

CHINA SHENSHAN ORCHARD HOLDINGS CO. LTD.
(Incorporated in Bermuda)
(Company Registration No. 41457)

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

*Unless otherwise defined, all capitalised terms used in this announcement shall have the same meanings ascribed to them in the Company's announcement dated 7 February 2024 (the "**Announcement**") in relation to the receipt of approval in-principle from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") to the proposed transfer of the listing of the Company from the Main Board of the SGX-ST to the Catalist Board of the SGX-ST ("**Catalist Board**").*

1. INTRODUCTION

- 1.1 China Shenshan Orchard Holdings Co. Ltd. ("**Company**", and collectively with its subsidiaries, "**Group**") was placed on the watch-list under the financial entry criteria pursuant to Rule 1311(1) of the SGX-ST Listing Manual ("**Listing Manual**") on 4 December 2019.
- 1.2 Pursuant to Rule 1313(2) of the Listing Manual, 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 criteria for exit from the watch-list ("**Quarterly Update**").

2. UPDATE ON THE GROUP'S FINANCIAL SITUATION

- 2.1 As stated in the Company's unaudited condensed interim consolidated financial statements of the Group for the six months and full year ended 31 December 2023 ("**FY2023**"), which was released via SGXNet on 29 February 2024, the Group recorded a revenue of RMB73.2 million in FY2023 and a pre-tax profit of RMB5.5 million for FY2023.
- 2.2 The Group recorded positive working capital position of approximately RMB156.0 million as at 31 December 2023 and net cash generated from operating activities of approximately RMB41.4 million for FY2023.

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

- 3.1 Pursuant to Rule 1314 of the Listing Manual, 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 has an average daily market capitalisation of S\$40 million or more over the last six months, within 36 months from 4 December 2019 (i.e. by 3 December 2022), 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.
- 3.2 In view of the sustained share price weakness and no improvement in its market capitalisation during the cure period pursuant to the Waiver, notwithstanding the improved financial performance and position of the Group, the Board had applied for the Proposed Transfer. As stated in the Announcement, the Company had, on 6 February 2024, been notified by the SGX-ST that the SGX-ST had approved in-principle the Proposed Transfer, subject to the conditions as set out in the Announcement.
- 3.3 The Company had on 22 February 2024 published on the SGXNet and the Company's corporate website the following documents in connection with the Special General Meeting of the Company ("**SGM**") to be held in a wholly physical format at RNN Conference Centre, 137 Cecil Street #04-01 Cecil Building, Singapore 069537 on Friday, 15 March 2024 at 2.30 p.m.:

- (a) the Company's circular to shareholders dated 22 February 2024 (the "**Circular**") in relation to the Proposed Transfer from the Main Board of the SGX-ST to the Catalist Board; and the Proposed General Share Issue Mandate;
- (b) the Notice of the SGM dated 22 February 2024;
- (c) the Proxy Forms for the SGM; and
- (d) the Notification and Request Form.

The Company intends to maintain its listing status on the SGX-ST. As such, in the event that the Company fails to obtain the requisite shareholders' approval for the Proposed Transfer at the upcoming SGM and is thereby unable to exit the watch-list by 31 March 2024, the Company will make an application to the SGX-ST to seek further extension of the cure period to comply with Rule 1315 of the Listing Manual and continue to engage with the shareholders of the Company and its Outreach Efforts (as defined in the Circular), with a view to exit the watch-list.

By Order of the Board

Zhao Chichun
Executive Director and Chief Executive Officer
29 February 2024