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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 ON PROGRESS OF INVESTIGATION IN RELATION TO THE ALLEGATIONS

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

References are made to (i) the announcements of the Company dated 29 September 2016, 27 January 2017, 30 June 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 and 15 January 2019, in relation to, among others, the suspension of trading in the shares of the Company on the Stock Exchange and updates on legal procedures in respect of certain PRC subsidiaries; (ii) the announcements dated 1 August 2018, 1 November 2018 and 1 February 2019 published by the Company in compliance with Rule 13.24A of the Listing Rules; and (iii) the announcements of the Company dated 27 January 2017 and 6 September 2018 in relation to, among others, the conditions for resumption of trading of the shares of the Company (the “**Shares**”) imposed on the Company by the Stock Exchange (collectively, the “**Announcements**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements.

UPDATE ON PROGRESS OF THE INVESTIGATION

As stated in the announcement of the Company dated 1 November 2018, the Company has engaged an independent professional third party to conduct an independent investigation on the Allegation (the “**Investigation**”). The engagement is with RSM Corporate Advisory (Hong Kong) Limited (“**RSM**”). Recently, RSM has commenced the Investigation, and the Company had completed coordinating in relation to the schedule of document review and site visits and the scope of the investigation report.

Set out below is the key scope of work to be carried out by RSM for the purposes of the Investigation:

- (i) review and analyze information and documents relating to the Allegations;
- (ii) conduct interviews (and site visits, if appropriate) with the Company's professional advisers, customers and suppliers involved in the Allegations and other relevant persons, and if appropriate, obtain further information and documents;
- (iii) identify (a) if there had been any fraud/anomaly involved and the parties who may have been involved and (b) any areas which may require further investigation;
- (iv) review internal control procedures of the Company relating to the Allegations and formulate strategy with the Company to address the Allegations; and
- (v) prepare and issue an independent forensic accounting review report (the "**Report**") in relation to (a) the findings of the Investigation and (b) recommendations to the Company, as appropriate.

As at the date of this announcement, the Investigation is still ongoing. The Company was advised by RSM that the Report is expected to be available in May 2019.

As stated in the Announcements, the Board maintains its view that (i) given the Allegations relate to the Current Deconsolidated Subsidiaries and Lucky Team Hepu; and (ii) as the Current Deconsolidated Subsidiaries have been deconsolidated from the Group and the management of Lucky Team Hepu has changed since 28 September 2017, the Allegations would not affect the current financial position of the Group.

Further, in view of the Company's proposal to carry out the Disposal plans, the Board considers that the Allegations will no longer be relevant to the Group once the Disposal(s) are completed.

The Board will continue to update the Company's shareholders of any material development of the Investigation as well as any other relevant matters as and when appropriate in compliance with the requirements under the Listing Rules.

CONTINUED SUSPENSION OF TRADING OF SHARES

Trading in the Shares on the Stock Exchange will remain suspended pending the fulfilment of the Resumption Conditions. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

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

Hong Kong, 26 March 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.*