



FOR IMMEDIATE RELEASE

China Shenshan Orchard maintains a healthy balance sheet with cash and cash equivalents standing at RMB107.5 million

- No revenue or profits were recorded in 1H2022 due to the seasonality of the business
- Cash generated from operating activities amounted to RMB40.5 million in 1H2022
- Intends to scale up its business through the commercialisation of its kiwifruit varieties and its expertise in kiwifruit planting to third-party kiwifruit growers

Singapore, 12 August 2022 – SGX-ST Mainboard-listed China Shenshan Orchard Holdings Co. Ltd. (中国神山果农控股有限公司) (“China Shenshan Orchard” or the “Company”, and together with its subsidiaries, the “Group”), a leading producer of kiwifruits in the People’s Republic of China (“PRC”) is pleased to announce its unaudited financial results for six months ended 30 June 2022 (“1H2022”) following the completion of its acquisition of kiwifruit business and disposal of baijiu business on 3 July 2021.

Financial Highlights

RMB'000	Six months ended 30 June 2022 (1H2022)	Six months ended 30 June 2021 ¹ (1H2021)
Revenue	-	-
Gross profit	-	-
Other income	6,658	-
Selling and distribution expenses	(2,123)	-
Administrative expenses	(15,504)	(11,258)
Other operating expenses	(17,073)	-
Loss before income tax	(28,080)	(11,258)
Loss after income tax from continuing operations	(25,151)	(11,258)

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

¹ With the completion of the Company’s acquisition of the kiwifruit business and the Company’s disposal of the baijiu business on 3 July 2021, the consolidated statements of comprehensive income of the Group are presented in accordance with IFRS 5 “Non-current Assets Held for Sales and Discontinued Operations”.

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(Incorporated in Bermuda)
(Company Registration No. 41457)



kiwifruit will typically occur thereafter, within the same calendar year. Thus, the Group did not record any revenue or profits in 1H2022 due to the seasonality of the business.

The Group recorded other income of RMB6.7 million in 1H2022, 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 of RMB2.1 million recorded in 1H2022 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 increased by RMB4.3 million, from RMB11.3 million in 1H2021 to RMB15.5 million in 1H2022. Administrative expenses of RMB15.5 million in 1H2022 mainly comprised (i) remuneration for the directors of the Company; (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.

As a result, the Group recorded a loss after tax from the kiwifruit business of RMB25.2 million in 1H2022.

Cash generated from operating activities amounted to RMB40.5 million in 1H2022. Trade receivables, comprising receivables pursuant to the sale of the harvested kiwifruits, dropped to zero in balance as at 30 June 2022 due to full settlement of the receivables from customers. Total cash and cash equivalents stood at RMB107.5 million as at 30 June 2022, as compared to RMB98.3 million as at 31 December 2021.

Mr. Hu Chao, Executive Director and Chief Executive Officer of China Shenshan Orchard said, **“We believe that the bright outlook of the kiwifruit industry in the PRC will provide ample opportunities for the Group to grow the kiwifruit business to meet rising domestic demand and deliver sustainable long-term value to all stakeholders.**

The Group intends to scale up its business during the year through the commercialisation of kiwifruit varieties and monetizing our expertise in kiwifruit planting, by managing third-party kiwifruit plantations and cultivation operations. This also demonstrates its commitment to

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support the government’s vision of achieving modernization of the agricultural industry by 2035 with the aim of eradicating poverty in the PRC².

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.”

- END -

Notes:

- (1) This press release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions.*
- (2) This press release is to be read in conjunction with China Shenshan Orchard’s results announcement for 1H2022 released on 12 August 2022, which can be downloaded via www.sqx.com.*

About China Shenshan Orchard Holdings Co. Ltd.

China Shenshan Orchard Holdings Co. Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) is a horticultural marketing company in the business of planting, cultivating and sale of kiwifruits in the People’s Republic of China (“**PRC**”). The Group holds forest use rights for 8 strategically located orchards, spanning a total land area of 9,805 mu (approximately 6.5 million sqm), which is believed to be one of the largest domestic kiwifruit orchards concentrated in the Chibi City, Hubei, the PRC.

Leveraging on experienced in-house research and development team and external technology advisory and research partners, the Group aims to establish itself as the leading kiwifruit producer, bringing to the market reputable kiwifruit brands of highest quality. Holding 83 trademarks and 56 patents as at 21 February 2022, the Group is mainly focused on the management of kiwifruit cultivation, supply and distribution management and marketing of its Fairy Gold (精灵果) and Jade Green (翠玉) kiwifruits. The Group currently distributes its products via distributors, wholesalers, corporates, and e-commerce platforms.

The Group has won numerous accolades and awards including being recognised as Top 30 Private Enterprises in 2017, achieving Agricultural Industrialisation Excellence – Key Leading Enterprise,

² Road to agricultural modernisation, <http://epaper.chinadaily.com.cn/a/202104/14/WS6076367ba31099a234355658.html>

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Agricultural Product Processing Industry (Target Gross Product of RMB100 Billion) in 2018 – Outstanding Contribution Award, Key Leading Enterprise of Agricultural Industrialisation in Hubei Province in 2019, and Certificate of Good Agricultural Practice in 2020.

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Issued for and on behalf of China Shenshan Orchard Holdings Co. Ltd.

by Woodnote Consulting

Yong Jing Wen

E: jingwen@woodnoteconsulting.com

T: (65) 9860 3047