



# CHAODA MODERN AGRICULTURE (HOLDINGS) LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 682)



**2024/2025**  
INTERIM REPORT

# Contents

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The consolidated statement of profit or loss and other comprehensive income of the Group for the six months ended 31 December 2024 and the consolidated statement of financial position of the Group as at 31 December 2024, together with the explanatory notes, are unaudited and condensed, which have been reviewed by the Company's Audit Committee and the Company's auditor, Elite Partners CPA Limited.





# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 31 December 2024 — Unaudited

	Notes	Six months ended 31 December	
		2024 RMB'000	2023 RMB'000
Revenue	3	33,687	39,385
Cost of sales		(21,717)	(27,056)
Gross profit		11,970	12,329
Other revenues		5,428	7,523
Selling and distribution expenses		(4,580)	(3,971)
General and administrative expenses		(20,055)	(20,500)
<b>Loss from operations</b>		<b>(7,237)</b>	(4,619)
Finance costs	5(a)	(93)	(67)
<b>Loss before income tax</b>	5	<b>(7,330)</b>	(4,686)
Income tax expense	6	—	(297)
<b>Loss for the period</b>		<b>(7,330)</b>	(4,983)
<b>Other comprehensive expense, including reclassification adjustments and net of income tax</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange loss on translation of financial statements of foreign operations		(474)	(868)
<b>Other comprehensive expense for the period, including reclassification adjustments and net of income tax</b>		<b>(474)</b>	(868)
<b>Total comprehensive expense for the period</b>		<b>(7,804)</b>	(5,851)

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income *(continued)*

For the six months ended 31 December 2024 — Unaudited

	Notes	Six months ended 31 December	
		2024 RMB'000	2023 RMB'000
<b>(Loss)/profit for the period attributable to:</b>			
Owners of the Company		<b>(7,020)</b>	(5,939)
Non-controlling interests		<b>(310)</b>	956
		<b>(7,330)</b>	(4,983)
<b>Total comprehensive income/(expense) for the period attributable to:</b>			
Owners of the Company		<b>(7,916)</b>	(6,880)
Non-controlling interests		<b>112</b>	1,029
		<b>(7,804)</b>	(5,851)
<b>Loss per share for loss attributable to the owners of the Company during the period</b>			
— Basic	8(a)	<b>RMB0.04</b>	(Restated) RMB0.04
— Diluted	8(b)	<b>RMB0.04</b>	RMB0.04

# Condensed Consolidated Statement of Financial Position

As at 31 December 2024 — Unaudited

	Notes	31 December 2024 RMB'000	30 June 2024 RMB'000 (Audited)
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	24,650	25,933
Right-of-use assets	10	23,383	25,520
Investment properties		54,478	56,811
		<b>102,511</b>	108,264
<b>Current assets</b>			
Trade receivables	11	13,442	15,743
Other receivables, deposits and prepayments		3,097	4,357
Bank balances and cash		104,093	105,983
		<b>120,632</b>	126,083
<b>Current liabilities</b>			
Trade payables	12	1,523	1,692
Lease liabilities		2,212	2,473
Other payables and accruals		25,384	27,431
Tax payables		832	836
		<b>29,951</b>	32,432
<b>Net current assets</b>		<b>90,681</b>	93,651
<b>Total assets less current liabilities</b>		<b>193,192</b>	201,915
<b>Non-current liabilities</b>			
Lease liabilities		1,255	2,174
<b>Net assets</b>		<b>191,937</b>	199,741

## Condensed Consolidated Statement of Financial Position *(continued)*

As at 31 December 2024 — Unaudited

	Notes	31 December 2024 RMB'000	30 June 2024 RMB'000 (Audited)
<b>EQUITY</b>			
<b>Equity attributable to the owners of the Company</b>			
Share capital	13	333,149	333,149
Reserves		(148,320)	(140,404)
<b>Non-controlling interests</b>		<b>184,829</b>	192,745
		<b>7,108</b>	6,996
<b>Total equity</b>		<b>191,937</b>	199,741

# Condensed Consolidated Statement of Cash Flows

For the six months ended 31 December 2024 — Unaudited

	Six months ended 31 December	
	2024 RMB'000	2023 RMB'000
Net cash generated from operating activities	627	249
Net cash used in from investing activities	(25)	(956)
Net cash used in financing activities	(1,316)	(1,422)
Net decrease in cash and cash equivalents	(714)	(2,129)
Cash and cash equivalents at beginning of the period	88,983	92,031
Effect of foreign exchange rate changes, net	(710)	(580)
<b>Cash and cash equivalents at end of the period</b>	<b>87,559</b>	<b>89,322</b>

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 December 2024 — Unaudited

	Attributable to the owners of the Company										
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Employee share-based compensation reserve RMB'000	Capital redemption reserve RMB'000	Exchange reserve RMB'000	Statutory reserves RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total RMB'000
<b>Six months ended 31 December 2023</b>											
<b>As at 1 July 2023</b>	333,149	5,969,570	82,723	23,001	5,247	(222,823)	671,275	(6,656,172)	205,970	3,407	209,377
Loss for the period	—	—	—	—	—	—	—	(5,939)	(5,939)	956	(4,983)
<b>Other comprehensive expense for the period</b>											
— Currency translation differences	—	—	—	—	—	(941)	—	—	(941)	73	(868)
<b>Total comprehensive expense for the period</b>	—	—	—	—	—	(941)	—	(5,939)	(6,880)	1,029	(5,851)
Lapse of share options	—	—	—	(57)	—	—	—	57	—	—	—
<b>As at 31 December 2023 (Unaudited)</b>	333,149	5,969,570	82,723	22,944	5,247	(223,764)	671,275	(6,662,054)	199,090	4,436	203,526

	Attributable to the owners of the Company										
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Employee share-based compensation reserve RMB'000	Capital redemption reserve RMB'000	Exchange reserve RMB'000	Statutory reserves RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total RMB'000
<b>Six months ended 31 December 2024</b>											
<b>As at 1 July 2024</b>	333,149	5,969,570	82,723	22,944	5,247	(219,263)	671,275	(6,672,900)	192,745	6,996	199,741
Loss for the period	—	—	—	—	—	—	—	(7,020)	(7,020)	(310)	(7,330)
<b>Other comprehensive expense for the period</b>											
— Currency translation differences	—	—	—	—	—	(896)	—	—	(896)	422	(474)
<b>Total comprehensive expense for the period</b>	—	—	—	—	—	(896)	—	(7,020)	(7,916)	112	(7,804)
Lapse of share options	—	—	—	(50)	—	—	—	50	—	—	—
<b>As at 31 December 2024 (Unaudited)</b>	333,149	5,969,570	82,723	22,894	5,247	(220,159)	671,275	(6,679,870)	184,829	7,108	191,937



# Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 December 2024 — Unaudited

## 1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements of Chaoda Modern Agriculture (Holdings) Limited (the “Company”) and its subsidiaries (collectively, the “Group”) for the six months ended 31 December 2023 (the “Interim Financial Report”) have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Interim Financial Report does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 30 June 2024 (the “2024 Annual Financial Statements”).

The Interim Financial Report has been prepared in accordance with the same accounting policies adopted in the 2024 Annual Financial Statements, except for the adoption of the new, amended or revised Hong Kong Financial Reporting Standards (“HKFRSs”) (which collectively include all applicable individual Hong Kong Financial Reporting Standard (“HKFRS”), Hong Kong Accounting Standard (“HKAS”) and Interpretation issued by the HKICPA) as disclosed in Note 2 to the Interim Financial Report.

The Interim Financial Report is unaudited but has been reviewed by Elite Partners CPA Limited in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA.

## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

### New and Amendments to HKFRSs that are mandatorily effective for the current year

In the current period, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatory effective for the Group annual period beginning on 1 July 2024 for the preparation of the consolidated financial statements:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current (amendments)
Amendments to HKAS 1	Non-current Liabilities with Covenants (amendments)
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback (amendments)
Hong Kong Interpretation 5 (Revised)	Hong Kong Interpretation 5 (2020) Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on a Demand Clause (HK Int 5 (2020))
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements (amendments)

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

# Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 31 December 2024 — Unaudited

## 3. REVENUE

The principal activities of the Group are the sales of crops.

Revenue from sale of crop is recognised at a point in time when the control of product has transferred to the customer, net of discount.

## 4. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major operations.

The Group's operating business are organised and managed separately according to the nature of products, which each segment representing a strategic business segment that offers different products in the People's Republic of China ("PRC") market. However, the Group's executive directors considered that over 90% of the Group's revenue, operating results and assets during the six months ended 31 December 2024 and 2023 were mainly derived from its sales of crops. Consequently, no operating segment analysis is presented.

The Company is an investment holding company and the principal place of the Group's operation is in the PRC. For the purpose of segment information disclosures under HKFRS 8, the Group regarded the PRC (excluding Hong Kong) as its country of domicile.

Over 90% of the Group's revenue from external customers by geographical location of customers are located in Hong Kong.

Over 90% of the Group's non-current assets are principally attributable to the PRC, being the single geographical region.

Revenue from customers of the current period contributing over 10% of the Group's total revenue are as follows:

	Six months ended 31 December	
	2024 RMB'000	2023 RMB'000
Customer A	3,406	5,056
Customer B*	–	5,719
Customer C	9,309	4,713
Customer D	4,080	4,225

\* The corresponding revenue did not contributed over 10% of total revenue of the Group.

# Notes to the Condensed Consolidated Financial Statements *(continued)*

For the six months ended 31 December 2024 — Unaudited

## 5. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging/(crediting):

### (a) Finance costs

	Six months ended 31 December	
	2024 RMB'000	2023 RMB'000
Bank and finance charges	4	3
Interest expenses on lease liabilities	89	64
	<b>93</b>	67

### (b) Staff costs (including directors' remuneration)

	Six months ended 31 December	
	2024 RMB'000	2023 RMB'000
Salaries, wages and other benefits	6,825	7,291
Retirement benefit costs	510	543
	<b>7,335</b>	7,834

### (c) Other items

	Six months ended 31 December	
	2024 RMB'000	2023 RMB'000
Interest income	(595)	(926)
Cost of inventories sold	21,717	27,056
Depreciation of property, plant and equipment, net of amount capitalised	1,300	1,559
Depreciation of right-of-use assets	2,108	2,519
Depreciation of investment properties	2,333	2,333
Expense related to short-term leases	7	7

## Notes to the Condensed Consolidated Financial Statements *(continued)*

For the six months ended 31 December 2024 — Unaudited

### 6. INCOME TAX EXPENSE

	Note	Six months ended 31 December	
		2024 RMB'000	2023 RMB'000
Current tax			
– PRC Enterprise Income Tax (“EIT”)	(a)	—	—
– Hong Kong profits Tax	(b)	—	297
		—	297

- (a) The standard EIT rate of PRC subsidiaries of the Group is 25% (2023: 25%), under the Law of the PRC on EIT (the “EIT Law”) and Implementation Regulation of the EIT Law. No provision for the EIT for the six months ended 31 December 2024 (2023: NIL) as these subsidiaries did not have any assessable profits subject to the EIT for the period.
- (b) Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the assessable profits above HK\$2 million for the six months ended 31 December 2024 and 2023.

### 7. DIVIDENDS

The Directors do not recommend the payment of interim dividend for the six months ended 31 December 2024 (Six months ended 31 December 2023: Nil).



## Notes to the Condensed Consolidated Financial Statements *(continued)*

For the six months ended 31 December 2024 — Unaudited

### 8. LOSS PER SHARE

#### (a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to the owners of the Company of approximately RMB7,020,000 (Six months ended 31 December 2023: approximately RMB5,939,000) and the weighted average number of approximately 164,779,000 (Six months ended 31 December 2023: Restated as approximately 164,779,000) ordinary shares in issue during the period.

#### (b) Diluted loss per share

The calculation of diluted loss per share is based on the loss attributable to the owners of the Company of approximately RMB7,020,000 (Six months ended 31 December 2023: approximately RMB5,939,000) and the weighted average number of approximately 164,779,000 (Six months ended 31 December 2023: Restated as approximately 164,779,000) ordinary shares. The computation of diluted loss per share does not assume the conversion of the Company's share options outstanding since their exercise would result in a decrease in loss per share for the six months ended 31 December 2024 and 2023.

A share consolidation of 20 shares into 1 share of the Company had been effective on 17 December 2024 ("Share Consolidation"). As a result of the Share Consolidation, the weighted average number of ordinary shares for the purpose of basic and diluted loss per share has been adjusted for the six months ended 31 December 2023.

### 9. PROPERTY, PLANT AND EQUIPMENT

	<b>31 December 2024 RMB'000</b>	30 June 2024 RMB'000
Net book value as at 1 July 2024/1 July 2023	<b>25,933</b>	27,801
Additions	<b>25</b>	1,026
Write off/Disposals	–	(134)
Depreciation charges	<b>(1,300)</b>	(2,769)
Exchange realignment	<b>(8)</b>	9
Net book value as at 31 December 2024/30 June 2024	<b>24,650</b>	25,933

## Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 31 December 2024 — Unaudited

### 10. RIGHT-OF-USE ASSETS

	Leasehold building RMB'000	Land use rights RMB'000	Long-term prepaid rentals RMB'000	Total RMB'000
<b>Cost</b>				
As at 1 July 2023	6,260	125,635	384,610	516,505
Addition	4,001	—	—	4,001
Exchange realignment	49	—	(4,320)	(4,271)
As at 30 June 2024 and 1 July 2024	10,310	125,635	380,290	516,235
Exchange realignment	(37)	—	903	866
<b>As at 31 December 2024</b>	<b>10,273</b>	<b>125,635</b>	<b>381,193</b>	<b>517,101</b>
<b>Accumulated depreciation</b>				
As at 1 July 2023	2,691	103,622	383,611	489,924
Charges for the period	2,885	1,298	855	5,038
Impairment	—	—	45	45
Exchange realignment	28	—	(4,320)	(4,292)
At 30 June 2024 and 1 July 2024	5,604	104,920	380,191	490,715
Charges for the period	1,360	649	99	2,108
Exchange realignment	(8)	—	903	895
<b>As at 31 December 2024</b>	<b>6,956</b>	<b>105,569</b>	<b>381,193</b>	<b>493,718</b>
<b>Net carrying value</b>				
<b>As at 31 December 2024</b>	<b>3,317</b>	<b>20,066</b>	<b>—</b>	<b>23,383</b>
As at 30 June 2024	4,706	20,715	99	25,520

## Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended 31 December 2024 — Unaudited

### 10. RIGHT-OF-USE ASSETS (Continued)

	Six months ended 31 December	
	2024 RMB'000	2023 RMB'000
Expenses relating to short-term leases	7	7

The Group leases various office for its operations. Lease contracts are entered into for fixed term of 2 years to 3 years (2023: 2 years to 3 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

### 11. TRADE RECEIVABLES

The Group's trading terms for its local wholesale and retail sales are mainly cash on delivery whereas local sales to institutional customers and export trading companies are mainly on credit. The credit period is generally for a period from one month to three months depending on the customers' credit worthiness.

Ageing analysis of trade receivables (net of allowance for credit losses) is as follows:

	31 December 2024 RMB'000	30 June 2024 RMB'000
0-30 days	5,582	5,453
31-90 days	2,720	4,487
Over 90 days	5,140	5,803
	13,442	15,743

### 12. TRADE PAYABLES

Ageing analysis of trade payables is as follows:

	31 December 2024 RMB'000	30 June 2024 RMB'000
0-30 days	1,523	1,625
31-90 days	—	—
Over 90 days	—	67
	1,523	1,692

# Notes to the Condensed Consolidated Financial Statements *(continued)*

For the six months ended 31 December 2024 — Unaudited

## 13. SHARE CAPITAL

### Authorised ordinary shares of HK\$0.1 each

	No. of shares (‘000)	HK\$’000	RMB’000
As at 1 July 2023, 30 June 2024 and 1 July 2024	5,000,000	5,000,000	527,515
Share consolidation (Note (i))	(4,750,000)	—	—
As at 31 December 2024	250,000	500,000	527,515

### Issued and fully paid ordinary shares of HK\$0.1 each

	No. of shares (‘000)	HK\$’000	RMB’000
As at 1 July 2023, 30 June 2024 and 1 July 2024	3,295,582	329,558	333,149
Share consolidation (Note (i))	(3,130,803)	—	—
As at 31 December 2024	164,779	329,558	333,149

Note (i): Pursuant to the annual general meeting held on 13 December 2024, the shareholders approved the (i) consolidation of the Company’s shares (“Share Consolidation”) from every twenty (20) issued and unissued ordinary shares of per value of HK\$0.10 each into one (1) consolidated shares of per value of HK\$2.00 (“Consolidated Share”); and (ii) reduction of issued share capital of the Company to the extent of HK\$1.99 per issued Consolidated Share such that the per value of each Consolidated Share to be reduced from HK\$2.00 to HK\$0.01 each. The Share Consolidation became effective on 17 December 2024.

## 14. COMMITMENTS

### (a) Capital commitments

At the end of the reporting period, the Group did not have any material capital commitments.

### (b) Operating lease commitments and arrangements

#### *As lessor*

At the end of the reporting period, the Group had total future minimum lease receivables, in respect of land and buildings, under non-cancellable operating leases with its tenants falling due as follows:

	31 December 2024 RMB’000	30 June 2024 RMB’000
Within one year	5,264	5,113
In the second to fifth years, inclusive	16,548	18,472
After five years	7,774	7,774
Total	29,586	31,359

## 15. APPROVAL OF INTERIM FINANCIAL REPORT

The Interim Financial Report was approved by the board of Directors on 26 February 2025.



# Management Discussion and Analysis

## FINANCIAL REVIEW

During the current financial period under review, the Group recorded a revenue of RMB34 million, representing a drop of approximately 13% as compared to RMB39 million for the same period ended last year. The decrease in revenue was mainly due to the changing leisure habits of many local residents. There has been a significant rise in the number of locals making short-stay trips to locations outside Hong Kong for shopping and dining, especially Shenzhen and the Greater Bay Area, and particularly on weekends. On the other hand, as compared to the first half of 2024, although the number of inbound tourists also increased by more than 10% to approximately 23 million in the second half of 2024, the number of Hong Kong visitors travelling to Shenzhen nearly doubled the number of visitors from the Mainland during the same period. Such a large difference adversely affected the food and beverage and retail industries, as well as the performance of the Group's local sales. In the foreseeable future, the trend of northward consumption is likely to continue. The abovesaid factors resulting in the continued sluggish performance of the local sales. The Group achieved gross profit of RMB12 million, which was more or less the same to the same period ended last year.

During the financial period under review, other revenues decreased by approximately 28% to RMB5 million, selling and distribution expenses increased from RMB4 million to RMB5 million. General and administrative expenses remained stable at approximately RMB20 million (approximately RMB21 million in the same period last year).

As a result of the above, during the financial period under review, the loss from operations of the Group amounted to RMB7 million (31 December 2023: RMB5 million) as well as loss for the period attributable to owners of the Company amounted to RMB7 million (31 December 2023: RMB6 million).

## INDUSTRY OUTLOOK

At the beginning of 2025, the Central Committee of the Communist Party of China and the State Council released the 2025 "No.1 Document" focusing on the agricultural industry for twenty-two consecutive years. The document proposes to further deepen village reforms and solidly promote the comprehensive revitalisation of rural areas.

The paper entitled Opinions of the Central Committee of the Communist Party of China and the State Council on "Further Deepening Rural Reform and Solidly Promoting Comprehensive Rural Revitalisation". The full text consists of six parts, including: insisting on improving the supply and security capabilities of important agricultural products such as grain, insisting on consolidating and expanding the results of the deficit-poverty alleviation campaign, focusing on strengthening the people-enriching industries in large counties, focusing on promoting rural construction, focusing on improving the rural governance system, and focusing on improving the system and mechanism for factor guarantee and optimal allocation.

The paper proposes that to achieve Chinese-style modernisation, it is necessary to accelerate the comprehensive revitalization of rural areas. Anchor on the goal of promoting comprehensive rural revitalisation and building a strong agricultural country, use reform and opening up and scientific and technological innovation as the driving force, consolidate and improve the basic rural management system, thoroughly study and apply the experience of the "Green Rural Revival Programme", ensure national food security, ensure that large-scale poverty does not occur, improve the level of rural industrial development, rural construction, and rural governance, and do everything possible to promote agricultural efficiency, rural vitality, and farmers' income, providing basic support for promoting Chinese-style modernisation.

Chaoda as the national level leading enterprise in green and modern agriculture, we had leveraged the Chaoda Innovation Think Tank professional team to improve innovative capability and scientific strength. Strived to adhere the green development concept, promoting green production, and attaching great importance to soil protection and rural ecological environment, so to improve the supply level and quality of agricultural products.

# Management Discussion and Analysis

## FUTURE OUTLOOK

Chaoda's new business model, which has been studied and tested in the past few years, is highly consistent with national policies. Chaoda's new business model addresses issues such as poor internal circulation of agricultural production, disconnection of agricultural production and sales, information asymmetry leading to "difficulties in selling" and "difficulties in buying," and outstanding regional, seasonal, and structural difficulties in agricultural products. Incorporate production-side products into system management, effectively connect with the demand-side, improve the modern agricultural industry system, production system, and operating system, promoting the standardization, informatization, and organization of agricultural products circulation, making full use of modern internet technology and big data platforms, through the agricultural futures market and trading means connect small-scale farmers with modern agriculture, which can effectively solve the problems of "difficulties in selling" and "difficulties in buying" caused by information asymmetry of agricultural products, and can promote agricultural efficiency and increase farmers' income.

In the future, the Group will focus on the digitalization of agricultural production, promote the Group's self-developed smart farm management system, and participate in the construction of the local government's agricultural big data platform, laying a solid foundation for the development of Chaoda's new business model.

The Group will keep a close eye on the industry trends and move quickly to allocate our resources on the businesses that will better position ourselves to capture growth opportunities when the business sentiment improves. The Group will also take a prudent approach to look for new business opportunities to diversify its business in order to generate better returns for the shareholders of the Company.

## LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2024, cash and cash equivalents of the Group amounted to RMB104 million (30 June 2024: RMB106 million), which includes RMB17 million restricted bank balance (30 June 2024: RMB17 million). In addition, the Group has no secured banking facilities (30 June 2024: Nil).

As at 31 December 2024, the total equity of the Group (including non-controlling interests) amounted to RMB192 million (30 June 2024: RMB200 million). Since the Group did not have any outstanding bank loans or long term debts due to third party as at 31 December 2024 and 30 June 2024, the debt to equity ratio (bank loans over total equity) of the Group was nil. The current ratio (dividing total current assets by total current liabilities) was approximately 4 times (30 June 2024: 4 times).

## EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATE

The Group's operating transactions were primarily denominated in Hong Kong Dollars and Renminbi. During the financial period under review, the Group was not exposed to material risk in respect of fluctuations in Hong Kong Dollars and Renminbi exchange rates. The Group will continue to closely monitor the risk and adopt appropriate measure should the needs arise.

During the financial period under review, the Group did not take part in any derivatives activities and did not enter into any hedging activities in respect of foreign exchange risk.

# Management Discussion and Analysis

## SIGNIFICANT INVESTMENTS

During the financial period under review, the Group did not have any significant investments.

## MATERIAL ACQUISITIONS AND/OR DISPOSALS OF SUBSIDIARIES AND ASSOCIATES

During the financial period under review, the Group did not carry out any material acquisitions and/or disposals in respect of subsidiaries and associates.

## CHARGE ON ASSETS

As at 31 December 2024 and 30 June 2024, the Group did not charge any of its assets to any bank or other financial institutions.

## CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31 December 2024 and 30 June 2024.

## CAPITAL REORGANISATION AND IMPORTANT EVENTS OCCURRED AFTER THE REVIEW PERIOD

### Share Consolidation, Capital Reduction and the Sub-division

On 4 October 2024, the Company has proposed a share consolidation and a capital reduction and the sub-division pursuant to which:

- (1) every twenty (20) issued and unissued existing shares with par value of HK\$0.10 each be consolidated into one (1) consolidated share with par value of HK\$2.00 each (the "Share Consolidation"); and
- (2) immediately following the Share Consolidation becoming effective, the capital reduction and the sub-division be implemented in the following manner:
  - (i) the capital reduction whereby (a) any fractional consolidated share in the issued share capital of the Company arising from the Share Consolidation will be cancelled, and (b) the issued share capital of the Company be reduced by the cancellation of the paid-up capital of the Company to the extent of HK\$1.99 per issued consolidated share, so that following such reduction, the par value of each issued consolidated share shall be reduced from HK\$2.00 to HK\$0.01 each to become one new share (the "Capital Reduction");
  - (ii) the credit arising from the capital reduction will be applied towards offsetting the accumulated losses of the Company as at the effective date of the Capital Reduction, thereby reducing the accumulated losses of the Company; and
  - (iii) immediately following the Capital Reduction becoming effective, each authorised but unissued consolidated share will be subdivided into 200 authorised but unissued new shares with par value of HK\$0.01 each. The new shares will rank pari passu in all respects with each other in accordance with the memorandum and articles of association of the Company (the "Sub-division").

## Management Discussion and Analysis

The Share Consolidation has been effective on 17 December 2024 and the Capital Reduction and the Sub-division have been effective on 6 February 2025. For details, please refer to the Company's announcements dated 4 October 2024, 17 January 2025, 3 February 2025 and 5 February 2025 respectively, and the Company's circular dated 5 November 2024.

### Change in Board Lot Size

As at 3 January 2025, the board lot size for trading changed from 2,000 Existing Shares to 10,000 Consolidated Shares per board lot (the "Change in Board Lot Size").

### CAPITAL STRUCTURE

The capital structure of the Company includes issued share capital and reserves.

As at 31 December 2024, the Company has issued ordinary share capital of 164,779,124 shares.

### HUMAN RESOURCES

As at 31 December 2024, the Group employed 89 employees.

According to the Group's current remuneration policy, promotions and salary increments are based on objective factors like employees' job positions, work performance, qualifications and experience, and also by reference to the actual condition of the human resources market. In addition to basic salaries, the Group also distributes discretionary bonuses and/or other incentives based on the results of internal appraisal. Besides, the Group provides employees with other benefits such as pension, insurance, education, subsidies and training programs. In order to motivate the employees and enhance their sense of belonging so that they will support the Group's strategies, eligible employees are granted share options entitling them to subscribe for the Company's shares.



# Other Information

## DIRECTORS' INTERESTS IN SECURITIES

As at 31 December 2024, the interests and short position of the directors of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or otherwise as notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

### Long positions in shares of the Company

Name of director	Nature of interests	Number of shares held	Total	Percentage of issued share capital recorded in the register
Mr. Kwok Ho	Personal interests	101,400	32,254,632	19.57%
	Corporate interests (Note)	32,153,232		

Note: Held through Kailey Investment Ltd. which is wholly owned by Mr. Kwok Ho.

### Long positions in underlying shares of the Company

Name of directors	Grant date	Exercisable period		Exercise price HK\$	Adjusted exercise price (Note 1) HK\$	Balance as at 01/07/2024	Number of share options		Adjusted during the period (Note 1)	Balance as at 31/12/2024
		Starting	Ending				Granted	Lapsed		
Mr. Kuang Qiao	13/07/2016	13/07/2016	to 12/07/2026	0.187	3.74	2,000,000	—	—	(1,900,000)	100,000
		13/07/2017	to 12/07/2026	0.187	3.74	2,000,000	—	—	(1,900,000)	100,000
		13/07/2018	to 12/07/2026	0.187	3.74	2,000,000	—	—	(1,900,000)	100,000
		13/07/2019	to 12/07/2026	0.187	3.74	2,000,000	—	—	(1,900,000)	100,000
		13/07/2020	to 12/07/2026	0.187	3.74	2,000,000	—	—	(1,900,000)	100,000

## Other Information

Name of directors	Grant date	Exercisable period		Exercise price HK\$	Adjusted exercise price (Note 1) HK\$	Number of share options				
						Balance as at 01/07/2024	During the financial period under review		Adjusted during the period (Note 1)	Balance as at 31/12/2024
		Starting	Ending				Granted	Lapsed		
Mr. Ip Chi Ming	13/07/2016	13/07/2016	to 12/07/2026	0.187	3.74	1,200,000	—	—	(1,140,000)	60,000
		13/07/2017	to 12/07/2026	0.187	3.74	1,200,000	—	—	(1,140,000)	60,000
		13/07/2018	to 12/07/2026	0.187	3.74	1,200,000	—	—	(1,140,000)	60,000
		13/07/2019	to 12/07/2026	0.187	3.74	1,200,000	—	—	(1,140,000)	60,000
		13/07/2020	to 12/07/2026	0.187	3.74	1,200,000	—	—	(1,140,000)	60,000
Mr. Fung Chi Kin	13/07/2016	13/07/2016	to 12/07/2026	0.187	3.74	600,000	—	—	(570,000)	30,000
		13/07/2017	to 12/07/2026	0.187	3.74	600,000	—	—	(570,000)	30,000
		13/07/2018	to 12/07/2026	0.187	3.74	600,000	—	—	(570,000)	30,000
		13/07/2019	to 12/07/2026	0.187	3.74	600,000	—	—	(570,000)	30,000
		13/07/2020	to 12/07/2026	0.187	3.74	600,000	—	—	(570,000)	30,000
Mr. Tam Ching Ho	13/07/2016	13/07/2016	to 12/07/2026	0.187	3.74	600,000	—	—	(570,000)	30,000
		13/07/2017	to 12/07/2026	0.187	3.74	600,000	—	—	(570,000)	30,000
		13/07/2018	to 12/07/2026	0.187	3.74	600,000	—	—	(570,000)	30,000
		13/07/2019	to 12/07/2026	0.187	3.74	600,000	—	—	(570,000)	30,000
		13/07/2020	to 12/07/2026	0.187	3.74	600,000	—	—	(570,000)	30,000
Professor Lin Shun Quan (Note 2)	13/07/2016	13/07/2016	to 12/07/2026	0.187	3.74	100,000	—	(5,000)	(95,000)	—
13/07/2017		to 12/07/2026	0.187	3.74	100,000	—	(5,000)	(95,000)	—	
13/07/2018		to 12/07/2026	0.187	3.74	100,000	—	(5,000)	(95,000)	—	
13/07/2019		to 12/07/2026	0.187	3.74	100,000	—	(5,000)	(95,000)	—	
13/07/2020		to 12/07/2026	0.187	3.74	100,000	—	(5,000)	(95,000)	—	

### Notes:

- As a result of the Share Consolidation, the total number and the exercise price of Shares which may be issued upon exercise of all outstanding Share Options under the Share Option Scheme has been adjusted to 12,061,500 Consolidated Shares and HK\$3.74 pursuant to the terms of the Share Option Scheme (as detailed in the Company's announcement dated 4 October 2024 and circular dated 5 November 2024).
- Professor Lin Shun Quan resigned as independent non-executive director of the Company with effect from 16 November 2024.

## Other Information

Save as disclosed above, as at 31 December 2024, none of the directors and chief executives of the Company nor their associates had or was deemed to have any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which has been recorded in the register maintained by the Company under Section 352 of the SFO or which has been notified to the Company and the Stock Exchange pursuant to the Model Code.

Other than as stated above, at no time during the financial period under review, the Company, or any of its subsidiaries was a party to any arrangement to enable the directors of the Company, their respective spouses or children under 18 years of age, to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

### SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 31 December 2024, the following parties (not being directors or chief executives of the Company) were directly or indirectly interested in 5% or more of the issued share capital and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Name of substantial shareholder	Capacity	Long/short position	Number of shares and underlying shares held	Total number of shares and underlying shares held	Percentage of issued share capital recorded in the register
Kailey Investment Ltd. (Note)	Beneficial owner	Long	32,153,232	32,153,232	19.51%

Note: Kailey Investment Ltd. is a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is beneficially and wholly owned by Mr. Kwok Ho.

## Other Information

### SHARE OPTION SCHEME

#### The 2015 Share Option Scheme

Pursuant to an ordinary resolution passed by shareholders of the Company at the annual general meeting of the Company held on 17 December 2015 (the "Adoption Date of the 2015 Share Option Scheme"), a new share option scheme (the "2015 Share Option Scheme") was adopted.

During the financial period under review, details of the movements of the share options under the 2015 Share Option Scheme are set out below:

Category of participants	Grant date	Exercisable period		Exercise price HK\$	Adjusted exercise price (Note 1) HK\$	Number of share options					
						Balance as at 01/07/2024	During the financial period under review		Adjusted during the period (Note 1)	Balance as at 31/12/2024	
							Exercised	Lapsed			
<b>Directors</b>											
Mr. Kuang Qiao	13/07/2016	13/07/2016	to	12/07/2026	0.187	3.74	2,000,000	—	—	(1,900,000)	100,000
		13/07/2017	to	12/07/2026	0.187	3.74	2,000,000	—	—	(1,900,000)	100,000
		13/07/2018	to	12/07/2026	0.187	3.74	2,000,000	—	—	(1,900,000)	100,000
		13/07/2019	to	12/07/2026	0.187	3.74	2,000,000	—	—	(1,900,000)	100,000
		13/07/2020	to	12/07/2026	0.187	3.74	2,000,000	—	—	(1,900,000)	100,000
Mr. Ip Chi Ming	13/07/2016	13/07/2016	to	12/07/2026	0.187	3.74	1,200,000	—	—	(1,140,000)	60,000
		13/07/2017	to	12/07/2026	0.187	3.74	1,200,000	—	—	(1,140,000)	60,000
		13/07/2018	to	12/07/2026	0.187	3.74	1,200,000	—	—	(1,140,000)	60,000
		13/07/2019	to	12/07/2026	0.187	3.74	1,200,000	—	—	(1,140,000)	60,000
		13/07/2020	to	12/07/2026	0.187	3.74	1,200,000	—	—	(1,140,000)	60,000
Mr. Fung Chi Kin	13/07/2016	13/07/2016	to	12/07/2026	0.187	3.74	600,000	—	—	(570,000)	30,000
		13/07/2017	to	12/07/2026	0.187	3.74	600,000	—	—	(570,000)	30,000
		13/07/2018	to	12/07/2026	0.187	3.74	600,000	—	—	(570,000)	30,000
		13/07/2019	to	12/07/2026	0.187	3.74	600,000	—	—	(570,000)	30,000
		13/07/2020	to	12/07/2026	0.187	3.74	600,000	—	—	(570,000)	30,000

## Other Information

Category of participants	Grant date	Exercisable period		Exercise price HK\$	Adjusted exercise price (Note 1) HK\$	Number of share options					
						Balance as at 01/07/2024	During the financial period under review		Adjusted during the period (Note 1)	Balance as at 31/12/2024	
							Exercised	Lapsed			
Mr. Tam Ching Ho	13/07/2016	13/07/2016	to	12/07/2026	0.187	3.74	600,000	—	—	(570,000)	30,000
		13/07/2017	to	12/07/2026	0.187	3.74	600,000	—	—	(570,000)	30,000
		13/07/2018	to	12/07/2026	0.187	3.74	600,000	—	—	(570,000)	30,000
		13/07/2019	to	12/07/2026	0.187	3.74	600,000	—	—	(570,000)	30,000
		13/07/2020	to	12/07/2026	0.187	3.74	600,000	—	—	(570,000)	30,000
Professor Lin Shun Quan (Note 2)	13/07/2016	13/07/2016	to	12/07/2026	0.187	3.74	100,000	—	(5,000)	(95,000)	—
		13/07/2017	to	12/07/2026	0.187	3.74	100,000	—	(5,000)	(95,000)	—
		13/07/2018	to	12/07/2026	0.187	3.74	100,000	—	(5,000)	(95,000)	—
		13/07/2019	to	12/07/2026	0.187	3.74	100,000	—	(5,000)	(95,000)	—
		13/07/2020	to	12/07/2026	0.187	3.74	100,000	—	(5,000)	(95,000)	—
<b>Employees</b> in aggregate	13/07/2016	13/07/2016	to	12/07/2026	0.187	3.74	33,646,000	—	(48,000)	(31,963,700)	1,634,300
		13/07/2017	to	12/07/2026	0.187	3.74	33,646,000	—	(48,000)	(31,963,700)	1,634,300
		13/07/2018	to	12/07/2026	0.187	3.74	33,646,000	—	(48,000)	(31,963,700)	1,634,300
		13/07/2019	to	12/07/2026	0.187	3.74	33,646,000	—	(48,000)	(31,963,700)	1,634,300
		13/07/2020	to	12/07/2026	0.187	3.74	33,646,000	—	(48,000)	(31,963,700)	1,634,300
<b>Other Participants</b> in aggregate	13/07/2016	13/07/2016	to	12/07/2026	0.187	3.74	10,100,000	—	—	(9,595,000)	505,000
		13/07/2017	to	12/07/2026	0.187	3.74	10,100,000	—	—	(9,595,000)	505,000
		13/07/2018	to	12/07/2026	0.187	3.74	10,100,000	—	—	(9,595,000)	505,000
		13/07/2019	to	12/07/2026	0.187	3.74	10,100,000	—	—	(9,595,000)	505,000
		13/07/2020	to	12/07/2026	0.187	3.74	10,100,000	—	—	(9,595,000)	505,000
Total						241,230,000	—	(265,000)	(229,168,500)	11,796,500	

### Notes:

- As a result of the Share Consolidation, the total number and the exercise price of Shares which may be issued upon exercise of all outstanding Share Options under the Share Option Scheme has been adjusted to 12,061,500 Consolidated Shares and HK\$3.74 pursuant to the terms of the Share Option Scheme (as detailed in the Company's announcement dated 4 October 2024 and circular dated 5 November 2024).
- Professor Lin Shun Quan resigned as independent non-executive director of the Company with effect from 16 November 2024.



## Other Information

### **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the six months ended 31 December 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

### **AUDIT COMMITTEE**

All members of the Audit Committee are independent non-executive directors, including Mr. Tam Ching Ho (the Chairman), Mr. Fung Chi Kin and Ms. Li Ying. They possess appropriate professional qualifications, accounting or related financial management expertise as required under the Listing Rules.

The Audit Committee has reviewed the Interim Financial Report.

### **CORPORATE GOVERNANCE**

The Board recognises that good corporate governance will not only safeguard the interests and assets of the Company and deliver long-term return to our shareholders, but will also lay a good foundation for sustainable growth of the Company. During the six months ended 31 December 2024, the Company has complied with the applicable code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except for the deviation stated below:

#### **Code provision C.2.1 of the CG Code**

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Kwok Ho held and is currently performing both the roles of Chairman and Chief Executive Officer of the Company. The Board considers that Mr. Kwok, as the founder of the Group, has profound knowledge and expertise in agricultural business. Under the present structure, the Group can enjoy the benefit of strong and consistent leadership in the development and execution of the Group's business strategies in the most efficient and effective manner. The Board will review and assess such arrangement from time to time to keep a balance of power and authority.

#### **Code provision F.2.2 of the CG Code**

Under code provision F.2.2 of the CG Code, the chairman of the board should attend the annual general meeting. Mr. Kwok Ho, the chairman of the Board, was absent from the annual general meeting held on 13 December 2024 due to the business engagement. Mr. Ip Chi Ming, a non-executive Director and the elected chairman of that meeting, was available to answer questions in that meeting.

The Board will constantly review the corporate governance policies of the Company and adopt such practices and procedures as considered by it to be appropriate and in the overall interests of the Company and our shareholders as a whole from time to time.

### **CHANGE OF DIRECTORS' INFORMATION**

Pursuant to rule 13.51B(1) of the Listing Rules, the changes in the information of the Directors required to be disclosed subsequent to the publication of the 2023/2024 Annual Report are set out below:

- (i) Professor Lin Shun Quan has resigned as an independent non-executive Director and ceased to be a member of the Audit Committee and a member of the Nomination Committee with effect from 16 November 2024;
- (ii) Ms. Li Ying has been appointed as a member of each of the Audit Committee and Nomination Committee with effect from 16 November 2024.

## Other Information

### MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. All Directors, after specific enquiries by the Company, confirmed that they had complied with the required standard set out in the Model Code throughout the six months ended 31 December 2024.

On behalf of the Board  
**Kwok Ho**  
*Chairman*

Hong Kong, 26 February 2025