

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

UPDATE ON THE GROUP'S OPERATIONS

The board of directors (the “**Board**”) of China Shenshan Orchard Holdings Co. Ltd. (the “**Company**”, and collectively with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 23 June 2025 in relation to the update on the Group’s operations and profit guidance for the financial period ended 30 June 2025 (the “**Announcement**”).

Further to the Announcement, the Company wishes to provide an update on the Group’s operations. After an evaluation conducted by the Group on the current options available, the Group has opted to implement the following strategies for a low-cost operational model, intending to provide flexibility in support of its long-term development plans.

1. Leasing of Orchards to Third Parties

The Group will lease six (6) out of its nine (9) orchards to third-party contractors (each referred to as the “**Contractor**” and collectively, the “**Contractors**”) pursuant to the terms of the leasing contracts (the “**Leasing Contracts**”) to be entered into between the Group and each respective Contractor. The duration of the Leasing Contracts will vary depending on the specific orchard and Contractor, ranging from one (1) year to six (6) years.

The Leasing Contracts will cover the following salient terms and requirements:

- (i) the minimum number of trees that each Contractor is contractually obligated to maintain;
- (ii) mandatory compliance by each Contractor with specified orchard planting standards;
- (iii) the Contractor’s responsibilities throughout the planting and maintenance period; and
- (iv) the stipulated penalties and remedial actions in the event of failures from the respective Contractor to meet their respective contractual obligations.

The Group will conduct regular inspections of the orchards leased to the Contractors for indicators such as, *inter alia*, tree survival rate and trees health. The aggregate annual leasing income derived from the Leasing Contracts is expected to amount to approximately RMB1,020,000, which will be used to offset land rental costs and partially offset the Group’s overall operational expenditure.

2. Fallowing Management Policy

In relation to the remaining three (3) orchards, the Group will implement a fallow management policy (individually a “**Fallow Orchard**”, and collectively, the “**Fallow Orchards**”) for one and a half (1.5) years fallow period (“**Fallow Period**”). During the Fallow Period, each Fallow Orchard will be overseen by a designated third-party responsible person (“**Responsible Person**”), who will be tasked with managing the respective Fallow Orchard. The duties of each Responsible Person will include, *inter alia*, weeding, irrigation, site surveillance, and small-scale planting activities.

The Group will conduct regular inspections of the Fallow Orchards to ensure appropriate upkeep. A Fallow Management Responsibility Agreement will be entered into between the Group and each Responsible Person, which covers the following salient requirements:

- (i) the minimum number of trees to be maintained in the respective Fallow Orchard; and
- (ii) the standards and expectations applicable for the daily maintenance of the Fallow Orchard.

All costs associated with the small-scale planting and daily maintenance of the respective Fallow Orchard including, *inter alia*, weeding, utilities, repairs and labour, will be borne solely by the Responsible Person. The Group will not commit any additional financial resources during the Fallow Period. The Responsible Person will have the right to manage and dispose of any fruits harvested from the respective Fallow Orchards during the Fallow Period.

3. Reduction of labour expenses

As part of the Group's cost-reduction efforts, the Group will retain only a minimal number of essential staffs to significantly reduce labour-related expenses.

The Group will continue to monitor the situation closely and will release further announcements on any material developments on the Group's business as and when appropriate.

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
CHINA SHENSHAN ORCHARD HOLDINGS CO. LTD.

Zhao Chichun
Executive Director and Chief Executive Officer
22 August 2025

This announcement has been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**").

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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