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## **Congyu Intelligent Agricultural Holdings Limited**

**從玉智農集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 875)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024 AND RESUMPTION OF TRADING**

The board (the “**Board**”) of directors (the “**Directors**”) of Congyu Intelligent Agricultural Holdings Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2024 (the “**Reporting Period**”) together with the comparative figures for the year ended 31 December 2023 (the “**Corresponding Period**”).

#### **FINANCIAL HIGHLIGHTS**

The financial highlights of the Group for the Reporting Period are summarised as follows:

- The Group recorded a revenue of approximately HK\$1,253.0 million for the Reporting Period, representing a decrease of approximately 12.9% from approximately HK\$1,439.4 million for the Corresponding Period.
- Gross profit of the Group during the Reporting Period was approximately HK\$45.8 million, representing an increase of approximately HK\$0.2 million or 0.5%, as compared with approximately HK\$45.6 million for the Corresponding Period.
- Net loss of the Group for the Reporting Period was approximately HK\$128.7 million, as compared to a net profit of approximately HK\$51.4 million for the Corresponding Period.
- Basic loss per share was HK 32.80 cents for the Reporting Period (Corresponding Period: earnings per share of HK 12.47 cents).

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Revenue	4	1,253,026	1,439,402
Cost of sales		<u>(1,207,210)</u>	<u>(1,393,805)</u>
<b>Gross profit</b>		<b>45,816</b>	45,597
Other income and gains	5	10,873	49,816
Selling and distribution expenses		(6,665)	(6,151)
Administrative and other expenses		(38,308)	(48,862)
(Impairment losses)/reversal of impairment losses on trade receivables		(53,388)	6,682
Impairment losses on other receivables		(20,983)	(11,783)
Impairment losses on trade deposits		(30,399)	(30,283)
Impairment losses on rental and utilities deposits		(4)	(10)
Impairment losses on goodwill		(1,457)	–
Impairment losses on property, plant and equipment		(7,607)	–
Gain on disposal of subsidiaries		112	69,648
Finance costs	6	<u>(18,406)</u>	<u>(19,100)</u>
<b>(Loss)/profit before tax</b>	7	<b>(120,416)</b>	55,554
Income tax expense	8	<u>(8,327)</u>	<u>(4,154)</u>
<b>(Loss)/profit for the year</b>		<b>(128,743)</b>	51,400
<b>Other comprehensive (expense)/income, net of tax:</b>			
Items that may be reclassified subsequently to profit or loss:			
– Exchange differences on translating foreign operations		(21,929)	(13,641)
– Exchange difference reclassified to profit or loss upon disposal of subsidiaries		<u>5</u>	<u>(12,753)</u>
<b>Other comprehensive expense for the year, net of tax</b>		<b><u>(21,924)</u></b>	<b><u>(26,394)</u></b>
<b>Total comprehensive (expense)/income for the year</b>		<b><u>(150,667)</u></b>	<b><u>25,006</u></b>

	<i>Notes</i>	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
<b>(Loss)/profit for the year attributable to:</b>			
Owners of the Company		<b>(124,383)</b>	47,293
Non-controlling interests		<b>(4,360)</b>	4,107
		<u><b>(128,743)</b></u>	<u>51,400</u>
<b>Total comprehensive (expense)/income for the year attributable to:</b>			
Owners of the Company		<b>(146,369)</b>	20,821
Non-controlling interests		<b>(4,298)</b>	4,185
		<u><b>(150,667)</b></u>	<u>25,006</u>
<b>(Loss)/earnings per share (HK cents)</b>	<i>10</i>		
<b>Basic</b>		<u><b>(32.80)</b></u>	<u>12.47</u>
<b>Diluted</b>		<u><b>(32.80)</b></u>	<u>12.23</u>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*At 31 December 2024*

		<b>2024</b>	<b>2023</b>
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
<b>Non-current assets</b>			
Property, plant and equipment		<b>20,739</b>	30,442
Right-of-use assets		<b>18,774</b>	18,881
Goodwill		<b>–</b>	1,457
Interests in associates		<b>286</b>	296
		<b>39,799</b>	51,076
<b>Current assets</b>			
Inventories		<b>134</b>	129,610
Trade and other receivables	<i>11</i>	<b>911,212</b>	1,135,753
Pledged bank deposits		<b>–</b>	2,192
Bank and cash balances		<b>4,575</b>	7,654
		<b>915,921</b>	1,275,209
<b>Current liabilities</b>			
Trade and other payables	<i>12</i>	<b>165,687</b>	419,042
Promissory notes		<b>–</b>	16,339
Bank and other borrowings		<b>382,293</b>	339,563
Lease liabilities		<b>3,740</b>	2,659
Deferred income		<b>1,247</b>	1,301
Income tax payables		<b>15,593</b>	10,173
		<b>568,560</b>	789,077
<b>Net current assets</b>		<b>347,361</b>	486,132
<b>Total assets less current liabilities</b>		<b>387,160</b>	537,208

	<i>Notes</i>	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
<b>Non-current liabilities</b>			
Bank and other borrowings		<b>7,209</b>	8,770
Lease liabilities		<b>17,713</b>	19,180
Deferred income		<b>7,573</b>	9,120
		<b>32,495</b>	37,070
<b>Net assets</b>		<b>354,665</b>	500,138
<b>Capital and reserves</b>			
Share capital		<b>3,823</b>	3,823
Reserves		<b>349,664</b>	496,033
<b>Equity attributable to owners of the Company</b>		<b>353,487</b>	499,856
Non-controlling interests		<b>1,178</b>	282
<b>Total equity</b>		<b>354,665</b>	500,138

## NOTES

*For the year ended 31 December 2024*

### 1. GENERAL INFORMATION

The Company was incorporated in Bermuda as an exempted Company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of its registered office is Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda. The principal place of business in Hong Kong is Room B, 1/F., Shun Cheung Industrial Building, No. 26 Wing Hong Street, Cheung Sha Wan, Kowloon, Hong Kong.

Pursuant to the special resolution of the shareholders of the Company on 31 May 2024, the name of the Company has been changed from “China Finance Investment Holdings Limited” to “Congyu Intelligent Agricultural Holdings Limited” and the dual foreign name in Chinese of the Company had been changed from “中國金控投資集團有限公司” to “從玉智農集團有限公司” with effect from 19 June 2024.

The Company is an investment holding company. The principal activities of the Group are growing, processing and trading of agricultural produce and trading of seafood and meat produce.

In the opinion of the directors of the Company, the immediate and ultimate holding company of the Company is Sino Richest Investment Holdings Limited, a company incorporated in the British Virgin Islands (the “**BVI**”), while the ultimate controlling party of the Company is Mr. Lin Yuhao, the executive director of the Company.

### 2.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and accounting principles generally accepted in Hong Kong. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and disclosure requirements of the Hong Kong Companies Ordinance. Material accounting policy information of the Group are discussed below.

The HKICPA has issued certain amendments to HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2.2 provides information on any changes in accounting policies resulting from initial application to the extent that they are relevant to the Group for current and prior accounting periods reflected in the consolidated financial statements.

### 2.2 ADOPTION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

#### (a) Application of amendments to HKFRS Accounting Standards

The Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024, for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendment to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangement

The application of the amendments to HKFRS Accounting Standards in the current year has no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

**(b) New and amendments to HKFRS Accounting Standards in issue but not yet effective**

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

	Effective for accounting periods beginning on or after
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	Contract Referencing Nature – dependent Electricity <sup>2</sup>
Amendments to HKAS 28 and HKFRS 10	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>1</sup>
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 <sup>2</sup>

<sup>1</sup> Effective for annual reporting periods beginning on or after 1 January 2025

<sup>2</sup> Effective for annual reporting periods beginning on or after 1 January 2026

<sup>3</sup> Effective for annual reporting periods beginning on or after 1 January 2027

<sup>4</sup> No mandatory effective date yet determined but available for adoption

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards are not expected to have any significant impact on the Group's consolidated financial statements.

HKFRS 18 replaces HKAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations, and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as HKAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 Statement of Cash Flows, HKAS 33 Earnings Per Share and HKAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other HKFRSs. HKFRS 18 and the consequential amendments to other HKFRSs will be effective for annual reporting periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's consolidated financial statements.

### 3. SEGMENT INFORMATION

Information reported to the most senior executive management, being the chief operating decision maker, for the purposes of resources allocation and assessment of segment performance focuses only on revenue analysis by nature of revenue and geographical location of customers.

Since there is only one operating and reporting segment of the Group, which is agricultural, seafood and meat business, no segment information is presented other than entity-wide disclosures.

#### (i) Geographical information

Over 90% (2023: over 90%) of the Group's non-current assets and revenue are located and generated in the People's Republic of China (the "PRC") in 2024. Accordingly, no further geographical information of non-current assets and revenue was disclosed.

#### (ii) Information about major customers

Details of the customers individually representing 10% or more of the Group's revenue are as follows:

	2024 HK\$'000	2023 HK\$'000
Customer A	N/A*	756,094
Customer B	536,071	N/A*
Customer C	132,662	N/A*

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

### 4. REVENUE

An analysis of revenue is as follows:

	2024 HK\$'000	2023 HK\$'000
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Recognised at point in time:		
Sales of agricultural, seafood and meat produce	1,253,026	1,439,402

### 5. OTHER INCOME AND GAINS

	2024 HK\$'000	2023 HK\$'000
Government grants (note (a))	4,334	35,377
Bank interest income	25	1,600
Gain on early termination of lease	145	—
Other interest income (note (b))	—	10,264
Services income	1,224	965
Waiver of other payable	4,331	—
Sundry income	814	1,610
	<b>10,873</b>	<b>49,816</b>

Notes:

- (a) It represents the receipt of government grants for (i) the construction of property, plant and equipment, which is amortised to profit or loss on a straight-line basis over the estimated useful life of the relevant assets; and (ii) the trading of food for the year ended 31 December 2024 and 31 December 2023 with no unfulfilled conditions and other contingencies attached to the receipts of those government grants.
- (b) Included in other interest income is imputed interest income on the consideration receivables of approximately RMB5,583,000 during the year ended 31 December 2023.

## 6. FINANCE COSTS

	2024 HK\$'000	2023 HK\$'000
Interest expenses on lease liabilities	1,399	2,061
Interest expenses on bank and other borrowings	17,007	17,039
	<u>18,406</u>	<u>19,100</u>

## 7. (LOSS)/PROFIT BEFORE TAX

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

	2024 HK\$'000	2023 HK\$'000
Staff costs (including directors' emoluments)		
Salaries and allowances	16,322	9,289
Retirement benefit scheme contribution (note)	1,042	817
	<u>17,364</u>	<u>10,106</u>
Total staff costs	17,364	10,106
Auditor's remuneration		
– Audit services	750	850
– Non-assurance services	–	80
Cost of inventories recognised as an expense	1,201,354	1,382,945
Consultancy fee	9,971	21,949
Stamp duty	619	3,091
Delivery and freight	470	1,386
Depreciation of:		
– property, plant and equipment	6,834	9,152
– right-of-use assets	3,847	5,146
Write-off of inventories	–	652
Short-term lease expenses	–	428
Foreign exchange losses, net	–*	95
Impairment losses on other receivables	20,983	11,783
Impairment losses/(reversal of impairment losses) on trade receivables	53,388	(6,682)
Impairment losses on trade deposits	30,399	30,283
Impairment losses on rental and utilities deposits	4	10
Impairment losses on goodwill	1,457	–
Impairment losses on property, plant and equipment	7,607	–
	<u>7,607</u>	<u>–</u>

Note: There were no forfeited contributions utilised during the years ended 31 December 2024 and 2023 to reduce future contributions.

\* The amount is less than HK\$1,000

## 8. INCOME TAX EXPENSE

Income tax expense has been recognised in profit or loss as follows:

	2024 HK\$'000	2023 HK\$'000
<b>Current taxation</b>		
– Hong Kong profits tax	6,861	326
– Corporate Income Tax (“CIT”) in the PRC	71	3,828
– Under provision in respect of prior years	1,395	–
	<u>8,327</u>	<u>4,154</u>

The tax rate applicable to the Company and the subsidiaries of the Company incorporated in Hong Kong was 16.5% (2023: 16.5%) during the years ended 31 December 2024 and 2023.

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The CIT in the PRC was provided at the rates applicable to the subsidiaries in the PRC on the income for statutory reporting purpose, adjusted for income and expense items which are not assessable or deductible for income tax purposes based on existing PRC income tax regulations, practices and interpretations thereof.

According to the PRC tax law and its interpretation rules (the “**PRC tax law**”), enterprises engaged in qualifying agricultural business are eligible for full CIT exemption or half reduction of CIT on profits derived from such business. The Group’s PRC subsidiaries engaged in qualifying agricultural business, which includes growing, processing and selling of vegetables, are thus entitled to full exemption of CIT.

The Group is not subject to taxation in other jurisdictions.

## 9. DIVIDEND

No dividend was paid or proposed during the year ended 31 December 2024, nor has any dividend been proposed since the end of the reporting period (2023: nil).

## 10. (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted (loss)/earnings per share is based on the following:

The weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share is adjusted as follows:

Number of shares	2023
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	379,257,038
Effect of dilutive potential ordinary shares arising from conversion of preference shares	15,150
Effect of dilutive potential ordinary shares arising from share options issued by the Company	7,352,650
	<hr/>
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	386,624,838
	<hr/> <hr/>

The calculation of the basic (loss)/earnings per share is based on the following:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
(Loss)/earnings		
(Loss)/earnings for the purpose of calculating basic (loss)/earnings per share	(124,383)	47,293
	<hr/> <hr/>	<hr/> <hr/>

The weighted average numbers of ordinary shares used as denominators in calculating the basic (loss)/earnings per share are the same for the years ended 31 December 2024 and 2023.

As the Company's outstanding share options where applicable had an anti-dilutive effect to the basic loss per share calculation, the exercise of these potential ordinary shares is not assumed in the calculation of diluted loss per share for the years ended 31 December 2024.

# 11. TRADE AND OTHER RECEIVABLES

	<i>Notes</i>	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
Trade receivables arising from trading of agricultural, seafood and meat produce		<b>333,693</b>	438,676
Less: accumulated impairment		<b>(95,216)</b>	(41,835)
Total trade receivables	<i>(a)</i>	<b>238,477</b>	396,841
Other receivables	<i>(b)</i>	<b>314,925</b>	278,776
Less: accumulated impairment		<b>(35,206)</b>	(14,223)
Total other receivables		<b>279,719</b>	264,553
Trade deposits	<i>(c)</i>	<b>454,587</b>	505,512
Less: accumulated impairment		<b>(62,215)</b>	(31,816)
Total trade deposits		<b>392,372</b>	473,696
Rental and utilities deposits	<i>(d)</i>	<b>382</b>	553
Less: accumulated impairment		<b>(14)</b>	(10)
Total rental and utilities deposits		<b>368</b>	543
Prepayments		<b>276</b>	120
Total trade and other receivables		<b>911,212</b>	1,135,753

The trade and other receivables are denominated in HK\$ and RMB.

- (a) The average credit period on sales of agricultural, seafood and meat produce is 60 days (2023: 60 days). As at 31 December 2024, the ageing analysis of trade receivables, based on the invoice date and net of accumulated impairment, is as follows:

	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i>
0 – 60 days	<b>167,977</b>	264,388
61 – 120 days	<b>4,176</b>	46,023
121 – 365 days	<b>28,734</b>	86,141
Over 365 days	<b>37,590</b>	289
	<u><b>238,477</b></u>	<u>396,841</u>

The movements of accumulated impairment on trade receivables are as follows:

	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i>
At 1 January	<b>41,835</b>	48,714
Impairment losses recognised/(reversal of impairment losses)	<b>53,388</b>	(6,682)
Exchange realignment	<b>(7)</b>	(197)
	<u><b>95,216</b></u>	<u>41,835</u>
At 31 December		

- (b) Other receivables included (i) amounts due from Taihengfeng Group of approximately HK\$54,091,000 (2023: HK\$52,936,000), which were unsecured, interest-free and repayable within 1 year (2023: repayable within 1 year); and (ii) consideration receivables of HK\$109,000 (2023: HK\$109,000) arising from disposal of subsidiaries in 2023.

The movements of accumulated impairment on other receivables are as follows:

	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i>
At 1 January	<b>14,223</b>	2,440
Impairment losses recognised	<b>20,983</b>	11,783
	<u><b>35,206</b></u>	<u>14,223</u>
At 31 December		

- (c) Trade deposits are related to payments to suppliers for purchase of goods which was not yet delivered to the Group. The Group pays deposits upon acceptance of orders by suppliers on a case-by-case basis and before receipts of goods. Purchase is recognised when goods are received.

The movement of accumulated impairment on trade deposits are as follows:

	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i>
At 1 January	<b>31,816</b>	1,533
Impairment losses recognised	<b>30,399</b>	30,283
	<hr/>	<hr/>
At 31 December	<b>62,215</b>	31,816
	<hr/> <hr/>	<hr/> <hr/>

- (d) The movement of accumulated impairment on rental and utilities deposits are as follows:

	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i>
At 1 January	<b>10</b>	–
Impairment losses recognised	<b>4</b>	10
	<hr/>	<hr/>
At 31 December	<b>14</b>	10
	<hr/> <hr/>	<hr/> <hr/>

## 12. TRADE AND OTHER PAYABLES

	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i>
	<b>Notes</b>	
Bills payables	<i>(a)</i>	4,385
Trade payables arising from trading of agricultural and meat produce	<i>(b)</i>	279,956
	<hr/>	<hr/>
Total trade and bills payables	<b>40,536</b>	284,341
Accruals	<b>17,041</b>	17,860
Other payables	<b>108,110</b>	103,371
Contract liabilities	<i>(c)</i>	13,470
	<hr/>	<hr/>
	<b>165,687</b>	419,042
	<hr/> <hr/>	<hr/> <hr/>

- (a) An ageing analysis of bills payables presented based on the invoice date at the end of the reporting period is as follows:

	<b>2024</b> <b>RMB'000</b>	2023 <i>RMB'000</i>
0 to 90 days	–	–
91 to 180 days	–	4,385
	<u>–</u>	<u>4,385</u>
	<u><u>–</u></u>	<u><u>4,385</u></u>

*Note:* These relate to trade payables in which the Group has been offered by main suppliers to settle purchase of goods with bills payables. Before bills payables expired, the Group continues to recognise these obligations to suppliers as the Group is obliged to make payments only on due dates of the bills, under the same conditions as agreed with the suppliers without further extension. In the consolidated statement of cash flows, settlements of these bills are included within operating cash flows based on the nature of the arrangements.

The credit periods granted by the suppliers normally ranging from 30 days to 120 days for both years. As at 31 December 2023, the maturity date of bills payables was ranged from 91 days to 180 days. All are denominated in RMB.

As at 31 December 2023, the Group's bills payables are secured by the followings:

- (i) Pledged bank deposits of the Group amounted to approximately HK\$2,192,000; and
  - (ii) Pledged bank deposits provided by Mr. Lin Yuhao, an executive director and substantial shareholder of the Company.
- (b) Trade payables arising from trading of agricultural and meat produce principally comprise amounts outstanding for trade purchases and have an average credit period of 30 days (2023: 30 days). The ageing analysis of trade payables based on the invoice date at the end of the reporting period is as follows:

	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i>
0–60 days	<b>1,207</b>	242,476
61–120 days	<b>288</b>	5
Over 120 days	<b>39,041</b>	37,475
	<u><b>40,536</b></u>	<u>37,480</u>
	<u><u><b>40,536</b></u></u>	<u><u>279,956</u></u>

- (c) As at 31 December 2024, no contract liabilities (2023: HK\$13,470,000) were included in the accruals, other payables and contract liabilities balances. The Group receives a designated amount of the contract value from customers in advance. It results in contract liabilities being recognised until the customers obtain control of a promised agricultural and meat produce and the Group satisfies its performance obligation. Such balance was expected to be recognised as revenue within 1 year from 31 December 2023.

The amount of revenue recognised during the year from performance obligation satisfied (or partially satisfied) in previous periods was HK\$13,470,000 (2023: HK\$nil).

### Movements in contract liabilities

	2024 HK\$'000	2023 HK\$'000
At 1 January	13,470	–
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the period	(13,470)	–
Increase in contract liabilities as a result of receiving deposits during the year	–	13,470
	<hr/>	<hr/>
At 31 December	–	13,470

### 13. EVENTS AFTER THE REPORTING PERIOD

Reference is made to the announcements of the Company dated 21 February 2025 and 24 February 2025 (the “**Announcements**”), unless the context requires otherwise, capitalised terms used herein have the same meanings as those defined in the Announcements. On 21 February 2025 and 24 February 2025, after trading hours, the Company and the Subscribers entered into the Subscription Agreements and Supplemental Agreements pursuant to which the Company agreed to issue (pursuant to the General Mandate), and the Subscribers agreed to subscribe for, an aggregate of 75,851,407 Subscription Shares at the Subscription Price of HK\$0.565 per Share. The completion of the Subscription took place on 18 March 2025 in accordance with the terms and conditions of the Subscription Agreements and Supplemental Agreements. A total of 75,851,407 new Shares have been allotted and issued to the Subscribers. Each of the Subscribers is an Independent Third Party.

Save as disclosed above, there is no material event undertaken by the Company or by the Group after the end of the reporting period and up to the date of this announcement.

## DIVIDENDS

The Board does not recommend the payment of any dividend for the years ended 31 December 2024 and 2023 to the holders of both ordinary shares and preference shares of the Company.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group was principally engaged in growing of agricultural produce, trading of agricultural and meat produce, poultry, seafood and prepared food in the People's Republic of China (the "PRC") ("**Agricultural and Meat Business**") during the Reporting Period.

#### Agricultural and Meat Business

The Group's Agricultural and Meat Business has been suffered from the economic recession in the PRC during the Reporting Period. Although the Group has been actively developing its trading of seafood and poultry business, and has strengthened its revenue stream and enlarged its customer base by commencing to supply food produce, including agricultural and meat produce, poultry and seafood to supermarkets and other customers in the PRC and commencing online sales, revenue from the Agricultural and Meat Business decreased by approximately 12.9%, from approximately HK\$1,439.4 million for the Corresponding Period to approximately HK\$1,253.0 million for the Reporting Period, and the Group recorded a gross profit of approximately HK\$45.8 million (2023: HK\$45.6 million).

Looking ahead, the Group will continue to control its costs, utilise its existing resources and collaborate with business partners to further strengthen the cultivation and trading of agricultural, poultry, seafood and prepared food with high potential for development, or pursue acquisitions when opportunities arise.

#### Investment in an associate

The Group held 40% equity interest in Shenzhen Congyu Wanxing Technology Agriculture Co. Ltd.\* (深圳市從玉萬興科技農業有限公司) ("**Congyu Wanxing**") and Jiamusi Congyu Modern Agriculture Co. Ltd.\* (佳木斯從玉現代農業有限公司) ("**Jiamusi Congyu**"), respectively.

During the Reporting Period, no revenue was recorded (2023: nil) as no business operation was conducted by Congyu Wanxing and Jiamusi Congyu (2023: nil).

### FINANCIAL REVIEW

During the Reporting Period, the Group's revenue amounted to approximately HK\$1,253.0 million, representing a decrease of approximately 12.9% from approximately HK\$1,439.4 million for the Corresponding Period. Gross profit of the Group during the Reporting Period was approximately HK\$45.8 million, representing an increase of approximately HK\$0.2 million or 0.5%, as compared with approximately HK\$45.6 million for the Corresponding Period. The decrease in revenue was mainly due to a decrease in sales of products with lower profit margin during the Reporting Period. As a result, the overall gross profit of the Group increased during the Reporting Period.

Please refer to the paragraph headed “Business Review” above for further details on the reasons for the decrease in revenue of the Group.

The Group recorded other income and gains in the net amount of approximately HK\$10.9 million during the Reporting Period, representing a decrease of approximately HK\$38.9 million or 78.1%, as compared to approximately HK\$49.8 million for the Corresponding Period. Such decrease was mainly attributable to the absence of (i) government grant for trading of food amount to HK\$31.0 million; and (ii) imputed interest income on the consideration receivables amounting to HK\$10.2 million during the Reporting Period, which was offset to some extent by the waiver of other payables of amounting to HK\$4.3 million during the Reporting Period.

During the Reporting Period, selling and distribution expenses of the Group increased by approximately HK\$0.5 million or 8.4% to approximately HK\$6.7 million (Corresponding Period: HK\$6.2 million). Such increase was mainly attributable to an increase in staff costs of approximately HK\$0.8 million, which was offset to some extent by a decrease in depreciation of approximately HK\$0.5 million.

Administrative and other expenses of the Group decreased by approximately HK\$10.6 million or 21.6% to approximately HK\$38.3 million during the Reporting Period (Corresponding Period: HK\$48.9 million). Such decrease was mainly attributable to (i) the absence of consultancy fees of approximately HK\$12.0 million for the business development strategy design services provided to the Group’s food trading sector; and (ii) a decrease in stamp duty of approximately HK\$2.5 million during the Reporting Period, which was offset to some extent by an increase in staff costs of approximately HK\$5.8 million during the Reporting Period.

Impairment losses on trade receivables of approximately HK\$53.4 million (2023: reversal of impairment losses of HK\$6.7 million) was recognised for the Reporting Period. Impairment losses on other receivables of approximately HK\$21.0 million was recognised for the Reporting Period (2023: HK\$11.8 million). Impairment losses on trade deposits of approximately HK\$30.4 million was recognised for the Reporting Period (2023: HK\$30.3 million). Impairment losses on rental and utilities deposits of approximately HK\$0.04 million was recognised for the Reporting Period (2023: HK\$0.10 million). Impairment losses on goodwill of approximately HK\$1.5 million was recognised for the Reporting Period (2023: nil). Impairment losses on property, plant and equipment of approximately HK\$7.6 million were recognised for the Reporting Period (2023: nil).

The gain on disposal of subsidiaries of approximately HK\$0.1 million recognised during the Reporting Period was due to the Group’s disposal of its entire equity interest in the subsidiaries (2023: HK\$69.6 million).

The net loss of the Group for the Reporting Period was approximately HK\$128.7 million, as compared to a net profit of approximately HK\$51.4 million for the Corresponding Period.

### **Liquidity and Financial Resources**

Apart from equity fund raising from the Company as detailed in the paragraph headed “Capital Structure and Gearing Ratio” below, the Group mainly financed its business operations with internally generated cash flows and general banking facilities during the Reporting Period.

As at the end of the Reporting Period, the Group had bank balances (including pledged bank deposits) and cash of approximately HK\$4.6 million (2023: HK\$9.8 million), mainly denominated in Hong Kong dollar and Renminbi (“**RMB**”). The Group’s quick ratio (measured as total current assets less inventories, deposits and prepayments divided by total current liabilities) was approximately 0.92 times (2023: 0.85 times).

As at the end of the Reporting Period, the total borrowings of the Group, which comprised of promissory notes, bank and other borrowings denominated in Hong Kong dollar and RMB, amounted to approximately HK\$389.5 million (2023: HK\$364.7 million). Bills payables amounted to approximately nil (2023: HK\$4.4 million) were secured by bank deposits of the Group and Mr. Lin Yuhao (the executive Director and substantial Shareholder of the Company). As at 31 December 2024, borrowings of approximately HK\$382.3 million (2023: HK\$339.6 million) were repayable within one year. As at 31 December 2024, borrowings of approximately HK\$40.9 million (2023: HK\$27.2 million) and HK\$348.6 million (2023: HK\$337.4 million) were denominated in Hong Kong dollar and RMB, respectively. Borrowings of approximately HK\$317.9 million (2023: HK\$305.6 million) were charged at fixed interest rates as at 31 December 2024.

As at the end of the Reporting Period, the Group had capital expenditure commitments of nil (2023: HK\$2.1 million). Operating lease payments represent rental payable by the Group for office premises and farmlands. Leases were negotiated for fixed terms ranging from 2 to 26 years.

The Group will continue adopting a positive yet prudent approach in managing its financial resources. Should other opportunities arise, thus prompting the need for additional funding, the management believes that the Group is well-positioned to obtain financing on favourable terms.

## **CAPITAL STRUCTURE AND GEARING RATIO**

The Group assumes capital management to ensure that the business of the Group will continue as a going concern whilst maximising the return to Shareholders through the optimisation of its debt and equity balance. The Group’s overall strategy remains unchanged from last year.

The Group reviews its capital structure on a regular basis. As a part of this review, the Group monitors capital on the basis of net debt to adjusted equity ratio, the ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as “adjusted equity”, as shown in the consolidated financial statement, plus net debt. The Group considers the cost of capital and the risks associated with issued share capital. To maintain or adjust the capital structure, the Group may adjust the ratio through dividend payments, issuing new shares, raising new debt financing or selling assets to reduce existing debts.

The Group has no equity fund raising activity during the Reporting Period and no ordinary shares of the Company were issued and allotted upon the exercise of share options granted by the Company.

The Company has 379,257,038 issued ordinary shares as at 31 December 2024.

As at 31 December 2024, the net debt to adjusted equity ratio was 0.52 (2023: 0.42). The Group's gearing ratio as at 31 December 2024 was 1.10 (2023: 0.73), which was measured as total debt to total shareholders' equity. The increase in the Group's gearing ratio was mainly due the increase in bank and other borrowings during the Reporting Period.

As at 31 December 2024, the outstanding balances of unsecured promissory notes issued by the Company to Mr. Lin Yuhao, an executive Director and Mr. Lin Yupa, a former Director, who is a close member of a key management personnel of the Company was HK\$16.3 million (classified to other borrowings) (2023: HK\$16.3 million), respectively.

## **CHANGE OF COMPANY NAME**

On 19 June 2024, the English name of the Company has been changed from "China Finance Investment Holdings Limited" to "Congyu Intelligent Agricultural Holdings Limited" and the secondary name in Chinese has been changed from "中國金控投資集團有限公司" to "從玉智農集團有限公司" and both the new English and Chinese names of the Company had been registered in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) with effect from 15 July 2024.

## **SIGNIFICANT INVESTMENTS**

During the Reporting Period, the Group did not have any significant investments.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES**

Save for the disclosure under paragraph headed "Business Review", the Group did not have material acquisitions or disposals of subsidiaries and associated companies during the Reporting Period.

## **CHARGES ON GROUP'S ASSETS**

As at 31 December 2024, no bank deposits (2023: HK\$2.2 million) were pledged to secure bills payables of the Group.

## **FOREIGN EXCHANGE EXPOSURE**

The Group mainly earns revenue and incurs costs in Hong Kong dollars and RMB. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The management is aware of the possible exchange rate exposure due to the continuing fluctuation of RMB and will closely monitor its impact on the performance of the Group to see if any hedging policy is necessary.

## **CONTINGENT LIABILITIES**

As at 31 December 2024, the Group did not have any material contingent liabilities.

## **TREASURY POLICIES**

The objective of the Group's treasury policy is to ensure that there is sufficient cash and access to finance the Group's ongoing operations and to execute its current and future plans. The Group has adopted prudent treasury policies and thus maintained a healthy liquidity position throughout the Reporting Period. To manage liquidity risk, the management closely monitors the Group's liquidity position and uses their best endeavours to maintain sufficient cash and cash equivalents and credit facilities available to fulfill the payment obligations of the Group.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

Save as disclosed in this announcement, the Group did not have other plan for material investments or acquisition of material capital assets as at 31 December 2024.

## **EMPLOYEE AND REMUNERATION POLICY**

As at 31 December 2024, the Group had a total of 62 (2023: 60) full-time employees in Hong Kong and the PRC. Total staff costs (including Directors' emoluments) for the Reporting Period amounted to HK\$17.4 million (2023: HK\$10.1 million). The employees are remunerated with reference to each individual's qualification, experience, responsibility and performance, the performance of the Group and market practices. Apart from the basic remuneration package, staff benefits offered by the Group to its employees include contribution to discretionary bonus, the mandatory provident fund scheme (the "**MPF Scheme**") in Hong Kong and the central provident fund scheme (the "**Retirement Benefit Scheme**") in the PRC. The Group operates the MPF Scheme under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for employees employed under the jurisdiction of the Employment Ordinance (Chapter 57 of the Laws of Hong Kong). The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the MPF Scheme vest immediately. Pursuant to the relevant labour laws, rules and regulations in the PRC, the Group participates in the Retirement Benefit Scheme organised by the relevant local government authorities in the PRC whereby the Group is required to make contributions to the Retirement Benefit Scheme at a certain rate of the standard wages determined by the relevant authorities in the PRC during the Reporting Period. Contributions to the Retirement Benefit Scheme vest immediately. As at 31 December 2024, there was no forfeited contribution under the MPF Scheme and the Retirement Benefit Scheme which may be used by the Group to reduce the contribution payable in the future years. The Company adopted a share option scheme on 6 June 2013 (the "**Scheme**") with a valid period 10 years. Pursuant to the Scheme, the Board may, at its discretion, grant options to eligible employees, executive and non-executive directors (including independent non-executive directors) of the Group. The Scheme expired on 6 June 2023 and no further options should be offered or granted under the Scheme on or after 6 June 2023.

## LITIGATION

In 2024, a subsidiary of the Group was served with a lawsuit filed by a customer, alleging that the Group failed to deliver goods in accordance with the terms of a signed procurement contract. The customer is seeking claims for the total procurement order amount of RMB25.1 million, along with interest losses incurred during the period of fund occupation.

The legal proceeding is still in progress and there is still uncertainty about the result of the legal proceeding, therefore the impact on the Group's profit for the year ended 31 December 2024 or the subsequent periods cannot be ascertained at the present stage. As such, no provision was considered necessary to be made in the condensed consolidated financial information for the year ended 31 December 2024.

The case was heard in the People's Court of Shunde District (the "**Court**"), Foshan City, Guangdong Province. In 2024, the Court issued a first-instance judgment against the Group, following which the Group promptly filed an appeal. The second-instance hearing was held on 26 February 2025, and the Group is currently awaiting the Court's final ruling.

The Group remains committed to safeguarding its legal rights and interests and will continue to respond proactively to the litigation in full compliance with applicable laws and regulations. Further updates regarding the case will be provided in a timely manner as developments arise.

## EVENTS AFTER THE REPORTING PERIOD

Details of significant events occurring after the Reporting Period are set out in Note 13.

## PROSPECTS

The Group will seek suitable investment opportunities from time to time to develop its existing business portfolio and engage in new lines of business with growth potential. The Group will pursue diversification in its business and income streams by exploring opportunities with exciting prospects which could complement or create potential synergies to its existing core operations.

To diversify its income streams and counter balance the cyclical nature of the Group's Agricultural and Meat Business, the Company has been actively developing its trading of agricultural and meat produce, poultry, seafood and prepared food business and commencing supply of produce to supermarkets and online platforms in the PRC.

In order to expand its agricultural bases, the Group has established stable and long-term cooperation with various neighborhood farms and agricultural companies as well as agricultural companies in other provinces of the PRC, under which the Group is responsible for brand promotion, quality assurance, sales empowerment for these farms, agricultural companies and farmers. The Group implements "Farmers-Companies-Governments" model to achieve common prosperity and provide traceable green food from farm-to-table. The Group strives to build a food supply base in Guangdong-Hong Kong-Macau Greater Bay Area (the "**Greater Bay Area**") to ensure safety and adequate food supply for the 120 million people in the Greater Bay Area. Meanwhile, the Group procures, processes and packs the agricultural produce supplied by farms and agricultural companies and then sells them to its customers through its established network of customers.

In order to broaden the sales channels of its agricultural produce, the Group has been exploring different cooperation models with various e-commerce operators and online sales platforms. Through such cooperation, the Group is expected to enhance the online sales of its agricultural and meat produce, poultry, seafood and prepared food, thus diversifying the revenue stream of the Group.

The Group primarily focuses on agricultural products, with a particular emphasis on landmark products that represent the core of agricultural and local specialties. By connecting cooperative bases across the country and collaborating with the Ten Thousand Stores Alliance, the Group targets to reach thousands of households in the Greater Bay Area, with the objectives of contributing to the revitalisation of rural areas nationwide, promoting the “Vegetable Basket” and “Rice Bag” programmes and facilitating the distribution of other high-quality agricultural products to households in the Greater Bay Area. This undertaking also marks a significant milestone in the Group’s digital transformation journey.

Meanwhile, the Group is seeking any vertical integration business opportunity to enhance its revenue stream, including but not limited to provide door-to-door delivery services for its agricultural, seafood and meat produce in the PRC.

Apart from the aforesaid, the Group will also consider other potential profitable businesses which could boost profitability in the future, including but not limited to, the Agricultural and Meat Business in the PRC and Hong Kong.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

## **CORPORATE GOVERNANCE PRACTICES**

During the Reporting Period, the Company’s corporate governance practices are based on the principles and the code provisions (“**Code Provisions**”) set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules (the requirements under which are applicable to the Company during the Reporting Period). During the Reporting Period, the Company has complied with the Code Provisions and mandatory disclosure requirements as set out in the CG Code except the deviations from Code Provisions C.1.6 of part 2 of the CG Code which provides that independent non-executive directors and other non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders and C.2.1 of part 2 of the CG Code which provides that the roles and responsibilities of chairman and chief executive should be separated.

### **Board Meetings and Annual General Meetings**

Code Provision C.1.6 of part 2 of the CG Code provides that independent non-executive Directors and other non-executive Directors should attend the annual general meeting of the Company to gain and develop a balanced understanding of the views of the shareholders. The independent non-executive Director, Ms. Zhu Rouxiang, did not attend the annual general meeting of the Company held on 31 May 2024 due to other commitments.

## **Chairman and Chief Executive Officer**

Code Provision C.2.1 of part 2 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. The chairman and chief executive of the Company are not related to each other and there are clear divisions among their responsibilities with a view to achieving a balance of power and authority. Mr. Lin Yuhao is the Chairman. The Chairman provides leaderships to the Board in terms of formulating policies and strategies, and discharges those duties set out in Code Provision C.2 of Part 2 of the CG Code. The chief executive of the Company has the overall responsibility of implementing the decisions, policies and strategies approved by the Board, and overseeing the Group's business and operations. Currently, Mr. Lin Yuhao and Mr. Wu Ya serve as the co-chief executive officers of the Company. As Mr. Lin Yuhao is the Chairman and has served as the chief executive officer of the Group since 15 October 2021, such practice deviates from Code Provision C.2.1 of part 2 of the CG Code. The Board believes that vesting the roles of both the Chairman and the chief executive officer in the same person can facilitate the execution of the Group's business strategies and boost effectiveness of its operation. Therefore, the Board considers that the deviation from Code Provision C.2.1 of part 2 of the CG Code is appropriate in such circumstance. In addition, under the supervision of the Board which comprises one executive Director, one non-executive Director and three independent non-executive Directors, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and the Shareholders. Mr. Lin Yuhao and Mr. Wu Ya jointly serving as the co-chief executive officers of the Company can also share the responsibilities of the Group's overall business development, operation and management work.

With the support from all the other Directors and the company secretary, the Chairman ensures that all Directors are properly briefed on issues arising from Board meetings and receive adequate, complete and reliable information in a timely manner. The Board considers that there are adequate balance of power and safeguards in place and will review and monitor this situation periodically to ensure that present structure would not impair the balance of power of the Company.

The Company periodically reviews its corporate governance practices to ensure that the requirements of the CG Code are continuously satisfied. The key corporate governance principles and practices of the Company are summarised in this announcement.

## **INTERNAL CONTROL**

The Board acknowledges its responsibility in maintaining sound and effective internal control system for the Group to safeguard investments of the Shareholders and assets of the Company at all times. The Board is ultimately responsible for evaluating the effectiveness of its internal control and risk management systems. The internal controls system aims to help achieve the Group's business objectives, safeguarding assets and maintaining proper accounting records for provision of reliable financial information. However, the design of the system is to provide reasonable, but not absolute, assurance against material misstatement in the financial statements or loss of assets and to manage rather than eliminate risks of failure when business objectives, being sought.

To facilitate the management and standardisation of internal operation, the Company has regulations in place that specify the responsibilities and scopes of anti-corruption works. Anti-corruption policy has been adopted and all employees of the Group have been required to strictly abide them. To encourage employees to report the improprieties they found or suspected, the Company has established appropriate whistleblowing procedures pursuant to its whistleblowing policy so as to provide a secure and fully confidential environment for employees to report the improprieties that they genuinely concerned.

### **Risk management and internal control**

The Board is overall responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and ensures that the Group has established and maintained appropriate and effective risk management and internal control systems.

The audit committee of the Board (“**Audit Committee**”) reviews the risk management and internal controls systems that are significant to the Group on an on-going basis, including financial, operational and compliance controls. The Audit Committee would consider and discuss with the management of the Group in respect of the adequacy of resource, qualifications, experience and training of staff and external advisors of the Group's accounting and financial reporting departments and budget of the Group's accounting, auditing and financial reporting functions.

The management of the Group is responsible for designing, maintaining, implementing and monitoring the risk management and internal control systems to ensure adequate control in place to safeguard the Group's assets and stakeholder's interest.

The Group has established risk management procedures to address and handle significant risks associated with its business. The Board would perform annual review on any significant change of business and the external environment and establish procedures to respond to the risks resulting from significant change of business and the external environment. The risk management and internal control systems are designed to mitigate the potential losses of the business.

The management would identify the risks associated with the business of the Group by considering both internal and external factors and events which include politics, economy, technology, environmental, social and staff. Each of the risks has been assessed and prioritised based on their relevant impact and chance of occurrence. The relevant risk management strategies would be applied to each type of risks according to the assessment results. Types of risk management strategies are listed as follow:

- Risk retention and reduction: accept the impact of risk or undertake actions by the Group to reduce the impact of the risk;
- Risk avoidance: change business process or objective so as to avoid risk;
- Risk sharing and diversification: diversify the effect of risk or allocate to different locations or products or markets;
- Risk transfer: transfer ownership and liability to a third party.

The internal control systems are designed and implemented to reduce the risks associated with the business accepted by the Group and minimise the adverse impact resulting from the risks. The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Company engages an external consultant to perform internal audit function and to review the effectiveness of the material controls (including financial, operational and compliance controls), internal control system, and risk management functions of the Company and the Group's major subsidiaries on a rotation basis annually. The Audit Committee and the Board, having reviewed the internal control and risk management review report for the Reporting Period, were reasonably satisfied that no material deficiencies or inadequacies existed or identified and the Company considers the risk management and internal control systems are effective and adequate for the Reporting Period. The Company has complied with the requirements under Code Provisions D.2.1 to D.2.5 and D.3.3 of part 2 of the CG Code relating to risk management and internal control. The Company will review the need for having an internal audit department on an annual basis.

During the Reporting Period, there were no changes in the nature and extent of the significant risks of the Group and no significant control failings or weaknesses that have been identified. The Board has received a confirmation from the management of the Company on the effectiveness and adequacy of the risk management and internal control systems.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules. Having made specific enquiry with the Directors, all the Directors confirmed that they had complied with the required standards of the said code during the Reporting Period.

## **BOARD COMMITTEES**

### **Audit Committee**

As at the date of this announcement, the Audit Committee comprises three members, all are independent non-executive Directors, namely Ms. Li Yang (Chairlady of Committee), Mr. Li Shaohua and Ms. Zhu Rouxiang.

The Audit Committee has reviewed the Group's consolidated results for the Reporting Period and the accounting principles and practices adopted by the Group and discussed risk management, internal control and financing reporting matters with management including a review of the consolidated financial statements for the Reporting Period.

## **SCOPE OF WORK OF THE COMPANY’S AUDITOR**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group’s auditor, Infinity CPA Limited, to the amounts set out in the Group’s consolidated financial statements for the year. The work performed by Infinity CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Infinity CPA Limited on the preliminary announcement.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Wednesday, 28 May 2025 to Monday, 2 June 2025, both days inclusive, during the period no transfers of shares of the Company will be registered. In order to qualify for attending and voting at the forthcoming AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Registrar, Tricor Investor Services Limited, at 17/F Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration by no later than 4:30 p.m. on Tuesday, 27 May 2025.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This results announcement is published on the websites of the Company ([www.cfi.hk](http://www.cfi.hk)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The annual report of the Company for the Reporting Period will be despatched to the Shareholders and will be available at the above websites in due course.

## **DATE OF BOARD MEETING**

Pursuant to Rule 13.43 of Listing Rules, the Company shall publish an announcement (the “**Announcement**”) in accordance with rule 2.07C at least seven clear business days in advance of the date fixed for any board meeting at which the declaration, recommendation or payment of a dividend is expected to be decided or at which any announcement of the profits or losses for any year, half-year or other period is to be approved for publication.

A Board meeting was held on 22 April 2025, to consider and approve, among other matters, the 2024 Annual Results, and publication of such results announcement, and the recommendation on the payment of a final dividend (if any). However, the Company was not aware of the need to publish the Announcement. The Company believes that is a one-off incident and has conducted an internal review to prevent similar occurrences in the future.

## RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2025, pending the release of the 2024 Annual Results contained in this announcement.

Upon the publication of this announcement, an application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 23 April 2025.

By order of the Board  
**Congyu Intelligent Agricultural Holdings Limited**  
**LIN Yuhao**  
*Chairman and Co-Chief Executive Officer*

Hong Kong, 22 April 2025

*As at the date of this announcement, the Board comprises five Directors, including two executive Directors, namely Mr. Lin Yuhao and Ms. Wang Hui, and three independent nonexecutive Directors, namely Mr. Li Shaohua, Ms. Zhu Rouxiang and Ms. Li Yang.*

*In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.*

\* *For identification purpose only*