

CHINA SHENSHAN ORCHARD HOLDINGS CO. LTD.
(Incorporated in Bermuda)
(Company Registration Number: 41457)

**PROFIT GUIDANCE FOR THE EIGHTEEN-MONTH FINANCIAL PERIOD FROM 1 JULY 2020 TO
31 DECEMBER 2021**

1. INTRODUCTION

- 1.1 The Board of Directors (the “**Board**”) of China Shenshan Orchard Holdings Co. Ltd. (formerly known as Dukang Distillers Holdings Limited) (the “**Company**”, together with its subsidiaries, the “**Group**”) refers to (i) the Company’s circular to shareholders dated 31 March 2021 (“**Circular**”) in relation to, *inter alia*, the acquisition of Great Resolute Limited (“**Great Resolute**”) as a very substantial acquisition (“**Xingnong Acquisition**”) and an interested person transaction, 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**”); and (ii) the Company’s announcement dated 1 June 2021 relating to the change of financial year end from 30 June to 31 December (“**Announcement**”).

Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning ascribed to them in the Circular.

- 1.2 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, on 1 June 2021, announced the change in the financial year end of the Company from 30 June to 31 December to align its financial year end with Chibi Shenshan Xingnong Agriculture Technology Co., Ltd. (a subsidiary of Great Resolute which is engaged in the Kiwifruit Business, as defined below). Following the aforesaid change of financial year end of the Company, the financial statements for the financial period ended 31 December 2021 of the Group will cover a period of eighteen months from 1 July 2020 to 31 December 2021 (“**FP2021**”).
- 1.3 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.

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**”).

- 1.4 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.
- 1.5 On 13 August 2021, the Company released the condensed interim consolidated financial statements of the Group for the six months and twelve months ended 30 June 2021, which was prepared in respect of the Group’s Baijiu Business prior to the Completion.

2. PROFIT GUIDANCE FOR THE EIGHTEEN-MONTH FINANCIAL PERIOD FROM 1 JULY 2020 TO 31 DECEMBER 2021

Following a preliminary review of the unaudited consolidated financial results of the Group for FP2021, the Board wishes to announce that the Group is expected to record a net profit for

FP2021, comprising the Group's Baijiu Business prior to the Completion and the Group's Kiwifruit Business after the Completion.

The net profit for FP2021, as compared to the previous corresponding financial year ended 30 June 2020 (i.e. the period from 1 July 2019 to 30 June 2020), is mainly due to:

- (a) a non-recurring gain from bargain purchase arising from the acquisition of Great Resolute;
- (b) a non-recurring gain from the disposal of Sea Will; and
- (c) the operating profit recorded from the Kiwifruit Business after the Completion.

Should the aforesaid contributions be excluded, the Group would have recorded a net loss for FP2021.

The Company is in the process of finalising the unaudited consolidated financial results of the Group for FP2021. Further details of the Group's financial performance will be disclosed when the Company announces its unaudited consolidated financial results for FP2021, on or before 1 March 2022.

In the meantime, the Board wishes to advise shareholders and potential investors of the Company to exercise caution when dealing in the shares of the Company. If in doubt as to the action they should take, shareholders and potential investors of the Company should seek advice from their stockbrokers, bankers, solicitors, accountants, tax advisers or other professional advisers immediately.

By Order of the Board

Hu Chao
Executive Director and Chief Executive Officer
19 January 2022