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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)

VERY SUBSTANTIAL DISPOSAL IN RELATION TO DISPOSAL OF SUBSIDIARIES

DISPOSAL

On 21 January 2019 (after trading hours), the Vendor, a wholly-owned subsidiary of the Company, and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, the Sale Shares at the aggregate consideration of RMB5,000,000 (equivalent to approximately HK\$5.8 million) subject to the terms of the Sale and Purchase Agreement. In addition, pursuant to the Sale and Purchase Agreement, the Vendor conditionally agreed to transfer and novate to the Purchaser, and the Purchaser conditionally agreed to assume, the Assumed Debt, subject to the terms of the Sale and Purchase Agreement.

Upon Completion, all members of the Target Group will cease to be subsidiaries of the Group and their financial results will no longer be consolidated into the financial statements of the Group.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Disposal under the Sale and Purchase Agreement exceeds 75%, the Disposal constitutes a very substantial disposal for the Company pursuant to Rule 14.06(4) of the Listing Rules and is therefore subject to reporting, announcement, circular and Shareholders' approval requirement under Chapter 14 of the Listing Rules.

SGM

The SGM will be held to consider and, if thought fit, pass the ordinary resolution(s) to approve, among other things, the Sale and Purchase Agreement and the Disposal contemplated thereunder. To the best of the Directors' knowledge, no Shareholder has a material interest in the Disposal and, accordingly, no Shareholder is required to abstain from voting in respect of the ordinary resolution to approve the Disposal at the SGM.

A circular containing, among other things, information relating to the Sale and Purchase Agreement and the notice of convening the SGM and other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 13 March 2019.

Completion of the Disposal is conditional upon the satisfaction of the conditions set out in the section headed "Sale and Purchase Agreement – Conditions Precedent" in this announcement, including the approval of the Sale and Purchase Agreement and the Disposal contemplated thereunder by the Shareholders at the SGM. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares of the Company.

INTRODUCTION

On 21 January 2019 (after trading hours), the Vendor, a wholly-owned subsidiary of the Company, and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, the Sale Shares at the aggregate consideration of RMB5,000,000 (equivalent to approximately HK\$5.8 million) subject to the terms of the Sale and Purchase Agreement. In addition, pursuant to the Sale and Purchase Agreement, the Vendor conditionally agreed to transfer and novate to the Purchaser, and the Purchaser conditionally agreed to assume, the Assumed Debt, subject to the terms of the Sale and Purchase Agreement.

SALE AND PURCHASE AGREEMENT

Date

21 January 2019

Parties

- (i) Vendor: A-One Success Limited, a wholly-owned subsidiary of the Company
- (ii) Purchaser: Mr. Zhou Jianjun ("**Mr. Zhou**")

To the best knowledge, information and belief of the Directors, after having made all reasonable enquiries, the Purchaser is an Independent Third Party.

Assets to be disposed of

Pursuant to the Sale and Purchase Agreement, the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the Sale Shares and the Vendor conditionally agreed to transfer and novate, and the Purchaser conditionally agreed to assume, the Assumed Debt.

The Sale Shares represent 100% of the issued share capital of the Target Company.

The Assumed Debt represents the dollar-for-dollar value of the debt owing by the Vendor to the Target Company as at the Completion Date. As at the date of this announcement, the Assumed Debt amounted to approximately RMB277.4 million (equivalent to approximately HK\$315.9 million).

Consideration

The consideration for the Sale Shares, pursuant to the Sale and Purchase Agreement, is RMB5,000,000 (equivalent to approximately HK\$5.8 million). No further consideration shall be required to be paid by the Vendor to the Purchaser for the transfer to and the assumption of the Assumed Debt by the Purchaser. Pursuant to the MOU, an earnest money of RMB5,000,000 had been paid by the Purchaser to the Vendor (“**Earnest Money**”). Pursuant to the Sale and Purchase Agreement, the parties agreed that an amount equal to the Earnest Money will be applied to the Consideration at Completion, whereupon the payment obligations of the Consideration at Completion is deemed to have been discharged at Completion.

If the Purchaser fails to complete the sale and purchase of the Sale Shares and the transfer and novation of the Assumed Debt by the Vendor to the Purchaser in accordance with the Sale and Purchase Agreement due to its own fault, the Earnest Money shall be forfeited by the Vendor.

In the event that Completion does not take place on the Completion Date for any reason through no fault of the Purchaser, the Consideration (without interest) shall be refunded in full by the Vendor to the Purchaser.

Basis of determination of the Consideration

The Consideration was determined after arm’s length negotiations between the Vendor and the Purchaser after taking into account factors including (i) the historical financial performance and position of the business operated by the Target Group before the Deconsolidation; (ii) the Company’s inability to access the financial, legal and administration records and resume control over the PRC Subsidiaries after the Deconsolidation as set out in the section headed “Reasons for and Benefits of the Disposal” in this announcement; and (iii) the assumption of the Assumed Debt by the Purchaser; and (iv) other reasons for and benefits of the Disposal as stated under the section headed “Reasons for and Benefits of the Disposal” in this announcement.

The Directors (including the independent non-executive Directors) consider that the Consideration is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Conditions Precedent

Completion is conditional upon the following conditions being satisfied (or waived, where applicable) on or before the Completion Date:

- (i) the Sale and Purchase Agreement and the Disposal contemplated thereunder have been approved by the Shareholders (other than those who are required by the Listing Rules to abstain from voting on the relevant resolution(s)) in compliance with the Listing Rules; and
- (ii) the Purchaser is satisfied, from the date of the Sale and Purchase Agreement and at any time before Completion, that the warranties remain true, accurate and not misleading in material respects.

The Purchaser may at its absolute discretion at any time waive the condition precedent in paragraph (ii) above in writing. In the event that the Vendor fails to fulfill the aforesaid conditions precedent, the Vendor shall return the full amount of the Earnest Money to the Purchaser (excluding any interest). If any of the above conditions precedent has not been fulfilled (or waived, where applicable) on or before the Long Stop Date, the Sale and Purchase Agreement shall lapse immediately and thereafter be of no further effect.

Completion

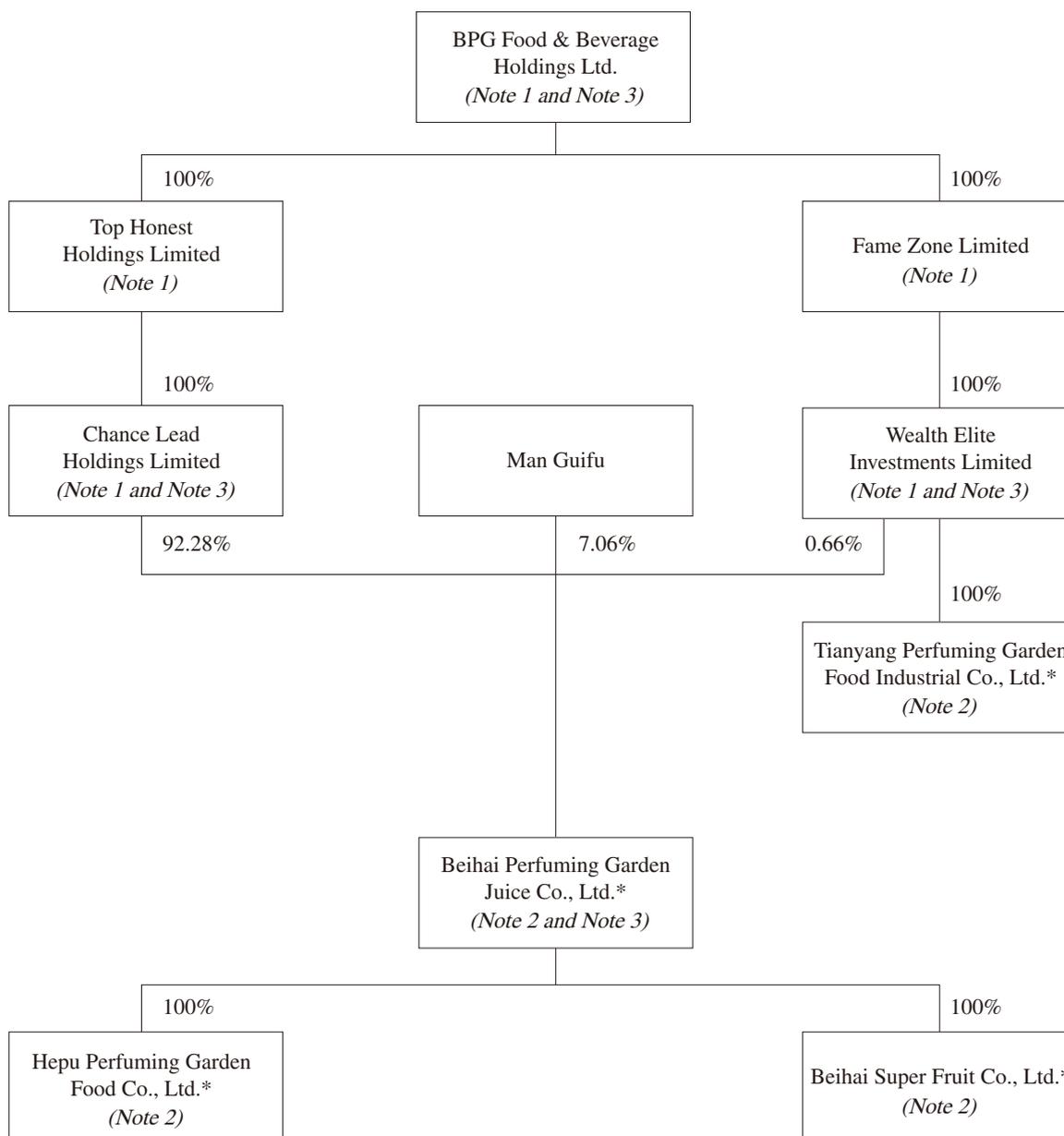
Completion shall take place within 10 Business Days after all conditions precedent have been fulfilled (or waived, where applicable).

Upon Completion taking place, the Company shall cease to hold (directly or indirectly) any interest in all members of the Target Group, and therefore, all the members of the Target Group will cease to be subsidiaries of the Group.

INFORMATION OF THE TARGET GROUP

The Target Group was principally engaged in manufacture and sale of fruit juice concentrates, fruit purees, frozen fruit, and vegetables. To the best knowledge of the Company, the major assets held by the Target Group as at 30 June 2018 included the amount due from the Vendor to the Target Company, and cash and cash equivalents and the major liabilities of the Target Group as at 30 June 2018 were the amount due to Beihai Perfuming Garden Juice Co., Ltd.* (北海市果香園果汁有限公司) and Hepu Perfuming Garden Food Co., Ltd.* (合浦果香園食品有限公司), the deconsolidated subsidiaries of the Target Company. Such subsidiaries have been deconsolidated from the Target Company since the Deconsolidation.

To the best of the Company’s knowledge, set forth below is the shareholding structure of the Target Group:



Notes:

1. a member of the Target Group which remained consolidated in the Group’s accounts
2. a member of the Target Group which has been deconsolidated from the Group’s accounts since the Deconsolidation
3. a member of the Target Group which is involved in the legal proceedings commenced by Man Guifu, the details of which are set out in, among others, the announcements of the Company dated 30 June 2017, 31 January 2018, 26 March 2018, 15 January 2019 and the sub-section headed “(1) Inability to access the financial, legal and administration records of the PRC Subsidiaries” under the section headed “REASONS FOR AND BENEFITS OF THE DISPOSAL” of this announcement

The following tables set out the details of the members of the Target Group (a) which are within the control of the Group and the accounts of which remained consolidated in the Group's accounts; and (b) which the Group has lost control and the accounts of which have been deconsolidated from the Group's accounts since the Deconsolidation, respectively:

(a) The members of the Target Group which are within the control of the Group and the accounts of which remained consolidated in the Group's accounts

Company	Place of incorporation/ registration	Principal business activities
BPG Food & Beverage Holdings Ltd. (i.e. Target Company)	Cayman Islands	Investment holding
Top Honest Holdings Limited	BVI	Investment holding
Fame Zone Limited	BVI	Investment holding
Chance Lead Holdings Limited	Hong Kong	Investment holding
Wealth Elite Investments Limited	Hong Kong	Investment holding

(b) The members of the Target Group which the Group has lost control and the accounts of which have been deconsolidated from the Group's accounts since the Deconsolidation

Company	Place of incorporation/ registration	Principal business activities
Tianyang Perfuming Garden Food Industrial Co., Ltd.* (田陽果香園食品工業有限公司)	PRC	Manufacture and sale of frozen fruit and others
Beihai Perfuming Garden Juice Co., Ltd.* (北海市果香園果汁有限公司)	PRC	Trading of fruit juice concentrates, manufacture and sale of frozen fruit and vegetables
Hepu Perfuming Garden Food Co., Ltd.* (合浦果香園食品有限公司)	PRC	Manufacture and sale of fruit juice concentrates, fruit purees and others
Beihai Super Fruit Co., Ltd.* (北海盛果商貿有限公司)	PRC	Trading of condensed fruit juice

Set forth below is a summary of the financial results of the Target Group in the consolidated financial statements of the Group for the years ended 30 June 2015, 2016, 2017 and 2018, respectively:

	For the year ended 30 June 2018	For the year ended 30 June 2017	For the year ended 30 June 2016	For the year ended 30 June 2015
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Audited)	(Audited)	(Audited)	(Audited)
Revenue	–	–	–	552,622
Loss before tax	(2,847)	(1,668)	(1,505,721)	(47,852)
Loss for the year	(2,847)	(1,668)	(1,505,721)	(47,852)

The decrease in revenue from approximately RMB552.6 million for the year ended 30 June 2015 to nil for the years ended 30 June 2016, 2017 and 2018 is due to the reasons that the Target Company has deconsolidated the PRC Subsidiaries since 1 July 2015 and the non-PRC members of the Target Group do not carry out any business. The Target Company was unable to access the financial, legal and administration records of the PRC Subsidiaries for the years ended 30 June 2016, 2017 and 2018. Therefore, the PRC Subsidiaries were deconsolidated and no revenue was generated from the Target Group for the years ended 30 June 2016, 2017 and 2018.

The increase in loss before tax and loss for the year from approximately RMB47.9 million for the year ended 30 June 2015 to approximately RMB1,505.7 million for the year ended 30 June 2016 was mainly attributable to the increase in the impairment losses as a result of the Deconsolidation of approximately RMB1,511.9 million for the year ended 30 June 2016.

The decrease in loss before tax and loss for the year from approximately RMB1,505.7 million for the year ended 30 June 2016 to approximately RMB1.7 million for the year ended 30 June 2017 was mainly attributable to the absence of impairment losses for the year ended 30 June 2017.

The increase in loss before tax and loss for the year from approximately RMB1.7 million for the year ended 30 June 2017 to approximately RMB2.8 million for the year ended 30 June 2018 was mainly attributable to the increase in exchange loss and legal and professional fees of the Target Group for the year ended 30 June 2018.

The net liabilities of the Target Group as at 30 June 2018 were approximately RMB290.6 million (equivalent to approximately HK\$343.6 million). The unaudited net liabilities of the Target Group as at 31 December 2018 were approximately RMB294.3 million (equivalent to approximately HK\$335.1 million).

As the Disposal involves transfer of the Sale Shares and the transfer, discharge and assumption of the Assumed Debt at the level of the Target Company, and the Target Company is a company incorporated in the Cayman Islands with limited liability, the transfer of the Sale Shares and the transfer, discharge and assumption of the Assumed Debt are not affected by the Deconsolidation and the Group's inability to access the financial, legal and administration records of the PRC Subsidiaries after the Deconsolidation. The Company is advised by its PRC legal adviser that there is no approvals, authorisations or filings which are required to be undertaken under the applicable PRC laws and regulations in order to effect the Disposal.

INFORMATION OF THE GROUP

The Group is principally engaged in planting, cultivation and sale of agricultural produce, manufacture and sale of fruit juice concentrates, fruit purees, frozen fruit, and vegetables.

INFORMATION OF THE PURCHASER

Mr. Zhou, a PRC citizen, has been engaged in working and dealing on distressed assets and/or non-performing assets for about 25 years. Therefore, he has extensive experience in identifying and acquiring non-performing assets in the PRC and then reselling them through an auction after resolving certain issues, such as legal or financial cases, for the non-performing assets. Over the last 25 years, Mr. Zhou has accumulated intensive resources and network in managing distressed assets and/or non-performing assets.

To the best knowledge, information and belief of the Directors, after having made all reasonable enquiries, the Purchaser is an Independent Third Party and, save as disclosed in this announcement, has no relationship with the Company and its connected persons, the Directors and/or senior management of the Company as at the date of this announcement.

FINANCIAL IMPACT OF THE DISPOSAL

It is estimated that the Company will recognise an unaudited gain on the Disposal upon the Completion of approximately RMB576.7 million (equivalent to approximately HK\$656.8 million) for the year ending 30 June 2019. The estimated gain was calculated with reference to the total consideration for the Sale Shares of RMB5.0 million (equivalent to approximately HK\$5.8 million), the discharge of the Assumed Debt of approximately RMB277.4 million (equivalent to approximately HK\$315.9 million) and deducting the net liabilities of the Target Group of approximately RMB294.3 million (equivalent to approximately HK\$335.1 million).

The above financial impact is shown for illustrative purpose only and the actual gain or loss as a result of the Disposal to be recorded by the Company is subject to review by the auditors of the Group and will be assessed after Completion.

Upon Completion, all members of the Target Group will cease to be subsidiaries of the Group and their financial results will no longer be consolidated into the financial statements of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in planting, cultivation and sale of agricultural produce, manufacture and sale of fruit juice concentrates, fruit purees, frozen fruit, and vegetables. The Directors consider that it will be beneficial for the Group to dispose of the Target Group in the long run after having considered the following facts and circumstances:

(1) **Inability to access the financial, legal and administration records of the PRC Subsidiaries**

Despite deploying all reasonable measures, the Company has been unable to access the financial, legal and administration records of the PRC Subsidiaries.

As disclosed in the Company's annual report for the year ended 30 June 2018, in September 2016, the Company's auditors received allegations made by two persons who claimed to be Man Guifu* (滿桂富) (“**Man Guifu**”) and Chen Deqiang* (陳德強) (“**Chen Deqiang**”), whose names matched with two employees of the Company's subsidiaries. In view of the allegations, the auditors were required to perform additional audit procedures. The Company has forthwith requested for a meeting with Man Guifu and Chen Deqiang to discuss and understand the allegations. The Company has also engaged PRC lawyers to issue numerous letters to the PRC Subsidiaries requesting for certain accounts, books and records for verification of the allegations and for the purpose of satisfying additional audit procedures as proposed by the auditors. However, Man Guifu and the employees of the PRC Subsidiaries adopted an uncooperative manner and refused to respond to the requests from the auditors, the Directors and the senior management of the Company. The Directors and senior management of the Company had since been unable to access the financial, legal and administration records of the PRC Subsidiaries.

Since then, the Company had taken the following major steps in trying to gain access to the books and records of the PRC Subsidiaries but to no avail:

- (a) the Company has conducted site visits with PRC lawyers to the offices of the PRC Subsidiaries and issued letters (through its PRC lawyers) to the PRC Subsidiaries requesting for information but has not yet received any of the requested information;
- (b) the Company has considered initiating formal legal procedures to change the relevant senior management members of the PRC Subsidiaries. However, the Company was advised by its PRC lawyers that the process would take 12 months or more and may not be the most efficient way to address the current difficulties; and
- (c) the Company has instituted legal proceedings to enforce information rights of shareholder against Beihai Perfuming Garden and Tianyang Perfuming Garden and obtained relevant court orders. The Company was informed by its PRC lawyers that Beihai Perfuming Garden and Tianyang Perfuming Garden have received the relevant court orders. However, as at the date of this announcement, neither Beihai Perfuming Garden nor Tianyang Perfuming Garden has produced any documents pursuant to the relevant court orders.

At the same time, the Company was made aware of the various court proceedings involving the PRC Subsidiaries:

- (a) in May 2017, the Group was informed that Tianyang Perfuming Garden, a wholly-owned subsidiary of the Target Company, was involved in a court proceeding in the PRC, alleging that Tianyang Perfuming Garden had defaulted in the payment for certain construction works and overdue interests. Prior to May 2017, the Group was not made aware of any such court proceedings. The Company had continued to take actions to request for the inspection of the accounting books and records of Tianyang Perfuming Garden in order to better understand its operations but has not received any response;
- (b) in May 2017, the Company was made aware that (i) Tianyang Perfuming Garden shall repay a loan of RMB17 million together with interest in arrears; and (ii) Tianyang Perfuming Garden had pledged two pieces of land as security for the loan but such pledge had not been registered with the relevant PRC authorities. The Company was not aware of the existence of the above contractual documents or arrangements prior to being notified of the above legal proceedings. The Company has made enquiries with Tianyang Perfuming Garden in connection with information relating to such loan and instructed its PRC lawyers to attend the office of Tianyang Perfuming Garden to exercise its shareholders' right and made enquiries, however, the management of Tianyang Perfuming Garden refused to cooperate; and
- (c) in June 2017, Chance Lead Holdings Limited (a member of the Target Group) was served with proceedings from a PRC court whereby Man Guifu had commenced legal proceedings in relation to shareholder dispute in Beihai Perfuming Garden, a non-wholly-owned subsidiary of the Target Company. Prior to June 2017, the Group was not aware of any documents which give rise to such shareholder dispute.

Details of the legal proceedings and the respective updates were disclosed in the Company's announcements dated 29 September 2016, 30 June 2017, 29 September 2017, 31 October 2017, 30 November 2017, 28 December 2017, 31 January 2018, 28 February 2018, 26 March 2018, 30 April 2018, 31 May 2018, 29 June 2018, 1 August 2018, 1 November 2018 and the Company's annual report for the year ended 30 June 2018.

Under the current circumstances as set out above, the Directors concur with the view that the Disposal is the most appropriate way to enhancing the Group's future business and operation as the Disposal would allow the Group to reallocate its resources to better focus on the ongoing business of the Group.

(2) Interest of the Purchaser

The Company has been acquainted with the Purchaser through the social network of one of the Directors. After a preliminary discussion, the Purchaser showed his strong interest in the Target Group and thereafter obtained more in-depth information of the Target Group, including the allegations and legal cases concerned. Having considered the key issues of the Target Group, the Purchaser is confident that he could tackle such issues with his experience and network as set out under the section headed “Information of the Purchaser”. As such, the Purchaser decided to enter into the Sale and Purchase Agreement with the Vendor to acquire the Target Group. The terms of the Sale and Purchase Agreement (including the Consideration and the transfer, discharge and assumption of the Assumed Debt) was negotiated between the Vendor and the Purchaser on an arm’s length basis.

The Directors consider that the Disposal offers an opportunity for the Group to immediately dispose of the Target Group with reasonable commercial terms under the current circumstances.

(3) Expected impact on financial position of the Group

(a) Net asset value

With reference to the Company’s annual report for the year ended 30 June 2018, the consolidated net liabilities of the Group as at 30 June 2018 amounted to approximately RMB433.3 million.

As disclosed above in the section headed “Financial Impact of the Disposal” in this announcement, it is estimated that the Company will recognise an unaudited gain on the Disposal upon the Completion of approximately RMB576.7 million (equivalent to approximately HK\$656.8 million). After deducting the expenses related to the Disposal of approximately RMB1.5 million, the net asset value of the Company is expected to increase to approximately RMB141.9 million immediately upon the Completion.

(b) Net current assets

With reference to the Company’s annual report for the year ended 30 June 2018, the consolidated current assets and current liabilities of the Group as at 30 June 2018 amounted to approximately RMB70.2 million and RMB600.2 million, respectively.

Given that it is expected that the Disposal would lead to a decrease of the Group’s current assets of approximately RMB1.5 million and current liabilities of approximately RMB576.7 million, upon Completion, it is expected that the net current assets of the Group will increase to approximately RMB45.2 million.

The expected impact as stated above is shown for illustrative purpose only. The actual impact on the Group's financial position arising from the Disposal may be different from the above, which shall be determined based on the financial position of the Target Group on Completion Date and subject to review by the auditors of the Group.

Conclusion

In view of the above, the Directors are of the view that the Disposal is a commercially sensible business decision and an appropriate course of action to take for the long term development of the Group. The terms and conditions of the Disposal contemplated under the Sale and Purchase Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FUTURE PLAN AND USE OF PROCEEDS

After deducting the expenses related to the Disposal, it is expected that the Company will have net proceeds of approximately RMB3.5 million (equivalent to approximately HK\$4.1 million), which is intended to be applied for the Group's general working capital.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Disposal under the Sale and Purchase Agreement exceeds 75%, the Disposal constitutes a very substantial disposal for the Company pursuant to Rule 14.06(4) of the Listing Rules and is therefore subject to reporting, announcement, circular and Shareholders' approval requirement under Chapter 14 of the Listing Rules.

SGM

The SGM will be held to consider and, if thought fit, pass the ordinary resolution(s) to approve, among other things, the Sale and Purchase Agreement, the Disposal and the transactions contemplated thereunder. To the best of the Directors' knowledge, no Shareholder has a material interest in the Disposal and, accordingly, no Shareholder is required to abstain from voting in respect of the ordinary resolution to approve the Disposal at the SGM.

A circular containing, among other things, information relating to the Sale and Purchase Agreement and the notice of convening the SGM and other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 13 March 2019.

CONTINUED SUSPENSION OF TRADING OF SHARES

Trading in the Shares on the Stock Exchange remains suspended pending the fulfilment of the resumption conditions as specified by the Stock Exchange. For details of the resumption conditions, please refer to the Company's announcement dated 1 November 2018. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Assumed Debt”	the indebtedness owing by the Vendor to the Target Company as at the Completion Date, which is unsecured and interest free
“Beihai Perfuming Garden”	Beihai Perfuming Garden Juice Co., Ltd.* (北海市果香園果汁有限公司), a company incorporated in the PRC with limited liability and a non-wholly-owned subsidiary of the Target Company
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and public holiday) on which licensed banks are generally open for business in Hong Kong during their normal business hours
“BVI”	the British Virgin Islands
“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)
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	the date on which Completion takes place
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the aggregate consideration of RMB5,000,000 payable by the Purchaser in respect of the disposal of the Sale Shares by the Vendor pursuant to the Sale and Purchase Agreement
“Deconsolidation”	the deconsolidation of the PRC Subsidiaries since 1 July 2015 due to the Target Company’s inability to access the financial, legal and administration records of the PRC Subsidiaries for the financial years ended 30 June 2016, 2017 and 2018
“Director(s)”	director(s) of the Company

“Disposal”	the conditional disposal of the Sale Shares by the Vendor to the Purchaser and the conditional transfer and novation of the Assumed Debt by the Vendor and assumption by the Purchaser pursuant to the Sale and Purchase Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party”	any person or company and their respective ultimate beneficial owner(s) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 June 2019, or such later time or date as may be agreed between the Vendor and the Purchaser in writing
“MOU”	the memorandum of understanding in relation to the Disposal entered into between the Vendor and the Purchaser on 7 December 2017
“PRC”	the People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Subsidiaries”	members of the Target Group which are incorporated in the PRC, including but not limited to Beihai Perfuming Garden and Tianyang Perfuming Garden
“Purchaser”	Mr. Zhou Jianjun, a PRC citizen
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement dated 21 January 2019 entered into between the Vendor and the Purchaser relating to the sale and purchase of the Sale Shares and the transfer, novation and assumption of the Assumed Debt thereunder and under the deed of debt transfer among the Vendor, the Purchaser and the Target Company

“Sale Shares”	10,000 ordinary shares of HK\$0.1 each in the capital of the Target Company, representing all the issued share capital of the Target Company
“SGM”	the special general meeting of the Company to be convened for the purpose of approving, among other matters, the Sale and Purchase Agreement and the Disposal contemplated thereunder
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	BPG Food & Beverage Holdings Ltd., a company incorporated in the Cayman Islands with limited liability
“Target Group”	collectively, the Target Company and its subsidiaries
“Tianyang Perfuming Garden”	Tianyang Perfuming Garden Food Industrial Co., Ltd.* (田陽果香園食品工業有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Target Company
“Vendor”	A-One Success Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company
“%”	per cent

On behalf of the Board
Asian Citrus Holdings Limited
Ng Ong Nee
Chairman

Hong Kong, 21 January 2019

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, PhD, SBS, JP and Mr. Yang Zhen Han.

* *For identification purposes only*