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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)

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO LOAN AGREEMENT

THE LOAN AGREEMENT

On 11 July 2024 (after trading hours of the Stock Exchange), the Lender, an indirect non wholly-owned subsidiary of the Company, entered into the Loan Agreement with the Borrower in relation to the Loan in the principal amount of RMB5,000,000 (equivalent to approximately HK\$5,400,000), for a period of six months commencing from the date of drawdown of the Loan at an interest rate of 4% per annum.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) in respect of the Loan Agreement exceeds 5% but less than 25%, the entering into of the Loan Agreement and the transactions contemplated thereunder constitute a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, the Borrower is owned as to 51% by the Lender and 49% by Hubei Qi Ai Technology. Accordingly, Hubei Qi Ai Technology is a connected person of the Company at the subsidiary level, and the Loan Agreement and the transactions contemplated thereunder constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Since the terms of the Loan Agreement are fair and reasonable, on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, the connected transaction is exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules and is only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that, on 11 July 2024 (after trading hours of the Stock Exchange), the Lender, an indirect non wholly-owned subsidiary of the Company, entered into the Loan Agreement with the Borrower in relation to the Loan in the principal amount of RMB5,000,000 (equivalent to approximately HK\$5,400,000), for a period of six months commencing from the date of drawdown of the Loan at an interest rate of 4% per annum.

THE LOAN AGREEMENT

The principal terms of the Loan Agreement are set out below:

Date:	11 July 2024 (after trading hours of the Stock Exchange)
Parties:	(i) Jiu Yuan Wan Jiang, a joint venture company incorporated in the PRC with limited liability, as the Lender; and (ii) Qichun Aimu Technology Company Limited* (蕪春艾沐科技有限 公司), a joint venture company incorporated in the PRC with limited liability, as the Borrower.
Principal amount of the Loan:	RMB5,000,000 (equivalent to approximately HK\$5,400,000), the amount of which to be made within five business days immediately after the date of the Loan Agreement
Term:	Six months from the date of drawdown of the Loan
Interest rate:	4% per annum
Purpose of the Loan:	The Loan is provided to the Borrower for the purpose of its e-business platform development
Repayment:	The outstanding balance of the Loan together with interest thereof shall be repaid in full by the Borrower to the Lender on or before the date falling on the expiry of six months from the date of the drawdown of the Loan (the “ Maturity Date ”). However, the Borrower may repay part or whole of the Loan or the remaining outstanding balance thereof at any time prior to the Maturity Date subject to confirmation with the Lender.

In the event that the Borrower fails to repay the outstanding balance of the Loan and the interest thereof in full by the Maturity Date (the “**Outstanding Amount**”), upon the Lender’s written request, the Borrower shall (i) utilise its assets for the repayment of the Outstanding Amount until such amount has been repaid in full; and (ii) use it reasonable endeavour to complete the required procedures for the establishment of a floating charge over its assets at the material time provided by the Borrower in favour of the Lender as security for the Outstanding Amount

Default interest: If the Borrower defaults in repayment on the due date of the Loan, interest or other amounts payable, the Borrower shall pay interest on such overdue sums from the due date until payment in full at the rate of 1% per month

The Group shall finance the Loan from its internal resources.

INFORMATION ON THE PARTIES

Jiu Yuan Wan Jiang, being the Lender, is a joint venture company incorporated in the PRC with limited liability and owned indirectly as to 51% by the Company, and owned as to 49% by Hangzhou Leshu Digital Technology Co., Ltd.* (杭州樂書數字科技有限公司), a company incorporated in the PRC with limited liability, owned as to 100% by Ms. Guan Ping* (關平). Jiu Yuan Wan Jiang is interested in 51% issued share capital of the Borrower as at the date of this announcement. Its business scope includes, inter alia, the provision of supply chain finance technology solution in the PRC.

Qichun Aimu Technology Company Limited* (蕪春艾沐科技有限公司), being the Borrower, is a joint venture company incorporated in the PRC with limited liability and owned as to 51% by Jiu Yuan Wan Jiang, an indirect non wholly-owned subsidiary of the Company, and owned as to 49% by Hubei Qi Ai Technology Group Limited* (湖北蕪艾科技集團有限公司), a company incorporated in the PRC with limited liability, owned as to approximately 40%, 30%, 15% and 15% by Mr. Wu Mingxing* (吳明星), Mr. Wang Zhen* (王振), LiaoCheng City Qi Xin Cultural Broadcast Limited* (聊城市栖心文化傳播有限公司) and Qi Chun Wei Ai Technology Limited* (蕪春唯艾科技有限公司), respectively. Its business scope includes, inter alia, manufacturing and production, and sales and distribution of goods as well as the provision of technology related services.

None of the Directors have any material interest in the Loan Agreement and the transactions contemplated thereunder and none of them abstained from voting on the relevant Board resolution.

REASONS FOR AND BENEFITS OF ENTERING INTO OF THE LOAN AGREEMENT

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; and (iii) the distribution and installation of air conditioners in the PRC. The Group has continued to diversify its business portfolio and expand its market presence in the PRC with a view to broaden its income base.

The terms of the Loan Agreement were negotiated on an arm's length basis. The Loan will facilitate the continuous business development of the Borrower, being an indirect non-wholly subsidiary owned by the Company. Furthermore, the interest rate of the Loan is not less than the interest rate received by the Group by placing cash deposits with commercial banks in the PRC. Taking into account the cash inflow to the Lender as a result of the interest income arising from the Loan and revenue to be generated by the Lender from the expected interest income in connection with the Loan at the company level, the Directors (including all the independent non-executive Directors) are of the view that the Loan Agreement is on normal commercial terms, which are fair and reasonable having considered the prevailing loan prime rate in the PRC and other similar market transactions and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

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As at the date of this announcement, the Borrower is owned as to 51% by the Lender and 49% by Hubei Qi Ai Technology. Accordingly, Hubei Qi Ai Technology is a connected person of the Company at the subsidiary level, and the Loan Agreement and the transactions contemplated thereunder constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Since the terms of the Loan Agreement are fair and reasonable, on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, the connected transaction is exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules and is only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“Borrower”	Qichun Aimu Technology Company Limited* (蕪春艾沐科技有限公司), a joint venture company incorporated in the PRC with limited liability and owned as to 51% by Jiu Yuan Wan Jiang, an indirect non wholly-owned subsidiary of the Company
“Company”	Asian Citrus Holdings Limited, a company incorporated in Bermuda with limited liability and whose Shares are listed on the Main Board of the Stock Exchange (Stock Code: 73)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hubei Qi Ai Technology”	Hubei Qi Ai Technology Group Limited* (湖北蕪艾科技集團有限公司), a company incorporated in the PRC with limited liability
“Jiu Yuan Wan Jiang”	Shenzhen City Jiu Yuan Wan Jiang Huitu Technology Limited* (深圳市玖源萬江匯圖科技有限公司), a joint venture company incorporated in the PRC with limited liability and an indirect non wholly-owned subsidiary of the Company
“Lender”	Jiu Yuan Wan Jiang
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan in the principal amount of RMB5,000,000 (equivalent to approximately HK\$5,400,000), pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 11 July 2024 entered into between the Lender and the Borrower in relation to the provision of the Loan
“Main Board”	the main board of the Stock Exchange

“PRC”	the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan, for the purpose of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the Company
“Shareholder(s)”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

In this announcement, for illustration purposes only and unless otherwise stated, all amounts denominated in RMB have been translated into HK\$ using the exchange rate of RMB1.00:HK\$1.08. Such translations shall not be construed as a representation that any amount in RMB can be or could have been converted into HK\$ at the above rate or at all.

By Order of the Board
Asian Citrus Holdings Limited
Li Ziyang
Chairman

Hong Kong, 11 July 2024

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

* *For identification purposes only*