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CHINA HEALTH

China Health Technology Group Holding Company Limited

中國健康科技集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1069)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

The board (the “**Board**”) of directors (the “**Director(s)**”) of China Health Technology Group Holding Company Limited (the “**Company**”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 31 December 2024 (the “**Reporting Period**”) together with the comparative figures for the six months ended 31 December 2023 (the “**Previous Period**”).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2024

		Six months ended 31 December	
		2024	2023
		(Unaudited)	(Unaudited)
	Notes	RMB'000	RMB'000
Revenue	4	31,112	19,020
Cost of sales		<u>(28,335)</u>	<u>(15,262)</u>
Gross profit		<u>2,777</u>	<u>3,758</u>
Investment and other income	6	2	3
Other gains	7	13,140	4,726
Selling and distribution expenses		(148)	(623)
Administrative expenses		(9,392)	(8,414)
Finance costs	8	(1,337)	(51)
Gain on debt restructuring	9	<u>–</u>	<u>202,024</u>
Profit before tax	10	5,042	201,423
Income tax expense	11	<u>(64)</u>	<u>(2)</u>
Profit for the period		<u>4,978</u>	<u>201,421</u>
OTHER COMPREHENSIVE INCOME			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translation of financial statements of foreign operations		<u>1,375</u>	<u>6,448</u>
Other comprehensive income for the period		<u>1,375</u>	<u>6,448</u>
Total comprehensive income for the period		<u>6,353</u>	<u>207,869</u>
		RMB Cents	RMB Cents
Profit per share	13		
Basic		0.63	32.11
Diluted		<u>N/A</u>	<u>N/A</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

		31 December 2024 (Unaudited) <i>RMB'000</i>	30 June 2024 (Audited) <i>RMB'000</i>
	<i>Notes</i>		
NON-CURRENT ASSETS			
Property, plant and equipment		1,094	1,267
Right-of-use asset		39,583	42,275
Plantation forest assets		50,670	50,670
Plantation ginseng assets		32,995	29,400
Plantation horny goat weed assets		13,386	7,232
		<u>137,728</u>	<u>130,844</u>
CURRENT ASSETS			
Inventories		3,600	1,309
Trade and other receivables	14	23,594	18,530
Deposits and prepayments		23,487	24,253
Bank balances and cash		2,676	3,230
		<u>53,357</u>	<u>47,322</u>
CURRENT LIABILITIES			
Trade and other payables	15	26,924	16,304
Contract liabilities		22,468	28,209
Lease liabilities		2,375	3,225
Income tax payable		1,589	1,577
		<u>53,356</u>	<u>49,315</u>
NET CURRENT ASSETS/(CURRENT LIABILITIES)			
		1	(1,993)
TOTAL ASSETS LESS CURRENT LIABILITIES			
		137,729	128,851

	31 December 2024 (Unaudited) <i>Notes</i> RMB'000	30 June 2024 (Audited) RMB'000
NON-CURRENT LIABILITIES		
Promissory notes payable	112,860	115,153
Lease liabilities	–	735
	112,860	115,888
NET ASSETS	24,869	12,963
Capital and reserves		
Share capital	7,856	6,564
Reserves	17,013	6,399
Total equity	24,869	12,963

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 December 2024

1. GENERAL INFORMATION

China Health Technology Group Holding Company Limited is a public limited company incorporated in the Cayman Islands and its shares are listed on the Main Board of the Stock Exchange.

The Group is principally engaged in forestry management, ginseng plantation and trading, horny goat weed plantation and trading, health products manufacturing and trading and investment holding.

In prior years, the Company's functional currency was Hong Kong dollar ("HK\$"). The Company is an investment holding company. Due to the continuing expansion of the Group's business operations in Mainland China ("PRC") which are transacted mainly in Renminbi ("RMB"), the directors have determined that the functional currency of the Company changed from HK\$ to RMB on the prospective basis from 1 July 2022. As the operations of the Group are mainly carried out in the PRC, the directors of the Company consider it appropriate to present the consolidated financial statements in RMB.

The condensed consolidated interim financial statements are unaudited but have been reviewed by the Audit Committee.

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements and selected explanatory notes have been prepared in accordance with Hong Kong Accounting Standard 34 ("HKAS 34") "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated interim financial statements for the six months ended 31 December 2024 are the same as those presented in the Group's consolidated financial statements for the year ended 30 June 2024.

Going concern basis

The directors of the Company have, at the time of approving the condensed consolidated interim financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated interim financial statements have been prepared on the historical cost basis, except for plantation forest assets, which are measured at fair value. Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated interim financial statements for the six months ended 31 December 2024 are the same as those presented in the Group’s audited consolidated financial statements for the year ended 30 June 2024.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual periods beginning on or after 1 July 2024 for the preparation of the Group’s condensed consolidated interim financial statements:

HKAS 1	Classification of Liabilities as Current or Non-current (amendments)
HKAS 1	Non-current Liabilities with Covenants (amendments)
HKFRS 16	Lease Liability in a Sale and Leaseback (amendments)
HK Int 5 (Revised)	Hong Kong Interpretation 5 (Revised) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (amendments)
HKAS 7 and HKFRS 7	Supplier Finance Arrangements (amendments)

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

4. REVENUE

An analysis of the Group’s revenue is as follows:

	Six months ended 31 December	
	2024	2023
	(Unaudited)	(Unaudited)
	RMB’000	RMB’000
Revenue from sales of goods	31,112	19,020
Total revenue	31,112	19,020

Revenue from sales of goods is recognised at point in time when the control of the goods are transferred to customers.

5. SEGMENT INFORMATION

Information reported to the chairman of the Board (being the chief executive decision maker) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods and services delivered.

The Group’s reportable operating segments are analysed as follows:

- (i) Forestry Business – plantation, logging and sale of timber related products;
- (ii) Ginseng Business – ginseng plantation and trading of related products;
- (iii) Horny Goat Weed Business – horny goat weed plantation and trading of related products; and
- (iv) Health Products Business – manufacturing and trading of health products.

Information regarding the above segments for the six months ended 31 December 2024 and 2023 respectively is presented below.

Segment revenues and results

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

For the six months ended 31 December 2024 (unaudited)

	Forestry Business <i>RMB'000</i>	Ginseng Business <i>RMB'000</i>	Horny Goat Weed Business <i>RMB'000</i>	Health Products Business <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue	<u>11,564</u>	<u>16,152</u>	<u>-</u>	<u>3,396</u>	<u>31,112</u>
Segment profit/(loss)	<u>9,105</u>	<u>1,751</u>	<u>-</u>	<u>508</u>	<u>11,364</u>
Unallocated bank interest income					2
Other unallocated expenses					(4,987)
Finance costs					<u>(1,337)</u>
Profit before tax					5,042
Income tax expense					<u>(64)</u>
Profit for the period					<u>4,978</u>

For the six months ended 31 December 2023 (unaudited)

	Forestry Business <i>RMB'000</i>	Ginseng Business <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue	<u>5,440</u>	<u>13,580</u>	<u>19,020</u>
Segment profit	<u>2,763</u>	<u>2,470</u>	5,233
Unallocated bank interest income			3
Other unallocated income			202,024
Other unallocated expenses			(5,786)
Finance costs			<u>(51)</u>
Profit before tax			201,423
Income tax expense			<u>(2)</u>
Profit for the period			<u>201,421</u>

Segment assets and liabilities

	31 December 2024 (Unaudited) RMB'000	30 June 2024 (Audited) RMB'000
Segment assets		
Forestry Business	99,984	98,594
Ginseng Business	67,043	62,779
Horny Goat Weed Business	13,386	7,232
Health Products Business	1,614	–
Total segment assets	182,027	168,605
Unallocated assets	9,058	9,561
Consolidated assets	191,085	178,166
	31 December 2024 (Unaudited) RMB'000	30 June 2024 (Audited) RMB'000
Segment liabilities		
Forestry Business	6,346	3,507
Ginseng Business	33,524	33,892
Horny Goat Weed Business	–	–
Health Products Business	1,116	–
Total segment liabilities	40,986	37,399
Unallocated liabilities	130,840	127,804
Consolidated liabilities	171,826	165,203

6. INVESTMENT AND OTHER INCOME

	Six months ended 31 December 2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Bank interest income	2	3
Total investment and other income	2	3

7. OTHER GAINS, NET

	Six months ended 31 December	
	2024	2023
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Net gain on change in fair value less costs to sell of plantation forest assets		
– forest	11,564	5,027
– ginseng	1,576	–
Exchange loss	–	(301)
	<u>13,140</u>	<u>4,726</u>
Total other gains, net	<u>13,140</u>	<u>4,726</u>

8. FINANCE COSTS

	Six months ended 31 December	
	2024	2023
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Interest on:		
– corporate bonds payable	1,200	–
– lease liabilities	137	51
	<u>1,337</u>	<u>51</u>

9. GAIN ON DEBT RESTRUCTURING

	Six months ended 31 December	
	2024	2023
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Gain on debt restructuring	<u>–</u>	<u>202,024</u>

Gain on debt restructuring pursuant to the restructuring framework agreement (the “**Restructuring Framework Agreement**”) entered between the Company, Mr. Osman Mohammed Arab and Mr. Lai Wing Lun of RSM Corporate Advisory (Hong Kong) Limited and Mr. Martin Trott of R&H Restructuring (Cayman) Ltd. as the former joint provisional liquidators (for restructuring purposes) of the Company and Zhonggangtong International Holding Group Co., Limited (the “**Investor**”) on 30 December 2022 of approximately RMB202.02 million was recorded during the period under review. Such impact arose from the difference between the carrying amount of liabilities settled of approximately RMB410.17 million and (i) 140,000,000 shares issued by the Company to China Bozza Scheme Limited (the “**Scheme Company**”), which holds the shares for the benefit of the creditors, at the issue price of HK\$0.55 per share for a total consideration of approximately HK\$77 million (equivalent to approximately RMB70.61 million), on a pro-rata basis for the claims of creditors under the creditors’ scheme pursuant to the Restructuring Framework Agreement (the “**Creditors’ Scheme**”); (ii) promissory notes issued by the Company with a principal amount of HK\$120 million (equivalent to approximately RMB110.03 million), to the Scheme Company for the benefit of the creditors on a pro-rata basis for the claims of creditors under the Creditors’ Scheme, which will mature on 28 July 2028; and (iii) HK\$30 million cash consideration (equivalent to approximately RMB27.51 million) out of the proceeds of the subscription of 466,000,000 shares of the Company at the issue price of HK\$0.1288 by the Investor with the total amount of HK\$60 million, which has been paid to the Scheme Company. Details regarding the Restructuring Framework Agreement and the completion of restructuring of the Company pursuant to the Restructuring Framework Agreement are set out in the Company’s announcements dated 30 December 2022 and 28 July 2023.

10. PROFIT BEFORE TAX

	Six months ended 31 December	
	2024	2023
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Profit before tax has been arrived at after charging:		
Directors' emoluments	421	1,074
Other staff costs	1,107	810
	<u>1,528</u>	<u>1,884</u>
Total staff costs		
	<u>1,528</u>	<u>1,884</u>
Cost of timber harvested	11,564	15,262
Cost of ginseng harvested	5,380	–
Cost of ginseng trading	8,712	–
Cost of health products trading	2,679	–
Depreciation charge in respect of:		
– property, plant and equipment	113	64
– right-of-use assets	2,717	1,777
Short-term lease expenses	302	698
	<u>302</u>	<u>698</u>

11. INCOME TAX EXPENSE

	Six months ended 31 December	
	2024	2023
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
PRC Enterprise Income Tax		
Charge for the year	64	–
Under-provision in prior years	–	2
	<u>–</u>	<u>2</u>
Income tax expense	64	2
	<u>64</u>	<u>2</u>

A group entity is chargeable to Hong Kong Profits Tax under the two-tiered profits tax rates regime whereby, the first HK\$2 million of assessable profits of the qualifying group entity will be taxed at 8.25%, and assessable profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime are chargeable to Hong Kong Profits Tax at the tax rate of 16.5%. No provision for Hong Kong Profits Tax of the current year and the prior period has been made in the consolidated financial statements as the Group has no assessable profit subject to tax in respect of both of the periods.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the PRC Enterprise Income Tax rate of the PRC subsidiaries is 25%. Pursuant to the Implementation Regulation of the EIT Law, the Group's PRC subsidiaries which are engaged in forestry business are entitled to full exemption from PRC Enterprise Income Tax in respect of both of the year presented.

Pursuant to the laws and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the Group is not subject to any income tax in the Cayman Islands and the BVI.

12. DIVIDEND

No dividend was paid, declared or proposed during the six months ended 31 December 2024, nor had any dividend been proposed since the end of the reporting period six months ended 31 December 2023.

13. PROFIT PER SHARE

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

	Six months ended 31 December	
	2024	2023
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Profit		
Profit for the purpose of basic profit per share		
Profit for the period attributable to owners of the Company	4,978	201,421
	2024	2023
	(Unaudited)	(Unaudited)
	'000	'000
		(restated)
Number of shares		
Weighted average number of ordinary shares in issue during the period for the purpose of basic profit per share	792,405	627,318

Note:

- (i) No diluted profit per share were presented as there were no potentially dilutive ordinary share in issue during both of the periods presented.

14. TRADE AND OTHER RECEIVABLES

	31 December	30 June
	2024	2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Trade receivables	20,745	17,343
Other receivables	2,849	1,187
	23,594	18,530

The Group generally allows an average credit period of 120 days (2024: 120 days) to its trade customers, where partial payment in advance is normally required. The Group does not hold any collateral over these balances. The following is an aged analysis of trade receivables, net of allowance for doubtful debts, presented based on invoice dates:

	31 December 2024 (Unaudited) RMB'000	30 June 2024 (Audited) RMB'000
0–90 days	19,708	16,924
91–180 days	1,037	419
181–365 days	–	–
Total	20,745	17,343

15. TRADE AND OTHER PAYABLES

	31 December 2024 (Unaudited) RMB'000	30 June 2024 (Audited) RMB'000
Trade payables (<i>Note (i) & (ii)</i>)	12,195	3,746
Amounts due to former directors (<i>Note (iii)</i>)	–	9,066
Other payables and accrued charges	2,729	3,492
Interests payable on promissory notes payable and corporate bonds payable	12,000	–
	26,924	16,304

Notes:

- (i) The average credit period on purchase of goods is within 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.
- (ii) The following is an aged analysis of trade payables presented based on invoice dates:

	31 December 2024 (Unaudited) RMB'000	30 June 2024 (Audited) RMB'000
0–30 days	11,585	3,541
31–90 days	405	–
Over 90 days	205	205
	12,195	3,746

- (iii) The amounts due to former directors, which resigned during the prior years, were unsecured, interest free and repayable on demand.

MANAGEMENT DISCUSSION AND ANALYSIS

Business and Operational Review

The Group is principally engaged in the businesses of (a) forestry management; (b) ginseng business; and (c) health products business.

Forestry Management Business

The Group has been engaging in the forestry management business since 2013. Revenue generated from the Group's forestry management business is mainly derived from sales of timber logs which are harvested from the Group's forests. The Group recognises revenue from timber log sales when control of the relevant goods is transferred to the customers.

As at the date of this announcement, all of the forest lands owned by the Group are located in the Sichuan Province in the PRC.

The table below sets forth all forest land owned by the Group:

Name	Location	Size	Type of timber
Hengchang Forests	Muma Town, Jiange County of Sichuan Province	21,045 Chinese Mu (equivalent to 1,403 hectares)	Cypress
Kunlin Forests	Zhengxing Town, Jiange County of Sichuan Province	9,623 Chinese Mu (equivalent to 642 hectares)	Cypress
Senbo Forests	Yixing Town, Jiange County of Sichuan Province	13,219 Chinese Mu (equivalent to 881 hectares)	Cypress
Ruixiang Forests	Longyuuanzhen, Houshixiang and Dianzixiang Town, Jiange County of Sichuan Province	30,653 Chinese Mu (equivalent to 2,044 hectares)	Cypress
Wantai Forests	Kaifeng Town, Yingshui Village, Guangping Village, and Zheba Village, Jiange County of Sichuan Province	42,814 Chinese Mu (equivalent to 2,854 hectares)	Cypress

In December 2024, the Group successfully obtained the logging permits for the calendar year of 2024 with logging quantity of 8,547 cubic meters in aggregate. During the Reporting Period, the Group has completed the sales of logging quantity of approximately 8,547 cubic meters and has generated logging revenue of approximately RMB11.6 million.

Ginseng Business

To fully utilise the woodland of the Group and to maximise shareholders' return, the Group has begun the plantation of ginseng in the Group's existing forests and has commenced the trading of ginseng in August 2022.

During the year ended 30 June 2023, the Group has entered into a legally-binding ginseng planting framework agreement with an independent third party supplier (the "**Supplier**") for the plantation of ginseng on the Senbo Forest. Pursuant to the said framework agreement, the Supplier will be responsible for, among others, the supply of ginseng seeds and culture medium, and provision of technical support and maintenance services (including fertilisation, weeding, insecticide and soil preparation) to the Group for a period of 10 years.

In December 2022, the Group has completed the first phrase of ginseng seeding according to its ginseng plantation plan of approximately 6 million pieces on the designated 59 Chinese Mu forest land in the Senbo Forest, which are expected to be sold in batches within 5 years. During the Reporting Period, the Group recorded the revenue in sales of self-grown ginseng of approximately RMB5.38 million (Previous Period: RMB2.56 million).

As it will take time for the Group to self-grow its inventory of aged ginseng, as well as to capture the market share and develop its customer base in the ginseng industry in the PRC, the Group has also commenced the ginseng trading business in August 2022 by purchasing aged ginseng. The Group has also entered into a long-term supply framework agreement with the Supplier to ensure the stable supply of aged ginseng. Hence, revenue currently generated from the ginseng business is derived from the sale of ginseng that are purchased from the Supplier. During the Reporting Period, the Group has recorded revenue of approximately RMB16.15 million from the ginseng business, including approximately RMB10.77 million derived from the sale of ginseng purchased from suppliers and approximately RMB5.38 million from its self-grown ginseng.

Health Products Business

The Group commenced its business in manufacturing and trading of health products since November 2024 and has opened a 150-square-foot store in Hong Kong. The store is currently selling ginseng gift boxes under our own brand name and other health products. The ginseng are sourced from outside suppliers and packaged by a third-party factory.

The Group plans to produce ginseng gift boxes using our self-grown ginseng in the first half of 2025, which will be processed and packaged through a third-party factory according to our quality standards and formulations. We will create exquisite gift boxes under our brand to sell in the retail market. In addition to producing our own brand, we will also introduce other brands for sale in the store.

The Group aims to provide customers with high-quality health products and promote our business growth continuously. During the Reporting Period, the Group has recorded revenue of approximately RMB3.40 million from the health products business.

Prospect

In respect of the forestry management business, In December 2024, the Group has obtained the logging permits for the calendar year of 2024 with logging quantity of 8,547 cubic meters in aggregate, which is higher than the logging quantity obtained last year.

In respect of the ginseng business, to reduce reliance on the Supplier, the Group intends to gradually decrease the purchases of aged ginseng from the Supplier when it has self-grown sufficient inventory of aged ginseng. Currently, the Group is in the process of actively cultivating the first phase of ginseng. Upon successful cultivation, the Group could breed the ginseng using its own ginseng seeds through seed cultivation method. The Group will harvest and apply the seeds from the fruit of ginseng upon cultivation in order to achieve self-plantation. The ginseng plants from the plantation process shares the same genes as those supplied by the Supplier, therefore the quality of which is guaranteed. Nonetheless, the Group will conduct self-inspection from time to time and engages third-party laboratory for laboratory testing on an annual basis in order to ensure the quality of its ginseng and the nutrient content is able to meet the customer requirements.

The Group has commenced the manufacturing and trading of health products since November 2024. The business is currently focused in Hong Kong, the Group aims to expand its market into China in the future.

In June 2024, the Group has successfully planted the first batch of horny goat weed in its forest land owned by the Group. It is expected the horny goat weed will be sold to customers and generate revenue in the future.

FINANCIAL REVIEW

Revenue

During the Reporting Period, the Company recorded a revenue of approximately RMB31.1 million (Previous Period: approximately RMB19.0 million). The Group's revenue for the Reporting Period was attributable to the revenue from the forestry business, ginseng business and health products manufacturing and trading business of the Group.

Gross Profit

The Group recorded a gross profit of approximately RMB2.8 million for the Reporting Period (Previous Period: approximately RMB3.8 million).

Selling and Distribution Expenses

The selling and distribution expenses for the Reporting Period amounted to RMB148,000 (Previous Period: RMB623,000). The selling and distribution costs were mainly attributable to advertising expense.

Administrative Expenses

The administrative expenses increased appropriately 11.9% from approximately RMB8.4 million for the Previous Period to approximately RMB9.4 million for the Reporting Period. The increase in administrative expenses was mainly attributable to legal and professional fee and depreciation charge.

Other Gains

For the Reporting Period, the Group recorded approximately RMB13.1 million other gains (Previous Period: approximately RMB4.7 million). Other gains mainly consisted of net gain on change in fair value less costs to sell of plantation forest assets of approximately RMB11.6 million.

Finance Costs

For the Reporting Period, the Group recorded finance costs of RMB1.3 million (Previous Period: approximately RMB0.1 million). The increase in finance cost was attributable to the interest of the promissory note payable.

Profit and Total Comprehensive Income for the Period

The Company recorded a profit of approximately RMB5.0 million for the Reporting Period as compared to a profit of approximately RMB201.4 million for the Previous Period. The total comprehensive income attributable for the period was RMB6.4 million for the Reporting Period as compared to the total comprehensive income of approximately RMB207.9 million for the Previous Period.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its daily operations from internally generated cash flows and proceeds from restructuring. As at 31 December 2024, the Group had total assets of approximately RMB191.1 million and net assets of approximately RMB24.9 million. The Group's cash and bank balances as at 31 December 2024 amounted to approximately RMB2.7 million. As at 31 December 2024, there was no unutilised banking facilities (30 June 2024: nil).

PLEDGE ON ASSETS

As at 31 December 2024, there was no pledge of assets of the Group (30 June 2024: nil).

CONTINGENT LIABILITIES

Save as disclosed in this announcement, the Group did not have any significant contingent liabilities as at 31 December 2024.

FOREIGN EXCHANGE EXPOSURE AND RELATED HEDGES

The Group's transactions are mainly denominated in Hong Kong dollars and RMB. Therefore, the Group is exposed to exchange rate risk. The majority of the Group's cash and bank balances are also denominated in these two currencies. During the Reporting Period, the Group did not experience significant exposure to exchange rate and interest rate fluctuations. Accordingly, the Group has not implemented any foreign currency hedging policy at the moment. However, the management of the Group will constantly review the economic situation, development of each business segment and the overall foreign exchange risk profile, and will consider appropriate hedging measures in the future when necessary.

GEARING RATIO

The gearing ratio of the Group, which is calculated as total liabilities divided by total assets of the Group was approximately 87.0% as at 31 December 2024 (30 June 2024: 92.7%).

CAPITAL STRUCTURE

The share capital of the Company comprises only ordinary shares. As at 31 December 2024, the total number of the ordinary shares of the Company in issue was 859,242,204 shares (30 June 2024: 716,242,204 shares). The total equity attributable to owners of the Company was approximately RMB24.9 million (30 June 2024: approximately RMB13.0 million).

CAPITAL COMMITMENTS

The Group has no capital commitments as at 31 December 2024 (30 June 2024: nil).

SIGNIFICANT INVESTMENTS HELD AND MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

The Group had no material acquisitions or disposals during the Reporting Period and up to the date of this announcement.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group had no future plans for material investments or capital assets as at 31 December 2024.

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 4 September, the Company and Cheong Lee Securities Limited (the “**Placing Agent**”) entered into a placing agreement (the “**Placing Agreement**”), pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to an aggregate of 143,000,000 new shares of the Company (the “**Placing Share(s)**”), to not less than six placees who and whose beneficial owners are independent third parties at the placing price of HK\$0.043 per Placing Share subject to the terms and conditions of the Placing Agreement (the “**Placing**”).

On 25 September 2024, the Company completed the Placing to allot and issue the Placing Shares at HK\$0.043 each in accordance with the terms and conditions of the Placing Agreement. The net proceeds from the Placing were approximately HK\$5.85 million. As at 31 December 2024, the Company has fully utilised the following amount according to the use of proceeds as disclosed in the announcement of the Company dated 4 September 2024:

	31 December 2024 <i>HKD'000</i>
Net proceeds from the Placing	5,850
Less: Utilised for the general working capital of the Group	5,850
Unutilised proceeds	—

There are no unutilised proceeds as at the date of this announcement.

Details of the Placing were disclosed in the announcements of the Company dated 4 September 2024 and 10 September 2024.

The total issued shares of the Company as at 31 December 2024 were 859,242,204 shares.

EVENTS AFTER REPORTING PERIOD

Save for disclosed in this announcement, there was no material event which could have material impact to the Group's operating and financial performance after the Reporting Period and up to the date of this announcement.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2024, the Group had a total of 27 employees and management personnel as compared to 27 employees and management personnel as at 31 December 2023. Total staff costs for the Reporting Period, including Directors' remuneration, amounted to approximately RMB1.4 million (Previous Period: RMB1.9 million). The Group's remuneration policy is in line with the prevailing market standards and is determined on the basis of performance and experience of individual employee. Other employee benefits include contributions to social insurance scheme.

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Reporting Period (Previous Period: nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed shares of the Company (including treasury shares (as defined in the Listing Rules, if any) during the Reporting Period.

COMPETING INTEREST

During the Reporting Period, the Directors were not aware of any business or interest of the Directors or any substantial shareholder (as defined under the Listing Rules) of the Company and their respective associates that had competed or might compete with the business of the Group and any other conflicts of interests which any such person had or might have with the Group.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save for the service contracts and letters of appointment entered into with the respective Directors, no contract of significance to which the Company or any of its subsidiaries was a party and in which a director had a material interest, whether directly or indirectly, subsisted at the end of the Reporting Period or any time during the Reporting Period.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICE

The Company has adopted all the code provisions (the “**Code Provisions**”) contained in the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules as the Company’s code on corporate governance. The Board shall review and update its code of corporate governance from time to time to ensure its continuous compliance with the CG Code. Throughout the Reporting Period, in the opinion of the Board, the Company complied with all the Code Provisions contained in the CG Code and, where appropriate, adopted the Recommended Best Practices set out in the CG Code, with the exceptions of Code Provisions C.1.8 and D.1.2 as addressed below:

1. Under Code Provision C.1.8, the Company should arrange appropriate insurance cover in respect of any legal action against its Directors and officers. As at 31 December 2024, the Company has not arranged to purchase any Directors and Officers’ Liability Insurance, which covers in respect of legal action against the Directors, as the Directors take the view that the Company shall provide support to the Directors in any events arising from corporate activities;
2. Under Code Provision D.1.2, the management should provide all members of the Board with monthly updates giving a balanced and understandable assessment of the Company’s performance, position and prospects in sufficient detail to enable the Board as a whole and each director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules. Although the management of the Company did not provide a regular monthly update to the members of the Board, the management provides information and updates to the members of the Board from time to time, which the Directors consider to be sufficient and appropriate in the circumstances to enable them to form a balanced and understandable assessment of the Company’s performance and to discharge their duties.

The Company periodically reviews its corporate governance practices to ensure they continue to meet the requirements of the Code Provisions contained in the CG Code.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Appendix C3 – Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules. Having made specific enquiry with all the Directors, the Company confirmed that all the Directors have complied with the code of conduct and the required standard of dealings concerning securities transactions by the Directors for the Reporting Period.

AUDIT COMMITTEE

The Company has established the audit committee (the “**Audit Committee**”) in accordance with the requirements of the Code Provisions as set out in Appendix C1 of the Listing Rules. As at the date of this announcement, the Audit Committee has three members comprising our three independent non-executive Directors, namely Mr. Chau Wing Nam, Mr. Guo Zhonglong and Ms. Bu Xue. Mr. Chau Wing Nam has been appointed as the chairman of the Audit Committee.

The Audit Committee focuses not only on the impact of the changes in accounting policies and practices but also on the compliance with accounting standards, the Listing Rules and the legal requirements in the review of the Company’s interim and annual reports.

The Group’s unaudited interim financial statements for the Reporting Period have been reviewed by the Audit Committee.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the Company’s website at www.caflc.co. The interim report for the Reporting Period of the Company containing all the information required by the Listing Rules will be despatched to the Shareholders by the means of receipt of communications they selected and will be published on the above websites in due course.

By order of the Board
China Health Technology Group Holding Company Limited
Professor Fei Phillip
Chairman and Executive Director

Hong Kong, 28 February 2025

As at the date of this announcement, the Board comprises Professor Fei Phillip and Mr. Wang Yibin as the executive Directors and Mr. Guo Zhonglong, Mr. Chau Wing Nam and Ms. Bu Xue as the independent non-executive Directors.