CHINA SHENSHAN ORCHARD HOLDINGS CO. LTD.
(Formerly known as Dukang Distillers Holdings Limited)
(Incorporated in Bermuda)
(Company Registration No. 41457)

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL

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1. INTRODUCTION

1.1. China Shenshan Orchard Holdings Co. Ltd. (formerly known as Dukang Distillers Holdings Limited) (the "**Company**" and collectively with its subsidiaries and associated company, the "**Group**") was placed on the watch-list under the financial entry criteria pursuant to Rule 1311(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 4 December 2019.

1.2. Pursuant to Rule 1313(2) of the Listing Manual of the SGX-ST, the Company must, for the period in which it remains on the watch-list, provide the market with a quarterly update on its efforts and the progress made in meeting the exit criteria of the watch-list.

2. UPDATE ON UNAUDITED FINANCIAL PERFORMANCE AND FINANCIAL POSITION

The Group's revenue for the six months ended 30 June 2021 ("**HY2021**") decreased slightly by 2.4% to RMB71.1 million, as compared to RMB72.9 million for the corresponding period for the six months ended 30 June 2020 ("**HY2020**").

The Group recorded a net loss attributable to owners of the parent of RMB44.4 million for HY2021, as compared to a net loss attributable to owners of the parent of RMB38.1 million for HY2020.

The Group recorded positive working capital (current assets less current liabilities) of RMB520.6 million as at 30 June 2021, as compared to RMB571.1 million as at 30 June 2020.

Please refer to the Company's results announcement for HY2021 released on 13 August 2021 for more information.

For the avoidance of doubt, the Board of Directors (the "**Board**") wishes to highlight that the Group's condensed interim consolidated financial statements for HY2021 has been prepared in respect of the Group's business of production and sale of baijiu products prior to completion of the Transactions (as defined below).

3. UPDATE ON FUTURE DIRECTION, OTHER MATERIAL DEVELOPMENTS, AND EFFORTS FOR SATISFYING THE FINANCIAL EXIT CRITERION

3.1. As announced by the Company on 3 July 2021, the Company had completed the acquisition of Great Resolute Limited as a very substantial acquisition and an interested person transaction ("**Xingnong Acquisition**"), and the disposal of Sea Will International Limited as a major transaction and an interested person transaction ("**Dukang Disposal**"**,** together with the Xingnong Acquisition, the "**Transactions**") on 3 July 2021. Following completion of the Transactions, the Group is now principally engaged in the business of planting, cultivating and sale of kiwifruits (also known as Chinese gooseberries).

3.2. In connection with the completion of the Transactions, the Company had 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 the secondary name of the Company, with effect from 5 July 2021. For more information, please refer to the Company's announcement dated 21 July 2021.

3.3. In accordance with the conditions set out in the SGX-ST approval-in-principle dated 31 March 2021 in relation to the Transactions, the Company has also appointed ZICO Capital Pte. Ltd. as its compliance adviser for a period of three (3) years following completion on 3 July 2021.

3.4. Subsequently, the Company announced on 21 July 2021 that its Taiwan Depository Receipts ("**TDRs**") will be delisted from the Taiwan Stock Exchange ("**TWSE**") with effect from 31 August 2021, and the Company has duly notified the holders of the Company's TDRs via the TWSE on the same. In this regard, please refer to the Company's announcements dated 27 July 2021, 30 July 2021 and 13 August 2021 for further information and clarification on the obligations of the Company and Directors in relation to the delisting and acquisition of the TDRs, and potential financial implications arising thereof. The Company, together with its Taiwan legal counsel, will continue its engagement efforts with the TWSE, to explain the limitations and inherent uncertainties brought about by the various options considered by the Company as set out in the announcement dated 13 August 2021, and to explore the next best course of action(s). The Company will provide any relevant updates on the SGXNet as required under the Listing Manual of the SGX-ST.

3.5. Pursuant to Rule 1314 of the Listing Manual of the SGX-ST, the Company will be assessed by the SGX-ST for removal from the watch-list if it records a consolidated pre-tax profit for the most recently completed financial year (based on the audited full year consolidated accounts) and an average daily market capitalisation of S$40 million or more over the last six (6) months, within 36 months from 4 December 2019, failing which the SGX-ST would either delist the Company or suspend trading of the Company's shares with a view to delisting the Company.

3.6. The Company and the Board will continue to make efforts and consider various options to satisfy the abovementioned requirements and will update shareholders of the Company on any material developments and make such necessary announcements as and when appropriate. However, the Board wishes to highlight that there is no assurance that the Company will be successful in exiting the watch-list of the SGX-ST within the prescribed time period.

By Order of the Board

Hu Chao
Executive Director and Chief Executive Officer
13 August 2021