750
	168,635	110,029

The Group has applied the practical expedient in paragraph 121 of IFRS 15 to its revenue such that the Group does not disclose information about revenue that the Group will be entitled to when it satisfies the remaining obligations under the contracts as all contract works have an original expected duration of one year or less.

5. OTHER INCOME AND GAINS

	Notes	2024 RMB'000	2023 RMB'000
Other income:			
Bank interest income		**26**	31
Dividend income	*12(a)*	**48**	39
Government grants	*(i)*	**2,790**	43
Interest income on loan receivables		**347**	668
Management income, net	*(ii)*	**–**	3,641
Rental income		**275**	275
Promotion fee income	*(iii)*	**1,079**	–
Sundry income		**275**	114
		4,840	4,811
Other gains:			
Gain on bargain purchase on acquisition of a subsidiary	*15(a)*	**2**	–
Gain on termination of a lease		**–**	2
Gain on modification of a lease		**101**	–
Waiver of amount due to a former director	*(iv)*	**141**	–
		244	2
Total		**5,084**	4,813

Notes:

(i) During the year ended 30 June 2024, the Group recognised government grant of RMB2,790,000 which related to subsidy on construction of agricultural and plantation facilities in Beihai city provided by 合浦縣農業農村局 (Hepu County Agriculture and Rural Bureau*). There are no unfulfilled conditions or other contingencies attached to the subsidy at the end of the reporting period.

During the year ended 30 June 2023, the Group recognised government grants of approximately HK$48,000 (equivalent to approximately RMB43,000) which related to Employee Support Scheme provided by The Government of the Hong Kong Special Administrative Region. There were no unfulfilled conditions or other contingencies attached to these subsidies at the end of that reporting period.

(ii) The Group has entered into a business cooperation agreement with an independent third party, the Cooperator. Pursuant to the business cooperation agreement, the Cooperator would contribute farmlands while the Group would contribute property, plant and equipment for the purpose of providing farmlands and facilities to individual farmers and generating management income. According to business cooperation agreement, the Group is entitled to 90% of the net income generated. During the year ended 30 June 2024, a net management fee expense of approximately RMB610,000 has been recognised and included in general and administrative expense of the consolidated statement of profit or loss and other comprehensive income.

(iii) The amount represented income from promotion campaign in the Air-conditioners Distribution Business provided to the customers of the Group in the retail stores.

(iv) On 24 November 2023, Mr. Ng Ong Nee tendered his resignation as an executive director of the Company, with effect on 25 November 2023. Pursuant to the notice of resignation, the entire balance due to him amounted to approximately RMB141,000 as on that date was waived upon his resignation (note 13(c)).

6. LOSS BEFORE INCOME TAX

Loss before income tax is stated after charging the following:

	2024	2023
	RMB'000	*RMB'000*
Auditor's remuneration	**1,018**	888
Depreciation of property, plant and equipment	**9,152**	7,063
Depreciation of right-of-use assets	**3,201**	2,578
Exchange loss, net	**34**	366
Office accommodation charges included in general and other administrative expenses	**2,665**	2,556
Expenses relating to short term leases and leases of low-value assets included in general and other administrative expenses	**160**	241
Loss on disposal of property, plant and equipment	**74**	1
Loss on written-off of property, plant and equipment	**973**	553
Loss on written-off of biological assets included in general and other administrative expenses	**2,156**	692
Loss on write-down of inventories included in cost of inventories	**1,122**	1,202
Plantation security charges included in general and other administrative expenses	**984**	987
Direct operating expenses arising from investment properties that generate rental income during the year	**50**	53
Legal and professional fees included in general and other administrative expenses *(note (a))*	**2,476**	2,251
Employee benefit expenses (including directors' remuneration)		
— Salaries, allowance and benefits in kind	**10,611**	11,112
— Retirement benefit scheme contributions *(note (b))*	**725**	675
	11,336	11,787

(a) The amounts mainly represented company secretarial service fees, valuation service fees and financial advisory service fees for both years.

(b) As at 30 June 2024, the Group had no forfeited contributions available to reduce its contributions to the retirement benefit schemes in future years (2023: Nil).

7. INCOME TAX EXPENSE/(CREDIT)

Income tax expense/(credit) in the consolidated statement of profit or loss and other comprehensive income represents:

	2024	2023
	RMB'000	*RMB'000*
The PRC Enterprise Income Tax ("**EIT**")		
— Current year	**161**	141
— Over-provision in prior years	**–**	(335)
	161	(194)

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdiction in which members of the Group are domiciled and operated.

Pursuant to the rules and regulations of Bermuda and the British Virgin Islands (the "**BVI**"), the Group is not subject to any income tax under these jurisdictions for both years.

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

The Group determined its provision for the PRC EIT 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.

The PRC EIT has been provided at the rate of 25% (2023: 25%) on the assessable profits of the Group's subsidiaries in the PRC during the year ended 30 June 2024, except certain subsidiaries operating in the PRC which were qualified small and micro-sized enterprises under Caishui [2019] No. 13, are eligible for using EIT rates at 10% and 5% (2023: 10% and 2.5%) during the year ended 30 June 2024. In addition, one of the indirect wholly-owned PRC subsidiaries engaged in qualifying agricultural business which entitled full EIT exemption on profits derived from such business during the years ended 30 June 2024 and 2023.

8. LOSS PER SHARE

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

	2024	2023
	RMB'000	*RMB'000*
Loss for the year attributable to the owners of the Company for the purpose of basic loss per share	**(25,608)**	(58,730)

	Number of shares	
	2024	2023
	'000	*'000*
		(Restated)
Weighted average number of ordinary shares for the purpose of basic loss per share	**13,784**	11,741

The weighted average number of ordinary shares used to calculate the basic loss per share for both years have been adjusted to reflect the rights issue (note 14(a)) and Share Consolidation (note 14(b)) during the year ended 30 June 2024. Accordingly, the basic loss per share for the year ended 30 June 2023 is restated.

Diluted loss per share were the same as the basic loss per share as there were no dilutive potential shares outstanding during the years ended 30 June 2024 and 2023.

9. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year, nor has any dividend been proposed since the end of the reporting period (2023: Nil).

10. INVESTMENT PROPERTIES

	RMB'000
At fair value	
At 1 July 2022	–
Reclassified from property, plant and equipment	15,590
Changes in fair value recognised in consolidated profit or loss	(530)
At 30 June 2023 and 1 July 2023	**15,060**
Changes in fair value recognised in consolidated profit or loss	**(820)**
At 30 June 2024	**14,240**

During the year ended 30 June 2023, the Group leased out a commercial building located in the PRC to an independent third party in which the building was originally occupied by the Group and was classified as property, plant and equipment with carrying amount of approximately RMB14,946,000 at the lease commencement date (i.e. 1 September 2022).

On 1 September 2022, the building was reclassified from property, plant and equipment to investment properties and measured at fair value of approximately RMB15,590,000 which has been arrived at basis of a valuation carried out by Peak Vision Appraisals Limited ("**Peak Vision**"), an independent qualified professional valuer, which is not connected to the Group. Accordingly, the fair value changes of approximately RMB644,000 was recognised in other comprehensive income on that date.

At 30 June 2024, the fair value of the investment properties was approximately RMB14,240,000 (2023: RMB15,060,000) based on the valuation carried out by Peak Vision. The fair value changes of approximately RMB820,000 (2023: RMB530,000) was recognised in the consolidated profit or loss during the year ended 30 June 2024.

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

The Group as a lessor

As at 30 June 2024, the undiscounted lease payments receivables by the Group in future period under non-cancellable operating leases with its tenants are as follows:

	2024	2023
	RMB'000	*RMB'000*
Within one year	**306**	300
After one year but within two years	**322**	306
After two years but within three years	**332**	322
After three years but within four years	**342**	332
After four years but within five years	**352**	342
Over five years	**3,528**	3,880
	5,182	5,482

11. TRADE AND OTHER RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables, gross	**3,421**	3,022
Less: Allowance for ECLs on trade receivables	**(22)**	(79)
Trade receivables, net *(note (a))*	**3,399**	2,943
Deposits paid and other receivables, gross	**10,518**	12,986
Less: Allowance for ECLs on other receivables	**(4,286)**	(6,563)
Deposits paid and other receivables, net *(note (b))*	**6,232**	6,423
Trade and other receivables, net	**9,631**	9,366

At 1 July 2022, trade receivables from contracts with customers amounted to approximately RMB6,623,000.

Notes:

(a) The Group generally granted a credit period of 30 days (2023: 30 days) to customers for sales of fruits, while no credit period was granted to sales of air-conditioners as the Group generally requests customers to pay in advance.

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

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

	2024	2023
	RMB'000	*RMB'000*
Not past due	**3,134**	2,709
1 to 30 days past due	**252**	18
31 to 60 days past due	**–**	4
61 to 90 days past due	**13**	–
Over 90 days past due	**–**	212
	3,399	2,943

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

	2024	2023
	RMB'000	*RMB'000*
1 to 30 days	**3,386**	2,727
31 to 60 days	**–**	4
61 to 90 days	**13**	–
Over 90 days	**–**	212
	3,399	2,943

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

	RMB'000
At 1 July 2022	204
Reversal of ECLs allowance recognised to the consolidated profit or loss, net	(125)
At 30 June 2023 and 1 July 2023	79
Reversal of ECLs allowance recognised to the consolidated profit or loss, net	(57)
At 30 June 2024	**22**

(b) At 30 June 2024, the gross balances mainly comprised of an amount due from the Cooperator amounting to approximately RMB9,510,000 (2023: RMB10,491,000) in relation to the management income distributions as mentioned in note 5(ii). The provision for ECLs allowance on this amount due amounted to approximately RMB4,286,000 (2023: RMB6,540,000) as at 30 June 2024. The amount due was unsecured, non-interest bearing and repayable on demand.

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

	RMB'000
At 1 July 2022	6,678
Reversal of ECLs allowance recognised to the consolidated profit or loss, net	(121)
Exchange alignment	6
At 30 June 2023 and 1 July 2023	6,563
Reversal of ECLs allowance recognised to the consolidated profit or loss, net	(2,277)
At 30 June 2024	**4,286**

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024	2023
	RMB'000	*RMB'000*
Listed securities, unlisted notes held for trading and contingent consideration receivable, at fair value:		
Equity securities listed in Hong Kong *(note (a))*	**–**	3,259
Equity securities listed in United States *(note (a))*	**19,942**	11,289
Unlisted notes *(note (b))*	**8,949**	7,574
Contingent Consideration Receivable *(notes (c))*	**–**	61
	28,891	22,183

	Equity securities listed in Hong Kong and United States *(note (a))* *RMB'000*	Unlisted notes *(note (b))* *RMB'000*	Contingent Consideration Receivable *(note (c))* *RMB'000*	Total *RMB'000*
At 1 July 2022	–	–	–	–
Arising from the acquisition of Shaanxi Pinshang *(note 15(b))*	–	–	1,003	1,003
Additions	17,428	9,764	–	27,192
Disposal	(6,292)	–	–	(6,292)
Changes in fair value recognised in consolidated profit or loss	2,807	(2,514)	(942)	(649)
Exchange alignment	605	324	–	929
At 30 June 2023 and 1 July 2023	14,548	7,574	61	22,183
Additions	–	16,800	–	16,800
Disposal	(4,733)	(16,855)	–	(21,588)
Changes in fair value recognised in consolidated profit or loss	9,993	1,358	(61)	11,290
Exchange alignment	134	72	–	206
At 30 June 2024	**19,942**	**8,949**	**–**	**28,891**

Notes:

(a) The Group has acquired listed securities through a security company in Hong Kong during the year ended 30 June 2024 and 2023. These listed securities were classified as financial assets at FVTPL as they were held for trading. The fair values of these listed securities as at 30 June 2024 were determined based on the quoted market closing prices on the National Association of Securities Dealers Automated Quotations Stock Market ("**NASDAQ**") (2023: Stock Exchange and the NASDAQ).

During the year ended 30 June 2024, the dividends received from certain equity securities amounting to approximately RMB48,000 (2023: RMB39,000) was recognised under other income and gains in the consolidated statement of profit or loss and other comprehensive income (note 5). In addition, a gain from change in fair value amounting to approximately RMB9,993,000 was also recognised to the consolidated statement of profit or loss and other comprehensive income during the year ended 30 June 2024 (2023: RMB2,807,000).

(b) During the year ended 30 June 2023, the Group has set up an investment account in a security company in Hong Kong which managed by an investment manager who is an independent third party to the Group, and has the power and authority to manage and make decisions for the investments. Unlisted notes were acquired during the years ended 30 June 2024 and 2023 and were classified as financial assets at FVTPL as they were held for trading.

During the year ended 30 June 2024, a gain from change in fair value amounting to approximately RMB1,358,000 (2023: loss of RMB2,514,000) was recognised to the consolidated statement of profit or loss and other comprehensive income.

(c) At 30 June 2023, the balance included the Contingent Consideration Receivable arising from the Profit Guarantee (as defined in note 15(b)) in relation to the acquisition of Shaanxi Pinshang as disclosed in note 15(b). Pursuant to the Profit Guarantee, the potential undiscounted amount of the Contingent Consideration Receivable that the Group could receive is between nil and RMB1,500,000.

The fair value of the Contingent Consideration Receivable as at 30 June 2023 has been arrived at on the basis of a valuation carried out by LCH (Asia-Pacific) Surveyors Limited ("**LCH**"), a firm of independent qualified professional valuers, which is not connected to the Group. LCH adopted the Black-Scholes model and considering the volatility of 25% and risk free rate of 1.85%.

For the year ended 30 June 2023, a fair value loss of approximately RMB942,000 was recognised to the consolidated statement of profit or loss and other comprehensive income.

On 31 December 2023, the guaranteed period has expired and the Profit Guarantee has been met, therefore no contingent consideration was received by the Group under the Profit Guarantee arrangement during the year ended 30 June 2024. A fair value loss of approximately RMB61,000 was recognised to the consolidated statement of profit or loss and other comprehensive income as the Profit Guarantee is fulfilled. There is no further obligation from the Vendors (as defined in note 15(b)) of 100% equity interest of Shaanxi Pinshang. The Contingent Consideration Receivable has been derecognised upon expiration.

13. TRADE AND OTHER PAYABLES

	2024	2023
	RMB'000	*RMB'000*
Trade payables *(note (a))*	**1,895**	23,322
Other payables and accruals *(note (b))*	**2,661**	2,864
Accrued staff costs	**799**	686
Amount due to a former director *(note (c))*	**–**	142
	5,355	27,014

Notes:

(a) The average credit period granted by suppliers was 30 days (2023: 30 days).

Ageing analysis of trade payables, based on invoice dates, as at the end of reporting period is shown as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**1,793**	22,788
Over 3 months but within 1 year	**14**	354
Over 1 year	**88**	180
	1,895	23,322

(b) At 30 June 2024, other payables and accruals mainly comprise of accrued legal and professional fees of approximately RMB1,721,000 (2023: RMB1,443,000). The balances of other payables and accruals are expected to be settled within one year or are repayable on demand.

(c) At 30 June 2023, the amount due to a former executive director of the Company, Mr. Ng Ong Nee was unsecured, non-interest bearing and repayable on demand. On 24 November 2023, Mr. Ng Ong Nee tendered his resignation as the director of the Company, with effect on 25 November 2023, and agreed to waive the amount due to him upon his resignation. Therefore, the amount due to him of approximately RMB141,000 was reserved and recognised under other income and gains in the consolidated statement of profit or loss and other comprehensive income during the year ended 30 June 2024 (note 5).

14. SHARE CAPITAL

	Number of ordinary shares	**Share capital** *HK$'000*
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 July 2022, 30 June 2023 and 1 July 2023	5,000,000,000	50,000
Share Consolidation *(note (b)(i))*	(4,975,000,000)	–
Share sub-division *(note (b)(iii))*	4,975,000,000	–
At 30 June 2024	**5,000,000,000**	**50,000**
Issued and fully paid:		
At 1 July 2022, 30 June 2023 and 1 July 2023	2,499,637,884	24,996
Issue of shares pursuant to Rights Issue *(note (a))*	480,467,975	4,805
Share Consolidation *(note (b)(i))*	(2,965,205,330)	–
Capital Reduction *(note (b)(ii))*	–	(29,652)
At 30 June 2024	**14,900,529**	**149**
		RMB'000
Equivalent to		**137**

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.

Notes:

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

(b) Pursuant to resolutions passed by the shareholders of the Company in a special general meeting held on 19 February 2024, the Company carried out the following Capital Reorganisation and has become effective on 21 February 2024:

(i) Every 200 issued and unissued ordinary shares with a par value of HK$0.01 each in the existing share capital of the Company were consolidated into 1 ordinary share with a par value of HK$2.00 each. The total number issued shares of the Company was reduced by 2,965,205,330 shares, from 2,980,105,859 shares to 14,900,529 shares;

(ii) Immediately following the Share Consolidation become effective, the issued share capital of the Company was reduced from an amount of approximately HK$29,801,000 (equivalent to approximately RMB27,334,000) by an amount of HK$29,652,000 (equivalent to approximately RMB27,197,000) to an amount of HK$149,000 (equivalent to approximately RMB137,000) by a cancellation of HK$1.99 of paid-up capital of the Company on each issued Consolidated Shares will be treated as one fully paid-up share of par value of HK$0.01 each in the share capital of the Company;

(iii) Upon the Share Consolidation become effective, each of the then authorized but unissued Consolidated Shares be sub-divided into two hundreds new shares so that the authorised share capital of the Company shall remain HK$50,000,000 divided into 5,000,000,000 new shares of HK$0.01 each;

(iv) Immediately following the Capital Reduction becoming effective, the entire amount of approximately RMB3,792,144,000 standing to the credit of the share premium account of the Company be reduced to Nil and transferred to the Contributed Surplus reserve;

(v) The entire credit amount arising from the Share Premium Reduction and Capital Reduction amounting to RMB3,819,341,000, be transferred to contributed surplus in the reserves in the financial statement of financial position of the Company to then set off the accumulated losses of the Company as at the effective date of the Capital Reorganisation of approximately RMB3,811,286,000.

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

15. ACQUISITION OF SUBSIDIARIES

(a) For the year ended 30 June 2024

On 1 March 2024, a directly wholly-owned subsidiary of the Company (the "**Purchaser**") entered into an sale and purchase agreement with Mr. Kung, being a substantial shareholder of the Company (the "**Vendor**"). Pursuant to sale and purchase agreement, the Group agreed to acquire 100% equity interest of Ever Rich Incorporation Limited ("**Ever Rich**") (at a consideration of HK$10,000 (equivalent to approximately RMB9,000) by cash (the "**Acquisition**"). The Purchaser further agreed to acquire the loans due from Ever Rich to the Vendor and outstanding as at date of completion of HK$90,000 (equivalent to approximately RMB84,000) ("**Shareholder's Loan**") at a consideration of HK$90,000 (equivalent to approximately RMB84,000) by cash. Pursuant to the Deed of Assignment on the same date, the Shareholder's Loan has been assigned to the Purchaser by the Vendor.

Ever Rich is principally engaged in investment holding and held 100% equity interest in an PRC subsidiary, 深圳市慶華信息服務發展有限公司, a dormant company with no assets and liabilities.

The fair value of identifiable assets acquired and liabilities assumed of Ever Rich as at the date of the Acquisition, 1 March 2024, are as follows:

	RMB'000
Cash and cash equivalents	**95**
Shareholder's Loan	**(84)**
Net assets of Ever Rich	**11**
Assignment of Shareholder's Loan	**84**
Net assets acquired	**95**
The fair value of consideration transferred:	
Cash consideration	**9**
Assignment of Shareholder's Loan	**84**
Total purchase consideration	**93**
Gain on bargain purchase	**2**
Net cash inflow arising on the Acquisition:	
Total cash consideration paid	**(93)**
Cash and cash equivalents acquired	**95**
	2

The gain on bargain purchase was recognised under other income and gains of the consolidated statement of profit or loss and other comprehensive income.

Impact of the Acquisition on the results of the Group

The Acquisition did not generate any revenue and contributed a net profit of approximately RMB4,000 for the period from 1 March 2024 to 30 June 2024. If the Acquisition had occurred on 1 July 2023, pro forma consolidated loss of the Group for the year ended 30 June 2024 would have been approximately RMB25,600,000.

The pro-forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the Acquisition occurred on 1 July 2023, nor is it intended to be a projection of future results.

(b) For the year ended 30 June 2023

On 16 February 2023, an indirect wholly-owned subsidiary of the Company entered into an equity transfer agreement with Chen Xiaochun and Wu Guoqian (the "**Vendors**"), independent third parties to the Group. Pursuant to the equity transfer agreement, the Group agreed to acquire 100% equity interest of Shaanxi Pinshang at a consideration of RMB4,500,000 by cash. In addition, the vendors guaranteed to the Group that the profit before income tax of Shaanxi Pinshang for the period from the date of completion of the acquisition to 31 December 2023 shall not be less than of RMB1,500,000 (the "**Profit Guarantee**"). In the event that the Profit Guarantee could not be met, vendors shall compensate the Group on a dollar-for-dollar basis on the shortfall by cash (the "**Contingent Consideration Receivable**") within one month after the Group makes such request.

Shaanxi Pinshang is principally engaged in distribution and sales of agricultural products with its comprehensive sales network in Shaanxi Province. The directors of the Company considered the Acquisition would enable the Group to expand its existing sales channels, increase the sales volume of agricultural products and deepen market penetration across northern PRC. The acquisition has been accounted for as acquisition of business using acquisition method.

The fair value of identifiable assets acquired and liabilities assumed of Shaanxi Pinshang as at the date of the acquisition, 31 March 2023, are as follows:

	RMB'000
Trade and other receivables	3,210
Cash and cash equivalents	12
Trade and other payables	(2,637)
Tax payable	(4)
Net assets acquired	581
The fair value of consideration transferred:	
Cash consideration	4,500
Contingent Consideration Receivable, at fair value *(note 12)*	(1,003)
Total purchase consideration	3,497
Goodwill arising on the acquisition	2,916
Net cash outflow arising on the acquisition:	
Cash consideration paid	(4,500)
Cash and cash equivalents acquired	12
	(4,488)

The fair value of the trade and other receivables at the date of the acquisition is similar to the carrying amount.

At the acquisition date, the fair value of the Contingent Consideration Receivable of approximately RMB1,003,000 which has been arrived at on the basis of a valuation carried out by LCH. LCH adopted the Black-Scholes Model and after considering the volatility of 25% and risk free rate of 2.21%.

The goodwill of approximately RMB2,961,000, which is not deductible for tax purposes, comprises the acquired reputation, the expected future profitability and the benefits from diversifying the revenue stream of the Group.

Impact of the acquisition on the results of the Group

The acquisition contributed revenue and net profit of approximately RMB54,943,000 and RMB4,064,000 respectively for the period from 31 March 2023 to 30 June 2023. If the acquisition had occurred on 1 July 2022, pro forma consolidated revenue and pro forma consolidated loss of the Group for the year ended 30 June 2023 would have been approximately RMB189,350,000 and RMB57,202,000, respectively.

The pro-forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition occurred on 1 July 2022, nor is it intended to be a projection of future results.

16. EVENT AFTER THE REPORTING PERIOD

Saved as disclosed elsewhere in these consolidated financial statements, the Group has below event after the reporting period:

On 3 July 2024, a subsidiary of the Company, namely Cheer Kind Limited ("**Cheer Kind**"), disposed of on the market a total of 6,000 shares of NVIDIA Corporation, an American corporation whose common stocks are listed on the NASDAQ (as defined in note 12(a)) ("**NVIDIA Share**") at an average price US$122.38 per NVIDIA Share at a total consideration of approximately US$734,000 (equivalent to approximately RMB5,366,000) (excluding transaction costs). On the same date, Cheer Kind has acquired on the market a total of 1,570 shares of Microsoft Corporation, an American corporation whose common stocks are listed on the NASDAQ ("**MSFT Share**") at an average price US$458.70 per MSFT Share at total consideration of approximately US$720,000 (equivalent to approximately RMB5,262,000) (excluding transaction costs).

On 5 August 2024, Cheer Kind further disposed of on the market a total of 1,330 NVIDIA Shares at an average price US$96.23 per NVIDIA Share and 3,180 MSFT Shares at an average price US$395.08 per MSFT Share, at total considerations of approximately US$128,000 (equivalent to approximately RMB913,000) (excluding transaction costs) and approximately US$1,260,000 (equivalent to approximately RMB8,962,000) (excluding transaction costs), respectively.

On 20 August 2024, Cheer Kind further disposed of on the market a total of 1,000 NVIDIA Shares at an average price US$127.59 per NVIDIA Share, at total considerations of approximately US$128,000 (equivalent to approximately RMB911,000) (excluding transaction costs).

From the above transactions, the Group has disposed of an aggregate of 8,330 NVIDIA Shares and 3,180 MSFT Shares, at a total consideration of approximately US$990,000 and US$1,260,000 (equivalent to approximately RMB7,190,000 and RMB8,962,000), respectively. The Group has acquired an aggregate of 1,570 MSFT Shares, at a total consideration of approximately US$720,000 (equivalent to approximately RMB5,262,000).

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 2024.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintain good corporate governance practices and procedures for enhancing the accountability and transparency of the Company to its investors and shareholders.

The Company's corporate governance practices are based on the principles and code provisions (the "**Code Provisions**") set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules.

During the year ended 30 June 2024, the Company has complied with the Code Provisions of the CG Code.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct for dealings in its securities. Following a specific enquiry made to all Directors by the Company, each of them has confirmed that he/she had fully complied with the required standard as set out in the Model Code throughout the year ended 30 June 2024.

CHANGES IN THE COMPOSITION OF THE BOARD AND OTHER POSITION OF DIRECTORS

Change in the composition of the Board and other position of Directors during the year and up to the date of this announcement is set out below:

(i) Mr. Lai Zheng resigned as an independent non-executive Director with effect from 31 October 2023.

(ii) Mr. Ng Ong Nee resigned as an executive Director, the chairman of the Board, the chief executive officer with effect from 25 November 2023.

(iii) Ms. Li Ziying was appointed as an executive Director on 1 November 2023 and appointed as the chairman of the Board on 25 November 2023.

SCOPE OF WORK OF MOORE CPA LIMITED

The figures in respect of the consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 30 June 2024 of the Group as set out in this announcement have been agreed by the Company's independent auditor, Moore CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 30 June 2024. The work performed by Moore CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Moore CPA Limited on this announcement.

REVIEW OF THE ANNUAL RESULTS BY AUDIT COMMITTEE

The audit committee of the Board (the "**Audit Committee**") comprises three independent non-executive Directors, Mr. Liu Ruiqiang, Mr. Wang Tianshi and Ms. Liu Jie; Mr. Liu Ruiqiang is the chairman of the Audit Committee. The establishment of the 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 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 2024.

The Audit Committee has reviewed with the management regarding the accounting principles and practices adopted by the Group and has also discussed auditing, internal control and financial reporting matters, including the review of the Group's audited consolidated financial statements and annual results for the year ended 30 June 2024.

PUBLICATION OF ANNUAL REPORT

The annual report of the Company 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
Li Ziying
Chairman

Hong Kong, 26 September 2024

As at the date of this announcement, the Board comprises one executive Director, namely Ms. Li Ziying (Chairman); one non-executive Director, namely Mr. James Francis Bittl; and three independent non-executive Directors, namely Mr. Liu Ruiqiang, Mr. Wang Tianshi and Ms. Liu Jie.

* *For identification purposes only*