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SHIFANG HOLDING LIMITED
十方控股有限公司

(incorporated in the Cayman Islands and re-domiciled and continued in Bermuda with limited liability)

(Stock code: 1831)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

The board (the "**Board**") of directors (the "**Directors**") of ShiFang Holding Limited (the "**Company**") announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 31 December 2024 together with the comparative figures for the corresponding period in 30 June 2023.

The condensed consolidated interim financial information has not been audited or reviewed by the Company's auditors, but has been reviewed by the Company's audit committee (the "**Audit Committee**").

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Notes	**31 December 2024**	30 June 2024
		RMB'000	*RMB'000*
		(Unaudited)	(Audited)
Non-current assets			
Property, plant and equipment		**27,105**	27,462
Investment properties		**28,937**	28,936
Right-of-use assets		**2,840**	2,968
Intangible assets		**25,062**	25,425
Prepayments, deposits and other receivables		**20,785**	20,785
Total non-current assets		**104,729**	105,576
Current assets			
Inventories		**364**	102
Properties held for sale		**15,097**	15,097
Trade receivables	*3*	**18,139**	5,113
Deposits, prepayments and other receivables		**63,192**	75,658
Restricted cash		**42**	42
Cash and bank balances		**3,737**	4,460
		100,571	100,472
Assets classified as held for sale		**1,203**	1,203
Total current assets		**101,774**	101,675
Current liabilities			
Trade payables	*4*	**24,625**	10,754
Accruals, other payables and deposits received		**97,973**	106,628
Amounts due to related parties		**23,867**	23,867
Loan from a shareholder		**5,052**	5,052
Lease liabilities		**2,061**	2,061
Income tax payable		**2,524**	3,282
Total current liabilities		**156,102**	151,644
Net current liabilities		**(54,328)**	(49,969)

	31 December 2024 *RMB'000* (Unaudited)	30 June 2024 *RMB'000* (Audited)
Non-current liabilities		
Amount due to a joint venture	**9,998**	9,998
Lease liabilities	**5,243**	5,243
Total non-current liabilities	**15,241**	15,241
Net assets	**35,160**	40,366
EQUITY		
Equity attributable to owners of the parent		
Share capital	**261,865**	261,865
Reserves	**(255,901)**	(251,607)
	5,964	10,258
Non-controlling interests	**29,196**	30,108
Total equity	**35,160**	40,366

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

	Notes	**Six months ended 31 December 2024** *RMB'000* **(Unaudited)**	Six months ended 30 June 2023 *RMB'000* (Unaudited)
Revenue	*2*	**54,404**	22,954
Cost of sales		**(50,990)**	(18,082)
Gross profit		**3,414**	4,872
Other income and gains (loss), net		**–**	(7,176)
Selling and marketing expenses		**(517)**	(1,127)
General and administrative expenses		**(8,072)**	(38,778)
Finance costs		**–**	(915)
Loss before tax	*5*	**(5,175)**	(43,124)
Income tax expense		**(32)**	(62)
Loss for the period attributable to owners of the Company		**(5,207)**	(43,186)
Attributable to:			
Owners of the parent		**(4,293)**	(28,597)
Non-controlling interests		**(914)**	(14,589)
		(5,207)	(43,186)
Loss per share attributable to ordinary equity holders of the parent			
– Basic and diluted (RMB per share)		**(0.004)**	(0.0269)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1.1 GENERAL INFORMATION

ShiFang Holding Limited (the "**Company**") is an investment holding company which, together with its subsidiaries (collectively, the "**Group**"), are principally engaged in the business of publishing and advertising (the "**Publishing and Advertising Businesses**") in the People's Republic of China (the "**PRC**"). The Group has been focusing on restructuring its Publishing and Advertising Businesses by consolidating with cultural media and film media business in PRC and diversifying into tourism and integrated developments.

The Company was incorporated in the Cayman Islands on 9 December 2009 as an exempted company with limited liability under the Companies Law (2009 Revision as amended, supplemented or otherwise modified) of the Cayman Islands. With effect from 18 March 2019 (Bermuda time), the Company changed its domicile of Company from the Cayman Islands to Bermuda by way of discontinuation in the Cayman Islands and continuation as an exempted company under the laws of Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda after the change of domicile.

The Company's shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited.

This condensed consolidated interim financial information for the six months ended 31 December 2024 is unaudited but has been reviewed by the Audit Committee of the Company. This condensed consolidated interim financial information is presented in thousands of units of Renminbi ("**RMB'000**"), unless otherwise stated.

This condensed consolidated interim financial information has been approved for issue by the Board on 28 February 2025.

1.2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 31 December 2024 has been prepared in accordance with International Accounting Standards ("**IAS**") 34, 'Interim financial reporting'. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the eighteen months ended 30 June 2024, which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

Going Concern

For the six months ended 31 December 2024, the Group reported a net loss of approximately RMB5.2 million. As at 31 December 2024, the Group's current liabilities exceeded its current assets by RMB54.3 million while the Group had cash and cash equivalents of approximately RMB3.7 million only. The above conditions indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Group to continue as a going concern.

The directors of the Company have assessed the appropriateness of adopting the going concern basis for the preparation of the interim condensed consolidated financial statements for the six months ended 31 December 2024. In order to improve the Group's liquidity and financial position, the directors of the Company have been implementing various measures as follows:

(i) The Group has successfully obtained a borrowing facility of RMB20,000,000 from a company wholly-owned by a major shareholder of the company on 1 August 2021. RMB1,500,000 had been drawn in 2021 and a further RMB2,919,000 had also been drawn in 2022. The borrowing will be repayable in two years from the date of drawdown with an interest rate of 5% per annum. On 6 March 2023, the repayment period of facility was extended from repayable in two years to repayable in four years from the date of drawdown. In addition, the major shareholder has issued a letter of financial support to the Company for a period of eighteen months from 30 June 2024 to enable the Group to meet its liabilities as and when they fall due and to carry on its business without a significant curtailment of operations;

(ii) The Group has obtained written confirmations from the directors of the Company and related parties which confirmed that they will not demand the Group for repayment of the amounts due by the Group in aggregate of RMB28,354,000 for the next twelve months from 31 December 2024;

(iii) The Group is in negotiation with certain potential investors to raise fund to finance the capital investments for its tourism and integrated development projects;

(iv) The Group is maximising its efforts to dispose its properties held for sales with a carrying amount of approximately RMB15,097,000 as at 31 December 2024 and expected to collect the sales proceeds within the cashflow forecast period;

(v) The Group will continue to take initiatives to implement cost control measures, including adjustment to management remuneration and streamlining administrative costs; and

(vi) The Group will continue its efforts to implement measures to strengthen its operating cash flows and working capital position, including expediting collection of outstanding trade receivables, obtaining additional sources of financing and deferring discretionary capital expenditures, where necessary.

The directors of the Company, after making due enquiries and considering the basis of management's cashflow forecast described above and after taking into account the reasonably possible changes in the operation performance, believe there will be sufficient financial resources available to the Group at least in the coming twelve months after the reporting date to meet its financial obligations as and when they fall due. Accordingly, the directors of the Company consider that it is appropriate to prepare the interim condensed consolidated financial statements on a going concern basis.

Notwithstanding the above, a material uncertainty exist as to whether management of the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows through achieving the below plans and measures:

(i) Successful draw down of financial resources from the above-mentioned (i) borrowing facility from the company wholly-owned by the major shareholder and (ii) financial support from the major shareholder, as and when required;

(ii) Successful completion of fund raising to finance the Group's capital investments for its tourism and integrated development projects;

(iii) Successful in disposal of its properties held for sale and collection of sales proceeds as planned;

(iv) Successful implementation of measures to control operating costs, expedite collection from customers, obtain additional sources of financing when needed and deferring discretionary capital expenditures where necessary, so as to improve the Group's cash flow position; and

(v) Successful obtaining of additional sources of financing as and when needed.

Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the interim condensed consolidated financial statements.

1.3 ACCOUNTING POLICIES

(a) New or amended standards adopted by the Group.

There are a number of new or amended standards and interpretations that become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adoption these standards.

(b) New standards and amendments to standards have been issued but are not yet early adopted by the Group.

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for this reporting period and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

1.4 ESTIMATES

The preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements for the eighteen months ended 30 June 2024.

2. SEGMENT AND REVENUE INFORMATION

The Group identifies its operating segments and prepared segment information based on the regular internal financial information reported to the Group's executive directors, being the chief operating decision maker ("**CODM**") for the purpose of resources allocation to the Group's business components and review of these components' performance.

The Group is organised into business units based on their products and services, and has reportable operating segments as follows:

a. Publishing and advertising segment, which mainly included provision of the advertising services, marketing and consulting services, printing services and agency commission from sales of service pack; and

b. Tourism and integrated developments segment, which mainly included provision of tourism and integrated services through its media, resort and eco-tourism integrated development projects and sales of agricultural products, including the Yongtai Distinctive Town Project and Cooperative Project in YongFu Town.

The Executive Directors assess the performance of the operating segments based on a measure of earnings before interest, other income and other gains, net and income tax. This measurement basis excludes the effects of non-recurring expenditure from operating segments. Loss on conversion of shareholder loan to contingent convertible loan, gain on conversion of convertible bond to shareholder loan, fair value change of contingent convertible loan, share of results of investments accounted for using the equity method, fair value loss on financial assets at FVTPL, interest income and finance costs are not allocated to segment. No analysis of segment assets and liabilities is regularly provided to the CODM.

As the CODM considers most of the Group's consolidated revenue and results are attributable to the market in the PRC and the Group's consolidated assets are substantially located in the PRC, no geographical information is presented.

Segment revenue and segment results

The table below shows the segment results and other segment items provided to the CODM for the reportable segments for the six months ended 31 December 2024.

	Publishing and advertising *RMB'000* **(Unaudited)**	**Tourism and integrated developments** *RMB'000* **(Unaudited)**	**Total** *RMB'000* **(Unaudited)**
Segment revenue from external customers	**296**	**54,108**	**54,404**
Timing of revenue recognition:			
– At a point in time	**296**	**54,108**	**54,404**
Segment results	**(1,782)**	**(3,393)**	**(5,175)**
Loss before tax			**(5,175)**
Income tax expenses			**(32)**
Loss for the period			**(5,207)**

The table below shows the segment results and other segment items provided to the CODM for the reportable segments for the six months ended 30 June 2023.

	Publishing and advertising *RMB'000* (Unaudited)	Tourism and integrated developments *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Segment revenue from external customers	21,856	1,098	22,954
Timing of revenue recognition:			
– At a point in time	21,408	1,098	22,506
– Over time	448	–	448
Segment results	3,535	210	3,745
Reconciliation:			
Other income and gains, net			280
Other losses – net			(46,234)
Finance costs			(915)
Loss before tax			(43,124)
Income tax expenses			(62)
Loss for the period			(43,186)

	Six months ended	
	31 December 2024	30 June 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers:		
– Newspaper and public vehicles advertising	**–**	848
– Marketing and consulting services	**259**	20,934
– Printing services	**–**	981
– Sales of agricultural products	**54,108**	74
– Others	**37**	117
	54,404	22,954

3. TRADE RECEIVABLES –NET

	As at	As at
	31 December 2024	30 June 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Receivables at amortised cost comprised:		
Trade receivables	**28,866**	15,840
Less: allowance for impairment of trade receivables	**(10,727)**	(10,727)
	18,139	5,113

The Group allows credit period ranging from 30 to 365 days to its trade customers. The following is an aging analysis of trade receivables net of allowance for impairment of trade receivables presented based on the invoice date, at the end of the reporting period.

	As at	As at
	31 December 2024	30 June 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
0 to 30 days	**1,002**	34
31 to 60 days	**19,712**	–
61 to 180 days	**–**	–
181 to 365 days	**828**	3,380
Over 1 year	**7,324**	12,426
	28,866	15,840
Less: provision for impairment of trade receivables	**(10,727)**	(10,727)
	18,139	5,113

The Group does not hold any collateral as security.

4. TRADE PAYABLES

	As at 31 December 2024 *RMB'000* (Unaudited)	As at 30 June 2024 *RMB'000* (Audited)
Trade payables	**24,625**	10,754

The credit period is generally ranging from 30 to 365 days. The following is an aging analysis of trade payables presented based on the invoice date at the end of the reporting period.

	As at 31 December 2024 *RMB'000* (Unaudited)	As at 30 June 2024 *RMB'000* (Audited)
0 to 30 days	**5,914**	–
31 to 90 days	**15,713**	–
Over 90 days	**2,998**	10,754
	24,625	10,754

5. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

	Six months ended	
	31 December 2024 *RMB'000* (Unaudited)	30 June 2023 *RMB'000* (Unaudited)
Employee benefit expenses (including directors' emoluments)	**805**	8,067
Auditor's remuneration	**150**	350
Cost of inventories recognised as expenses		
– Cost of services and inventories sold	**50,990**	1,500
Amortisation of intangible assets	**363**	355
Depreciation of property, plant and equipment	**357**	1,650
Depreciation of right-of-use assets	**128**	353
Net change in provision for impairment of trade receivables	**–**	566
Lease charges:		
– Short-term leases (leases with lease term shorter than 12 months)	**–**	76

6. INCOME TAX

Income tax has been recognised in profit or loss as following:

	Six months ended	
	31 December 2024	30 June 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax		
– PRC	**32**	62
– Hong Kong	**–**	–
	32	62
Deferred tax	**–**	–
Income tax expenses/(credit)	**32**	62

The Group has no assessable income arising in or derived from Hong Kong during the six months ended 31 December 2024 and the six months ended 30 June 2023.

7. LOSS PER SHARE

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

	Six months ended	
	31 December 2024	30 June 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to owners of the Company	**(4,293)**	(28,597)
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share (thousands)	**1,070,703**	1,061,515

The diluted loss per share is the same as the basic loss per share as the computation of diluted loss per share does not assume the exercise of the Company's share options since their exercise would result in an anti-dilutive effect on loss per share for the six months ended 31 December 2024 and six months ended 30 June 2023.

8. DIVIDENDS

No dividend has been declared by the Company for the period ended 31 December 2024 (30 June 2023: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

According to data released by the National Bureau of Statistics on 17 January 2025, China's annual gross domestic product (GDP) in 2024 reached RMB134.9084 trillion, representing by 5.0% year-on-year at constant prices, with a 5.4% year-on-year increase in the fourth quarter. Breaking down by sector, in 2024, added value of information transmission, software, and information technology services, leasing and business services, transportation, warehousing, and postal services, accommodation and catering, financial services, wholesale and retail sector increased by 10.9%, 10.4%, 7.0%, 6.4%, 5.6% and 5.5%, respectively. According to CTR Media Intelligence, China's advertising market grew by 1.7% year-on-year from January to November 2024, though in November, the spending on publication advertising saw slight declines on year-on-year and month-on-month basis. From specific industries and brand performance, the top rankings in the advertising market from January to November 2024 show that the publication advertising spending form each of the entertainment and leisure, cosmetics/toiletries, postal and telecommunications, and apparel industries achieved a double-digit year-on-year growth. Each of alcohol beverages and commercial/service sectors also saw a single-digit year-on-year increase in advertising investment. Meanwhile, pharmaceuticals, food, and beverages maintained large-scale advertising investment, consistently ranking at the forefront of the list. Regarding media selection among top industries, sectors such as commercial/services, personal goods, entertainment/leisure, and postal/telecommunications significantly increased their TV advertising efforts. In particular, various categories like tourism/regional image promotion, eyewear/contact lenses, medical/healthcare institutions, and communication products were performed actively on TV channels, with publication advertising spending rising by double digits year-on-year. Sectors like cosmetics/toiletries, entertainment/leisure, postal/telecommunications, alcohol beverages, and apparel allocated substantial budgets to outdoor advertising channels, with notable increases in investment. The advertising expenditure in the entertainment and leisure sector increased by 18.9% year-on-year, with double-digit growth across multiple advertising channels including TV, street facilities, subways, airports, and elevator environments. The primary drivers were attributable to increased promotional investments in categories such as tourism/regional branding, educational supplies and services, and sports goods and services within the industry.

PROSPECTS

- Overall, according to data released by the National Bureau of Statistics, national consumer prices index (CPI) in 2024 rose by 0.2% over the previous year. Prices of food, tobacco and alcohol fell by 0.1%,
- Clothing prices rose 1.4%, housing prices rose 0.1%,
- Prices of daily necessities and services rose by 0.5%,
- Prices of transport and communications fell by 1.9%,
- Prices of education, culture and entertainment prices rose by 1.5%,
- Prices of medical and healthcare rose by 1.3%,
- Prices of other supplies and services rose 3.8%.

In prices of food, tobacco, and alcohol, fresh fruit prices decreased by 3.5%, grain prices dropped by 0.1%, fresh vegetable prices rose by 5.0%, and pork prices increased by 7.7%. The core CPI, excluding food and energy prices, rose by 0.5%.

In December, the consumer price index increased by 0.1% year-on-year and remained flat month-on-month.

For the entire year, both producer prices for industrial products and purchasing prices for industrial inputs declined by 2.2% as compared to the previous year. In December, such prices fell by 2.3% year-on-year and 0.1% month-on-month, respectively.

Based on the above data, the Group's core businesses – agricultural product sales and real estate marketing and information services fell within the categories experiencing price increases. As a result, we expected to have a moderate growth in the Group's performance during the next financial year.

Human Resources

As at 31 December 2024, the Group had 110 employees (30 June 2023: 174). Total staff costs including directors' remuneration for the six months ended were RMB0.8 million (year ended 30 June 2023: RMB8.1 million).

The remuneration of the directors is evaluated by the remuneration committee, which also makes recommendations to the Board. In addition, the remuneration committee reviews the performance, and determines the remuneration structure, of the Group's senior management.

BUSINESS REVIEW

For the six months ended 31 December 2024, the Group recorded revenue of approximately RMB54 million from its principal business (six months ended 30 June 2023: approximately RMB22.9 million). The gross profit was RMB3.4 million (six months ended 30 June 2023: approximately RMB4.9 million). The gross profit margin decreased from 21% in 2023 to 6.2% in 2024. The net loss after taxation was approximately RMB5.2 million (six months ended 30 June 2023: approximately RMB43 million).

Newspapers and Public Vehicles Advertising Services

With the rapid advancement of technology and speedy changes in the market environment, the advertising industry is swiftly changing its placement model. Traditional media such as newspapers, radio, and television are gradually declining, while the mobile Internet and new media are beginning to dominate a strong lead in the advertising industry. Overall speaking, throughout the period, performance of this part of the business continued to deteriorate, due to adverse operating environment. For the six months ended 31 December 2024, newspapers and public vehicles advertising contributed RMBNil (six months ended 30 June 2023: approximately RMB0.85 million) to the Group's revenue.

Marketing and Consulting Services and Printing Services

The rate of post-COVID 19 recovery is slower than expected and consumer confidence and property market remain weak. For the six months ended 31 December 2024, the Group's revenue from marketing and consulting services was approximately RMB0.26 million, representing a decrease of 98.7% as compared with the corresponding period in 2023. The revenue from the printing services decreased to RMBNil, compared to approximately RMB0.98 million for the corresponding period in 2023.

Sales of Agricultural Products

For the six months ended 31 December 2024, the Group's revenue from sales of agricultural products was approximately RMB54 million (six months ended 30 June 2023: approximately RMB74,000). The sales of agricultural products of the Group mainly focus on ornamental plants.

Internet and Other Services

During the period under review, the Group was still conducting market survey to decide the business models of www.dnkb.com.cn and www.duk.cn and as such, the Internet services segment has yet to contribute any revenue to the Group.

Tourism and Integrated Developments Segment

In line with the national policy of distinctive town construction, development and investment with an aim to promoting China regional development and rural revitalisation, the Group entered into a framework agreement with the government of Yongtai County of Fuzhou to undertake the project of "Yongtai Kungfu Distinctive Town" with a theme of film and cultural entertainment. The first phase of the project has completed most of its construction works and features a 60-Chinese mu eco-friendly greenhouse farm and ecologic forests with a total area of over 10,000 Chinese mu. The Group intends to develop this part of the project into a fullchain ecological production center that integrates seed production, plantation, processing and sales of agricultural products.

To further develop our eco-agricultural business, in 2019, the Company commenced a cooperation project in Yongfu County, Longyan City, Fujian Province. Under this cooperation project, qualified cultivators joined the Company's cooperatives to form an eco-agricultural demonstration base. Cultivators under the cooperation will be responsible for planting agricultural products, and the Company will be responsible for sourcing seeds, soil, fertilizers, auxiliary materials and other productive materials. Moreover, the Company will provide all-round technical guidance and latest industrial information to cultivators under the cooperation. The Company will procure the agricultural products produced by cultivators and sell them through various marketing channels. Since 2019, the Company established an O2O website, mobile APP and WeChat Mini Programs to promote online and offline sales of these agricultural products. In 2024, the Group's revenue from the sales of agricultural products was approximately RMB5.4 million.

FINANCIAL REVIEW

Revenue

The total revenue of the Group increased from RMB23 million for the six months ended 30 June 2023 to RMB54 million for the six months ended 31 December 2024, principally due to the increase in revenue from sales of agricultural products. The Group's revenue from the sales of agricultural products for the six months ended 31 December 2024 was RMB54 million (the six months ended 30 June 2023: approximately RMB74,000).

Gross profit and gross profit margin

The Group recorded a gross profit of RMB3.4 million for the six months ended 31 December 2024, compared to RMB4.9 million for the six months ended 30 June 2023. The gross profit margin decreased from 21.22% for the six months ended 30 June 2023 to 6.27% for the six months ended 31 December 2024. The Group's profit margin on sales of agricultural products was lower in 2024.

Overall expenses

The Group's overall expenses was RMB8.6 million for the six months ended 31 December 2024, compared to approximately RMB48 million for the corresponding period in 2023, principally due to the significant decrease in general and administrative expenses in 2024.

Results for the period

The Group recorded a net loss of RMB5.2 million for the six months ended 31 December 2024 (six months ended 30 June 2023: net loss of RMB43 million), principally due to the increase in revenue from sales of agricultural products in 2024.

Capital expenditures

During the six months ended 31 December 2024 and 30 June 2023, the Group incurred capital expenditures mainly for construction costs related to property, plant and equipment, purchase of leasehold improvements and office equipment. No capital expenditures were recorded for the six months ended 31 December 2024 and RMB306,299 for the six months ended 30 June 2023, respectively.

Trade receivables – net

The following table sets out the aging analysis of the Group's trade receivables based on invoice date:

	As at 31 December 2024 *RMB'000* **(Unaudited)**	As at 30 June 2024 *RMB'000* (Audited)
Aging analysis of trade receivables		
1–30 days	**1,002**	34
31–60 days	**19,712**	–
61–90 days	**–**	–
181–365 days	**828**	3,380
Over 1 year	**7,324**	12,426
	28,866	15,840
Less: provision for impairment of trade receivables	**(10,727)**	(10,727)
Trade receivables – net	**18,139**	5,113

Properties held for sale

	As at 31 December 2024 *RMB'000* **(Unaudited)**	As at 30 June 2024 *RMB'000* (Audited)
Properties held for sale	**15,097**	15,097

Properties are classified as properties held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable.

Trade payables

	As at 31 December 2024	As at 30 June 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Aging analysis of trade payables based on invoice date		
1–30 days	**5,914**	–
31–90 days	**15,713**	–
Over 90 days	**2,998**	10,754
	24,625	10,754

Liquidity and Financial Resources

As at 31 December 2024, net current liabilities of the Group were approximately RMB54 million. The bank and cash balances were approximately RMB3.7 million.

As at 31 December 2024, the Group has outstanding liabilities of approximately RMB171 million comprising (i) trade payables of approximately RMB25 million, (ii) accruals, other payables and deposits received of approximately RMB98 million, (iii) Amounts due to related parties of approximately RMB24 million, and (iv) other liabilities of approximately RMB24 million.

As of 31 December 2024, the Group had no outstanding bank borrowings (30 June 2024: Nil).

The current ratio, being the ratio of current assets to current liabilities, was approximately 0.65 times as at 31 December 2024 (30 June 2024: approximately 0.67 times).

The Company did not carry out any fund raising activities by issuing new shares of the Company during the Period.

Share Capital and Capital Structure of the Company

As at 31 December 2024, the Company had 1,075,449,549 ordinary shares of HK$0.01 each (the "Shares") in issue (30 June 2024: 1,075,449,549 Shares).

Significant Investments, Acquisitions And Disposals

During the six months ended 31 December 2024, the Group had no material acquisitions and disposals of subsidiaries. As at 31 December 2024, the Group had no material investment.

Pledge of Group's assets

The Group did not have any charge on assets for the Period (30 June 2024: Nil).

Foreign Exchange Exposure

The Group's monetary assets, liabilities and transactions are mainly denominated in Hong Kong dollars and Renminbi. The Group is mainly exposed to foreign exchange risk with respect to Renminbi which may affect the Group's performance. The Group regularly reviews the balances of assets and liabilities and the currencies in which the transactions are denominated so as to minimise the Group's exposure to foreign currency risk. During the Period, no financial instruments had been used for hedging purpose. The Directors are of the view that the transactional exposure of the Group in currencies other than the functional currencies is maintained at an acceptable level.

Gearing ratio

Gearing ratio, being proportion of the Group's total borrowings to total assets, was 83% as at 31 December 2024 (30 June 2024: 81%).

Commitments

(a) Operating lease commitments – as a lessor

The future aggregate minimum lease receipts under non-cancellable operating leases are as follows:

	As at 31 December 2024 ***RMB'000*** **(Unaudited)**	As at 30 June 2024 *RMB'000* (Audited)
Not later than 1 year	**1,409**	773
Later than 1 year and not later than 5 years	**1,466**	871
	2,875	1,644

(b) Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities amounted to RMB3 million in respect of property, plant and equipment as at 31 December 2024 and 30 June 2024.

Contingent liabilities

The Group follows the guidance of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" to determine when should contingent liabilities be recognised, which requires significant judgement.

A contingent liability will be disclosed when a possible obligation has arisen, but its existence has to be confirmed by future events outside the Group's control, or when it is not possible to calculate the amount. Realisation of any contingent liabilities currently not recognised or disclosed could have a material impact on the Group's financial position.

The Group reviews for any significant outstanding litigations in order to assess the need for provisions. Among the factors considered are the nature of the litigation, legal processes and potential level of damages, the opinions and views of the legal counsel, and the management's intentions to respond to the litigations. To the extent the estimates and judgements do not reflect the actual outcome, this could materially affect the results for the year and the financial position.

As at 31 December 2024 and 30 June 2023, the Group had no material contingent liabilities.

CHANGES IN DIRECTORS AND COMPANY SECRETARY

(i) On 25 October 2024, Mr. Pang Wai Hong resigned as the company secretary of the Company;

(ii) On 5 November 2024, Mr. Chan Yik Pun was appointed as the company secretary of the Company;

(iii) On 4 December 2024, Mr. Mao Xiangyun retired as a independent non-executive Director.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 31 December 2024 (six months ended 30 June 2023: Nil).

CORPORATE GOVERNANCE CODE

The Company recognises the importance and value of achieving high standards of corporate governance practices. The Board believes that good corporate governance is an essential element in maintaining and promoting shareholder value and investor confidence.

The Company has adopted the code provisions on Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as its own code of corporate governance since the date of the listing of the shares of the Company on the Main Board of the Stock Exchange on 3 December 2010 (the "**Listing Date**"), which shall also be revised from time to time in accordance with the Listing Rules. Saved as disclosed below, the Board considers the Company has complied with the code provisions as set out in the CG Code.

Under code provision C.2.1 of the CG code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. During the period under review, Mr. Chen Zhi is the chairman and the CEO of the Company, which deviates from code provision C.2.1. However, the management conveyed the latest business developments to the Directors to enable them to communicate regularly to consider and review the major and appropriate issues which may affect the operations of the Company arising from the overlap of chairman and CEO. As such, the Board considers that the sufficient measures had been taken and the overlap of chairman and CEO should not impair the balance of power and authority between the Board and the management.

Under Code Provision D.1.2, management should provide all members of the Board with monthly updates on the issuer's performance, position and prospects, which may include monthly management accounts and material variance between projections and actual results. During the period under review, although management accounts were not circulated to Board members on monthly basis, regular verbal updates were given by management to Directors on working level meetings from time to time, which the management and the Board consider to be sufficient and appropriate in the circumstances in giving a balanced and understandable assessment of the Group's performance and enabling Directors to discharge their duties.

The Board shall continue to monitor and review the Company's corporate governance practices to ensure compliance of the CG Code.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set forth in Appendix C3 of the Listing Rules as its own code of conduct for dealing in securities by the directors of the Company. Specific enquiries have been made to all the directors of the Company and all of them confirmed and declared that they have complied with the required standards as set out in the Model Code during the six months ended 31 December 2024 and up to the date of this announcement.

AUDIT COMMITTEE

The Audit Committee of the Company has been established in compliance with Rules 3.21 and Rules 3.22 of the Listing Rules with written term of reference in compliance with the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group. The Audit Committee currently consists of two independent non-executive directors of the Company, namely Mr. Chai Chung Wai and Mr. Wei Hong. Mr. Chai Chung Wai is the chairman of the Audit Committee, who has appropriate professional qualifications and experience in accounting matters. The Audit Committee has reviewed the Group's condensed consolidated interim financial information for the six months ended 31 December 2024.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

The Company has not redeemed any of its listed shares during the six months ended 31 December 2024. Neither the Company nor any of its subsidiaries had purchased, sold or repurchased any of the listed shares of the Company during the six months ended 31 December 2024.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is published on the websites of the Company (www.shifangholding.com) and the Stock Exchange (www.hkexnews.hk). An interim report of the Company for the six months ended 31 December 2024 containing all the information required by the Listing Rules will be dispatched to shareholders of the Company and made available on the abovementioned websites in due course.

By order of the Board
ShiFang Holding Limited
Chen Zhi
Chairman & Chief Executive Officer

Hong Kong, 28 February 2025

As at the date of this announcement, the executive Directors of the Company are Mr. Chen Zhi (Chairman & Chief Executive Officer) and Mr. Chen Ye; the non-executive Director is Ms. Wang Bao Zhu; and the independent non-executive Directors are Mr. Chai Chung Wai and Mr. Wei Hong.