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

COURT RULING RECEIVED BY THE COMPANY
– FURTHER INFORMATION ON THE PROCEEDINGS AND UPDATES

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1. INTRODUCTION

1.1. The board of directors ("**Board**" or "**Directors**") of China Shenshan Orchard Holdings Co. Ltd. ("**Company**") refers to the Company's (i) announcement dated 10 May 2023 ("**10 May 2023 Announcement**") in relation to the receipt of a court ruling; (ii) circular to shareholders dated 1 April 2021 in relation to, *inter alia*, the acquisition of Great Resolute Limited and the disposal of Sea Will International Limited (the "**Circular**"); and (ii) announcements dated 15 June 2021, 3 July 2021, 15 July 2021, 27 July 2021, 30 July 2021 and 13 August 2021 in relation to the delisting of the Taiwan Depository Receipts ("**TDRs**") from the Taiwan Stock Exchange ("**TWSE**") (following the completion of the acquisition of Great Resolute Limited and the disposal of Sea Will International Limited) ("**Previous Announcements**").

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings as ascribed to them in the Circular and the Previous Announcements.

1.2. Further to the 10 May 2023 Announcement, the Board wishes to provide more details on the ruling dated 15 February 2023 issued by 智慧財產及商業法院 (Intellectual Property and Commercial Court of Taiwan) ("**Commercial Court**"), which was received by the Company on 9 May 2023 (the "**Ruling**"), and the subsequent decision by the Commercial Court, which was received by the Company on 6 June 2023, in relation to the proceedings brought by 財團法人證券投資人及期貨交易人保護中心 (Securities and Futures Investors Protection Center) ("**SFIPC**") against the Company for a claim for damages ("**Proceedings**").

2. DETAILS OF THE PROCEEDINGS

2.1. Following the 10 May 2023 Announcement, the Board has engaged Lee and Li, Attorneys-at-Law as the Company's legal adviser as to the laws of Taiwan ("**Taiwan Counsel**") in relation to the Proceedings.

2.2. Based on the court documents received by the Taiwan Counsel, on behalf of the Company, on 22 May 2023, in relation to the Proceedings:

(a) the Proceedings related to claims by SFIPC (i) claiming that the Company failed to perform the obligations under the undertakings given by the Company to TWSE and to the TDR holders to unconditionally acquire all the outstanding TDRs listed on the TWSE in the event of delisting of the TDRs ("**Undertakings**"), and (ii) alleging that there be misstatements in the Circular issued by the Company.

Shareholders can refer to Paragraph 9.3(f)(iii) of the Circular and the Previous Announcement dated 13 August 2021 in relation to the delisting of the TDRs, for further information on the Undertakings.

(b) the quantum of damages claimed by SFIPC for the above was initially NT$378,179,077 (equivalent to approximately S$16,611,000) and it was subsequently revised to NT$339,819,428 (equivalent to approximately S$14,926,000), based on a price of NT$4.97 (equivalent to approximately S$0.22) for each TDR of the Company to persons who were identified as TDR holders, with interest to be calculated at 5% per annum from the period commencing 9 February 2023 (for nine of the holders) and 25 June 2022 (for all the other holders) until the repayment date. According to SFIPC's submission, the quantum of damages was computed based on the net value of such TDR based on the latest audited financial report of the Company.

2.3. On 15 May 2023, the Taiwan Counsel formally submitted a brief to report to the Commercial Court of their appointment as the Company's agent ad litem. The Commercial Court informed that there was a court hearing held on 11 May 2023 which the Company did not attend, because the Company was only made aware of (i) the Ruling on 9 May 2023, after it received the court ruling through its Bermuda filing agent; and (ii) the court hearing after the Taiwan Counsel's appointment. During the court hearing on 11 May 2023, the Commercial Court held and concluded an oral debate session, and further informed that a default judgment would be rendered on 31 May 2023.

2.4. The Company, through the Taiwan Counsel, submitted a second brief to the Commercial Court that the Commercial Court should not conclude the hearing and declare the judgment date without the Company's appearance at such hearing. The Taiwan Counsel was informed that the Commercial Court did not re-open the case but has rendered a default judgment as scheduled which is entirely in favor of SFIPC.

2.5. The Company, through the Taiwan Counsel, on 6 June 2023 received the Commercial Court's decision in relation to the foregoing. Pursuant to the judgment, the Commercial Court ordered that the Company be required to pay damages for the failure by the Company to perform the obligations under the Undertakings given by the Company for an aggregate of NT$339,819,428 (equivalent to approximately S$14,926,000) to persons who were identified as TDR holders, with interest to be calculated at 5% per annum from the period commencing 9 February 2023 (for nine of the holders) and 25 June 2022 (for all the other holders) until the repayment date. As the Commercial Court had already ruled in favour of SFIPC based on its claim that the Company had allegedly failed to perform its obligations under the Undertakings, no ruling was made in relation to the alleged misstatements in the Circular.

2.6. The Company, together with its legal advisers, is in the process of evaluating the Commercial Court's decision and assessing the potential financial impact to the Group arising from the Proceedings and the Commercial Court's decision, and is seeking legal advice from the Taiwan Counsel on the next steps to defend the Company's position (which may include, without limitation, filing an appeal against such decision). Presently, the operations and business of the Group are unaffected by the Proceedings.

2.7. The Company will keep the shareholders of the Company informed of the progress of this matter and will make further announcement(s) on any material developments in relation to the aforesaid matter as and when appropriate.

3. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders of the Company are advised to refrain from taking any action in respect of their securities in the Company, which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board

Hu Chao
Executive Director and Chief Executive Officer
13 June 2023