



**China Shenshan Orchard Holdings Co. Ltd.**  
**(Formerly known as Dukang Distillers Holdings Limited)**  
**(Incorporated in Bermuda)**  
**(Company Registration No. 41457)**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS AND EIGHTEEN MONTHS ENDED 31 DECEMBER 2021**

**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. (formerly known as Dukang Distillers Holdings Limited) (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 consolidated financial statements of the Group for the six months from 1 July 2021 to 31 December 2021 and eighteen months from 1 July 2020 to 31 December 2021, while the comparative financial statements shown cover the six months from 1 July 2020 to 31 December 2020 and twelve months from 1 July 2019 to 30 June 2020.*

*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. Comparative figures for the six months from 1 July 2020 to 31 December 2020 and twelve months from 1 July 2019 to 30 June 2020 have been restated.*



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**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the six months and eighteen months ended 31 December 2021**

Group	Notes	Six months ended		Increase/ (Decrease) %	Eighteen-month period from 1 Jul 2020 to 31 Dec 2021 RMB'000	Twelve-month period from 1 Jul 2019 to 30 Jun 2020 (Restated) RMB'000	Increase/ (Decrease) %
		31 Dec 2021 RMB'000	31 Dec 2020 (Restated) RMB'000				
<b>Revenue</b>	<b>4.1</b>	111,176	-	N.M.	111,176	-	N.M.
Cost of sales		(96,342)	-	N.M.	(96,342)	-	N.M.
<b>Gross profit</b>		14,834	-	N.M.	14,834	-	N.M.
Gain arising from changes in fair value less costs to sell of biological assets	14	90,814	-	N.M.	90,814	-	N.M.
Gain on bargain purchase	20	10,471	-	N.M.	10,471	-	N.M.
Other income	5	412	-	N.M.	412	-	N.M.
Selling and distribution expenses		(4,620)	-	N.M.	(4,620)	-	N.M.
Administrative expenses		(25,609)	(3,913)	N.M.	(38,315)	(7,667)	N.M.
Other operating expenses		(19,046)	-	N.M.	(19,046)	-	N.M.
<b>Operating profit/(loss)</b>		67,256	(3,913)	N.M.	54,550	(7,667)	N.M.
Finance costs		(51)	-	N.M.	(51)	-	N.M.
<b>Profit/(loss) before income tax</b>	<b>6</b>	67,205	(3,913)	N.M.	54,499	(7,667)	N.M.
Income tax credit	7	2,919	-	N.M.	2,919	-	N.M.
<b>Profit/(loss) after income tax for the period/year from continuing operations</b>		70,124	(3,913)	N.M.	57,418	(7,667)	N.M.
<b>Discontinued operations</b>							
Profit/(loss) for the period/year from discontinued operations	8	99,909	(29,534)	N.M.	34,779	(66,267)	N.M.
<b>Profit/(loss) for the period/year, attributable to owners of the Parent</b>		170,033	(33,447)	N.M.	92,197	(73,934)	N.M.
Items that may be reclassified subsequently to profit or loss:							
Exchange differences on translation of foreign operations		429	-	N.M.	(1,961)	1,381	N.M.
Release of exchange reserve upon disposal of subsidiaries		(22,798)	(2,205)	N.M.	(22,798)	-	N.M.
<b>Other comprehensive income for the period/year, net of tax</b>		(22,369)	(2,205)	N.M.	(24,759)	1,381	N.M.
<b>Total comprehensive income for the period/year, attributable to owners of the Parent</b>		147,664	(35,652)	N.M.	67,438	(72,553)	N.M.
<b>Profit/(loss) per share for loss attributable to owners of the Parent during the period/year</b>	<b>9</b>						
From continuing and discontinued - Basic and diluted	RMB	0.21	(0.04)		1.16	(0.93)	
From continuing operations - Basic and diluted	RMB	0.09	(0.00)		0.72	(0.10)	
From discontinued operations - Basic and diluted	RMB	0.12	(0.04)		0.44	(0.83)	

Note: There was no dilutive potential ordinary share in issue for the current and previous financial period/year. Accordingly, the diluted earnings/(loss) per share presented are the same as the basic earnings/(loss) per share.

N.M. Not Meaningful

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION****As at 31 December 2021**

	Notes	GROUP		COMPANY	
		Unaudited	Audited	Unaudited	Audited
		As at 31 Dec 2021 RMB'000	As at 30 Jun 2020 RMB'000	As at 31 Dec 2021 RMB'000	As at 30 Jun 2020 RMB'000
<b>ASSETS AND LIABILITIES</b>					
<b>Non-current assets</b>					
Interests in subsidiaries		-	-	952,120	793,606
Interest in an associate		-	11,123	-	-
Property, plant and equipment	11	1,156,004	373,842	-	-
Prepayments		-	731	-	-
Deposit paid for property, plant and equipment		326	-	-	-
Intangible assets	12	6,376	-	-	-
		<u>1,162,706</u>	<u>385,696</u>	<u>952,120</u>	<u>793,606</u>
<b>Current assets</b>					
Inventories and consumables	15	1,437	751,136	-	-
Amount due from a subsidiary		-	-	-	4,560
Trade receivables		55,863	-	-	-
Prepayments, deposits and other receivables		957	16,682	-	-
Income tax recoverable		-	466	-	-
Cash and cash equivalents		98,266	121,877	5	8
		<u>156,523</u>	<u>890,161</u>	<u>5</u>	<u>4,568</u>
<b>Current liabilities</b>					
Trade payables		3,162	85,072	-	-
Amount due to subsidiaries		-	-	20,074	-
Amount due to an associate		-	8,887	-	-
Accrued liabilities and other payables	16	30,880	110,140	2,544	6,448
Bank loans, secured	17	4,400	115,000	-	-
Lease liabilities	18	35	-	-	-
Deferred government grants	19	478	-	-	-
Provision for income tax		253	-	-	-
		<u>39,208</u>	<u>319,099</u>	<u>22,618</u>	<u>6,448</u>
<b>Net current assets/(liabilities)</b>		<u>117,315</u>	<u>571,062</u>	<u>(22,613)</u>	<u>(1,880)</u>
<b>Total assets less current liabilities</b>		<u>1,280,021</u>	<u>956,758</u>	<u>929,507</u>	<u>791,726</u>
<b>Non-current liabilities</b>					
Bank loans, secured	17	13,600	-	-	-
Lease liabilities	18	9,244	-	-	-
Deferred government grants	19	12,524	-	-	-
Deferred tax liabilities		231,478	11,021	-	-
		<u>266,846</u>	<u>11,021</u>	<u>-</u>	<u>-</u>
<b>Net assets</b>		<u>1,013,175</u>	<u>945,737</u>	<u>929,507</u>	<u>791,726</u>
<b>EQUITY</b>					
<b>Equity attributable to owners of the Parent</b>					
Share capital		279,499	279,499	279,499	279,499
Reserves		733,676	666,238	650,008	512,227
<b>Total equity</b>		<u>1,013,175</u>	<u>945,737</u>	<u>929,507</u>	<u>791,726</u>

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the six months and eighteen months ended 31 December 2021**

	Notes	Group		Group	
		Six months ended 31 Dec 2021 RMB'000	31 Dec 2020 RMB'000	Eighteen-month period from 1 Jul 2020 to 31 Dec 2021 RMB'000	Twelve-month period from 1 Jul 2019 to 30 Jun 2020 RMB'000
<b>Cash flows from operating activities</b>					
Profit/(loss) before income tax					
Continuing operations		67,205	(3,913)	54,499	(7,667)
Discontinued operations		99,909	(29,890)	34,972	(67,018)
<b>Total</b>		<b>167,114</b>	<b>(33,803)</b>	<b>89,471</b>	<b>(74,685)</b>
Adjustments for:					
Bank interest income		(70)	(162)	(348)	(376)
Interest expenses		51	3,815	7,604	7,629
Depreciation of property, plant and equipment		15,086	14,853	45,539	29,674
Impairment loss on interest in an associate		-	-	-	3,172
Property, plant and equipment written off		504	-	504	46
Amortisation of intangible assets		285	-	285	-
Amortisation of deferred government grants		(239)	-	(239)	-
Share of profit of an associate		-	(153)	(591)	(624)
Gain on disposal of property, plant and equipment		(35)	(121)	(121)	-
Gain on disposal of subsidiaries	20	(99,909)	-	(99,909)	-
Gain on bargain purchase	20	(10,471)	-	(10,471)	-
Gain arising from changes in fair value less costs to sell of biological assets	14	(90,814)	-	(90,814)	-
Operating loss before working capital changes		(18,498)	(15,571)	(59,090)	(35,164)
Decrease/(increase) in inventories		90,494	(6,702)	112,268	(41,544)
Increase in trade receivables		(55,860)	-	(55,860)	-
Decrease in prepayments, deposits and other receivables		452	7,097	3,666	22,991
(Decrease)/increase in trade payables		(2,405)	(28,520)	(43,782)	29,085
(Decrease)/increase in accrued liabilities and other payables		(8,884)	(4,442)	11,184	54
Increase in amount due to an associate		-	288	1,567	1,717
Cash generated from/(used in) operations		5,299	(47,850)	(30,047)	(22,861)
Income taxes paid		(352)	(228)	(351)	(466)
<b>Net cash generated from/(used in) operating activities</b>		<b>4,947</b>	<b>(48,078)</b>	<b>(30,398)</b>	<b>(23,327)</b>
<b>Cash flows from investing activities</b>					
Net cash outflows from the Transactions completed	20	(8,248)	-	(8,248)	-
Purchases of property, plant and equipment		(2,472)	-	(2,660)	(464)
Payments of bearer plants		(3,810)	-	(3,810)	-
Proceeds from disposals of property, plant and equipment		-	188	212	-
Prepayment of lease payments		-	-	-	(731)
Interest received		70	162	348	376
<b>Net cash generated from/(used in) operating activities</b>		<b>(14,460)</b>	<b>350</b>	<b>(14,158)</b>	<b>(819)</b>
<b>Cash flows from financing activities</b>					
Proceeds from bank loans		-	-	115,000	115,000
Repayments of bank loans		(5,200)	-	(120,200)	(115,000)
Interest paid		(934)	(3,815)	(8,487)	(7,629)
Advance from/(repayment to) a director		23,396	6,130	34,635	(2,864)
<b>Net cash generated from/(used in) financing activities</b>		<b>17,262</b>	<b>2,315</b>	<b>20,948</b>	<b>(10,493)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>7,749</b>	<b>(45,413)</b>	<b>(23,608)</b>	<b>(34,639)</b>
Cash and cash equivalents at beginning of period		90,517	121,877	121,877	156,501
Effect of foreign exchange rate changes		-	(2,205)	(3)	15
<b>Cash and cash equivalents at end of period</b>		<b>98,266</b>	<b>74,259</b>	<b>98,266</b>	<b>121,877</b>
<b>Analysis of balances of cash and cash equivalents</b>					
<b>Cash at banks and in hand</b>		<b>98,266</b>	<b>74,259</b>	<b>98,266</b>	<b>121,877</b>

## CONDENSED STATEMENTS OF CHANGES IN EQUITY

### For the eighteen-months ended 31 December 2021

## GROUP

	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 July 2019</b>	279,499	656,811	(150,101)	169,567	(640)	63,154	1,018,290
Loss for the year	-	-	-	-	-	(73,934)	(73,934)
Other comprehensive income							
Exchange gain on translation of foreign operations	-	-	-	-	1,381	-	1,381
<b>Total comprehensive income for the year</b>	-	-	-	-	1,381	(73,934)	(72,553)
<b>Balance as at 30 June 2020</b>	279,499	656,811	(150,101)	169,567	741	(10,780)	945,737
<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>	-	-	-	-	(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

## 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 2019</b>	279,499	656,811	120,523	(25,081)	(232,486)	799,266
Loss for the year	-	-	-	-	(7,667)	(7,667)
Other comprehensive income						
Exchange gain on translation of foreign operations	-	-	-	127	-	127
<b>Total comprehensive income for the year</b>	-	-	-	127	(7,667)	(7,540)
<b>Balance as at 30 June 2020</b>	279,499	656,811	120,523	(24,954)	(240,153)	791,726
<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 gain on translation of foreign operations	-	-	-	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

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

China Shenshan Orchard Holdings Co. Ltd. (formerly known as Dukang Distillers Holdings Limited) (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 31 December 2020 and twelve months ended 30 June 2020 have also 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 and eighteen months ended 31 December 2021 (“**HY2021**” and “**FP2021**” respectively), and the comparative financial statements shown covering the six months ended 31 December 2020 and twelve months ended 30 June 2020 (“**HY2020**” and “**FY2020**” respectively), 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 condensed interim consolidated financial statements for the six months and twelve months ended 30 June 2021.

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 year ended 30 June 2020 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 July 2020. 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 audited consolidated financial statements as at and for the financial year ended 30 June 2020.

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 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 FP2021 and FY2020 were presented as discontinued operations in the Group's consolidated financial statements. Further details regarding the results of the discontinued operations are set out in Note 8 to the 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.

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

	Group		
	Eighteen-month period from 1 July 2020 to 31 Dec 2021	Twelve-month period from 1 Jul 2019 to 30 Jun 2020	Increase/ (Decrease)
	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	(33,447)	(35,828)	(6.6)
(c) Sales reported for second 6 months	-	-	-
(d) Operating loss after tax before deducting non-controlling interests for second 6 months	(44,389)	(38,106)	16.5
(e) Sales reported for third 6 months	111,176	-	-
(f) Operating profit after tax before deducting non-controlling interests for third 6 months	170,033	-	-

#### 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:

	Group			Group		
	Six months ended		Increase/ (Decrease)	Eighteen-month period from 1 July 2020 to 31 Dec 2021	Twelve-month period from 1 Jul 2019 to 30 Jun 2020	Increase/ (Decrease)
	31 Dec 2021	31 Dec 2020		31 Dec 2021	30 Jun 2020	
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
<b>Continuing operations</b>						
Sales of Fresh Fruits	111,176	-	N.M.	111,176	-	N.M.
Timing of revenue recognition						
- Point in time	111,176	-	N.M.	111,176	-	N.M.

## 5. Other income

Other income comprise:

	Group			Group		
	Six months ended		Increase/ (Decrease)	Eighteen-	Twelve-	Increase/ (Decrease)
	31 Dec 2021	31 Dec 2020		month period from 1 July 2020 to	month period from 1 Jul 2019 to	
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
<b>Continuing operations</b>						
Bank interest income	70	-	N.M.	70	-	N.M.
Government grants						
- relating to property, plant and equipment, and prepaid land lease for own use	239	-	N.M.	239	-	N.M.
- other grants	44	-	N.M.	44	-	N.M.
Others	59	-	N.M.	59	-	N.M.
	<u>412</u>	<u>-</u>	<u>N.M.</u>	<u>412</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. Profit/(loss) before income tax

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

	Group			Group		
	Six months ended		Increase/ (Decrease)	Eighteen-	Twelve-	Increase/ (Decrease)
	31 Dec 2021	31 Dec 2020		month period from 1 July 2020 to	month period from 1 Jul 2019 to	
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
<b>Continuing operations</b>						
Employee benefit expenses						
Directors' remuneration	(2,747)	(1,573)	74.6	(2,747)	(1,575)	74.4
Salaries, wages and other benefits	(8,818)	-	N.M.	(8,818)	-	N.M.
Retirement benefits scheme contributions	(1,006)	-	N.M.	(1,006)	-	N.M.
	<u>(12,571)</u>	<u>(1,573)</u>		<u>(12,571)</u>	<u>(1,575)</u>	
Cost of inventories recognised as an expense	(95,961)	-	N.M.	(95,961)	-	N.M.
Depreciation of property, plant and equipment	(15,086)	-	N.M.	(15,086)	-	N.M.
Amortisation of intangible assets	(285)	-	N.M.	(285)	-	N.M.
Amortisation of deferred government grants	239	-	N.M.	239	-	N.M.
Plantation cost of mature bearer plants	(6,679)	-	N.M.	(6,679)	-	N.M.

## 7. Income tax credit

	Group			Group		
	Six months ended		Increase/ (Decrease) %	Eighteen- month period from 1 July 2020 to	Twelve- month period from 1 Jul 2019 to	Increase/ (Decrease) %
	31 Dec 2021 RMB'000	31 Dec 2020 RMB'000		31 Dec 2021 RMB'000	30 Jun 2020 RMB'000	
<b><u>Continuing operations</u></b>						
Current tax						
- Tax for the period/year	11	-	N.M.	11	-	N.M.
	11	-	N.M.	11	-	N.M.
Deferred tax						
- Current period/year	(2,930)	-	N.M.	(2,930)	-	N.M.
	(2,919)	-	N.M.	(2,919)	-	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/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%.

## 8. Discontinued operations

On 3 July 2021, the Company has 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 and HY2021. For the purpose of presenting discontinued operations, the comparative consolidated statement of comprehensive income has been represented.

The results and cash flows of the Baijiu Business are as follows:

Group	Six months ended		Increase/ (Decrease) %	Eighteen-month period from 1 Jul 2020 to 31 Dec 2021	Twelve-month period from 1 Jul 2019 to 30 Jun 2020	Increase/ (Decrease) %
	31 Dec 2021 RMB'000	31 Dec 2020 RMB'000				
Revenue	-	36,149	(100.0)	107,286	113,331	(5.3)
Cost of sales	-	(20,066)	(100.0)	(66,052)	(69,443)	(4.9)
<b>Gross profit</b>	-	16,083	(100.0)	41,234	43,888	(6.0)
Other income	-	4,936	(100.0)	5,758	1,936	197.4
Selling and distribution expenses	-	(22,573)	(100.0)	(48,261)	(40,538)	19.1
Administrative expenses	-	(24,674)	(100.0)	(55,848)	(61,269)	(8.8)
Other expenses	-	-	-	(858)	(858)	-
Impairment loss on interest in an associate	-	-	-	-	(3,172)	(100.0)
<b>Operating loss</b>	-	(26,228)	(100.0)	(57,975)	(60,013)	(3.4)
Finance costs	-	(3,815)	(100.0)	(7,553)	(7,629)	(1.0)
Share of profit of an associate	-	153	(100.0)	591	624	(5.3)
<b>Loss before income tax</b>	-	(29,890)	(100.0)	(64,937)	(67,018)	(3.1)
Income tax (expense)/credit	-	356	(100.0)	(193)	751	(125.7)
<b>Loss for the period, attributable to the owners of the Parent</b>	-	(29,534)	(100.0)	(65,130)	(66,267)	(1.7)
Gain on disposal of subsidiaries	99,909	-	N.M.	99,909	-	N.M.
<b>Profit/(loss) for the period/year from discontinued operations</b>	99,909	(29,534)	(4.4)	34,779	(66,267)	(152.5)
Operating cash outflows	-	(48,078)	(100.0)	(25,918)	(16,482)	57.3
Investing cash inflows/(outflows)	-	350	(100.0)	302	(819)	-
Financing cash outflows	-	2,315	(100.0)	(3,854)	(17,419)	-
<b>Total cash outflows</b>	-	(45,413)	(100.0)	(29,470)	(34,720)	(15.1)

## 9. Earnings/(loss) per share

Group	Six months ended		Increase/ (Decrease) %	Eighteen-month period from 1 Jul 2020 to 31 Dec 2021	Twelve-month period from 1 Jul 2019 to 30 Jun 2020	Increase/ (Decrease) %
	31 Dec 2021 RMB'000	31 Dec 2020 RMB'000				
<b>Earnings/loss</b>						
Profit/(loss) attributable to the owners of the Company						
- Continuing operations	70,124	(3,913)	N.M.	57,418	(7,667)	N.M.
- Discontinued operations	99,909	(29,534)	N.M.	34,779	(66,267)	N.M.
Profit/(loss) from continuing operations and discontinued operations	170,033	(33,447)	N.M.	92,197	(73,934)	N.M.
<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 period/year. Accordingly, the diluted earnings/(loss) per share presented above are the same as the basic earnings/(loss) per share.

**10. Net asset value per share**

	<b>Group</b>		<b>Company</b>	
	<b>As at 31 Dec 2021 RMB</b>	<b>As at 30 Jun 2020 RMB</b>	<b>As at 31 Dec 2021 RMB</b>	<b>As at 30 Jun 2020 RMB</b>
Net asset value per ordinary share based on issued share capital	12.69	11.85	11.64	9.92
Number of ordinary shares issued	79,828,927	79,828,927	79,828,927	79,828,927

**11. Property, plant and equipment**

During FP2021, the Group acquired assets (mainly due to the Xingnong Acquisition) and disposed of assets (mainly due to the Dukang Disposal), amounting to RMB1.16 billion and RMB343.5 million respectively (FY2020: RMB0.5 million and RMB0.05 million respectively).

**12. Intangible assets**

	<b>Group</b>		
	<b>Licensing rights RMB'000</b>	<b>Trademark RMB'000</b>	<b>Total RMB'000</b>
<b>At 1 July 2019, 30 June 2020 and 1 July 2020</b>			
Cost	-	40,000	40,000
Accumulated impairment	-	(40,000)	(40,000)
<b>Net carrying amount</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)
Closing net carrying amount	6,376	-	6,376
<b>At 31 December 2021</b>			
Cost	9,340	-	9,340
Accumulated amortisation and impairment	(2,964)	-	(2,964)
<b>Net carrying amount</b>	<b>6,376</b>	-	<b>6,376</b>

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

### 13. Fair value measurements

The fair values of trade receivables, deposits and other receivables, amounts due from a subsidiary, cash and cash equivalents, trade payables, accrued liabilities and other payables, bank loans, amount due to an associate 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.



**14. Biological assets**

	Fresh Fruits RMB'000
<b>At 1 July 2019, 30 June 2020 and 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</b>	-

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

	Group	
	Eighteen- month period from 1 July 2020 to 31 Dec 2021 RMB'000	Twelve-month period from 1 Jul 2019 to 30 Jun 2020 RMB'000
Estimated fair value less costs to sell (RMB'000)		
Fresh fruits	90,814	-
<b>Estimated quantity (kg)</b>		
Fresh fruits	3,768,920	-

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

	Group	
	Eighteen- month period from 1 July 2020 to 31 Dec 2021 RMB'000	Twelve-month period from 1 Jul 2019 to 30 Jun 2020 RMB'000
Opening balance (level 3 recurring fair value)	-	-
Gain arising from changes in fair value less costs to sell	90,814	-
Transfer to inventories	(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 FP2021, there was no transfer occurred between levels in the hierarchy.

**15. Inventories and consumables**

	<b>Group</b>	
	<b>As at</b>	
	<b>31 Dec 2021</b>	<b>30 Jun 2020</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Consumables	1,437	-
Raw materials	-	25,414
Work in progress	-	679,523
Finished goods	-	46,199
	<b>1,437</b>	<b>751,136</b>

**16. Accrued liabilities and other payables**

	<b>Group</b>	
	<b>As at</b>	
	<b>31 Dec 2021</b>	<b>30 Jun 2020</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Accrued liabilities and provisions	4,670	35,509
Provision of losses on litigation	-	19,858
Payables to contractors	-	12,258
Value added tax ("VAT") and other payables	26,210	42,515
	<b>30,880</b>	<b>110,140</b>

As at 31 December 2021, the Group's other payables included an amount of RMB23,396,000 (30 June 2020: RMB18,762,000) 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.

**17. Bank loans, secured**

	<b>Group</b>	
	<b>As at</b>	
	<b>31 Dec 2021</b>	<b>30 Jun 2020</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Current</b>		
Bank loans	18,000	115,000
Less: Current portion	(4,400)	(115,000)
	<u>13,600</u>	<u>-</u>
Non-current portion	<u>13,600</u>	<u>-</u>

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>31 Dec 2021</b>	<b>30 Jun 2020</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Within one year	4,400	115,000
More than one year, but not exceeding two years	13,600	-
	<u>18,000</u>	<u>115,000</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 (30 June 2020: RMB115.0 million were secured by the Group's leasehold buildings and right-of-use assets, and guaranteed by an ex-director of the Company).

**18. 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 2019, 30 June 2020 and 1 July 2020</b>	-
Acquisition of subsidiaries	8,900
Interest expenses	379
Lease payments	-
	<hr/>
<b>At 31 December 2021</b>	<b>9,279</b>
	<hr/> <hr/>

Future lease payments are due as follows:

	<b>Group</b>	
	<b>As at</b>	
	<b>31 Dec 2021</b>	<b>30 Jun 2020</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Minimum lease payment due		
-Within one year	789	-
-more than one year, but not exceeding two years	789	-
-More than two years	27,453	-
	<hr/>	<hr/>
	29,031	-
Less: future interest expenses	(19,752)	-
	<hr/>	<hr/>
Present value of lease liabilities	9,279	-
	<hr/> <hr/>	<hr/> <hr/>

The present value of future lease payments are analysed as:

	<b>Group</b>	
	<b>As at</b>	
	<b>31 Dec 2021</b>	<b>30 Jun 2020</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Current liabilities	35	-
Non-current liabilities	9,244	-
	<hr/>	<hr/>
	9,279	-
	<hr/> <hr/>	<hr/> <hr/>

The interest of lease liabilities was capitalised into the cost of bearer plants. For FP2021, the interest of liabilities was approximately RMB379,000 (30 June 2020: Nil).

**19. Deferred government grants**

	Group As at	
	31 Dec 2021	30 Jun 2020
	RMB'000	RMB'000
<b>As 1 July 2019, 30 June 2020 and 1 July 2020</b>	-	-
Acquisition of subsidiaries	13,241	-
Amortisation	(239)	-
	<hr/>	<hr/>
	13,002	-
Less: Current portion	(478)	-
	<hr/>	<hr/>
Non-current portion	12,524	-
	<hr/> <hr/>	<hr/> <hr/>

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.

**20. Acquisition and disposal of subsidiaries****A. Xingnong acquisition**

On 3 July 2021, the Transactions in relation to the acquisition of all the issued and paid-up shares in the capital of Great Resolute and disposal of all the issued and paid-up shares in the capital of Sea Will have been completed (the "**Completion Date**"). Accordingly, the Company has disposed of its Baijiu Business entirely and its business now comprises wholly of the Kiwifruit Business. The Transactions were made considering the declining profitability and recent losses of the Baijiu Business and with the aim to enter into the fruit cultivation and planting industry with steady revenue stream. The Transactions were satisfied in form of swap of the identifiable assets and liabilities of Great Resolute and Sea Will.

The fair value of identifiable assets and liabilities of Great Resolute as at the Completion Date were as follows:

	<u>Group</u>
	<u>RMB'000</u>
Property, plant and equipment	1,162,389
Intangible asset	6,661
Inventories	1,117
Trade and other receivables	373
Deposits and prepayments	1,365
Bank balances and cash	82,264
Trade and other payables	(11,235)
Deferred government grants	(13,241)
Bank loans, secured	(23,200)
Lease liabilities	(8,900)
Deferred taxation	(234,410)
Provision for income tax	<u>(592)</u>
Total identifiable net assets at fair value attributable to the Group	962,591
Gain on bargain purchase	<u>(10,471)</u>
Fair value of identifiable net assets of Sea Will	<u><u>952,120</u></u>
An analysis of the cash flows in respect of the Xingnong Acquisition is as follows:	
Cash and cash equivalents acquired	<u>82,264</u>
Net cash inflow arising from the Xingnong Acquisition	<u><u>82,264</u></u>

**B. Dukang Disposal**

The assets and liabilities of Sea Will at carrying amount as at the Completion Date were as follows:

	<u>Group</u>
	<b>RMB'000</b>
Net assets disposed of:	
Property, plant and equipment	343,451
Interest in an associate	11,714
Inventories	729,362
Deposits, prepayments and other receivables	14,199
Cash and cash equivalents	90,512
Trade payables	(43,695)
Accruals and other payables	(134,331)
Amount due to an associate	(10,454)
Bank loans, secured	(115,000)
Provision for income tax	(11)
Deferred taxation	(10,738)
	<u>875,009</u>
Add: Release of exchange reserve to profit or loss upon disposal	<u>(22,798)</u>
	852,211
Less: Fair value of identifiable assets and liabilities of Sea Will	<u>(952,120)</u>
Gain on disposal of subsidiaries	<u><u>(99,909)</u></u>
An analysis of the cash flows in respect of the Transactions is as follows:	
Cash and cash equivalents acquired	82,264
Cash and cash equivalents disposed	<u>(90,512)</u>
Net cash outflows from the Transactions completed	<u><u>(8,248)</u></u>

**21. 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 31 December 2021, 30 June 2021 and 30 June 2020.

**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 2021	30 Jun 2020
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 2021 and 30 June 2020.

**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 financial statements for the financial year ended 30 June 2020 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 July 2020, the Group has adopted the same accounting policies and methods of computations as stated in the audited consolidated financial statements for the financial year ended 30 June 2020. The adoption of these revised IFRSs for the current reporting period ended 31 December 2021 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**

##### **FP2021**

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". Comparative figures for FY2020 have also been restated. Accordingly, the review of the Group's performance for its continuing operations (relating to the Kiwifruit Business) is only for FP2021 as there are no meaningful comparative figures for FY2020 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 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 FP2021 are as

follows:

	Volume of kiwifruit sold kg'000	Average Selling Price per kg RMB	Revenue RMB'000
FP2021	3,769	29.5	111,176.0

#### 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. The inventory costs of kiwifruit mainly comprised the fair value of kiwifruits less costs to sell at the point of harvest, and accounted for 94.3% of the Group's cost of sales, which amounted to RMB96.3 million in FP2021.

#### Gross Profit and gross profit margin

The Group's gross profit and gross profit margin ("GPM") are mainly affected by the amount of harvested kiwifruits, and their selling prices and inventory costs. The Group's GPM was 13.3% for FP2021.

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

In accordance with International Accounting Standard 41, Agriculture, the Group recognised its agricultural produce, being the harvested kiwifruit, as biological assets which are transferred to inventories in the Group's condensed interim consolidated statements of financial position. Such harvested kiwifruits are measured at their fair value less costs to sell at the point of their harvest. The non-cash gain or loss arising from the difference between such fair value and the costs to sell the harvested kiwifruit is included as a line item in profit or loss for the period in which it arises. Such non-cash gain or loss arising from changes in fair value less costs to sell of biological assets are recorded as part of cost of sales when the harvested kiwifruits are eventually sold.

In FP2021, a gain arising from changes in fair value less costs to sell of the Group's kiwifruit of RM90.8 million was recorded, which accounted for 81.7% of the Group's revenue for FP2021. For more details, please refer to Note 14 to the condensed interim consolidated financial statements.

#### Gain on bargain purchase

Gain on bargain purchase of RMB 10.5 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. For more details, please refer to Note 20 to the condensed interim consolidated financial statements.

#### Other income

Other income of RM0.4 million was recorded in FP2021, 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 RMB4.6 million recorded in FP2021 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 RMB30.6 million, from RMB7.7 million in FY2020 to RMB38.3 million in FP2021.

Administrative expenses for FP2021 related to administrative expenses incurred for the Kiwifruit Business and for 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 for FY2020 related to administrative expenses incurred for the Company only, which mainly comprised (i) Directors’ remuneration of the Company; and (ii) legal and professional fees incurred.

#### Other operating expenses

Other operating expenses of RMB19.0 million in FP2021 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 was incurred in 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/(loss) after tax for the financial period from continuing operations

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

**Discontinued operations – Baijiu Business****Review of Group's Performance****FP2021 vs FY2020**

In line with the change in the financial year end of the Company from 30 June to 31 December, the review of the Group's performance for its discontinued operations (relating to the Baijiu Business) for FP2021 is for a period of eighteen months from 1 July 2020 to 31 December 2021, while the comparative period of FY2020 is for a period of twelve months from 1 July 2019 to 30 June 2020. Accordingly, the review of the Group's performance for its discontinued operations as set out below might not be comparative.

<u>FP2021</u>	Revenue RMB'million	Volume Tonnes	Average selling price RMB/Kg	<u>FY2020</u>	Revenue RMB'million	Volume Tonnes	Average selling price RMB/Kg
Premium series	72.2	487	148.3	Premium series	74.8	475	157.5
Regular series	35.1	976	36.0	Regular series	38.5	776	49.6
Total	107.3	1,463	73.3	Total	113.3	1,251	90.6

Revenue

The Group's revenue decreased by RMB6.0 million or 5.3%, from RMB113.3 million in FY2020 to RMB107.3 million in FP2021. During the national lockdown imposed by the government of PRC in response to the COVID-19 pandemic in February 2020, there was a drastic change in consumers' consumption habit and spending pattern on discretionary consumer goods in the PRC. The Group's baijiu sales were therefore disrupted since then.

Gross profit and margin

The Group's gross profit decreased by RMB2.7 million or 6.0%, from RMB43.9 million in FY2020 to RMB41.2 million in FP2021.

Gross profit for premium series decreased slightly from RMB33.9 million in FY2020 to RMB32.5 million in FP2021, and gross profit for regular series decreased from RMB10.0 million in FY2020 to RMB8.7 million in FP2021. GPM for premium series decreased from 45.3% in FY2020 to 45.0% in FP2021 and GPM for regular series decreased from 22.8% in FY2020 to 21.2% in FP2021. Overall GPM decreased from 38.7% in FY2020 to 38.4% in FP2021. The decrease in overall GPM was mainly due to the change in product mix and decrease in average selling price of the products between the two periods.

#### Other income

Other income increased from RMB1.9 million in FY2020 to RMB5.8 million in FP2021, mainly due to increase in government grants received during FP2021.

#### Selling and distribution expenses

Selling and distribution expenses increased by RMB7.7 million or 19.1%, from RMB40.5 million in FY2020 to RMB48.3 million in FP2021, mainly due to an increase of advertising expenses of the Group's Baijiu products in TV and radio commercial broadcast on channels in Henan Province by RMB1.9 million and an increase in bus, rooftop and billboard advertising by RMB6.3 million.

#### Administrative expenses

Administrative expenses decreased by RMB5.5 million or 8.9%, from RMB61.3 in FY2020 to RMB55.8 million in FP2021 as a result of the Group's cost-saving efforts during this challenging time.

#### Impairment loss on interest in an associate

No impairment loss was recognised during FP2021, while impairment loss of RMB3.2 million on interest in an associate was recognised in FY2020.

#### Share of profit of an associate

Share of profit of an associate decreased slightly as a result of a decrease in license fee income from the Group's associate arising from a decrease in sale of the products under the "Dukang" brand.

#### Gain on disposal of subsidiaries

Gain on disposal of subsidiaries recognised during FP2021 represents the excess difference between the fair value of Sea Will disposed of as settlement consideration of the Transactions and the previous net carrying amount of Sea Will as at 3 July 2021 (being the Completion Date). For more details, please refer to Note 20 to the condensed interim consolidated financial statements.

#### Profit/(loss) after tax for the financial period/year from discontinued operations

Taking into account of the abovementioned, the Group recorded a profit after tax from discontinued operations amounting to RMB34.8 million for FP2021 (FY2020: loss after tax of RMB66.3 million).

#### Profit/(loss) for the financial period/year

Taking into account of the results of the Group's continuing and discontinued operations, the Group recorded a profit after tax of RMB92.2 million for FP2021 (FY2020: loss after tax of RMB73.9 million).

**Review of Group's Financial Position as at 31 December 2021**

As at 30 June 2020, the assets and liabilities of the Group mainly related to the Baijiu Business. Pursuant to the Completion of the Transactions, the Company has entirely disposed of its Baijiu Business, and its business now comprises wholly of the Kiwifruit Business. Consequently, as at 31 December 2021, the assets and liabilities of the Group related to the Kiwifruit Business only.

The Group recorded positive working capital (current assets less current liabilities) of RMB117.3 million as at 31 December 2021, as compared to RMB571.1 million as at 30 June 2020.

**Non-current assets****Interest in an associate**

Interest in an associate decreased by RMB11.1 million as at 31 December 2021, due to the Dukang Disposal in FP2021.

**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 significant increase in balance of RMB782.2 million as at 31 December 2021 was mainly due to the Xingnong Acquisition, which was partially offset by the Dukang Disposal during FP2021.

**Deposit paid for property, plant and equipment, and Intangible assets**

Deposit paid for property, plant and equipment of RMB0.3 million and intangible assets of RMB6.4 million as at 31 December 2021 (30 June 2020: nil for both) were due to the Xingnong Acquisition in FP2021.

**Current assets****Inventories and consumables**

The significant decrease in balance of RMB749.7 million as at 31 December 2021 was mainly due to the Dukang Disposal in FP2021.

**Trade receivables**

Trade receivables comprised receivables pursuant to the sale of the harvested kiwifruits. The significant increase in balance of RMB55.9 million as at 31 December 2021 was due to the Xingnong Acquisition during FP2021.

**Prepayments, deposits and other receivables**

Prepayments, deposits and other receivables mainly comprised prepayments to suppliers and service providers in relation to advertising expenses. The significant decrease in balance of

RMB15.7 million as at 31 December 2021 was mainly due to the Dukang Disposal during FP2021.

### **Current Liabilities**

#### Trade payables

Trade payables decreased by RMB81.9 million as at 31 December 2021, mainly due to the Dukang Disposal during FP2021.

#### Amount due to an associate

Amount due to an associate decreased by RMB8.9 million as at 31 December 2021, mainly due to the Dukang Disposal during FP2021.

#### Accrued liabilities and other payables

Accrued liabilities and other payables decreased by RMB79.3 million as at 31 December 2021, mainly due to the Dukang Disposal during FP2021.

#### 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 decrease in balance of RMB110.6 million as at 31 December 2021 was mainly due to the Dukang Disposal during FP2021.

#### Lease liabilities, Deferred government grants, and Provision for income tax

Lease liabilities, deferred government grants and provision for income tax as at 31 December 2021 (30 June 2020: nil for all) were due to the Xingnong Acquisition in FP2021.

### **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 increase in balance of RM13.6 million as at 31 December 2021 was mainly due to the Xingnong Acquisition during FP2021.

#### Lease liabilities and Deferred government grants

Lease liabilities of RMB9.2 million and deferred government grants of RMB12.5 million as at 31 December 2021 (30 June 2020: nil for both) were due to the Xingnong Acquisition in FP2021.

#### Deferred tax liabilities

Deferred tax liabilities increased by RMB220.5 million to RMB231.5 million as at 31 December 2021, mainly due to the taxable temporary differences arising from fair value adjustments from the Xingnong Acquisition during FP2021.



**Review of Statement of Cash Flows for FP2021**

RMB30.4 million used in operating activities for FP2021 was mainly the result of:

- (1) an operating loss before working capital changes of RMB59.1 million;
- (2) an increase in trade receivables of RMB55.9 million;
- (3) a decrease in trade payables of RMB43.8 million; and
- (4) income taxes paid of RMB0.4 million,

which was partially offset by:

- (1) a decrease in inventories of RMB112.3 million;
- (2) an increase in accrued liabilities and other payables of RMB11.2 million;
- (3) a decrease in prepayments, deposits and other receivables of RMB3.7 million; and
- (4) an increase in amount due to an associate of RMB1.6 million.

RMB14.2 million used in investing activities during FP2021 was due to net cash outflows from the Completion of the Transactions of RMB8.3 million, payment of bearer plants of RMB3.8 million and purchases of property, plant and equipment of RM2.7 million, partially offset by interest received of RMB0.3 million and proceeds from disposals of property, plant and equipment of RMB0.2 million.

RMB20.9 million generated from financing activities during FP2021 was mainly due to proceeds from bank loans of RMB115.0 million and an advance of RMB34.6 million from a director and ex-director of the Company, partially offset by repayment of bank loans of RMB120.2 million and payment of interest of RMB8.5 million during FP2021.

As a result of the above and taking into the effect of changes in exchange rate, cash and cash equivalents decreased by RMB23.6 million to RMB98.3 million as at 31 December 2021, from RMB121.9 million as at 1 July 2020.

**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 for FP2021 relating to the continuing operations of the Group (i.e. the Kiwifruit Business) as set out in this announcement are in line with the trend information disclosed in section A5.2. entitled "Trend Information" to Appendix A – Letter to Shareholders from the Proposed Directors of the Company's Circular dated 31 March 2021.

The condensed interim consolidated financial results for FP2021 of the Group, comprising the continuing operations (i.e. the Kiwifruit Business) and the discontinued operations (i.e. the Baijiu Business), as set out in this announcement are in line with the profit guidance

announcement for FP2021 released by the Company on 19 January 2022.

**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 Group has completed its restructuring with the acquisition of the Kiwifruit Business and disposal of its Baijiu Business on 3 July 2021. Revenue and net profit of the Kiwifruit Business have been growing steadily since 2017 as disclosed in the Company's Circular dated 31 March 2021, and was minimally impacted by the onset of the COVID-19 pandemic in the PRC in 2020 and 2021. With its entry into the kiwifruit cultivation and planting industry, the restructured Group has posed a turnaround for FP2021.

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. The Group will 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 the Group's ongoing innovative efforts and initiatives to expand its market share in the PRC's kiwifruit industry. The Group intends to scale up its business during the year through the commercialisation of its kiwifruit varieties and its expertise in kiwifruit planting to third-party kiwifruit growers. This move also demonstrates its 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. Last but not least, the Group will continue to invest in its branding to unlock greater demand for its products while catering to the consumer's tastes and nutritional needs.

**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 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 or recommended for FP2021 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.

**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.

**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 FP2021 and FY2020.

**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 2022**