



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

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 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).*

*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**").*

*Following Completion of the Transactions, the Company changed its name from "Dukang Distillers Holdings Limited" to "China Shenshan Orchard Holdings Co. Ltd." and adopted "中国神山果农控股有限公司" as its secondary name with effect from 5 July 2021.*

*The condensed interim consolidated statements of comprehensive income herein are presented in accordance with International Financial Reporting Standards. This announcement is in relation to the condensed interim consolidated financial statement of the Group for the six months ended 30 June 2022. Comparative figures for the six months ended 30 June 2021 have been restated.*



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<b>Contents</b>	<b>Page</b>
Condensed interim consolidated statement of comprehensive income	4
Condensed interim consolidated statements of financial position (Group and Company)	5
Condensed interim consolidated statement of cash flows	6
Condensed statements of changes in equity (Group and Company)	7
Selected notes to the condensed interim consolidated financial statements	8
Other information required pursuant to Appendix 7.2 of the Singapore Exchange Securities Trading Limited Listing Manual (“ <b>Listing Manual</b> ”)	18

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the six months ended 30 June 2022**

	Notes	Six months ended		Increase/ (Decrease) %
		30 Jun 2022 Unaudited RMB'000	30 Jun 2021 (Unaudited and Restated) RMB'000	
<b>Revenue</b>	<b>4</b>	-	-	N.M.
Cost of sales		-	-	N.M.
<b>Gross profit</b>		-	-	N.M.
Other income	<b>5</b>	6,658	-	N.M.
Selling and distribution expenses		(2,123)	-	N.M.
Administrative expenses		(15,504)	(11,258)	37.7
Other operating expenses		(17,073)	-	N.M.
<b>Operating loss</b>		(28,042)	(11,258)	149.1
Finance costs	<b>6</b>	(38)	-	N.M.
<b>Loss before income tax</b>	<b>7</b>	(28,080)	(11,258)	149.4
Income tax credit	<b>8</b>	2,929	-	N.M.
<b>Loss after income tax for the period from continuing operations</b>		(25,151)	(11,258)	123.4
<b>Discontinued operations</b>				
Loss for the period from discontinued operations		-	(33,131)	N.M.
<b>Loss for the period, attributable to owners of the Parent</b>		(25,151)	(44,389)	(43.3)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations		(1,095)	(185)	491.9
<b>Other comprehensive income for the period, net of tax</b>		(1,095)	(185)	491.9
<b>Total comprehensive income for the period/year, attributable to owners of the Parent</b>		(26,246)	(44,574)	(41.1)
<b>Loss per share for loss attributable to owners of the Parent during the period</b>	<b>9</b>			
From continuing and discontinued - Basic and diluted	RMB	(0.32)	(0.56)	
From continuing operations - Basic and diluted	RMB	(0.32)	(0.14)	
From discontinued operations - Basic and diluted	RMB	-	(0.42)	

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

N.M. Not Meaningful

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION****As at 30 June 2022**

	Notes	GROUP		COMPANY	
		Unaudited As at 30 Jun 2022 RMB'000	Audited As at 31 Dec 2021 RMB'000	Unaudited As at 30 Jun 2022 RMB'000	Audited 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		1,148,445	1,156,004	-	-
Deposit paid for property, plant and equipment		326	326	-	-
Intangible assets	11	6,124	6,376	-	-
		<u>1,154,895</u>	<u>1,162,706</u>	<u>952,120</u>	<u>952,120</u>
<b>Current assets</b>					
Inventories and consumables		1,460	1,437	-	-
Trade receivables		-	55,863	-	-
Prepayments, deposits and other receivables		860	957	-	-
Cash and cash equivalents		107,498	98,266	5	5
		<u>109,818</u>	<u>156,523</u>	<u>5</u>	<u>5</u>
<b>Current liabilities</b>					
Trade payables		1,915	3,162	-	-
Amount due to subsidiaries		-	-	21,786	20,074
Accrued liabilities and other payables	13	9,647	30,880	2,014	2,544
Bank loans, secured	14	15,800	4,400	-	-
Lease liabilities	15	38	35	-	-
Deferred government grants	16	478	478	-	-
Provision for income tax		243	253	-	-
		<u>28,121</u>	<u>39,208</u>	<u>23,800</u>	<u>22,618</u>
<b>Net current assets/(liabilities)</b>		<u>81,697</u>	<u>117,315</u>	<u>(23,795)</u>	<u>(22,613)</u>
<b>Total assets less current liabilities</b>		<u>1,236,592</u>	<u>1,280,021</u>	<u>928,325</u>	<u>929,507</u>
<b>Non-current liabilities</b>					
Bank loans, secured	14	-	13,600	-	-
Lease liabilities	15	8,830	9,244	-	-
Deferred government grants	16	12,285	12,524	-	-
Deferred tax liabilities		228,548	231,478	-	-
		<u>249,663</u>	<u>266,846</u>	<u>-</u>	<u>-</u>
<b>Net assets</b>		<u>986,929</u>	<u>1,013,175</u>	<u>928,325</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		707,430	733,676	648,826	650,008
<b>Total equity</b>		<u>986,929</u>	<u>1,013,175</u>	<u>928,325</u>	<u>929,507</u>

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS****For the six months ended 30 June 2022**

	<u>Group</u>	
	<b>Six months ended</b>	
	<b>30 Jun 2022</b>	<b>30 Jun 2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Cash flows from operating activities</b>		
Loss before income tax		
Continuing operations	(28,080)	(11,258)
Discontinued operations	-	(32,582)
<b>Total</b>	<b>(28,080)</b>	<b>(43,840)</b>
Adjustments for:		
Bank interest income	(203)	(116)
Interest expenses	38	3,738
Depreciation of property, plant and equipment	15,038	15,600
Property, plant and equipment written off	411	35
Amortisation of intangible assets	252	-
Amortisation of deferred government grants	(239)	-
Share of profit of an associate	-	(438)
Gain on disposal of property, plant and equipment	(1)	-
Operating loss before working capital changes	(12,784)	(25,021)
(Increase)/decrease in inventories	(23)	28,476
Decrease in trade receivables	55,863	-
Decrease/(increase) in prepayments, deposits and other receivables	97	(3,883)
Decrease in trade payables	(1,247)	(12,857)
(Decrease)/increase in accrued liabilities and other payables	(1,393)	24,510
Increase in amount due to an associate	-	1,279
Cash generated from operations	40,513	12,504
Income taxes (paid)/refunded	(11)	229
<b>Net cash generated from operating activities</b>	<b>40,502</b>	<b>12,733</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(3,969)	(188)
Payments of bearer plants	(2,373)	-
Proceeds from disposals of property, plant and equipment	2	24
Interest received	203	116
<b>Net cash used in investing activities</b>	<b>(6,137)</b>	<b>(48)</b>
<b>Cash flows from financing activities</b>		
Proceeds from bank loans	-	115,000
Repayments of bank loans	(2,200)	-
Repayments of principal on lease liabilities	(411)	-
Repayments of interest on lease liabilities	(378)	-
Interest paid	(710)	(3,738)
(Repayment to)/advance from a director	(20,339)	5,109
<b>Net cash (used in)/generated from financing activities</b>	<b>(24,038)</b>	<b>116,371</b>
<b>Net increase in cash and cash equivalents</b>	<b>10,327</b>	<b>129,056</b>
Cash and cash equivalents at beginning of period	98,266	74,259
Effect of foreign exchange rate changes	(1,095)	2,202
<b>Cash and cash equivalents at end of period</b>	<b>107,498</b>	<b>205,517</b>
<b>Analysis of balances of cash and cash equivalents</b>		
<b>Cash at banks and in hand</b>	<b>107,498</b>	<b>205,517</b>

**CONDENSED STATEMENTS OF CHANGES IN EQUITY****For the six months ended 30 June 2022****GROUP (UNAUDITED)**

	Share capital RMB'000	Share premium RMB'000	Merger reserve RMB'000	Statutory reserves RMB'000	Translation reserve RMB'000	Retained profits/ (accumulated losses) RMB'000	Total equity RMB'000
<b>Balance as at 1 January 2021</b>	279,499	656,811	(150,101)	169,567	(1,464)	(44,227)	910,085
Loss for the period	-	-	-	-	-	(44,389)	(44,389)
Other comprehensive income							
Exchange differences on translation of foreign operations	-	-	-	-	(185)	-	(185)
<b>Total comprehensive income for the period</b>	-	-	-	-	(185)	(44,389)	(44,574)
<b>Balance as at 30 June 2021</b>	279,499	656,811	(150,101)	169,567	(1,649)	(88,616)	865,511
<b>Balance as at 1 January 2022</b>	279,499	656,811	-	8,454	(24,018)	92,429	1,013,175
Loss for the period	-	-	-	-	-	(25,151)	(25,151)
Other comprehensive income							
Exchange differences on translation of foreign operations	-	-	-	-	(1,095)	-	(1,095)
<b>Total comprehensive income for the period</b>	-	-	-	-	(1,095)	(25,151)	(26,246)
<b>Balance as at 30 June 2022</b>	279,499	656,811	-	8,454	(25,113)	67,278	986,929

**COMPANY(UNAUDITED)**

	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 January 2021</b>	279,499	656,811	120,523	(24,858)	(241,601)	790,374
Loss for the period	-	-	-	-	(11,258)	(11,258)
Other comprehensive income						
Exchange differences on translation of foreign operations	-	-	-	413	-	413
<b>Total comprehensive income for the period</b>	-	-	-	413	(11,258)	(10,845)
<b>Balance as at 30 June 2021</b>	279,499	656,811	120,523	(24,445)	(252,859)	779,529
<b>Balance as at 1 January 2022</b>	279,499	656,811	-	(24,085)	17,282	929,507
Loss for the period	-	-	-	-	(1,110)	(1,110)
Other comprehensive income						
Exchange differences on translation of foreign operations	-	-	-	(72)	-	(72)
<b>Total comprehensive income for the period</b>	-	-	-	(72)	(1,110)	(1,182)
<b>Balance as at 30 June 2022</b>	279,499	656,811	-	(24,157)	16,172	928,325

**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”. Comparative figures for the six months ended 30 June 2021 have been restated.

Following the completion of the Transactions, the name of the Company has been changed from “Dukang Distillers Holdings Limited” to “China Shenshan Orchard Holdings Co. Ltd.” with effect from 5 July 2021.

The Company’s shares are listed on the Mainboard of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The Company’s shares listed as Taiwan Depositary Receipts on the Taiwan Stock Exchange Corporation have been delisted with effect from 31 August 2021.

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 consolidated financial statements as at and for the six months ended 30 June 2022 (“**HY2022**”), and the comparative financial statements shown covering the six months ended 30 June 2021 (“**HY2021**”), comprise the Company and its subsidiaries (together referred to as the “**Group**”).



## **2. Basis of preparation**

The condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards 34 Interim Financial Reporting. The condensed interim 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 audited consolidated financial statements for the eighteen-month period from 1 July 2020 to 31 December 2021 ("FP2021").

The accounting policies and methods of computations adopted are consistent with those adopted by the Company in its most recent audited consolidated financial statements for the eighteen-month period for FP2021 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 consolidated financial statements.

The condensed interim consolidated financial statements have been prepared under the historical cost basis except for biological assets excluding bearer plants. The condensed interim 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 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 recent 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 typically 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 has 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 HY2021 was presented as discontinued operations in the Group’s condensed interim 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.

**5. Other income**

Other income comprise:

	<u>Group</u>		
	Six months ended		
	30 Jun 2022	30 Jun 2021	Increase/ (Decrease)
	RMB'000	RMB'000	%
<b><u>Continuing operations</u></b>			
Bank interest income	203	-	N.M.
Government grants			
- relating to property, plant and equipment, and prepaid land lease for own use	239	-	N.M.
- other grants	6,200	-	N.M.
Others	16	-	N.M.
	<u>6,658</u>	<u>-</u>	<u>N.M.</u>

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

**6. Finance costs**

	<u>Group</u>		
	Six months ended		
	30 Jun 2022	30 Jun 2021	Increase/ (Decrease)
	RMB'000	RMB'000	%
<b><u>Continuing operations</u></b>			
Interest on lease liabilities	378	-	N.M.
Interest on bank borrowings	710	-	N.M.
	<u>1,088</u>	<u>-</u>	<u>N.M.</u>
Less: Amounts capitalised on property, plant and equipment	(1,050)	-	N.M.
	<u>38</u>	<u>-</u>	<u>N.M.</u>

**7. Loss before income tax**

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

	<u>Group</u>		
	Six months ended		
	30 Jun 2022	30 Jun 2021	Increase/ (Decrease)
	RMB'000	RMB'000	%
<b><u>Continuing operations</u></b>			
Depreciation of property, plant and equipment	(15,038)	-	N.M.
Amortisation of intangible assets	(252)	-	N.M.
Amortisation of deferred government grants	239	-	N.M.
Plantation cost of mature bearer plants	(4,744)	-	N.M.

**8. Income tax credit**

	<u>Group</u>		
	Six months ended		
	30 Jun 2022	30 Jun 2021	Increase/ (Decrease)
	RMB'000	RMB'000	%
<b><u>Continuing operations</u></b>			
Current tax			
- Tax for the period	1	-	N.M.
	1	-	N.M.
Deferred tax			
- Current period	(2,930)	-	N.M.
Income tax credit credited to profit or loss	(2,929)	-	N.M.

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 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 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. Loss per share

	<u>Group</u>		
	Six months ended		
	30 Jun 2022	30 Jun 2021	Increase/ (Decrease)
	RMB'000	RMB'000	%
<b>Loss</b>			
Loss attributable to the owners of the Company			
- Continuing operations	(25,151)	(11,258)	123.4
- Discontinued operations	-	(33,131)	N.M.
	<u>(25,151)</u>	<u>(44,389)</u>	(43.3)
<b>Number of shares</b>			
Weighted average number of shares for the purpose of basic earnings per share	79,828,927	79,828,927	-

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

## 10. Net asset value per share

	<u>Group</u>		<u>Company</u>	
	As at 30 Jun 2022 RMB	As at 30 Jun 2021 RMB	As at 30 Jun 2022 RMB	As at 30 Jun 2021 RMB
Net asset value per ordinary share based on issued share capital	12.36	12.69	11.63	11.64
Number of ordinary shares issued	79,828,927	79,828,927	79,828,927	79,828,927

**11. Intangible assets**

	<u>Group</u>
	Licensing rights
	RMB'000
<b>At 1 January 2022</b>	
Cost	9,340
Accumulated impairment	(2,964)
<b>Net carrying amount</b>	<b>6,376</b>
<b>Six-months period ended 30 June 2022</b>	
Opening net carrying amount	6,376
Amortisation	(252)
Closing net carrying amount	6,124
<b>At 30 June 2022</b>	
Cost	9,340
Accumulated amortisation and impairment	(3,216)
<b>Net carrying amount</b>	<b>6,124</b>

As at 30 June 2022, 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 (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. Accrued liabilities and other payables**

	<b>Group</b>	
	<b>As at</b>	
	<b>30 Jun 2022</b>	<b>31 Dec 2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Accrued liabilities and provisions	4,189	4,670
Value added tax ("VAT") and other payables	5,458	26,210
	<u>9,647</u>	<u>30,880</u>

As at 30 June 2022, the Group's other payables included an amount of RMB3,057,000 (31 December 2021: RMB23,396,000) due to a director of the Company. The amount, which mainly represented certain expenses paid by the director, is unsecured, interest-free and repayable on demand.

**14. Bank loans, secured**

	<b>Group</b>	
	<b>As at</b>	
	<b>30 Jun 2022</b>	<b>31 Dec 2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Current</b>		
Bank loans	15,800	18,000
Less: Current portion	-	(4,400)
	<u>15,800</u>	<u>13,600</u>
Non-current portion	15,800	13,600

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

	<b>Group</b>	
	<b>As at</b>	
	<b>30 Jun 2022</b>	<b>31 Dec 2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Within one year	15,800	4,400
More than one year, but not exceeding two years	-	13,600
	<u>15,800</u>	<u>18,000</u>

The Group's interest-bearing bank loans are secured by the Group's building, prepaid land lease payment and forest use right certificates of woodlands as at 30 June 2022 and 31 December 2021. The abovementioned bank loans are charged at fixed rates of 8.28% per annum (31 December 2021: 8.28% per annum).

**15. 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.

	<u>Woodlands</u> RMB'000
<b>At 1 January 2022</b>	
Opening carrying amount	9,279
Interest expenses	378
Lease payments	<u>(789)</u>
<b>At 30 June 2022</b>	<u><u>8,868</u></u>

Future lease payments are due as follows:

	<b>Group</b>	
	<b>As at</b>	
	<b>30 Jun 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	<u>26,664</u>	<u>27,453</u>
	28,242	29,031
Less: future interest expenses	<u>(19,374)</u>	<u>(19,752)</u>
Present value of lease liabilities	<u><u>8,868</u></u>	<u><u>9,279</u></u>

The present value of future lease payments are analysed as:

	<b>Group</b>	
	<b>As at</b>	
	<b>30 Jun 2022</b>	<b>31 Dec 2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Current liabilities	38	35
Non-current liabilities	<u>8,830</u>	<u>9,244</u>
	<u><u>8,868</u></u>	<u><u>9,279</u></u>

The interest of lease liabilities was capitalised into the cost of bearer plants. For HY2022, the interest of liabilities was approximately RMB378,000 (HY2021: RMB379,000).



**16. Deferred government grants**

	<b>Group</b>	
	<b>As at</b>	
	<b>30 Jun 2022</b>	<b>31 Dec 2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
At beginning of period/year	13,002	-
Acquisition of subsidiaries	-	13,241
Amortisation	(239)	(239)
At end of period	12,763	13,002
Less: Current portion	(478)	(478)
Non-current portion	12,285	12,524

The Group's deferred government grants 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 regard to the government grants at the end of reporting periods.

**17. Subsequent events**

There are no known subsequent events which led to adjustments to this set of condensed interim 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 30 June 2022 and 30 June 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.**

	<b>As at</b>	
	<b>30 Jun 2022</b>	<b>31 Dec 2021</b>
Total number of issued shares (excluding treasury shares)	79,828,927	79,828,927

The Company did not have any treasury shares as at 30 June 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/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 its latest audited consolidated financial statements for FP2021. The adoption of these new/revised IFRSs for the current reporting period ended 30 June 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). Comparative figures for HY2021 have been restated. Accordingly, the review of the Group's performance for its continuing operations (relating to the Kiwifruit Business) is only for HY2022 as there are no meaningful comparative figures for HY2021 after the restatement.

#### **Revenue**

The Group's revenue is derived from the sale of kiwifruit to food and fruits distributors as well as corporate distributors and corporate customers in the People's Republic of China ("PRC"). In view that kiwifruit harvesting typically takes place in the months of September and October each year, no revenue or profits were recorded for HY2022 due to the seasonality of the business.

#### **Cost of sales**

The Group's cost of sales comprised inventory costs of kiwifruit, direct labour costs, factory overhead and costs of packaging materials incurred in the packaging process of kiwifruit. No

cost of sales recorded for HY2022 as kiwifruit harvesting typically takes place in the months of September and October each year.

#### Other income

Other income of RMB6.7 million was recorded in HY2022, which mainly comprised unconditional grants from government-related agencies in the form of cash subsidies, in support of agricultural activities in the PRC and interest income.

#### Selling and distribution expenses

Selling and distribution expenses of RMB2.1 million recorded in HY2022 mainly comprised advertising and promotion expenses, depreciation charges over property, plant and equipment used for sales and marketing activities, transportation costs and employee benefit costs of sales and marketing personnel.

#### Administrative expenses

Administrative expenses increased by RMB4.3 million, from RMB11.3 million in HY2021 to RMB15.5 million in HY2022.

Administrative expenses amounting to RMB15.5 million for HY2022 was related to administrative expenses incurred for the Kiwifruit Business and the Company, which mainly comprised (i) remuneration for the directors of the Company (the “**Director**”); (ii) employee benefit costs for management, product development and administrative personnel; (iii) entertainment and travelling expenses incurred by the aforementioned personnel; (iv) amortisation of prepaid land lease payments and licenses; (v) depreciation of property, plant and equipment held for administrative uses; (vi) office expenses; and (vii) legal and professional fees incurred.

Administrative expenses amounting to RMB11.3 million for HY2021 was related to administrative expenses incurred for the Company only, which mainly comprised Directors’ remuneration of the Company and legal and professional fees incurred.

#### Other operating expenses

Other operating expenses of RMB17.1 million in HY2022 mainly comprised plantation cost of mature bearer plants, depreciation of bearer plants and the property, plant and equipment utilised in the orchards.

#### Finance costs

Minimal finance costs were incurred in HY2022, which mainly comprised interest on bank borrowings and lease liabilities in relation to the leases related to the orchards with immature bearer plants.

**Loss after tax for the financial period from continuing operations**

Taking into account of the abovementioned, the Group recorded a loss after tax from continuing operations amounting to RMB25.2 million for HY2022.

**Review of Group's Financial Position as at 30 June 2022**

The Group recorded positive working capital (current assets less current liabilities) of RMB81.7 million as at 30 June 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 RMB7.6 million was mainly due to the depreciation of property, plant and equipment of RMB15.0 million, partially offset by the additions of plant and machinery of RMB4.5 million and bearer plants of RMB3.4 million.

**Current assets****Trade receivables**

Trade receivables comprised receivables pursuant to the sale of the harvested kiwifruits. The significant drop to zero in balance as at 30 June 2022 was due to full settlement of the receivables from customers during the period under review.

**Prepayments, deposits and other receivables**

The decrease in balance of RMB1.3 million as at 30 June 2022 was mainly due to the drop in prepayment to suppliers during the period under review.

**Current Liabilities****Trade payables**

Trade payables decreased by RMB1.3 million as at 30 June 2022, mainly due to the lower amount of fertilisers and pesticides purchased during the period from April to June 2022.

**Accrued liabilities and other payables**

Accrued liabilities and other payables decreased by RMB21.2 million as at 30 June 2022, mainly due to settlement of advances from a director amounting to RMB20.3 million during the period 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 RMB11.4 million as at 30 June 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 RMB2.2 million during the period 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 30 June 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 period under review.

**Review of Statement of Cash Flows for HY2022**

RMB40.5 million generated from operating activities for HY2022 was mainly the result of:

- (1) a decrease in trade receivables of RMB55.9 million; and
- (2) a decrease in prepayments, deposits and other receivables of RMB0.1 million,

which was partially offset by:

- (1) an operating loss before working capital changes of RMB12.8 million;
- (2) a decrease in trade payables of RMB1.3 million; and
- (3) a decrease in accrued liabilities and other payables of RMB1.4 million.

RMB6.1 million used in investing activities during HY2022 was due to purchases of property, plant and equipment of RMB4.0 million and payments of bearer plants of RMB2.4 million, partially offset by interest received of RMB0.2 million.

RMB24.0 million used in financing activities during HY2022 was mainly due to (i) repayment of bank loans of RMB2.2 million; (ii) repayment of principal and interest on lease liabilities of RMB0.8 million; (iii) payment of interest of RMB0.7 million; and (iv) repayment of advances from a director of RMB20.3 million.

As a result of the above and taking into the effect of changes in exchange rate, cash and cash equivalents increased by RMB9.2 million to RMB107.5 million as at 30 June 2022, from RMB98.3 million as at 31 December 2021.

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

No forecast or prospect statement was previously made to shareholders.

**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 demand for kiwifruit has been growing over the years in the PRC, largely driven by the rising disposable income of the consumers as well as growing domestic consumer demand for premium-quality kiwifruits. 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.

Going forward, the Group will continue to focus on strengthening its presence in the PRC's domestic market and expanding its market share in the premium kiwifruit market segment by investment in branding and marketing efforts. The Group will also continue to invest in research and development to cultivate premium grade varieties, modernise and digitalise the Group's agriculture infrastructure and core processes as part of its ongoing innovative efforts and initiatives. The Group intends to scale up its business through the commercialisation of its kiwifruit varieties and monetising its expertise in kiwifruit planting, by managing third-party kiwifruit plantations and cultivation operations. This also demonstrates the Group's commitment to support the PRC government's vision for a modernisation of the agricultural industry by 2035 with the aim of eradicating poverty in the PRC.

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 2022.

**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 interim dividend was declared or recommended in 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 as the Company is in a loss making position for HY2022.

**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 30 June 2022.

**16. Negative confirmation pursuant to Rule 705(5) of the Listing Manual.**

The Board of Directors of the Company confirms that, to the best of its knowledge, nothing has come to the attention of the Board of Directors of the Company, which may render the condensed interim consolidated financial statements of the Group for HY2022 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

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

**HU CHAO**

**Executive Director and Chief Executive Officer**

**12 August 2022**