



China's Zespri

China Shenshan
Orchard Holdings Co. Ltd.

Investor Presentation
February 2023

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Unless otherwise stated, financial results presented herein are with respect to Great Resolute Limited and its subsidiaries, prior to the acquisition of Great Resolute Limited and the disposal of Sea Will International Limited by the Company.

Who We Are

China Shenshan Orchard Holdings Co. Ltd.

One of the Largest Kiwifruit Producers in China



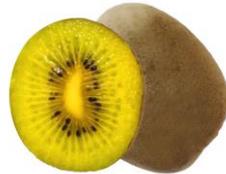
In-House Kiwifruit Variety

Owned 6 plant variety rights, 5 are pending for approval

先沃一号 (Xianwo No. 1)



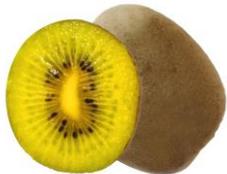
先沃二号 (Xianwo No. 2)



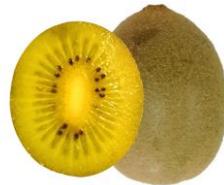
先沃三号 (Xianwo No. 3)



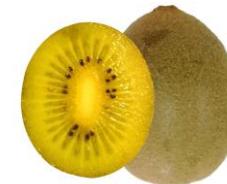
先沃四号 (Xianwo No. 4)



先沃五号 (Xianwo No. 5)



先沃六号 (Xianwo No. 6)



- A mouth-watering kiwi with vibrant yellow flesh and high sugar content
- Irrefutably sweet and explosive juiciness

Advanced Technology and Management



Scaffolding built with high standards



Water and fertilizer integrated system



Insecticidal technology



Self-developed traction facility



Automatic sorting system



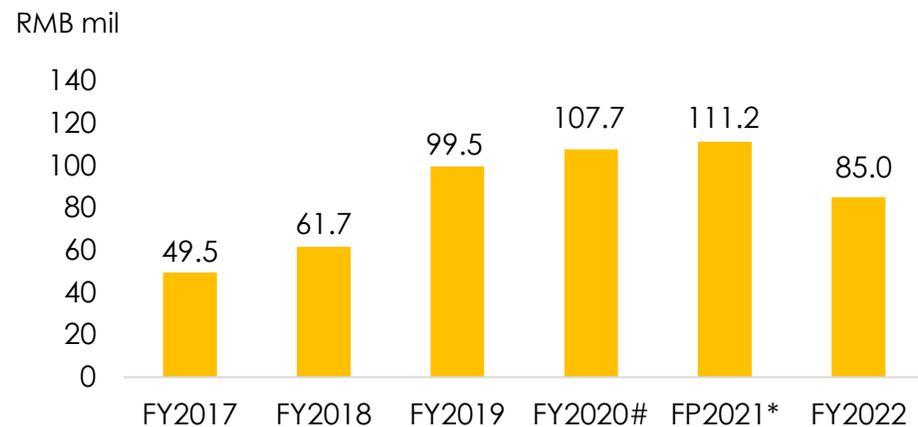
Traceable from source



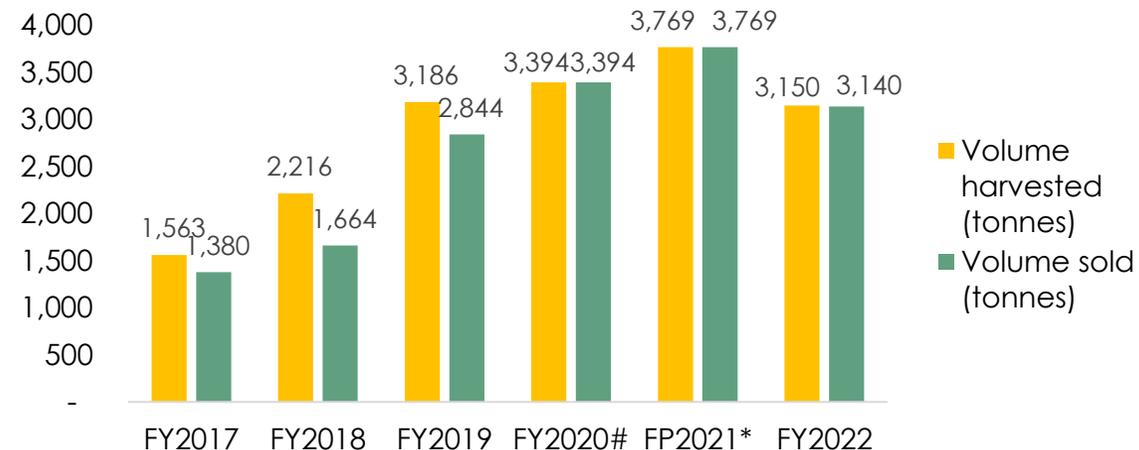
- Adhere to the highest standards in China.
- Utilised the most advanced agricultural machineries in the country.
- The daily operations are maintained by only 180 full time employees.

Steady Growth in Revenue and Profitability

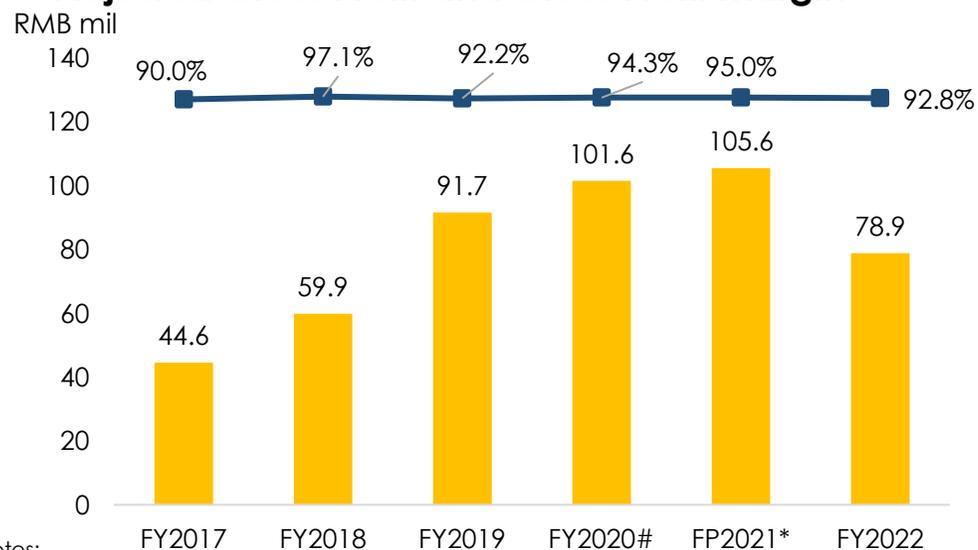
Revenue



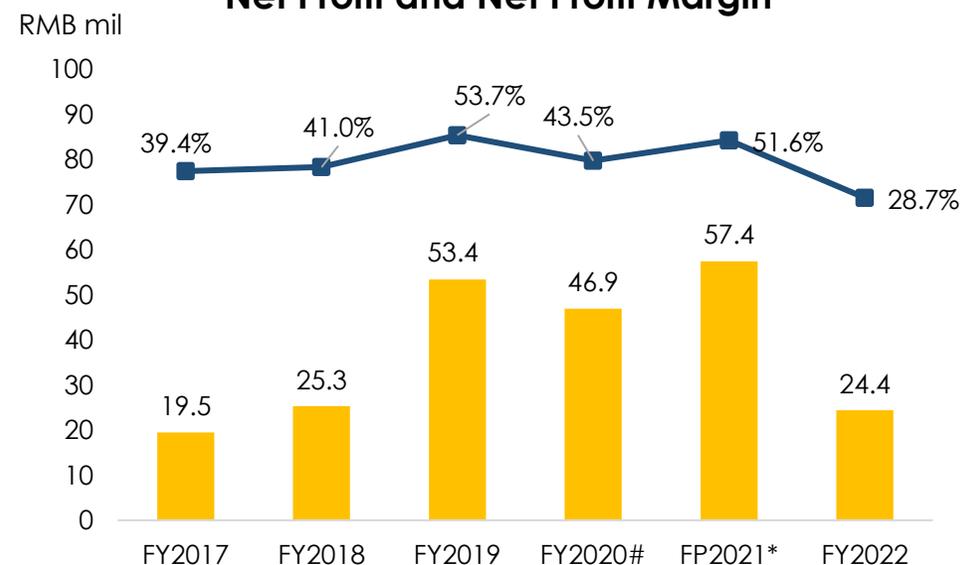
Production volume



Adjusted Gross Profit and Gross Profit Margin**



Net Profit and Net Profit Margin

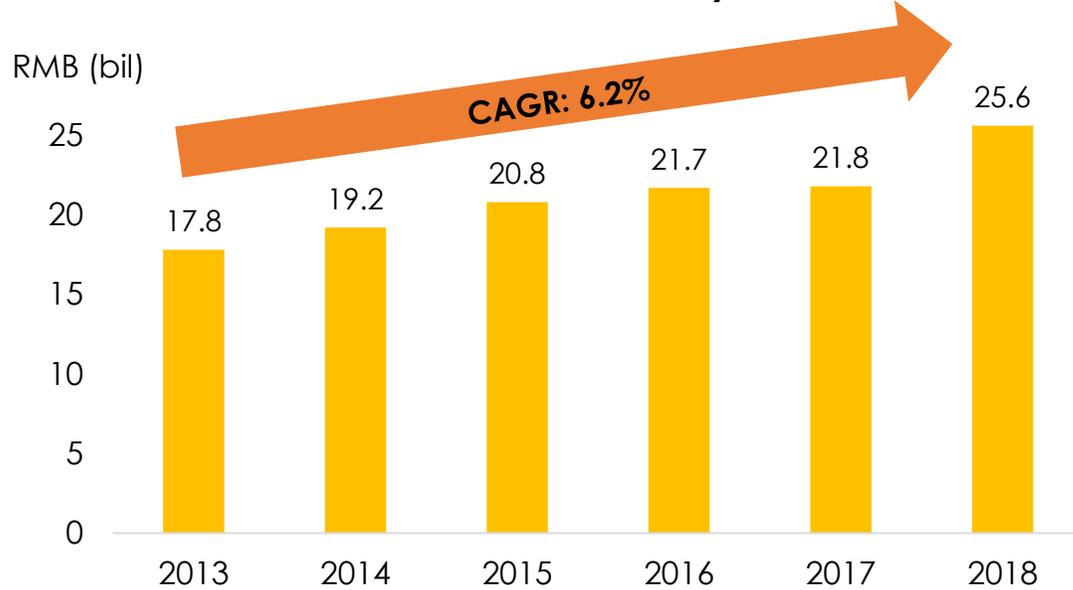


Notes:
 FY refers to financial year ended 31 December
 # Unaudited financial results
 * Eighteen-month period ended 31 December 2021
 ** Adjusted to include the gain arising from changes in fair value less costs to sell of biological assets, and the corresponding impact to cost of sales

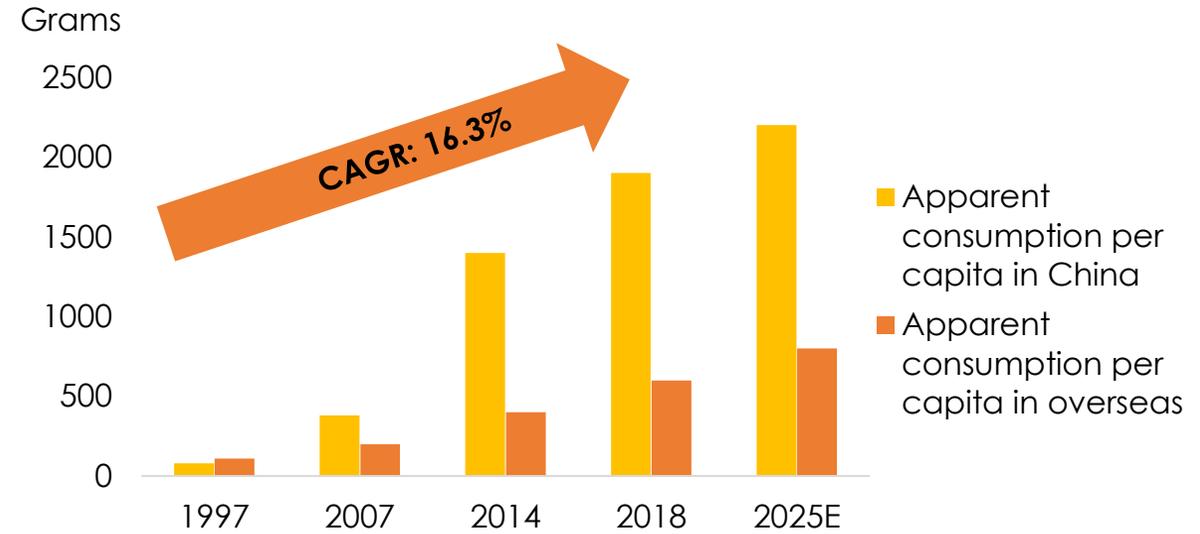
Kiwifruit Industry in China

Attractive Growth Potential in China's Kiwifruit Industry

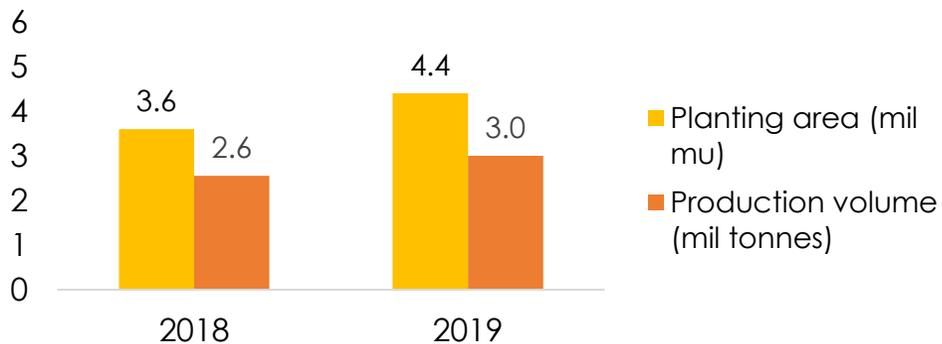
Market size of kiwifruit industry in China ⁽¹⁾



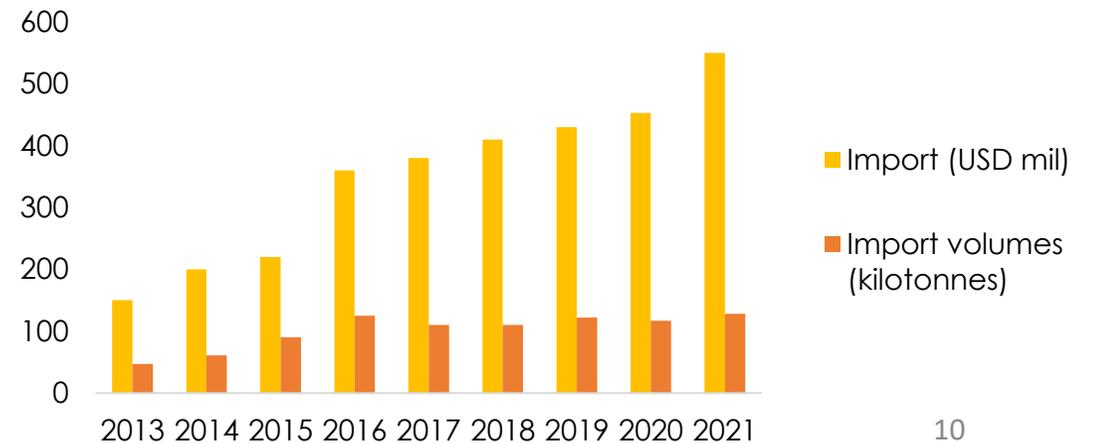
Kiwifruit apparent consumption per capita* ⁽²⁾



China's total kiwifruit planting area and production volume ⁽²⁾



China's kiwifruit import values and volume ⁽²⁾



Sources:

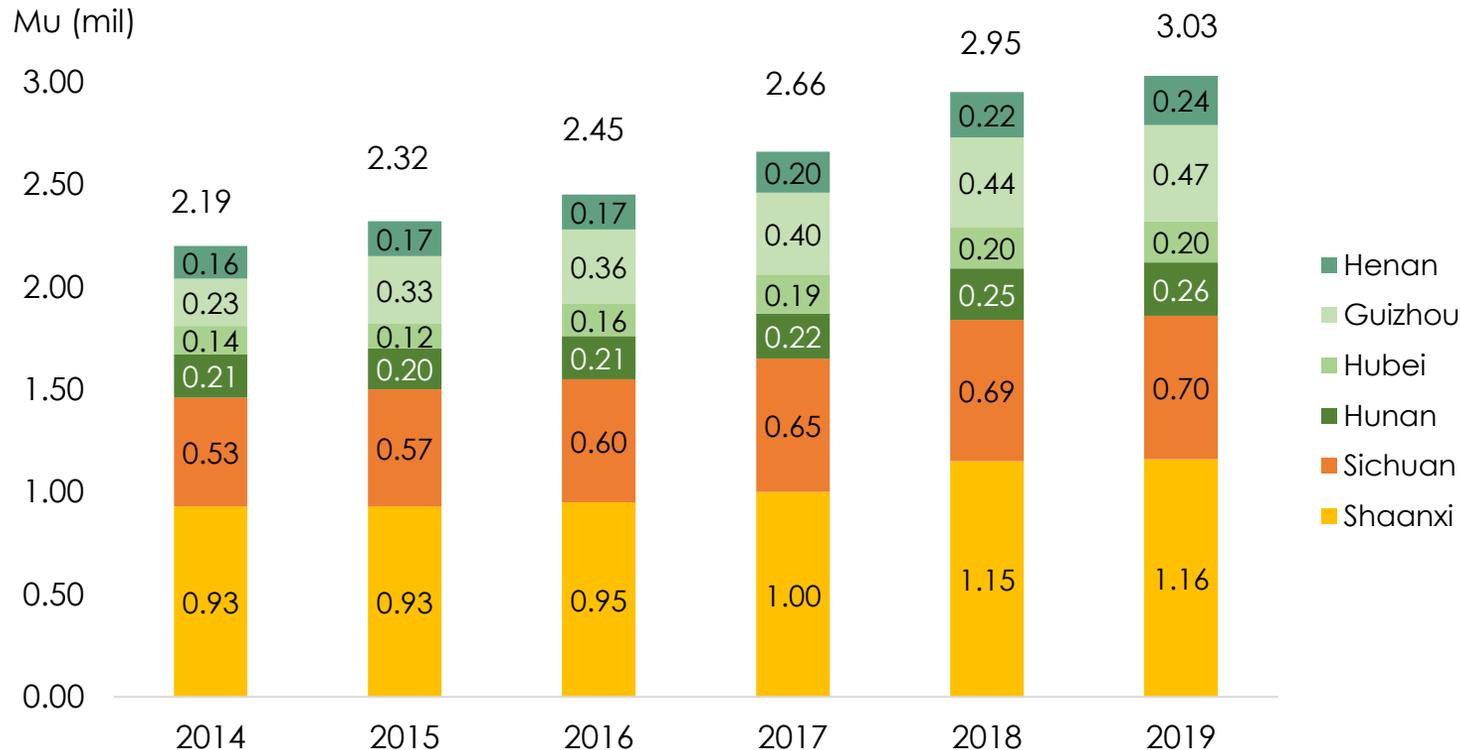
1. 智研咨询, <https://www.chyxx.com/industry/201911/801766.html>

2. China Kiwifruit Industry Development Report (2020)

* Apparent consumption = Production plus imports minus exports

Kiwifruit Cultivation in China is Highly Fragmented

China's kiwifruit planting area in the main production regions ⁽¹⁾



- Kiwifruit planting area in China is fragmented
- Local kiwifruits are largely produced by small household farmers ⁽²⁾
- Lack experience in selective breeding, are unable to upgrade their growing technologies and non-standardized management leads to low quality kiwifruits ⁽²⁾

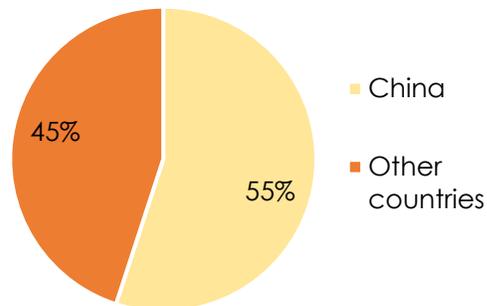
Sources:

1. China Kiwifruit Industry Development Report (2020)
2. <https://www.producereport.com/article/kiwifruit-prices-china-continue-fall>

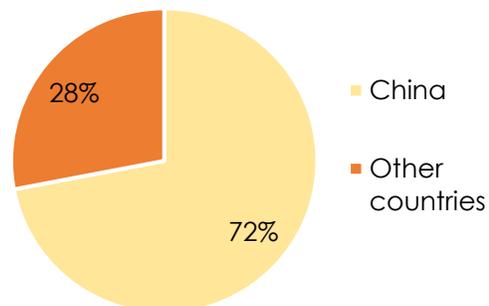
Summary of Kiwifruit Industry in China

- Huge market and has been growing at CAGR of 6.2% during 2013-2018

World's total kiwifruit production ⁽¹⁾



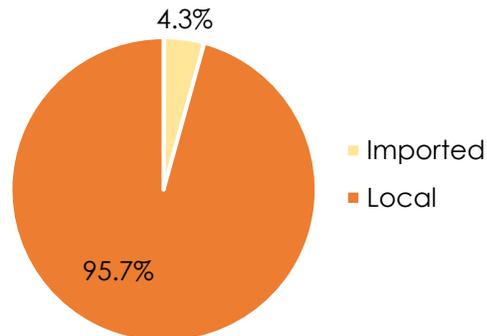
World's total kiwifruit plantation area ⁽¹⁾



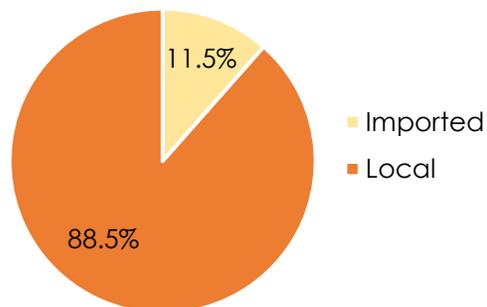
- **Kiwifruit industry in China is fragmented**
as most of the kiwifruits are produced by household farmers and small kiwifruit plantation firms
- **Little premium varieties with no branding**
- **Lack of standards, technological knowledge, systematic management and distribution channels.**

- **Premium kiwifruit:** Imported, **Regular kiwifruit:** Local production

Imported volume vs local production volume in 2018 ⁽¹⁾



Imported value vs local production value in 2018 ⁽¹⁾

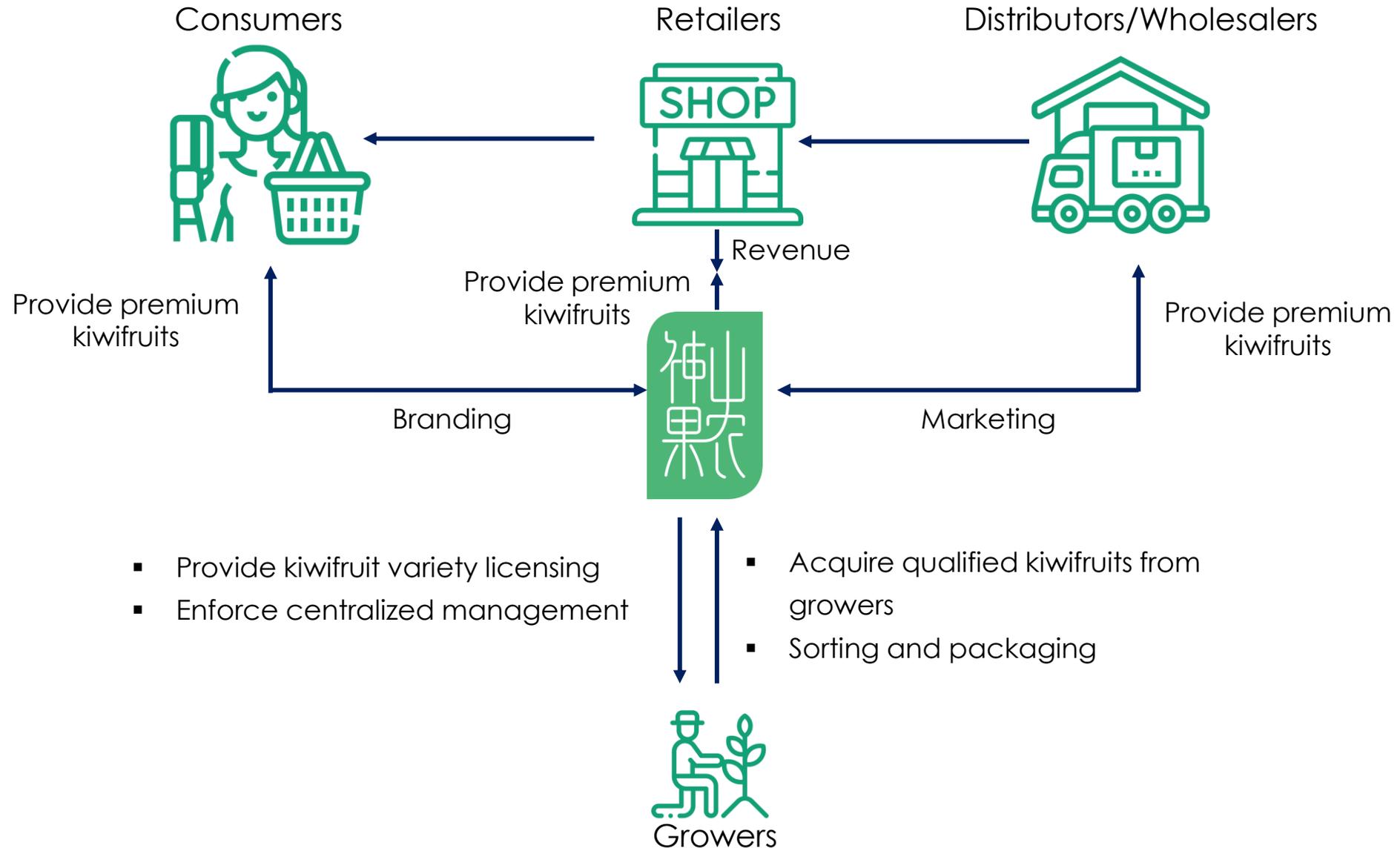


Source:

1. China Kiwifruit Industry Development Report (2020)

**Approach to
becoming China's
Zespri**

From Orchards to Markets



Two-Pronged Strategy

Expand own kiwifruit plantation

- More than 10 years' experience in kiwifruit planting and cultivation in China
- Self-developed kiwifruit varieties have been proven successful with high quality
- Adhere to the highest standards in China
- Established distribution network
- Set a good example for household farmers

Expand licensing kiwifruit varieties and technology

- License kiwifruit varieties to individual farmers and expertise in kiwifruit planting
- Expand planting area of self-developed kiwifruit varieties without purchasing additional land
- Generate additional revenue stream

Key Takeaways

- We are **one of the largest kiwifruit producers in China** with well-established track record across the entire value chain
- We have **the most high-end kiwifruit variety rights in China** with **orchard-to-market operations expertise**
- Kiwifruit variety licensing allows the Group to **expand planting area rapidly** without owning additional land
- **Key growth drivers:** growth of own kiwifruit plantation + kiwifruit variety and technology licensing

Thank you



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Appendix

Intellectual Property and Awards



- **83 trademarks**
- **56 patents**
(expiring between 2027 to 2030)



- 2020** Certificate of Good Agricultural Practice
- 2019** Key Leading Enterprise of Agricultural Industrialisation in Hubei Province
- 2019** Agricultural Product Processing Industry (Target Gross Product of RMB100 Billion) in 2018 – Outstanding Contribution Award
- 2018** Agricultural Industrialisation Excellence - Key Leading Enterprise
- 2018** Top 30 Private Enterprises in 2017
- 2017** Xianning Modern Agricultural Industrial Park

End to End Value Chain



**Acquiring and
Developing Kiwifruit
Varieties**

Planting

Cultivating

**Harvesting and
post-harvesting**

**Processing and
packing**

**Sales and
Marketing**

Sales and Marketing

- Sold through 3 existing channels, namely
 - **Distributorship**
 - **Wholesale**
 - **E-commerce platforms such as Tmall.com, Taobao, and JD.com**
- Various marketing and promotion efforts, as well as the brand awareness and profile of its kiwifruits:
 - Attending nationwide kiwifruits trade fairs
 - Outdoor advertisements
 - Online promotions



The 12th iFresh Asia Fruit and Vegetable Industry Expo



2019 Yangtze River Kiwifruit Industry Summit

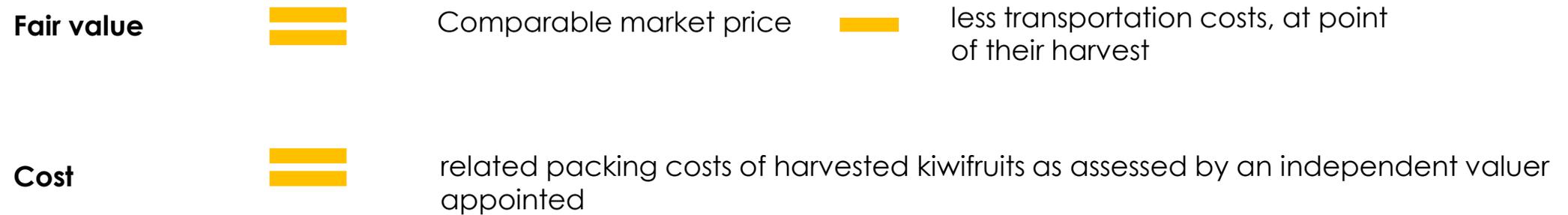


Live Streaming

Biological Assets

The **harvested kiwifruits is recognised as the biological assets** which are accounted for under inventories

- 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

Biological Assets

Based on track record, our biological assets are sold within the same year and converted into cash or recorded as account receivables

RMB'000	FY2017	FY2018	FY2019	FY2020#	FP2021#*	FY2022
Revenue	49,500	61,708	99,490	107,741	111,176	85,010
Cost of Sales	(44,640)	(55,418)	(88,468)	(95,639)	(96,342)	(74,003)
Adjusted Gross Profit**	44,572	59,905	91,719	101,618	105,648	78,918
Gain arising from changes in fair value less costs to sell of biological assets	39,712	53,615	80,697	89,517	90,814	67,911

Notes:

FY refers to financial year ended 31 December

#Unaudited financial results

* Eighteen-month period ended 31 December 2021

** Adjusted to include the gain arising from changes in fair value less costs to sell of biological assets, and the corresponding impact to cost of sales

Balance Sheet

The Group is in net cash position

RMB mil	As at 31 Dec 2022 (Unaudited)	As at 31 Dec 2021 (Audited)
Non-current assets	1,142.5	1,162.7
Current assets	169.4	156.5
Cash and cash equivalents	126.0	98.3
Current liabilities	30.0	39.2
Non-current liabilities	246.9	266.8
Bank loans	13.6	18.0
Equity	1,035.1	1,013.2