

**PROFIT GUIDANCE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

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**1. INTRODUCTION**

- 1.1 On 3 July 2021, China Shenshan Orchard Holdings Co. Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) has completed (i) the acquisition of Great Resolute Limited (“**Great Resolute**”) as a very substantial acquisition and an interested person transaction (the “**Xingnong Acquisition**”); and (ii) the disposal of Sea Will International Limited (“**Sea Will**”) as a major transaction and an interested person transaction (the “**Dukang Disposal**”). Accordingly, the Company has entirely disposed of its business of production and sale of baijiu products (“**Baijiu Business**”) through the Dukang Disposal, and its business now comprises wholly of the business of planting, cultivating and sale of kiwifruits carried out by the Xingnong Group (“**Kiwifruit Business**”) through the Xingnong Acquisition. The Xingnong Acquisition and the Dukang Disposal shall hereinafter be referred to as the “**Transactions**”.
- 1.2 As announced by the Board of Directors of the Company (the “**Board**”) on 1 June 2021, the Company has also changed its financial year end from 30 June to 31 December in connection with the Transactions. Accordingly, the financial statements of the Group for the financial period ended 31 December 2021 covered a period of eighteen months from 1 July 2020 to 31 December 2021 (“**FP2021**”).

**2. PROFIT GUIDANCE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (“FY2022”)**

Following a preliminary review of the unaudited consolidated financial results of the Group for FY2022, the Board wishes to announce that the Group is expected to record a lower net profit for FY2022, as compared to the net profit recorded for FP2021, mainly due to:

- (a) a decrease in the Group’s revenue for FY2022 as a result of lower harvest volume of kiwifruits caused by severe drought conditions in many parts of China from May to August of 2022;
- (b) the absence of a one-time gain on bargain purchase recognised in FP2021 as a result of the difference between the fair values of the net assets of Great Resolute acquired by the Company and the net assets of Sea Will disposed of by the Company; and
- (c) the absence of a one-time profit recognised from the sale of Group’s Baijiu Business in FP2021.

The Company is in the process of finalising the unaudited consolidated financial results of the Group for FY2022, and will disclose further details on or before 1 March 2023.

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  
20 February 2023