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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)**

### **UPDATE ANNOUNCEMENT**

This announcement is made by the board of directors of Asian Citrus Holdings Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company wishes to update its shareholders of the latest major development on Lucky Team Hapu and/or the Group and the preparation of the Outstanding Financial Statements of the Group. Reference is made to the Company’s announcement dated 30 June 2017, 30 November 2017 and 28 December 2017 (the “**Announcements**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

### **UPDATE ON PUBLICATION OF OUTSTANDING AUDITED FINANCIAL STATEMENTS FOR THE GROUP**

Reference is made to the indicative timetable in respect of the outstanding works to be performed by the Group and/or the Company’s auditors with a view to publishing the Outstanding Audited Financial Statements as set out in the announcement of the Company dated 28 December 2017 (the “**Indicative Timetable**”).

\* *For identification purposes only*

As at the date of this announcement, the valuation of property, plant and equipment, orange trees and agricultural produces of Lucky Team Hepu has been performed in accordance with the Indicative Timetable. Since additional time is required to coordinate with the Group's PRC accountants in respect of the accounts of Lucky Team Hepu, the Company is still in the process of finalizing the accounts of Lucky Team Hepu. Completion of the audit field work for Lucky Team Hepu is currently expected to be early February 2018 instead of by end of January 2018. Nevertheless, the Company will continue to do such actions as may be necessary to strive for publishing the Outstanding Audited Financial Statements by end of February 2018.

Below set forth the updated Indicative Timetable in respect of outstanding works to be performed by the Group and/or the Company's auditors with a view to publishing the Outstanding Audited Financial Statements:

### **Indicative expected timeline**

- |    |  |                      |
|----|--|----------------------|
| 1) | Completion of audit field work of Lucky Team Hepu  | early February 2018  |
| 2) | Completion of audit field work for the Group (for the financial years ended 30 June 2016 and 2017) | mid February 2018    |
| 3) | Publication of audited financial statements for the financial years ended 30 June 2016 and 2017    | end of February 2018 |

The Company will publish further announcement(s) to update shareholders of any major changes to the above Indicative Timetable.

### **UPDATE ON LEGAL PROCEDURES IN RESPECT OF THE RELEVANT PRC SUBSIDIARIES**

#### **(1) Shareholders dispute relating to Beihai Perfuming Garden**

Reference is made to the Company's announcement dated 30 June 2017 whereby the Company was made aware in June 2017 that legal proceedings against a subsidiary of the Company ("**Relevant Subsidiary**") had been commenced by a Mr. Man Gui Fu ("**Mr. Man**") alleging that Mr. Man had the right to require the Relevant Subsidiary to transfer its 46.14% equity interest in, Beihai Perfuming Garden, a subsidiary of the Relevant Subsidiary pursuant to certain contractual arrangements alleged to have been executed by the Relevant Subsidiary, Mr. Man and the original shareholders of Beihai Perfuming Garden in February 2010 ("**BPG Shareholders Dispute**").

On or about 30 January 2018, the Group received three writs of summon issued by Guangxi Zhuang Autonomous Region Beihai City Intermediate People's Court (廣西壯族自治區北海市中級人民法院) on 10 January 2018 against (1) the Company, (2) BPG Food & Beverage Holdings Ltd. (果香園食品控股有限公司) and (3) Wealth Elite Investments Limited (鑫卓投資有限公司) requiring each to, among others, attend a court hearing scheduled on 13 March 2018 in respect of the BPG Shareholders Dispute. The Company will make further announcement to update its shareholders of any material development as and when appropriate.

## (2) Information right proceedings relating to Beihai Perfuming Garden

As stated in an announcement of the Company dated 30 June 2017, the relevant PRC court has on 26 June 2017 formally accepted the Group's application to commence formal legal proceedings to enforce its information rights as shareholder of Beihai Perfuming Garden.

On 18 January 2018, the Group has received a court order ("**BPG Order**") made by Guangxi Zhuang Autonomous Region Beihai City Intermediate People's Court (廣西壯族自治區北海市中級人民法院) of the PRC made in favor of the Group and against Beihai Perfuming Garden. Pursuant to the BPG Order, amongst others, Beihai Perfuming Garden shall, within thirty days of the effective date of the BPG Order, produce the following to the Group and its legal advisers:

- (i) for inspection and photocopying (at the domicile of Beihai Perfuming Garden) its memorandum and articles of association and any amendments thereto, resolutions of the board of directors or any supervisory committee, financial reports for a period prescribed in the BPG Order;
- (ii) for inspection only (at the domicile of Beihai Perfuming Garden) all of its accounting books and records (including general ledgers, detailed ledgers, daily ledgers and other supplemental ledgers) and accounting vouchers (including bookkeeping vouchers, related original vouchers and relevant information in respect of the source documents for entry bookkeeping) for a period prescribed in the BPG Order; and
- (iii) for inspection only (at the domicile of Beihai Perfuming Garden) all of its original bank account transaction statements, bank confirmations as at 30 June 2015 and 30 June 2016, 31 December 2016 and 30 June 2017, the latest company credit status report, all documents related to the sales and merchandise transactions (including all types of contract, invoices, delivery acknowledgement receipts and receipts) for a period prescribed in the BPG Order.

Pursuant to the BPG Order, the PRC court rejected the Group's request for the production of certain accounting records of Hepu Perfuming Garden Food Co., Ltd. (合浦果香園食品有限公司) and Beihai Super Fruit Co., Ltd. (北海盛果商貿有限公司) (the subsidiaries of Beihai Perfuming Garden) on the basis that the claimant being only a shareholder of Beihai Perfuming Garden has no ground to request such subsidiaries of Beihai Perfuming Garden to produce to it the requested records.

The BPG Order remains subject to any requests for appeal by either party within the prescribed time limit stated on the BPG Order. The Company will make further announcement to inform its shareholders of any material developments of the case as and when appropriate.

### **(3) Information rights proceedings relating to Tianyang Perfuming Garden**

Reference is made to the Company's announcements dated 30 November 2017 and 28 December 2017 in respect of the PRC court order made in favor of the Group and against Tianyang Perfuming Garden in respect of the information rights proceedings relating to Tianyang Perfuming Garden and the request for appeal against such court order. On 24 January 2018 the Company was made aware of an appeal hearing scheduled on 5 February 2018. The Company will continue to monitor the progress of the relevant legal procedures. Save as otherwise disclosed in this announcement, there is no other new material development. The Company will make further announcement to inform its shareholders of any material developments of the case as and when appropriate.

### **(4) Contractual dispute relating to Tianyang Perfuming Garden**

The Group was informed by the senior management of Tianyang Perfuming Garden in May 2017 that Tianyang Perfuming Garden was involved in certain court proceedings in the PRC in which it was alleged to have defaulted in the payment of RMB 3,717,017.28 for certain construction works and overdue interests of RMB 340,674.95. Prior to May 2017, the Group was not made aware of any reports in respect of this court proceeding and had since taken actions to request for the inspection of the accounting books and records of Tianyang Perfuming Garden in order to better understand its operations. Such requests were rejected.

Subsequently, the Group was informed that Guangxi Zhuang Autonomous Region Tianyang County People's Court (廣西壯族自治區田陽縣人民法院) had issued a judgment ordering Tianyang Perfuming Garden to pay damages and interests to the claimant and had further issued a notice on 12 January 2018 in respect of execution of the order. The Company's PRC legal advisers advised the Group that upon issue of such notice, the court will initiate the process of seizure of the funds and assets of Tianyang Perfuming Garden and proceed with any other necessary recovery actions. The Company will make further announcement to inform its shareholders of any material developments of the case as and when appropriate.

## CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Hong Kong Stock Exchange will remain suspended pending release of the Group's annual results and the fulfilment of the resumption conditions as set out in the Company's announcement dated 27 January 2017.

By order of the Board  
**Asian Citrus Holdings Limited**  
**Ng Ong Nee**  
*Chairman*

Hong Kong, 31 January 2018

*As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Ng Ong Nee (Chairman and Chief Executive Officer) and Mr. Ng Hoi Yue (Deputy Chief Executive Officer); a non-executive director, namely Mr. He Xiaohong; and three independent non-executive directors, namely Mr. Chung Koon Yan, Dr. Lui Ming Wah, SBS, JP and Mr. Yang Zhen Han.*