



**China Shenshan Orchard Holdings Co. Ltd.**  
**(Incorporated in Bermuda)**  
**(Company Registration No. 41457)**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2022**

**Background**

*Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning ascribed to them in the circular to shareholders issued by China Shenshan Orchard Holdings Co. Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) and lodged with the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 31 March 2021 (“**Circular**”), in relation to, inter alia, the acquisition of Great Resolute Limited (“**Great Resolute**”) as a very substantial acquisition and an interested person transaction (“**Xingnong Acquisition**”), and the disposal of Sea Will International Limited (“**Sea Will**”) as a major transaction and an interested person transaction (“**Dukang Disposal**”, together with the Xingnong Acquisition, the “**Transactions**”).*

*In connection with the Transactions and following the approval of the Key Resolutions by the Company’s shareholders at the Company’s special general meeting held on 6 May 2021, the Board of Directors of the Company had on 1 June 2021 announced the change in the financial year end of the Company from 30 June to 31 December to align the financial year end of the Company with Chibi Shenshan Xingnong Agriculture Technology Co., Ltd. (a subsidiary of Great Resolute which is engaged in the Kiwifruit Business, as defined below). Accordingly, this announcement is in relation to the condensed interim and full year consolidated financial statements of the Group for the six months from 1 July 2022 to 31 December 2022 and twelve months from 1 January 2022 to 31 December 2022, while the comparative financial statements shown cover the six months from 1 July 2021 to 31 December 2021 and eighteen months from 1 July 2020 to 31 December 2021.*

*On 3 July 2021, all the conditions precedent for the completion of the Transactions had been fulfilled and/or waived in accordance with the terms of the Agreement and the Transactions had completed on the same day (“**Completion**”). Pursuant to Completion, the Company has:*

- (a) acquired all the issued and fully-paid shares in Great Resolute held by Keen Wind; and*
- (b) disposed of all the issued and fully-paid shares in Sea Will held by the Company to Keen Wind.*



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**Background (Cont'd)**

*Accordingly, the Company has entirely disposed of its business of production and sale of baijiu products (through the Dukang Disposal) (“**Baijiu Business**”) and its business now comprises wholly of the business of planting, cultivating and sale of kiwifruits carried out by the Xingnong Group (through the Xingnong Acquisition) (“**Kiwifruit Business**”).*



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**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the six months and full year ended 31 December 2022**

Group	Notes	Six months ended		Increase/ (Decrease)	Year ended to 31 Dec 2022	Eighteen-month period from 1 Jul 2020 to 31 Dec 2021		Increase/ (Decrease)
		31 Dec 2022	31 Dec 2021			RMB'000	RMB'000	
<b>Revenue</b>	<b>4.1</b>	85,010	111,176	(23.5)	85,010	111,176	(23.5)	
Cost of sales		(74,003)	(96,342)	(23.2)	(74,003)	(96,342)	(23.2)	
<b>Gross profit</b>		11,007	14,834	(25.8)	11,007	14,834	(25.8)	
Gain arising from changes in fair value less costs to sell of biological assets	<b>13</b>	67,911	90,814	(25.2)	67,911	90,814	(25.2)	
Gain on bargain purchase		-	10,471	N.M.	-	10,471	N.M.	
Other income	<b>5</b>	1,415	412	>100	8,073	412	>100	
Selling and distribution expenses		(2,002)	(4,620)	(56.7)	(4,125)	(4,620)	(10.7)	
Administrative expenses		(13,596)	(25,609)	(46.9)	(29,100)	(38,315)	(24.1)	
Other operating expenses		(16,330)	(19,046)	(14.3)	(33,403)	(19,046)	75.4	
<b>Operating profit</b>		48,405	67,256	(28.0)	20,363	54,550	(62.7)	
Finance costs	<b>6</b>	(26)	(51)	(49.0)	(64)	(51)	25.5	
<b>Profit before income tax</b>	<b>7</b>	48,379	67,205	(28.0)	20,299	54,499	(62.8)	
Income tax credit	<b>8</b>	1,155	2,919	(60.4)	4,084	2,919	39.9	
<b>Profit after income tax for the period/year from continuing operations</b>		49,534	70,124	(29.4)	24,383	57,418	(57.5)	
<b>Discontinued operations</b>								
Profit for the period/year from discontinued operations		-	99,909	N.M.	-	34,779	N.M.	
<b>Profit for the period/year, attributable to owners of the Parent</b>		49,534	170,033	(70.9)	24,383	92,197	(73.6)	
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of foreign operations		(1,384)	429	(422.6)	(2,479)	(1,961)	26.4	
Release of exchange reserve upon disposal of subsidiaries		-	(22,798)	N.M.	-	(22,798)	N.M.	
<b>Other comprehensive income for the period/year, net of tax</b>		(1,384)	(22,369)	(93.8)	(2,479)	(24,759)	(90.0)	
<b>Total comprehensive income for the period/year, attributable to owners of the Parent</b>		48,150	147,664	(67.4)	21,904	67,438	(67.5)	
<b>Profit per share for profit attributable to owners of the Parent during the period/year</b>	<b>9</b>							
From continuing and discontinued - Basic and diluted	RMB	0.62	2.13		0.31	1.16		
From continuing operations - Basic and diluted	RMB	0.62	0.88		0.31	0.72		
From discontinued operations - Basic and diluted	RMB	NIL	1.25		NIL	0.44		

N.M. Not meaningful

Note: There was no dilutive potential ordinary share in issue for the current and previous financial periods/years. Accordingly, the diluted earnings per share presented are the same as the basic earnings per share for the respective financial periods/years.

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION****As at 31 December 2022**

	Notes	GROUP		COMPANY	
		Unaudited	Audited	Unaudited	Audited
		As at 31 Dec 2022 RMB'000	As at 31 Dec 2021 RMB'000	As at 31 Dec 2022 RMB'000	As at 31 Dec 2021 RMB'000
<b>ASSETS AND LIABILITIES</b>					
<b>Non-current assets</b>					
Interests in subsidiaries		-	-	952,120	952,120
Property, plant and equipment		1,136,324	1,156,004	-	-
Deposit paid for property, plant and equipment		332	326	-	-
Intangible assets	11	5,871	6,376	-	-
		<u>1,142,527</u>	<u>1,162,706</u>	<u>952,120</u>	<u>952,120</u>
<b>Current assets</b>					
Inventories and consumables		1,162	1,437	-	-
Trade receivables		40,410	55,863	-	-
Prepayments, deposits and other receivables		1,846	957	-	-
Cash and cash equivalents		125,992	98,266	5	5
		<u>169,410</u>	<u>156,523</u>	<u>5</u>	<u>5</u>
<b>Current liabilities</b>					
Trade payables		2,895	3,162	-	-
Amount due to subsidiaries		-	-	26,128	20,074
Accrued liabilities and other payables	14	12,724	30,880	2,049	2,544
Bank loans, secured	15	13,600	4,400	-	-
Lease liabilities	16	37	35	-	-
Deferred government grants	17	478	478	-	-
Provision for income tax		253	253	-	-
		<u>29,987</u>	<u>39,208</u>	<u>28,177</u>	<u>22,618</u>
<b>Net current assets/(liabilities)</b>		<u>139,423</u>	<u>117,315</u>	<u>(28,172)</u>	<u>(22,613)</u>
<b>Total assets less current liabilities</b>		<u>1,281,950</u>	<u>1,280,021</u>	<u>923,948</u>	<u>929,507</u>
<b>Non-current liabilities</b>					
Bank loans, secured	15	-	13,600	-	-
Lease liabilities	16	9,207	9,244	-	-
Deferred government grants	17	12,046	12,524	-	-
Deferred tax liabilities		225,618	231,478	-	-
		<u>246,871</u>	<u>266,846</u>	<u>-</u>	<u>-</u>
<b>Net assets</b>		<u>1,035,079</u>	<u>1,013,175</u>	<u>923,948</u>	<u>929,507</u>
<b>EQUITY</b>					
<b>Equity attributable to owners of the Parent</b>					
Share capital		279,499	279,499	279,499	279,499
Reserves		755,580	733,676	644,449	650,008
<b>Total equity</b>		<u>1,035,079</u>	<u>1,013,175</u>	<u>923,948</u>	<u>929,507</u>

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS****For the six months and full year ended 31 December 2022**

	Notes	Group		Group	
		Six months ended 31 Dec 2022 RMB'000	31 Dec 2021 RMB'000	Year ended 31 Dec 2022 RMB'000	Eighteen-month period from 1 Jul 2020 to 31 Dec 2021 RMB'000
<b>Cash flows from operating activities</b>					
Profit before income tax					
Continuing operations		48,379	67,205	20,299	54,499
Discontinued operations		-	99,909	-	34,972
<b>Total</b>		<b>48,379</b>	<b>167,114</b>	<b>20,299</b>	<b>89,471</b>
Adjustments for:					
Bank interest income		(68)	(70)	(271)	(348)
Interest expenses		26	51	64	7,604
Depreciation of property, plant and equipment		14,484	15,086	29,522	45,539
Property, plant and equipment written off		112	504	523	504
Amortisation of intangible assets		253	285	505	285
Amortisation of deferred government grants		(239)	(239)	(478)	(239)
Share of profit of an associate		-	-	-	(591)
Gain on disposal of property, plant and equipment		-	(35)	(1)	(121)
Gain on disposal of subsidiaries		-	(99,909)	-	(99,909)
Gain on bargain purchase		-	(10,471)	-	(10,471)
Gain arising from changes in fair value less costs to sell of biological assets	13	(67,911)	(90,814)	(67,911)	(90,814)
Operating loss before working capital changes		(4,964)	(18,498)	(17,748)	(59,090)
Decrease in inventories		68,209	90,494	68,186	112,268
(Increase)/decrease in trade receivables		(40,410)	(55,860)	15,453	(55,860)
(Increase)/decrease in prepayments, deposits and other receivables		(992)	452	(895)	3,666
Increase/(decrease) in trade payables		980	(2,405)	(267)	(43,782)
(Decrease)/increase in accrued liabilities and other payables		(970)	(8,884)	(2,363)	11,184
Increase in amount due to an associate		-	-	-	1,567
Cash generated from/(used in) operations		21,853	5,299	62,366	(30,047)
Income taxes paid		(1,765)	(352)	(1,776)	(351)
<b>Net cash generated from/(used in) operating activities</b>		<b>20,088</b>	<b>4,947</b>	<b>60,590</b>	<b>(30,398)</b>
<b>Cash flows from investing activities</b>					
Net cash outflows from the Transactions completed		-	(8,248)	-	(8,248)
Purchases of property, plant and equipment		(869)	(2,472)	(4,838)	(2,660)
Payments of bearer plants		(1,069)	(3,810)	(3,442)	(3,810)
Proceeds from disposals of property, plant and equipment		-	-	2	212
Interest received		68	70	271	348
<b>Net cash used in investing activities</b>		<b>(1,870)</b>	<b>(14,460)</b>	<b>(8,007)</b>	<b>(14,158)</b>
<b>Cash flows from financing activities</b>					
Proceeds from bank loans		-	-	-	115,000
Repayments of bank loans		(2,200)	(5,200)	(4,400)	(120,200)
Repayment of principal on lease liabilities		-	-	(35)	-
Repayment of interest on lease liabilities		-	-	(754)	-
Interest paid		(528)	(934)	(1,238)	(8,487)
Advance from/(repayment to) a director		1,896	23,396	(18,443)	34,635
<b>Net cash (used in)/generated from financing activities</b>		<b>(832)</b>	<b>17,262</b>	<b>(24,870)</b>	<b>20,948</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>17,386</b>	<b>7,749</b>	<b>27,713</b>	<b>(23,608)</b>
Cash and cash equivalents at beginning of period/year		107,498	90,517	98,266	121,877
Effect of foreign exchange rate changes		1,108	-	13	(3)
<b>Cash and cash equivalents at end of period/year</b>		<b>125,992</b>	<b>98,266</b>	<b>125,992</b>	<b>98,266</b>
<b>Analysis of balances of cash and cash equivalents</b>					
<b>Cash at banks and in hand</b>		<b>125,992</b>	<b>98,266</b>	<b>125,992</b>	<b>98,266</b>

## CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

### For the full year ended 31 December 2022

**GROUP**

	Share capital RMB'000	Share premium RMB'000	Merger reserve RMB'000	Statutory reserves RMB'000	Translation reserve RMB'000	(Accumulated losses)/Retained profits RMB'000	Total equity RMB'000
<b>Balance as at 1 July 2020</b>	279,499	656,811	(150,101)	169,567	741	(10,780)	945,737
Profit for the period	-	-	-	-	-	92,197	92,197
Other comprehensive income							
Exchange differences on translation of foreign operations	-	-	-	-	(1,961)	-	(1,961)
Release of exchange reserve to profit or loss upon disposal of subsidiaries	-	-	-	-	(22,798)	-	(22,798)
<b>Total comprehensive income for the period</b>	-	-	-	8,454	(24,759)	92,197	67,438
Transfer to statutory reserves	-	-	-	8,454	-	(8,454)	-
Disposal of subsidiaries	-	-	150,101	(169,567)	-	19,466	-
<b>Balance as at 31 December 2021</b>	279,499	656,811	-	8,454	(24,018)	92,429	1,013,175
<b>Balance as at 1 January 2022</b>	279,499	656,811	-	8,454	(24,018)	92,429	1,013,175
Profit for the year	-	-	-	-	-	24,383	24,383
Other comprehensive income							
Exchange differences on translation of foreign operations	-	-	-	-	(2,479)	-	(2,479)
<b>Total comprehensive income for the year</b>	-	-	-	-	(2,479)	24,383	21,904
Transfer to statutory reserves	-	-	-	4,255	-	(4,255)	-
<b>Balance as at 31 December 2022</b>	279,499	656,811	-	12,709	(26,497)	112,557	1,035,079

**COMPANY**

	Share capital RMB'000	Share premium RMB'000	Contributed surplus RMB'000	Translation reserve RMB'000	(Accumulated losses)/retained profits RMB'000	Total equity RMB'000
<b>Balance as at 1 July 2020</b>	279,499	656,811	120,523	(24,954)	(240,153)	791,726
Profit for the period	-	-	-	-	136,912	136,912
Other comprehensive income						
Exchange differences on translation of foreign financial statements	-	-	-	869	-	869
<b>Total comprehensive income for the period</b>	-	-	-	869	136,912	137,781
Disposal of subsidiaries	-	-	(120,523)	-	120,523	-
<b>Balance as at 31 December 2021</b>	279,499	656,811	-	(24,085)	17,282	929,507
<b>Balance as at 1 January 2022</b>	279,499	656,811	-	(24,085)	17,282	929,507
Loss for the year	-	-	-	-	(3,566)	(3,566)
Other comprehensive income						
Exchange differences on translation of foreign financial statements	-	-	-	(1,993)	-	(1,993)
<b>Total comprehensive income for the year</b>	-	-	-	(1,993)	(3,566)	(5,559)
<b>Balance as at 31 December 2022</b>	279,499	656,811	-	(26,078)	13,716	923,948

**SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****1. Corporate and group information**

China Shenshan Orchard Holdings Co. Ltd. (the “**Company**”) was incorporated in Bermuda on 12 February 2008 under the Bermuda Companies Act as an exempted company with limited liability. The address of its registered office is located at Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda.

The Transactions have been completed on 3 July 2021. Great Resolute therefore became a wholly-owned subsidiary of the Company while Sea Will ceased to be a wholly-owned subsidiary of the Company since then. Accordingly, the Company has entirely disposed of the Baijiu Business and its business now comprises wholly of the Kiwifruit Business. Accordingly, the consolidated statements of comprehensive income are presented in accordance with IFRS 5 “Non-current Assets Held for Sales and Discontinued Operations”.

The Company’s shares are listed on the Mainboard of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are investment holdings, planting, cultivating and sale of kiwifruits (the “**Fresh Fruits**”), as well as researching and developing new kiwifruit varieties.

These condensed interim and full year consolidated financial statements as at and for the six months and full year ended 31 December 2022 (“**FY2022**”), and the comparative financial statements shown covering the six months and eighteen months ended 31 December 2021 (“**FP2021**”), comprise the Company and its subsidiaries (together referred to as the “**Group**”).

**2. Basis of preparation**

The condensed interim and full year consolidated financial statements have been prepared in accordance with International Accounting Standards 34 Interim Financial Reporting. The condensed interim and full year consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last condensed interim consolidated financial statements for the six months ended 30 June 2022.



The accounting policies and methods of computations adopted are consistent with those adopted by the Company in the Group's most recently audited consolidated financial statements for the eighteen-month period ended 31 December 2021 which were prepared in accordance with International Financial Reporting Standards ("IFRSs"), except for the adoption of new and amended standards as set out in Note 2.1 of the condensed interim and full year consolidated financial statements.

The condensed interim and full year consolidated financial statements have been prepared under the historical cost basis except for biological assets excluding bearer plants. The condensed interim and full year consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

## **2.1 New and amended standards adopted by the Group**

The Group and the Company have adopted all the new and amended IFRSs that are relevant to its operations and effective for the annual period beginning on 1 January 2022. The adoption of these new and amended IFRSs has no material effect on the performance and financial position of the Group and of the Company for the current financial period reported on. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these new and amended standards.

## **2.2 Use of judgements and estimates**

In preparing the condensed interim and full year consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Given the 2019 Novel Coronavirus ("COVID-19") pandemic has caused and will likely cause significant disruptions to economic activities, the uncertainties associated with accounting estimates and assumptions may also be increased accordingly. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the most recently audited consolidated financial statements as at and for the eighteen-month period for FP2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

### **3. Seasonal operations**

The Kiwifruit Business' cultivation activities depend on seasonal and climatic factors such as weather conditions, level of rainfall and temperature. These factors, may, *inter alia*, affect the cultivation, quality, overall supply and availability of the Group's annual harvest of kiwifruits, which consequently affects its kiwifruit sales.

The growing season for kiwifruit typically lasts up to 240 days per year. The kiwifruit harvest season takes place annually from September to October each year, and sales of harvested kiwifruit will typically occur thereafter, within the same calendar year.

### **4. Segment and revenue 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.

During FP2021, the Group completed the disposal of Baijiu Business and its business now comprises wholly of the Kiwifruit Business. In accordance with IFRSs 5, the segment of Baijiu Business for FP2021 was presented as discontinued operations in the Group's consolidated financial statements.

The Group's revenue, assets and capital expenditure are principally attributable to a single geographical region, which is Mainland China.

Accordingly, no separate analysis of segment information by business or geographical segments is presented.

A breakdown of sales and operating (loss)/profit after tax are as follows:

	<u>Group</u>		
	Year ended	Eighteen-month period from 1 July 2020 to	Increase/ (Decrease)
	31 Dec 2022	31 Dec 2021	%
	RMB'000	RMB'000	%
(a) Sales reported for first 6 months	-	-	-
(b) Operating loss after tax before deducting non-controlling interests for first 6 months	(25,151)	(33,447)	(24.8)
(c) Sales reported for second 6 months	85,010	-	N.M.
(d) Operating profit/(loss) after tax before deducting non-controlling interests for second 6 months	49,534	(44,389)	(211.6)
(e) Sales reported for third 6 months	N/A	111,176	N.M.
(f) Operating profit after tax before deducting non-controlling interests for third 6 months	N/A	170,033	N.M.

N/A Not applicable

N.M. Not meaningful

#### 4.1 Disaggregation of revenue

The Group has disaggregated revenue into various categories in the following table which is intended to depict the nature, amount, timing and uncertainty of revenue and cash flows. Revenue from contracts with customers within the scope of IFRSs 15 is recognised as follows:

	<u>Group</u>			<u>Group</u>		
	Six months ended		Increase/ (Decrease)	Year ended	Eighteen-month period from 1 July 2020 to	Increase/ (Decrease)
	31 Dec 2022	31 Dec 2021		31 Dec 2022	31 Dec 2021	
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
<b><u>Continuing operations</u></b>						
Sales of Fresh Fruits	85,010	111,176	(23.5)	85,010	111,176	(23.5)
Timing of revenue recognition - Point in time	85,010	111,176	(23.5)	85,010	111,176	(23.5)

## 5. Other income

Other income comprise:

	Group			Group		
	Six months ended		Increase/ (Decrease)	Year ended 31 Dec 2022	Eighteen- month period from 1 July 2020 to 31 Dec 2021	Increase/ (Decrease)
	31 Dec 2022	31 Dec 2021				
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
<b>Continuing operations</b>						
Bank interest income	68	70	(2.9)	271	70	>100
Government grants						
- relating to property, plant and equipment, and prepaid land lease for own use	239	239	-	478	239	>100
- other grants	1,043	44	>100	7,243	44	>100
Others	65	59	10.2	81	59	37.3
	<u>1,415</u>	<u>412</u>	>100	<u>8,073</u>	<u>412</u>	>100

Note: The amounts mainly represented unconditional cash subsidies from government for subsidising enterprises involving in specific industry in the local region.

## 6. Finance costs

	Group			Group		
	Six months ended		Increase/ (Decrease)	Year ended 31 Dec 2022	Eighteen- month period from 1 July 2020 to 31 Dec 2021	Increase/ (Decrease)
	31 Dec 2022	31 Dec 2021				
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
<b>Continuing operations</b>						
Interest on lease liabilities	376	379	(0.8)	754	379	98.9
Interest on bank borrowings	528	934	(43.5)	1,238	934	32.5
	904	1,313	(31.2)	1,992	1,313	51.7
Less: Amounts capitalised on property, plant and equipment	(878)	(1,262)	(30.4)	(1,928)	(1,262)	52.8
	<u>26</u>	<u>51</u>	(49.0)	<u>64</u>	<u>51</u>	25.5

## 7. Profit before income tax

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

	Group			Group		
	Six months ended		Increase/ (Decrease)	Year ended	Eighteen- month period from 1 July 2020 to 31 Dec 2021	Increase/ (Decrease)
	31 Dec 2022	31 Dec 2021		31 Dec 2022		
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
<b>Continuing operations</b>						
Employee benefit expenses						
Directors' remuneration	(945)	(2,747)	(65.6)	(1,896)	(2,747)	(31.0)
Salaries, wages and other benefits	(7,585)	(8,818)	(14.0)	(16,991)	(8,818)	92.7
Retirement benefits scheme contributions	(1,205)	(1,006)	19.8	(3,378)	(1,006)	>100
	(9,735)	(12,571)		(22,265)	(12,571)	
Cost of inventories recognised as an expense	(73,376)	(95,961)	(23.5)	(73,376)	(95,961)	(23.5)
Depreciation of property, plant and equipment	(14,484)	(15,086)	(4.0)	(29,522)	(15,086)	95.7
Amortisation of intangible assets	(253)	(285)	(11.2)	(505)	(285)	77.2
Amortisation of deferred government grants	239	239	-	478	239	>100
Plantation cost of mature bearer plants	(4,272)	(6,679)	(36.0)	(9,016)	(6,679)	35.0

## 8. Income tax credit

	Group			Group		
	Six months ended		Increase/ (Decrease)	Year ended	Eighteen- month period from 1 July 2020 to 31 Dec 2021	Increase/ (Decrease)
	31 Dec 2022	31 Dec 2021		31 Dec 2022		
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
<b>Continuing operations</b>						
Current tax						
- Tax for the period/year	1,775	11	>100	1,776	11	>100
	1,775	11	>100	1,776	11	>100
Deferred tax						
- Current period/year	(2,930)	(2,930)	-	(5,860)	(2,930)	>100
Income tax credit credited to profit or loss	(1,155)	(2,919)	(60.4)	(4,084)	(2,919)	39.9

Pursuant to the rules and regulations of Bermuda and the British Virgin Islands (“BVI”), the Group is not subject to any taxation under these jurisdictions during the financial periods/years presented.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong during the financial periods/years presented.

The provision for Mainland China income tax has been made at the statutory income tax rate of 25% on the assessable profits of the People’s Republic of China (“PRC”) subsidiaries of the Group in accordance with the PRC Enterprise Income Tax Law. Enterprises that engage in certain qualifying agricultural business are eligible for certain tax benefits, including full enterprise income tax exemption on profits derived from

agricultural business. The Group located in the PRC engaged in qualifying agricultural business is entitled to full exemption of enterprise income tax on profits derived from agricultural business.

The one-off unconditional government grants received are subject to the PRC income tax with tax rate of 25%.

## 9. Earnings per share

	Group			Group		
	Six months ended		Increase/ (Decrease)	Year ended	Eighteen- month period from 1 July 2020 to	Increase/ (Decrease)
	31 Dec 2022	31 Dec 2021		31 Dec 2022		
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
<b>Earnings</b>						
Profit attributable to the owners of the Company						
- Continuing operations	49,534	70,124	(29.4)	24,383	57,418	(57.5)
- Discontinued operations	-	99,909	N.M.	-	34,779	N.M.
Profit from continuing operations and discontinued operations	49,534	170,033	(70.9)	24,383	92,197	(73.6)
<b>Number of shares</b>						
Weighted average number of shares for the purpose of basic earnings per share	79,828,927	79,828,927	-	79,828,927	79,828,927	-

There was no dilutive potential ordinary share in issue for the current and previous financial years/periods. Accordingly, the diluted earnings per share presented above are the same as the basic earnings per share for the respective financial periods/years.

## 10. Net asset value per share

	Group		Company	
	As at 31 Dec 2022 RMB	As at 31 Dec 2021 RMB	As at 31 Dec 2022 RMB	As at 31 Dec 2021 RMB
Net asset value per ordinary share based on issued share capital	12.97	12.69	11.57	11.64
Number of ordinary shares issued	79,828,927	79,828,927	79,828,927	79,828,927

**11. Intangible assets**

	<b>Group</b>		
	<b>Licensing rights</b>	<b>Trademark</b>	<b>Total</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Eighteen-month period ended 31 December 2021</b>			
Opening net carrying amount	-	-	-
Disposal during the period			
- Cost	-	(40,000)	(40,000)
- Accumulated impairment	-	40,000	40,000
Addition through acquisition of subsidiaries	6,661	-	6,661
Amortisation	(285)	-	(285)
<b>Closing net carrying amount</b>	<b>6,376</b>	<b>-</b>	<b>6,376</b>
<b>At 31 December 2021</b>			
Cost	6,661	-	6,661
Accumulated amortisation and impairment	(285)	-	(285)
<b>Net carrying amount</b>	<b>6,376</b>	<b>-</b>	<b>6,376</b>
<b>Year ended 31 December 2022</b>			
Opening net carrying amount	6,376	-	6,376
Amortisation	(505)	-	(505)
<b>Closing net carrying amount</b>	<b>5,871</b>	<b>-</b>	<b>5,871</b>
<b>At 31 December 2022</b>			
Cost	6,661	-	6,661
Accumulated amortisation and impairment	(790)	-	(790)
<b>Net carrying amount</b>	<b>5,871</b>	<b>-</b>	<b>5,871</b>

As at 31 December 2022 and 31 December 2021, the licensing rights comprise the trademark and plant variety rights for kiwifruits.

## 12. Fair value measurements

The fair values of trade receivables, deposits and other receivables, cash and cash equivalents, trade payables, accrued liabilities and other payables, bank loans and lease liabilities approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements and categorised into different levels based on how observable the inputs used in the valuation technique utilised are as follows (the "**fair value hierarchy**"):

- Level 1: Quoted prices in active markets for identical items (unadjusted);
- Level 2: Observable direct or indirect inputs other than Level 1 inputs; and
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.



**13. Biological assets**

	Fresh Fruits RMB'000
<b>At 1 July 2020</b>	-
Gain arising from changes in fair value less costs to sell	90,814
Transfer of harvested fresh fruit to inventories	(90,814)
<b>At 31 December 2021 and 1 January 2022</b>	-
Gain arising from changes in fair value less costs to sell	67,911
Transfer of harvested fresh fruit to inventories	(67,911)
<b>At 31 December 2022</b>	-

The values of agricultural produce harvested measured at fair value less costs to sell during the period were as follows:

	Year ended 31 Dec 2022 RMB'000	Group Eighteen- month period from 1 July 2020 to 31 Dec 2021 RMB'000
Estimated fair value less costs to sell (RMB'000)		
Fresh fruits	67,911	90,814
<b>Estimated quantity (kg)</b>		
Fresh fruits	3,156,014	3,768,920

The movement in the fair value of the assets within level 3 of the hierarchy is as follows:

	Year ended 31 Dec 2022 RMB'000	Group Eighteen- month period from 1 July 2020 to 31 Dec 2021 RMB'000
Opening balance (level 3 recurring fair value)	-	-
Gain arising from changes in fair value less costs to sell	67,911	90,814
Transfer to inventories	(67,911)	(90,814)
<b>Closing balance (level 3 recurring fair value)</b>	<u>-</u>	<u>-</u>

An independent professional valuer was engaged to determine the fair value less cost to sell of biological assets at the point of harvest. The valuation methodology used to determine the fair value less cost to sell of biological assets is in compliance with both International Accounting Standard 41, Agriculture, and the International Valuation Standards (2017), published by the International Valuation Standards Council with aims to determine the fair value of a biological asset in its present location and condition.

The fair value measurement of the biological assets for the Group is categorised as level 3 fair value measurement within the three-level fair value hierarchy as defined in IFRSs 13, Fair value measurement.

During FY2022, no transfer occurred between levels in the hierarchy.

**14. Accrued liabilities and other payables**

	<u>Group</u>	
	As at	
	31 Dec 2022	31 Dec 2021
	RMB'000	RMB'000
Accrued liabilities and provisions	4,272	4,670
Value added tax ("VAT") and other payables	8,452	26,210
	<u>12,724</u>	<u>30,880</u>

As at 31 December 2022, the Group's other payables included an amount of RM6,631,000 (2021: RMB23,396,000) due to a director of the Company. The amount, which mainly represented certain expenses paid on behalf of the Group by the director, is unsecured, interest-free and repayable on demand.

**15. Bank loans, secured**

	<u>Group</u>	
	As at	
	31 Dec 2022	31 Dec 2021
	RMB'000	RMB'000
<b>Current</b>		
Bank loans	13,600	18,000
Less: Current portion	(13,600)	(4,400)
	<u>-</u>	<u>13,600</u>
Non-current portion	-	13,600

Based on the schedule repayment dates set out in the bank loan agreements, the borrowings are repayable as follows:

	<u>Group</u>	
	As at	
	31 Dec 2022	31 Dec 2021
	RMB'000	RMB'000
Within one year	13,600	4,400
More than one year, but not exceeding two years	-	13,600
	<u>13,600</u>	<u>18,000</u>

The Group's interest-bearing bank loans are secured by the Group's leasehold building, prepaid land lease payment and forest use right certificates of woodlands as at 31 December 2022 and 2021. The abovementioned bank loans are charged at fixed rates of 8.28% per annum (31 December 2021: 8.28% per annum).

**16. Lease liabilities**

The Group leases woodlands to operate its business. The leases for the plantation bases expire in 2058 to 2061. Lease terms are negotiated on an individual basis and contain different payment terms and conditions. The lease agreements do not impose any covenants.

	<b>Woodlands</b>
	<b>RMB'000</b>
<b>As 1 July 2020</b>	-
Acquisition of subsidiaries	8,900
Interest expenses	379
Lease payments	-
	<hr/>
<b>At 31 December 2021 and 1 January 2022</b>	9,279
Interest expenses	754
Lease payments	(789)
	<hr/>
<b>At 31 December 2022</b>	9,244

Future lease payments are due as follows:

	<b>Group</b>	
	<b>As at</b>	
	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Minimum lease payment due		
-Within one year	789	789
-more than one year, but not exceeding two years	789	789
-More than two years	26,664	27,453
	<hr/>	<hr/>
	28,242	29,031
Less: future interest expenses	(18,998)	(19,752)
Present value of lease liabilities	<hr/>	<hr/>
	9,244	9,279
	<hr/>	<hr/>

The present value of future lease payments are analysed as:

	<b>Group</b>	
	<b>As at</b>	
	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Current liabilities	37	35
Non-current liabilities	9,207	9,244
	<hr/>	<hr/>
	9,244	9,279
	<hr/>	<hr/>

The interest of lease liabilities was capitalised into the cost of bearer plants. For FY2022, the interest of lease liabilities was approximately RMB754,000 (FP2021: RMB379,000).

**17. Deferred government grants**

	<b>Group</b>	
	<b>As at</b>	
	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
At beginning of the year/period	13,002	-
Acquisition of subsidiaries	-	13,241
Amortisation	(478)	(239)
	<hr/> 12,524	<hr/> 13,002
Less: Current portion	(478)	(478)
Non-current portion	<hr/> 12,046	<hr/> 12,524

The Group's deferred government grants are mainly related to acquisition of property, plant and equipment and prepaid land lease payment.

The Group does not have any unfulfilled conditions and other contingencies attaching to government assistance in relation to the government grants at the end of the respective reporting periods.

**18. Subsequent events**

There are no known subsequent events which led to adjustments to this set of condensed interim and full year consolidated financial statements.

**OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7.2 OF THE LISTING MANUAL**

**1. (a) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There was no change in the Company's share capital during the current financial period reported on. The Company had no outstanding convertibles, treasury shares and subsidiary holdings as at 31 December 2022 and 31 December 2021.

**1. (b) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	As at	
	31 Dec 2022	31 Dec 2021
Total number of issued shares (excluding treasury shares)	79,828,927	79,828,927

The Company did not have any treasury shares as at 31 December 2022 and 31 December 2021.

**1. (c) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable. The Company does not have any treasury shares during and as at the end of the current financial period reported on.

**1. (d) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. The Company does not have any subsidiary that holds shares issued by the Company during and as at the end of the current financial period reported on.

**2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the auditors of the Company.

**3. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter)**

Not applicable.

**3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**

- a) Updates on the efforts taken to resolve each outstanding audit issue.
- b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

**This is not required for any audit issue that is a material uncertainty relating to going concern.**

Not applicable. The Group's latest audited consolidated financial statements for FP2021 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion issued by the Company's auditors.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except for the adoption of the applicable new and revised IFRSs which became effective for the financial period beginning on or after 1 January 2022, the Group has adopted the same accounting policies and methods of computations as stated in the audited consolidated financial statements for FP2021. The adoption of these new and revised IFRSs for the current reporting period ended 31 December 2022 did not result in material changes to the Group's results.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Please refer to item 4 above.

**6. Earnings per ordinary share of the group for the current financial period reported on and**

**the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

Please refer to Note 9 to the condensed interim consolidated financial statements.

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**

- a) current financial period reported on; and**
- b) immediately preceding financial year.**

Please refer to Note 10 to the condensed interim consolidated financial statements.

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

- a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

### **Continuing operations – Kiwifruit Business**

#### **Review of Group's Performance**

With the completion of the Transactions on 3 July 2021, the Company has entirely disposed of the Baijiu Business (via the Dukang Disposal) and its business now comprises wholly of the Kiwifruit Business (via the Xingnong Acquisition). As such, the consolidated statement of comprehensive income for FP2021 is presented in accordance with IFRS 5 "Non-current Assets Held for Sales and Discontinued Operations". Accordingly, the review of the Group's performance is for the twelve months from 1 January 2022 to 31 December 2022 (i.e. FY2022) vis-a-vis the comparative period for the eighteen months from 1 July 2020 to 31 December 2021 (i.e. FP2021).

#### **Revenue**

The Group's revenue is derived from the sale of kiwifruits to food and fruits distributors as well as corporate distributors and corporate customers in the PRC. Kiwifruit harvesting typically takes place in the months of September and October each year.

The volume of kiwifruit sold, as well as the average selling price per kg during FY2022 and

FP2021 are as follows:

	Volume of kiwifruit sold kg'000	Average Selling Price per kg RMB	Revenue RMB'000
FY2022	3,141	27.1	85,010
FP2021	3,769	29.5	111,176

The Group's revenue decreased by RMB26.2 million or 23.5%, from RMB111.2 million in FP2021 to RMB85.0 million in FY2022. This was mainly attributable to a lower harvest volume of kiwifruits caused by severe drought conditions in many parts of the PRC from May to August 2022.

#### Cost of sales

The Group's cost of sales decreased by RMB22.3 million or 23.2%, from RMB96.3 million in FP2021 to RMB74.0 million in FY2022. The drop in costs of sales was in line with the decrease in revenue and amount of harvested kiwifruit.

#### Gross Profit and gross profit margin

Gross profit decreased by RMB3.8 million or 25.8%, from RMB14.8 million in FP2021 to RMB11.0 million in FY2022. Gross profit margin decreased by 0.4 percentage points, from 13.3% in FP2021 to 12.9% in FY2022. The decrease in Group's gross profit was mainly due to the decreased volume of harvested kiwifruit in FY2022.

#### Gain arising from changes in fair value less costs to sell of biological assets

The gain arising from changes in fair value of biological assets decreased by RMB22.9 million or 25.2%, from RMB90.8 million in FP2021 to RMB67.9 million in FY2022. This was mainly due to the decreased volume of harvested kiwifruit and decrease in market prices of kiwifruit in the PRC.

#### Gain on bargain purchase

Gain on bargain purchase of RMB10.5 million recognised during FP2021 represented the excess difference between the fair values of the net assets of Great Resolute acquired by the Company and the net assets of Sea Will disposed of by the Company as settlement consideration of the Transactions upon Completion. Such one-time gain on bargain purchase was absent in FY2022.

#### Other income



Other income increased by RMB7.7 million, from RMB0.4 million in FP2021 to RMB8.1 million in FY2022, which was mainly due to an increase in unconditional grants from government-related agencies in the form of cash subsidies, in support of agricultural activities in the PRC.

#### Selling and distribution expenses

Selling and distribution expenses decreased by RMB0.5 million or 10.7%, from RMB4.6 million in FP2021 to 4.1 million in FY2022, mainly due to a decrease in product delivery cost to fruits distributors and corporate customers, as they bore the charges starting from FY2022. Such decrease was partially offset by an increase in depreciation charges over property, plant and equipment used for sales and marketing activities and employee benefit costs of sales and marketing personnel, which have been accounted for the entire twelve months in FY2022, instead of approximately six months in FP2021 since the date of Completion of the Transactions.

#### Administrative expenses

Administrative expenses decreased by RMB9.2 million or 24.1%, from RMB38.3 million in FP2021 to RMB29.1 million in FY2022, mainly due to a significant decrease in legal and professional fees incurred for the Transactions, which have been completed in FP2021. Such decrease was partially offset by an increase in depreciation charges over property, plant and equipment used for administrative uses and employee benefit costs for management, product development and administrative personnel, which have been accounted for the entire twelve months in FY2022, instead of approximately six months in FP2021 since the date of Completion of the Transactions.

#### Other operating expenses

Other operating expenses increased by RMB14.3 million or 75.4%, from RMB19.1 million in FP2021 to RMB33.4 million in FY2022, mainly due to an increase in plantation cost of mature bearer plants, depreciation of bearer plants and the property, plant and equipment utilised in the orchards, which have been accounted for the entire twelve months in FY2022, instead of approximately six months in FP2021 since the date of Completion of the Transactions.

#### Finance costs

Minimal finance costs were incurred in FY2022 and FP2021, which mainly comprised interest on bank borrowings and lease liabilities in relation to the leases related to the orchards with immature bearer plants.

#### Profit after tax for the year from continuing operations

Taking into account of the abovementioned, the Group recorded a profit after tax from continuing operations amounting to RMB24.4 million for FY2022 (FP2021: RMB57.4 million).

#### Profit after tax for the year from discontinued operations

On 3 July 2021, the Company completed the disposal of the Baijiu Business. Prior to the completion of the Transactions, the Baijiu Business represented the single line of business of the Group, and is classified as discontinued operations for FP2021.

### **Profit for the year**

Taking into account of the results of the Group's continuing and discontinued operations, the Group recorded a profit after tax of RMB24.4 million for FY2022 (FP2021: RMB92.2 million).

### **Review of Group's Financial Position as at 31 December 2022**

The Group recorded positive working capital (current assets less current liabilities) of RMB139.4 million as at 31 December 2022, as compared to RMB117.3 million as at 31 December 2021.

### **Non-current assets**

#### **Property, plant and equipment**

Property, plant and equipment comprised plant and machinery, computer equipment, transportation equipment, farmland infrastructure and equipment, construction in progress, buildings, bearer plants and right-of-use assets. The decrease in balance of RMB19.7 million was mainly due to the depreciation of property, plant and equipment of RMB32.0 million, partially offset by the additions of bearer plants of RMB7.9 million, plant and machinery of RMB4.3 million, furniture, fixtures and office equipment of RMB0.3 million and construction in progress of RMB0.3 million.

### **Current assets**

#### **Inventories and consumables**

The decrease in balance of RMB0.3 million as at 31 December 2022 was mainly due to lower amount of fertilisers and packaging materials ordered in the last quarter of FY2022, as compared to the last quarter of FP2021.

#### **Trade receivables**

Trade receivables comprised receivables pursuant to the sale of the harvested kiwifruits. The decrease in balance of RMB15.5 million as at 31 December 2022 was in line with the drop in revenue for FY2022.

#### **Prepayments, deposits and other receivables**

The increase in balance of RMB0.9 million was mainly due to the increase in prepayment to suppliers during the year under review.

### **Current Liabilities**

Trade payables

Trade payables decreased by RMB0.3 million as at 31 December 2022, mainly due to lower amount of fertilisers and pesticides purchased in the last quarter of FY2022.

Accrued liabilities and other payables

Accrued liabilities and other payables decreased by RMB18.2 million as at 31 December 2022, mainly due to net settlement of advances from a director amounting to RMB18.4 million during the year under review.

Bank loans, secured

Current portion of bank borrowings related to the secured bank borrowings obtained by the Group to finance the purchase of property, plant and equipment for the orchards, as well as for working capital requirements. The significant increase in balance of RMB9.2 million as at 31 December 2022 was mainly due to the reclassification of the non-current portion of bank borrowings of RMB13.6 million to current, partially offset by repayment of RMB4.4 million during the year under review.

**Non-current liabilities**Bank loans, secured

Non-current portion of bank borrowings related to the secured bank borrowings obtained by the Group to finance the purchase of property, plant and equipment for the orchards, as well as for working capital requirements. The significant decrease in balance of RMB13.6 million as at 31 December 2022 was due to the reclassification to current portion of bank borrowings.

Lease liabilities, Deferred government grants and Provision for income tax

Lease liabilities, deferred government grants and provision for income tax remained stable during the year under review.

**Review of Statement of Cash Flows for FY2022**

RMB60.6 million generated from operating activities for FY2022 was mainly the result of:

- (1) a decrease in inventories of RMB68.2 million; and
- (2) a decrease in trade receivables of RMB15.5 million,

which was partially offset by:

- (1) an operating loss before working capital changes of RMB17.7 million;
- (2) a decrease in accrued liabilities and other payables of RMB2.4 million;
- (3) income taxes paid of RMB1.8 million;
- (4) an increase in prepayments, deposits and other receivables of RMB0.9 million; and
- (5) a decrease in trade payables of RMB0.3 million.

RMB8.0 million used in investing activities during FY2022 was due to purchases of property, plant and equipment of RMB4.8 million and payment of bearer plants of RMB3.4 million, partially offset by interest received of RMB0.3 million.

RMB24.9 million used in financing activities during FY2022 was mainly due to (i) repayment of advances from a director of RMB18.4 million; (ii) repayments of bank loans of RMB4.4 million; (iii) payment of interest of RMB1.2 million; and (iv) repayment of principal and interest on lease liabilities of RMB0.8 million, during FY2022.

As a result of the above and taking into the effect of changes in foreign exchange rate, cash and cash equivalents increased by RMB27.7 million to RMB126.0 million as at 31 December 2022, from RMB98.3 million as at 1 January 2022.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

The condensed interim consolidated financial results of the Group for FY2022 as set out in this announcement are in line with (i) the forecast statement, which stated that “the Group is cautiously optimistic to be profitable for the financial year ending 31 December 2022”, as disclosed under Note 10 of the section entitled “Other Information Required Pursuant to Appendix 7.2 of the Listing Manual” of the unaudited financial results of the Group for six months ended 30 June 2022 released by the Company on 12 August 2022; and (ii) the profit guidance announcement for FY2022 released by the Company on 20 February 2023.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The PRC has recently shifted its strategy away from the zero-COVID approach, which had been in place for three years. The country has gradually begun opening its borders and lifting stringent restrictions. This move is seen as positive, as it is expected to revive the economy and eventually improve consumer sentiment.

The kiwifruit industry in the PRC has been growing rapidly in recent years and is expected to continue its growth trajectory in the future. This is largely driven by the rising disposable income of the consumers as well as growing domestic consumer demand for premium-quality kiwifruits. There is huge growth potential in the PRC's kiwifruit industry, with demand forecast to double over the next five years. This trend is expected to provide ample opportunities for the Group to grow its kiwifruit business to meet rising domestic demand and deliver sustainable long-term value to all stakeholders.

The Group's primary focus moving forward will be to enhance its standing in the Chinese domestic market and increase its share of the premium kiwifruit market. This will be achieved by investing in branding and marketing strategies. Additionally, the Group will continue to allocate resources for research and development to develop premium-grade kiwifruit varieties, modernize and digitize its agriculture operations, and drive innovation. The Group aims to grow its business by commercialising its unique kiwifruit varieties and leveraging its extensive knowledge in kiwifruit cultivation. This will be done by offering management services for third-party kiwifruit plantations and cultivation operations.

As the peak of the harvest and sales season of kiwifruit in the PRC takes place between September and December each year, barring any unforeseen circumstances, the Group is cautiously optimistic to be profitable for the financial year ending 31 December 2023.

**11. Dividend**

**(a) Whether an interim (final) ordinary dividend has been declared (recommended); and**  
No dividend has been declared or recommended for the current financial period reported on.

**(b) (i) Amount per share**

Not applicable.

**(ii) Previous corresponding period**

No dividend was declared or recommended for the previous corresponding period.

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)**

Not applicable.

**(d) The date the dividend is payable.**

Not applicable.

**(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

**12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended for FY2022 as the funds are retained for working capital purposes.

**13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group does not have a general mandate from shareholders for IPTs.

**14. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.**

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual.

**15. Disclosure of acquisitions (including incorporations) and realisations of shares in subsidiaries and/or associated companies pursuant to Rule 706A of the Listing Manual.**

The Group does not have any acquisitions (including incorporations) and realisations of shares in subsidiaries and/or associated companies since the end of the previous reporting period, up to 31 December 2022.

## **Part II Additional Information Required for Full Year Announcement**

**15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Not applicable. For details, please refer to Note 4 to the condensed interim consolidated financial statements.

**16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Not applicable. For details, please refer to Note 4 to the condensed consolidated financial statements.

**17. A breakdown of sales**

Please refer to Note 4 to the condensed interim consolidated financial statements.

**18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not applicable. No dividend was declared or recommended for FY2022 and FP2021.

**19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) of the Listing Manual. If there are no such persons, the issuer must make an appropriate negative statement.**

There is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

**BY ORDER OF THE BOARD**

**CHINA SHENSHAN ORCHARD HOLDINGS CO. LTD.**

**HU CHAO**

**Executive Director and Chief Executive Officer**

**28 February 2023**