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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)

CONTINUING CONNECTED TRANSACTIONS AND DELAY IN DESPATCH OF CIRCULAR

THE PURCHASE ORDER(S) AND THE AGGREGATE PURCHASE AMOUNT

In order to cater for the continuous procurement needs for the Air Conditioners Distribution Business, Jinlong Construction is expected to continue to purchase the Goods from JAC. The Group undertakes that the Aggregate Purchase Amount of Goods from JAC during the interim period of three months from 1 July 2025 to 30 September 2025 will be the lower of (i) less than 25% of the highest percentage ratio as defined under the Listing Rule and less than HK$10,000,000; and (ii) the Aggregate Purchase Amount of HK$7.3 million, the basis of which is set out under the heading headed "The Aggregate Purchase Amount" below.

LISTING RULES IMPLICATIONS

As at the date of this announcement, JAC is owned as to approximately 37.17% by Mr. Kung Hoi Pang, approximately 27.08% by Ms. Lin Dan Na, approximately 23.25% by Transamerica Trading (HK) Co. (which in turn is owned as to 99.99% by Transamerica (Holdings) Ltd and 0.01% by Mr. Kung Ting Yin), approximately 9.62% by Trade Union Committee and approximately 2.88% by GITIC Shenzhen. Transamerica (Holdings) Ltd is owned as to approximately 33.33% by Mr. Kung Chun Lung, 33.33% by Mr. Kung Ting Yin and 33.34% by Mr. Kung Ting Keung. Mr. Kung Chun Lung, Mr. Kung Hoi Pang, Ms. Lin Dan Na, Mr. Kung Ting Yin and Mr. Kung Ting Keung are the relatives of Mr. Kung. As such, JAC is a majority-controlled company (as defined in the Listing Rules) of Mr. Kung Chun Lung, Mr. Kung Hoi Pang, Ms. Lin Dan Na, Mr. Kung Ting Yin and Mr. Kung Ting Keung, and is a connected person of the Company.

* *For identification purposes only*

Given that the Group undertakes the Aggregate Purchase Amount for the interim period of three months from 1 July 2025 to 30 September 2025 will be the lower of (i) less than 25% of the highest percentage ratio as defined under the Listing Rules and is less than HK$10,000,000; and (ii) the Aggregate Purchase Amount of HK$7.3 million, the transactions contemplate under the Purchase Order(s) constitute continuing connected transactions for the Company and are subject to reporting, announcement, and annual review but exempt from Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As at the date of this announcement, the Company is in the process of preparing and finalising the Circular in relation to the New Framework Agreement, the transactions contemplated thereunder and the Proposed Annual Caps. The Group will constantly monitor the Aggregate Purchase Amount of Goods from JAC. In the event that the SGM for the purpose of considering the transactions contemplated under the New Framework Agreement and the Proposed Annual Caps is yet to be conducted and the Aggregate Purchase Amount is close to exceeding, or likely to exceed the limit as set out above, the Group will cease to purchase additional Goods from JAC until and unless Independent Shareholders' approval is obtained at the SGM.

DELAY IN DESPATCH OF CIRCULAR

Given that additional time is required to prepare and finalise information to be included in the Circular which is expected to be despatched to the Shareholders on or before 22 August 2025, the Company expects that the despatch date of the Circular will be postponed to a date falling on or before 12 September 2025.

BACKGROUND

Reference is made to the announcements dated 30 June 2025 and 31 July 2025 of the Company in relation to, among others, the New Framework Agreement and the transactions contemplated thereunder (the "**Announcements**"). Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless otherwise specified.

On 3 February 2023 (after trading hours of the Stock Exchange), Jinlong Construction, as purchaser, and JAC, as seller, entered into the Existing Framework Agreement, pursuant to which Jinlong Construction conditionally agreed to purchase, and JAC conditionally agreed to sell the Goods during the period from the date of the Existing Framework Agreement up to and including 30 June 2025. The Existing Framework Agreement was approved by the then independent Shareholders at the general meeting of the Company convened on 4 April 2023.

As the terms of the Existing Framework Agreement were expired on 30 June 2025 and the Group is expected to carry on the Air Conditioners Distribution Business, being one of the Group's principal businesses, Jinlong Construction and JAC entered into the New Framework Agreement on 30 June 2025 (after trading hours of the Stock Exchange), pursuant to which Jinlong Construction will continue to purchase, and JAC will continue to sell the Goods from the Effective Date up to and including 30 June 2028, subject to the voting on the resolution passed by the Independent Shareholders to approve the New Framework Agreement, the transactions contemplated thereunder and the Proposed Annual Caps at the SGM.

Given that additional time is required to prepare and finalise information to be included in the Circular, containing, among other things, (i) further details of the New Framework Agreement, the transactions contemplated thereunder and the Proposed Annual Caps; (ii) a notice of the SGM; and (iii) other relevant matters as required by the Listing Rules, which is expected to be despatched to the Shareholders on or before 22 August 2025, the Company expects that the despatch date of the Circular will be postponed to a date falling on or before 12 September 2025.

However, in order to cater for the continuous procurement needs for the Air Conditioners Distribution Business, Jinlong Construction is expected to continue to purchase the Goods from JAC. The Group undertakes that the aggregate purchase amount of Goods from JAC during the interim period of three months from 1 July 2025 to 30 September 2025 ("**Aggregate Purchase Amount**") will be the lower of (i) less than 25% of the highest percentage ratio as defined under the Listing Rule and less than HK$10,000,000; and (ii) the Aggregate Purchase Amount of HK$7.3 million, the basis of which is set out under the heading headed "The Aggregate Purchase Amount" below.

In the event that the SGM for the purpose of considering the transactions contemplated under the New Framework Agreement and the Proposed Annual Caps is yet to be conducted and the Aggregate Purchase Amount is close to exceeding, or likely to exceed the limit as set out above, the Group will cease to purchase additional Goods from JAC until and unless Independent Shareholders' approval is obtained at the SGM.

THE PURCHASE ORDER(S)

Jinlong Construction entered and will enter into individual purchase order(s) for the purchase of Goods from JAC (the "**Purchase Order(s)**").

The principal terms of the Purchase Order are set out as follows:

Parties	:	(i) Jinlong Construction, as purchaser; and (ii) JAC, as seller
Subject matter	:	Jinlong Construction will purchase the Goods from JAC
Basis of pricing	:	The price and terms of the purchase of Goods will be determined after arm's length negotiation between Jinlong Construction and JAC based on normal commercial terms or better (as defined in the Listing Rules) with reference to: (i) the prevailing market price of similar Goods based on the market quotations collected by Jinlong Construction; and (ii) the terms offered to Jinlong Construction by other independent suppliers for similar Goods.
Aggregate Purchase Amount	:	the lower of (i) less than 25% of the highest percentage ratio as defined under the Listing Rules and less than HK$10,000,000; and (ii) the Aggregate Purchase Amount of HK$7.3 million, during the interim period of three months from 1 July 2025 to 30 September 2025.

Internal control measures

Prior to purchase(s) of the Goods made by Jinlong Construction, the purchasing department of Jinlong Construction will seek quotations from three or more distributors of comparable Goods, including but not limited to JAC. The purchasing department of Jinlong Construction will then review and compare the terms, including but not limited to the price, brand, model and specification, payment and delivery terms, offered by JAC and other independent distributors of comparable Goods. Jinlong Construction will purchase the Goods at the most favorable terms offered by JAC or other independent distributors.

On this basis, Jinlong Construction will ensure that the terms of the purchase of Goods should be no less favorable than the terms (a) offered by the Independent Third Parties including the relevant brand owners to Jinlong Construction and/or (b) offered by JAC to the Independent Third Parties.

THE AGGREGATE PURCHASE AMOUNT

In order to cater for the purchase of Goods for the Air Conditioners Distribution Business, the Group undertakes that the Aggregate Purchase Amount for the interim period of three months from 1 July 2025 to 30 September 2025 to be the lower of (i) less than 25% of the highest percentage ratio as defined under the Listing Rules and is less than HK$10,000,000; and (ii) the Aggregate Purchase Amount of HK$7.3 million. The Group has taken into account the following factors in estimating the Aggregate Purchase Amount during the interim period, among others, (i) the historical transaction amounts for the purchase of Goods under the Existing Framework Agreement; (ii) the anticipated demand of Jinlong Construction for the Goods, which is determined based on the purchase plan prepared by Jinlong Construction. Such purchase plan was made with reference to the estimated selling quantities of the Goods determined based on the estimated demand for electrical appliances from the potential customers of Jinlong Construction; (iii) the anticipated purchase price of the Goods, assuming no material fluctuation is expected as compared to the historical average purchase price of the Goods for the year ended 30 June 2025 under the Existing Framework Agreement; and (iv) in compliance with the requirement of the Listing Rules in relation to connected transaction exempted from the circular (including independent financial advice) and shareholders' approval requirements.

The Group will constantly monitor the Aggregate Purchase Amount of Goods from JAC. In the event that the SGM for the purpose of considering the transactions contemplated under the New Framework Agreement and the Proposed Annual Caps is yet to be conducted and the Aggregate Purchase Amount is close to exceeding, or likely to exceed the limit as set out above, the Group will cease to purchase additional Goods from JAC until and unless Independent Shareholders' approval is obtained at the SGM.

INFORMATION OF THE COMPANY

The principal business activities of the Group include (i) the planting, cultivation and sales of agricultural produce in the PRC market; (ii) the distribution of fruits in the PRC; (iii) the distribution and installation of air conditioners in the PRC; and (iv) the sales and distribution of consumables and others business.

INFORMATION OF THE PARTIES

JAC

JAC is a company established in the PRC on 21 April 1993 with limited liability and is principally engaged in (i) the distribution of air conditioners; and (ii) air conditioner engineering design, installation and maintenance.

As at the date of this announcement, JAC is owned as to approximately 37.17% by Mr. Kung Hoi Pang, approximately 27.08% by Ms. Lin Dan Na, approximately 23.25% by Transamerica Trading (HK) Co. (which in turn is owned as to 99.99% by Transamerica (Holdings) Ltd and 0.01% by Mr. Kung Ting Yin), approximately 9.62% by Trade Union Committee and approximately 2.88% by GITIC Shenzhen. Transamerica (Holdings) Ltd is owned as to approximately 33.33% by Mr. Kung Chun Lung, 33.33% by Mr. Kung Ting Yin; and 33.34% by Mr. Kung Ting Keung.

Mr. Kung Chun Lung, Mr. Kung Hoi Pang, Ms. Lin Dan Na, Mr. Kung Ting Yin and Mr. Kung Ting Keung are the relatives of Mr. Kung. As such, JAC is a majority-controlled company (as defined in the Listing Rules) of Mr. Kung Chun Lung, Mr. Kung Hoi Pang, Ms. Lin Dan Na, Mr. Kung Ting Yin and Mr. Kung Ting Keung, and is a connected person of the Company.

Jinlong Construction

Jinlong Construction is a company established in the PRC on 13 January 2009 with limited liability and is an indirect wholly-owned subsidiary of the Company as at the date of this announcement. Jinlong Construction is principally engaged in mechanical and electrical equipment installation projects (excluding the installation and repair of power facilities); building renovation and decoration projects; sales, installation and on-site maintenance of metal and electric material products and mechanical equipment (excluding restricted items); distribution, installation and on-site maintenance of air conditioners; and air-conditioning engineering design.

REASONS FOR AND BENEFITS OF ENTERING INTO THE PURCHASE ORDER(S)

Based on the interim report of the Group for the six months ended 31 December 2024, the Air Conditioners Distribution Business was the largest revenue contributor and one of the principal operating segments of the Group.

In order to cater the continuous procurement needs for the Air Conditioners Distribution Business, Jinlong Construction entered and will enter into individual purchase order(s) for the purchase of Goods from JAC due to the following additional reasons, among others,

(i) the purchase of Goods under the Purchase Order(s) is a furtherance and continuance of the Air Conditioners Distribution Business.

(ii) Jinlong Construction and JAC are familiar with the business operations and processes of each other, given the established business relationship between Jinlong Construction and JAC over the years, in particular, the purchase of Goods since around early 2022 (for the avoidance of doubt, excluding air conditioner engineering design, installation and maintenance services);

(iii) although there is no major difference between the Goods offered by JAC and independent third party suppliers, JAC, established in Guangdong Province since around 1993, provide a credit period of approximately 30 days to Jinlong Construction, whereas other independent third party suppliers will normally requests for advance payment by way of a lump sum down payment; and

(iv) the Purchase Order was entered and to be entered into in the usual and ordinary course of the Group's business and the terms of which were negotiated based on normal commercial terms and the prices were determined after arm's length negotiation and on terms which the Group considers to be no less favourable to the Group than terms offered by independent third party suppliers to the Group for similar Goods.

Having considered the factors as set out above, the Directors are of the view that the terms of the Purchase Order(s) and the Aggregate Purchase Amount are fair and reasonable, and are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and its Shareholders as a whole.

Ms. Li Ziying, executive Director and Mr. James Francis Bittl, non-executive Director, are relatives of Mr. Kung Chun Lung, Mr. Kung Hoi Pang, Ms. Lin Dan Na, Mr. Kung Ting Yin and Mr. Kung Ting Keung. As such, Ms. Li Ziying and Mr. James Francis Bittl abstained from voting on the relevant resolution passed by the Board to approve the transactions entered and to be entered under the Purchase Order(s) and the Aggregate Purchase Amount. Save as disclosed above, none of the Directors has any material interest in and is required to abstain from voting on the resolution passed by the Board to approve the same.

LISTING RULES IMPLICATIONS

As at the date of this announcement, JAC is owned as to approximately 37.17% by Mr. Kung Hoi Pang, approximately 27.08% by Ms. Lin Dan Na, approximately 23.25% by Transamerica Trading (HK) Co. (which in turn is owned as to 99.99% by Transamerica (Holdings) Ltd and 0.01% by Mr. Kung Ting Yin), approximately 9.62% by Trade Union Committee and approximately 2.88% by GITIC Shenzhen. Transamerica (Holdings) Ltd is owned as to approximately 33.33% by Mr. Kung Chun Lung, 33.33% by Mr. Kung Ting Yin and 33.34% by Mr. Kung Ting Keung. Mr. Kung Chun Lung, Mr. Kung Hoi Pang, Ms. Lin Dan Na, Mr. Kung Ting Yin and Mr. Kung Ting Keung are the relatives of Mr. Kung. As such, JAC is a majority-controlled company (as defined in the Listing Rules) of Mr. Kung Chun Lung, Mr. Kung Hoi Pang, Ms. Lin Dan Na, Mr. Kung Ting Yin and Mr. Kung Ting Keung, and is a connected person of the Company.

Given that the Group undertakes the Aggregate Purchase Amount for the interim period of three months from 1 July 2025 to 30 September 2025 will be the lower of (i) less than 25% of the highest percentage ratio as defined under the Listing Rules and is less than HK$10,000,000; and (ii) the Aggregate Purchase Amount of HK$7.3 million, the transactions contemplate under the Purchase Order(s) constitute continuing connected transactions for the Company and are subject to reporting, announcement, and annual review but exempt from Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As at the date of this announcement, the Company is in the process of preparing and finalising the Circular in relation to the New Framework Agreement, the transactions contemplated thereunder and the Proposed Annual Caps. The Group will constantly monitor the Aggregate Purchase Amount of Goods from JAC. In the event that the SGM for the purpose of considering the transactions contemplated under the New Framework Agreement and the Proposed Annual Caps is yet to be conducted and the Aggregate Purchase Amount is close to exceeding, or likely to exceed the requirements permissible under the limit as set out above, the Group will cease to purchase additional Goods from JAC until and unless Independent Shareholders' approval is obtained at the SGM.

DELAY IN DESPATCH OF CIRCULAR

Given that additional time is required to prepare and finalise information to be included in the Circular which is expected to be despatched to the Shareholders on or before 22 August 2025, the Company expects that the despatch date of the Circular will be postponed to a date falling on or before 12 September 2025.

By order of the Board
Asian Citrus Holdings Limited
Li Ziying
Chairman

Hong Kong, 22 August 2025

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 Mr. Zhuang Canbin.