China Shenshan Orchard Holdings Co. Ltd.
(Incorporated in Bermuda)
(Company Registration No. 41457)

NAVIGATING A **CHALLENGING LANDSCAPE** WITH RESILIENCE

Annual Report 2025

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

*This annual report 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 annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.*

The contact person for the Sponsor is Ms Yang Zhenni, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.

Corporate Profile

China Shenshan Orchard Holdings Co. Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") was previously engaged in the planting, cultivation, and sale of kiwifruits ("**Kiwifruit Operation**") in the People's Republic of China ("**PRC**"). Due to the impacts of climate change and disease outbreaks, the Group encountered operational challenges in this business. Following a comprehensive operational and biological assessment of the unfavourable planting conditions, conducted in June 2025 by an independent third party, the management decided to suspend the Kiwifruit Operation.

In evaluating the available options, the Group has adopted a low-cost operational model designed to provide flexibility in support of its long-term development plans. Following the suspension of the Kiwifruit Operation, the Group has shifted its core activities to the leasing of agricultural land. Each orchard is overseen by a designated third-party contractor, who is required to comply with specified orchard planting and maintenance standards. The leasing income will be used to offset land rental costs and to partially defray the Group's overall operating expenses.

Chief Executive Officer's Statement

On behalf of the Board of Directors ("**Board**"), management and staff of China Shenshan Orchard Holdings Co. Ltd. ("**China Shenshan**" or the "**Company**", together with its subsidiaries, the "**Group**"), I am pleased to present our annual report for the financial year ended 31 December 2025 ("**FY2025**").

China's gross domestic product ("**GDP**") expanded by 5.0% in 2025, in line with the official target released by the Chinese government, despite a challenging economic backdrop characterised by stress in the real estate sector and external pressures arising from ongoing trade disputes with the United States. However, growth momentum moderated towards the end of the year where GDP growth slowed to 4.5% year-on-year in the fourth quarter, marking the weakest quarterly performance in the past three years, reflecting persistent softness in domestic consumption[1]. Retail sales in December 2025, a key indicator of household consumption, grew by only 0.9% year-on-year, falling short of market expectations[2].

Against the backdrop of subdued retail activity and weak consumer confidence weighing on overall economic growth, the Chinese government has introduced new policy measures aimed at stimulating household spending. These include closer coordination between commerce and financial regulators, as well as expanded access to credit[3]. Nevertheless, the economy continues to grapple with structural challenges marked by strong supply conditions and relatively weak demand. In this context, the challenging operating environment is expected to continue exerting downward pressure on the Group's performance in the near term, while also tempering the pace of recovery.

Financial Performance

Following the shift of the Group's core business to agricultural land leasing as announced by the Company on 22 August 2025, the revenue of RMB1.0 million recorded in FY2025 was derived solely from rental income. Consequently, no revenue from kiwifruit sales, cost of sales, or gains arising from changes in fair value less costs to sell of biological assets were recognised during the financial year.

Other losses decreased by RMB23.1 million from RMB28.6 million in the financial year ended 31 December 2024 ("**FY2024**") to RMB5.5 million in FY2025. This decrease was primarily due to a decrease of RMB18.8 million from the losses arising from the write off of property, plant and equipment and release of provision of deferred government grant of RMB11.3 million, partially offset by a decrease of RMB3.0 million in compensation received from the Chinese government for the land resumption of 320.1 mu of the orchards.

Administrative expenses decreased by RMB5.4 million to RMB42.4 million in FY2025, reflecting the Group's continued cost optimisation efforts amid a challenging operating environment. Other operating expenses declined significantly by RMB26.2 million, from RMB43.5 million in FY2024 to RMB17.3 million in FY2025. This reduction was primarily attributable to lower depreciation charges following the impairment loss recognised on property, plant and equipment during the year.

As a result, the Group registered a loss of RMB887.8 million in FY2025 as compared to a loss of RMB99.4 million in FY2024.

Year in Review

In recent years, the kiwifruit market has been facing an oversupply situation, driven by a slowdown in China's fruit market. This oversupply situation has led to the declining sales volumes and prices of kiwifruit. Weakened market demand has continued to exert downward pressure on selling prices. At the same time, planting costs remain high, further eroding profit margins and severely impacting the performance of the Group's kiwifruit business.

As announced by the Company on 23 June 2025, the Group engaged the Hubei Kiwifruit Association ("**Association**") to conduct an on-site inspection of its nine orchards in Chibi City, Hubei Province, China in June 2025. According to the report issued by the Association, some of the kiwifruit trees across these orchards are affected by varying degrees of the canker disease since 2024, posing significant challenges for ongoing management. Additionally, the newly introduced kiwifruit varieties have shown poor resistance to disease, high temperatures and waterlogging, and do not meet commercial fruit standards.

1 *China hits 2025 GDP growth target on export boom, but can't shake domestic chill, https://www.reuters.com/world/asia-pacific/chinas-q4-gdp-grows-45-yy-just-ahead-market-forecast-2026-01-19/*
2 *Weak domestic demand continues to blight China's economy as growth slows in Q4, https://www.straitstimes.com/asia/east-asia/weak-domestic-demand-continues-to-blight-chinas-economy-as-growth-slows-in-q4*
3 *China issues 11-point policy package to boost consumer spending amid slowing retail sales, https://www.scmp.com/economy/china-economy/article/3336515/china-issues-11-point-policy-package-boost-consumer-spending-amid-slowing-retail-sales*

Given the eroding profit margins of the Group's kiwifruit business, substantial reinvestment required to upgrade the orchards and the Association's findings, the Group assessed that reinvestment is not commercially viable. Furthermore, due to the continued spread of diseases across its orchards, the Group has decided to suspend its kiwifruit business operations ("**Suspension**").

Having evaluated the available options, the Group opted to implement the below strategies for a low-cost operational model, with the intention to provide flexibility in support of its long-term development plans. Following the Suspension, the Group shifted its core activity to leasing agricultural lands, as announced by the Company on 22 August 2025.

Firstly, the Group has leased six out of its nine orchards to third-party contractors ("**Contractors**"), with contract durations varying by orchard and contractor, ranging from 1 year to 6 years. The leasing income will be used to offset land rental costs and partially defray the Group's overall operating expenses. The Contractors will need to comply with specified orchard planting standards during the planting and maintenance period. The Group will conduct regular inspections of the orchards leased to the Contractors for indicators such as trees survival rate and trees' heath.

For the remaining three orchards, the Group has implemented a fallow management policy, under which each orchard will be overseen by a designated third party for 1.5 years. The responsible party will bear all costs associated with small-scale planting and daily maintenance, including weeding, utilities, repairs and labour. The responsible party will have the right to manage and dispose of any fruits harvested from the orchards. In addition, as part of the Group's broader cost-reduction measures, only a minimal number of essential staff will be retained, thereby significantly reducing labour-related expenses.

Outlook

Consumption has weakened markedly over the past few years, leading to a sharp decline in consumer confidence, higher unemployment, and slower income growth. This has dragged consumption growth to an average annual rate of 4.8% between 2020 and 2024. While consumption remains subdued, the Chinese government has made revitalising domestic demand a top priority[4]. Nevertheless, the Group believes that these conditions will continue to pose challenges for the fruit industry and dampen demand in the near term.

The business environment has been very tough but the Group acknowledges that persistent uncertainties and concerns over the global economic outlook would further hinder growth and impact our business. In response, it is committed to closely monitoring the evolving situation and ensuring that it remains prepared to adjust its strategies as needed to address potential or new challenges. Remaining vigilant and agile is essential for navigating these uncertainties and positioning itself to thrive in a dynamic and ever-changing environment. The Group remains committed to improve resiliency in its operations and considers innovative solutions to adapt to changing conditions and consumer needs and behaviours.

Appreciation

On behalf of the Board, I would like to extend my heartfelt appreciation to our loyal customers, business associates, suppliers, and distributors for their continued trust and support. I would also like to express my sincere gratitude to our esteemed Directors for their invaluable guidance, and to all our employees for their dedication, commitment, and hard work throughout the year.

Our shareholders' investment, confidence, and constructive feedback remain vital to our success. We are deeply grateful for their unwavering trust and support, particularly during these challenging times. It is through the collective commitment of all our stakeholders that the Group continues to navigate challenges and strive toward recovery. We look forward to your continued support and understanding as we work to revitalise and strengthen the business.

Mr. Zhao Chichun
Executive Director and Chief Executive Officer

4 *The Return of the Chinese Consumer, https://www.sinicapodcast.com/p/the-return-of-the-chinese-consumer*

Financial Review

Following the shift of the Group's core business to agricultural land leasing as announced by the Company on 22 August 2025, the revenue of RMB1.0 million recorded in FY2025 was derived solely from rental income. Consequently, no revenue from kiwifruit sales, cost of sales, or gains arising from changes in fair value less costs to sell of biological assets were recognised during the financial year.

Other losses decreased by RMB23.1 million or 80.9%, from RMB28.6 million in FY2024 to RMB5.5 million in FY2025. This decrease was primarily due to a decrease of RMB18.8 million from the losses arising from the write off of property, plant and equipment and release of provision of deferred government grant of RMB11.3 million, partially offset by a decrease of RMB3.0 million in compensation received from the Chinese government for the land resumption of 320.1 mu of the orchards.

Selling and distribution expenses decreased by RMB0.7 million or 24.0%, from RMB3.0 million in FY2024 to RMB2.3 million in FY2025, mainly due to a decrease in advertising and promotion expenses in line with the Group's operational challenges encountered.

Administrative expenses decreased by RMB5.4 million or 11.3%, from RMB47.8 million in FY2024 to RMB42.4 million in FY2025 as a result of the Group's cost-saving efforts during this challenging time.

Other operating expenses decreased by RMB26.2 million or 60.3%, from RMB43.5 million in FY2024 to RMB17.3 million in FY2025, mainly due to the decrease in depreciation charges as a result of impairment loss on property, plant and equipment recognised during the year.

Pursuant to the announcement dated 23 June 2025, based on the report issued by the Association, due to the persistent spread of diseases throughout the orchards has resulted in all fruit trees across the nine (9) orchards losing their commercial value. The Group identified indicators of impairment within its kiwifruit business cash generating unit (the "**CGU**") due to the operational challenge and performed an impairment review on non-financial assets in relation to the CGU. The recoverable amount had been determined based on a value-in-use calculation carried out by an independent qualified professional valuer. As a result, impairment losses totalling approximately RMB1,035.3 million on intangible assets, property, plant and equipment, investment properties, deposit and prepayment were recognised during FY2025.

Income tax credit increased by RMB208.5 million, mainly due to the deferred tax credit recognised during FY2025 resulted from the release of deferred tax liabilities which arose from the fair value adjustment to the carrying amount of biological assets, upon the suspension of the kiwifruit operation.

As a result, the Group recorded a loss of RMB887.8 million in FY2025 as compared to a loss of RMB99.4 million in FY2024.

Cash Flow Management

For FY2025, the Group's cash and cash equivalents decreased by RMB27.8 million to RMB90.9 million as at 31 December 2025, from RMB118.7 million as at 31 December 2024. This was mainly due to net cash used in operating activities of RMB27.6 million, net cash used in investing activities of RMB1.3 million and net cash generated from financing activities of RMB1.1 million.

Financial Position

As at 31 December 2025, the Group recorded positive working capital (current assets less current liabilities) of RMB67.1 million, as compared to RMB112.5 million as at 31 December 2024 and its total equity decreased to RMB58.0 million from RMB945.5 million as at 31 December 2024.

The Group's total assets decreased by RMB1,106.4 million to RMB91.0 million as at 31 December 2025, mainly due to the decrease in property, plant and equipment, intangible assets, inventories and consumables, trade receivables, cash and cash equivalents, prepayments, deposits and other receivables.

The Group's total liabilities decreased by RMB218.9 million to RMB33.0 million as at 31 December 2025, mainly arising from the decrease in trade payables, accrued liabilities and other payables, deferred government grants, lease liabilities, deferred tax liabilities, partially offset by the increase in other provision.

Board of Directors

Zhao Chichun 赵池春

Mr. Zhao Chichun ("**Mr. Zhao**") is the Executive Director and Chief Executive Officer ("**CEO**") of the Company. He was appointed as a Director of the Company with effect from Completion (as defined in the Company's circular to shareholders dated 31 March 2021) (i.e. 3 July 2021) by the Company's shareholders at a special general meeting held on 6 May 2021 and was appointed as the CEO of the Company with effect from 7 July 2023.

Mr. Zhao is responsible for the overall business direction and strategy of the Company and its subsidiaries. He also oversees the Company's sales and marketing functions, as well as investor relations, and is a Director of the Company's subsidiary, Chibi Shenshan Xingnong Agriculture Technology Co., Ltd. ("**Xingnong Agriculture**").

From September 1992 to March 2008, Mr. Zhao held sales and marketing positions in various industries which include real estate development, fashion and software development. He founded 北京宽用软件科技有限公司 (Beijing Kuansoft Tech Ltd), a software development company, in March 2008 and was its CEO till January 2011. From February 2011 to July 2021, Mr. Zhao was the vice president of 思念食品控股有限公司 (Synear Food Holdings Ltd) and was responsible for overseeing the investments, mergers and acquisitions of Synear Food Holdings Ltd.

Mr. Zhao graduated with a Bachelor of Arts from Henan University in 1991 and a Master of Business Administration from Ottawa University, Ontario, Canada in 2003.

Zhou, Liyang 周礼阳

Mr. Zhou, Liyang ("**Mr. Zhou**") was appointed as an Executive Director of the Company with effect from 7 July 2023. He joined the Company's subsidiary, Xingnong Agriculture since 2018 and currently serves as the Executive General Manager. During his tenure, he had held positions as the Executive Deputy General Manager, Chief Administrative Officer and Director of Operations.

Prior to joining the company, Mr. Zhou served in the Henan Provincial Fire Brigade of the People's Armed Police from 1996 to 2018, where he held positions as a Staff Officer and Chief of Staff.

Mr. Zhou oversees the daily operations and business development of the Group. He is also the Legal Representative of Xingnong Agriculture.

Mr. Zhou graduated from Zhengzhou University of Technology in 1996 with a Bachelor's Degree in Architectural Engineering.

Huo Lei 霍雷

Mr. Huo Lei ("**Mr. Huo**") was appointed as an Executive Director of the Company on 1 September 2014 and was last re-elected on 30 October 2020. He was subsequently re-designated as a Non-Executive and Non-Independent Director of the Company upon Completion (as defined in the Company's circular to shareholders dated 31 March 2021) (i.e. 3 July 2021).

Mr. Huo is also a member of the Audit Committee, Nominating Committee and Remuneration Committee of the Company.

Mr. Huo joined Henan Trump Dragon Siwu Wine Co., Ltd., a subsidiary of the Company prior to the Proposed Transactions (as defined in the Company's circular to shareholders dated 31 March 2021) in September 2005 as its assistant president, and was responsible for the general administration matters and personnel management of the subsidiary. Mr. Huo was appointed as the general manager of the Company in February 2008 to August 2014.

From March 2000 to September 2003, Mr. Huo was a manager in 河南省农业综合开发广泰科技有限公司 (Henan Province Agriculture Development Guangtai Technology Co., Ltd.), which is a state-owned agriculture company. From September 2003 to September 2005, he was a manager in the corporate management department of 河南省新世家置业有限公司 (Henan Province Xinshijia Property Development Co., Ltd.), a property development firm, and was responsible for general administration matters and personnel management.

Mr. Huo graduated from 郑州工业大学 (Zhengzhou University of Technology) with a Diploma in Electric System Automation in July 2000 and from the Northwest Agriculture and Forestry University, Shaanxi Province, with a Master in Business Administration in June 2013.

Ngo Yit Sung 吴逸松

Mr. Ngo Yit Sung ("**Mr. Ngo**") was appointed as an Independent Director of the Company on 1 October 2024. He was concurrently appointed as the Chairman of the Nominating Committee and the Remuneration Committee and a member of the Audit Committee of the Company.

Mr. Ngo has over 16 years of extensive experience in corporate strategy, capital raising, business development, and investor relations. He was the Executive Director of Eneco Energy Limited and was responsible for the group's strategic direction, establishing policies for management and governance, and overseeing the operations of the group. Prior to that, he was the Executive Director of TOTM Technologies Limited, where he successfully led the implementation of key corporate strategies, including mergers and acquisitions, investments and equity fundraising.

Mr. Ngo served as a Director at Sino-Lion Communications Pte Ltd. In this capacity, he provided strategic consultancy to listed companies across the Asia Pacific region, spanning diverse industries such as technology, real estate, REITs, healthcare, consumer goods, industrials, and construction.

Mr. Ngo currently sits on the board of World Precision Machinery Limited, a company listed on the Mainboard of the Singapore Exchange Securities Trading Limited.

Mr. Ngo graduated with a Bachelor of Engineering (First Class Honours) in Electrical (Mechatronics) from Universiti Teknologi Malaysia, and a Ph.D. degree in Electrical and Computer Engineering from the National University of Singapore (NUS).

Yeo Teck Chuan 杨德泉

Mr. Yeo Teck Chuan ("**Mr. Yeo**") was appointed as an Independent Director of the Company on 2 December 2021. He was subsequently re-designated and appointed as the Non-Executive Chairman and Independent Director of the Company on 26 April 2024.

Mr. Yeo is also the Chairman of the Audit Committee and a member of the Nominating Committee and the Remuneration Committee of the Company.

Mr. Yeo is a Chartered Accountant of the Institute of Singapore Chartered Accountants, Certified Internal Auditor and ASEAN Chartered Professional Accountant. He is currently a Partner (Advisory) of SBA Stone Forest Corporate Advisory (Shanghai) Co., Ltd., Legal Representative of Shangrao Jie Jian Advisory Co., Ltd. and director of YSH Advisory Pte. Ltd., YSH Advisory II Pte. Ltd. and IA Advisory Pte Ltd.

Mr. Yeo graduated from Nanyang Technological University with a Degree in Accountancy.

Senior Management

Ms. Liang Qianyun 梁倩云

Ms. Liang Qianyun ("**Ms. Liang**") was appointed as Accounting Director of the Company on 24 June 2024. She joined the Company's subsidiary, Xingnong Agriculture as the Finance Manager since March 2023 and is responsible for overseeing the daily finance and accounting operations of the Group. Ms. Liang is also a Director and the financial controller of Xingnong Agriculture and is responsible for the finance and accounting operations of Xingnong Agriculture.

Ms. Liang has approximately 9 years of experience in audit and finance. She started her career in 中兴财光华会计师事务所（特殊普通合伙）(Zhongxing Caiguanghua Certified Public Accountants (Special General Partnership)) as an auditor and audit supervisor until December 2018. Prior to joining Xingnong Agriculture in March 2023, Ms. Liang was an auditor supervisor and audit manager of 郑州思念食品有限公司 (Zhengzhou Synear Food Co., Ltd.) which manufactures and distributes frozen food products.

Ms. Liang graduated with a Degree in Economics from the Shengda Economics, Trade and Management College of Zhengzhou (a.k.a. Zhengzhou Shengda University) in 2016. She is a qualified member of the Chinese Institute of Certified Public Accountants and was also conferred with an Intermediate Accountant Qualification Certificate issued jointly by Ministry of Human Resources and Social Security of the People's Republic of China, and the Ministry of Finance of the People's Republic of China.

Ho Hin Yip 何衍业

Mr. Ho Hin Yip ("**Mr. Ho**") is the Financial Controller of the Group and Joint Company Secretary of the Company. He oversees all financial reporting and company secretarial matters of the Group.

Mr. Ho has over 28 years of experience in audit and accounting.

Mr. Ho graduated with a Bachelor of Business Administration from The Chinese University of Hong Kong in 1997 and is a practicing member of the Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants in the United Kingdom.

Corporate Information

BOARD OF DIRECTORS

Executive:
Zhao Chichun *(Executive Director and Chief Executive Officer)*
Zhou, Liyang *(Executive Director)*

Non-Executive:
Yeo Teck Chuan *(Non-Executive Chairman and Independent Director)*
Ngo Yit Sung *(Independent Director)*
Huo Lei *(Non-Executive and Non-Independent Director)*

AUDIT COMMITTEE
Yeo Teck Chuan *(Chairman)*
Ngo Yit Sung
Huo Lei

NOMINATING COMMITTEE
Ngo Yit Sung *(Chairman)*
Yeo Teck Chuan
Huo Lei

REMUNERATION COMMITTEE
Ngo Yit Sung *(Chairman)*
Yeo Teck Chuan
Huo Lei

JOINT COMPANY SECRETARIES
Toh Li Ping, Angela (ACS ACG)
Ho Hin Yip

ASSISTANT COMPANY SECRETARY
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Singapore 188778

AUDIT PARTNER-IN-CHARGE
BDO Limited – Cheung Wing Yin
Appointed wef financial year 31 December 2024 (2nd consecutive financial year)

BDO LLP – Aw Vern Chun Philip
Appointed wef financial period 31 December 2021 (5th consecutive financial year)

SPONSOR
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CORPORATE GOVERNANCE REPORT

INTRODUCTION

The Board of Directors (the "**Board**" or "**Directors**") of China Shenshan Orchard Holdings Co. Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") is committed to setting and maintaining high standards of corporate governance within the Group by adopting and complying, where possible, with the principles and provisions of the Code of Corporate Governance 2018 (the "**Code**"), and where applicable, the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), in respect of the Company's Annual Report for the financial year ended 31 December 2025 ("**FY2025**").

The Company recognises that good corporate governance establishes and maintains a legal and ethical environment, which is essential for preserving and enhancing the interests of all stakeholders. This report describes the corporate governance framework and practices of the Company that were in place throughout the financial year under review, with reference to the Code. The Board confirms that the Company has complied in all material respects with the principles and provisions in the Code, where they are applicable, relevant and practicable to the Group. Where there is any deviation from any provisions of the Code, an explanation has been provided in this report for the variation and how the practices adopted by the Group are consistent with the intent of the relevant principle. The Company will continue to assess its needs and implement appropriate practices accordingly. This report should be read in its entirety, instead of being read separately under each principle of the Code.

ZICO Capital Pte. Ltd. ("**ZICO Capital**") is the Company's continuing sponsor.

BOARD MATTERS

THE BOARD'S CONDUCT OF ITS AFFAIRS

PRINCIPLE 1: THE COMPANY IS HEADED BY AN EFFECTIVE BOARD WHICH IS COLLECTIVELY RESPONSIBLE AND WORKS WITH MANAGEMENT FOR THE LONG-TERM SUCCESS OF THE COMPANY.

The Board, in addition to its statutory responsibilities, is primarily and collectively responsible for overseeing and supervising the management of the business and corporate affairs, to ensure proper conduct of the business, affairs and the overall performance of the Group and long-term success of the Company, to protect and enhance long-term value for shareholders of the Company ("**Shareholders**"). Board members are expected to act in good faith and exercise independent judgement in the best interests of the Group.

The functions of the Board include:

1. providing entrepreneurial leadership and guidance to the management team of the Group ("**Management**") in setting the strategic objectives and directions to ensure that the necessary financial and human resources are in place for the Group to achieve its strategic objectives, which include appropriate focus on value creation, innovation and sustainability;

2. overseeing financial reporting and reviewing the financial results of the Group;

3. monitoring the implementation of strategies and reviewing the business performance of the Group;

4. instilling an ethical corporate culture and ensuring that the Company's values, standards, policies and practices are consistent with its ethos and are adhered to, and ensuring that obligations to Shareholders and other stakeholders are transparent, understood and met;

5. considering sustainability issues such as environmental, social and governance factors, as part of the strategic formulation, including identifying key stakeholder groups;

6. approving all Board appointments or re-appointments and appointments of key management personnel (as defined in the Code) as well as evaluating their performance and reviewing their compensation packages;

7. advising Management on major policy initiatives and significant issues and approving board policies, strategies and financial targets of the Company;

CORPORATE GOVERNANCE REPORT

8. approving the Group's annual budgets, key operational matters, investment and divestment proposals, major funding proposals, corporate or financial restructuring, material acquisitions and disposal of assets, interested person transactions of a material nature and convening of Shareholders' meetings;

9. reviewing the adequacy and effectiveness of the risk management systems and internal controls, including information technology controls, financial, operational and compliance controls, and to ensure that the areas of concern are addressed and recommendations of the internal auditors/Audit Committee ("**AC**") are implemented and monitor the progress of implementation;

10. overseeing the proper conduct of the Company's business, setting the Group's values and standards (including ethical standards) to ensure that obligations to Shareholders and other stakeholders are understood and met and reviewing the corporate governance processes;

11. reviewing the performance of Management and the Group towards achieving adequate Shareholders' value, including but not limited to, the declaration of proposed interim and final dividends (if applicable), approval of announcement relating to financial results of the Group and the audited financial statements, release of annual reports and timely announcements of material transactions;

12. identifying the key stakeholder groups and recognise that their perceptions affect the Company's reputation; and

13. ensuring the Group's compliance with laws, regulations, policies, directives, guidelines and internal codes of conduct.

<u>Provision 1.1 – Director's conflict of interest</u>

All Directors exercise due diligence and independent judgement in discharging their duties and responsibilities at all times as fiduciaries and act objectively in the best interests of the Company.

Directors facing conflicts of interest are required to recuse themselves from discussions and decisions involving the issues of conflict. They are also required to avoid situations in which their own personal or business interests directly or indirectly conflict, or appear to conflict, with the interests of the Group. Where a Director has a conflict of interest, or it appears that he/she might have a conflict of interest, in relation to any matter, he/she is required to send a written notice to the Company containing details of his/her interest and the conflict, or to declare such interest at a meeting of the Directors (or in written resolutions to be passed), and recuse himself/herself from participating in any discussion and decision on the matter. Where relevant, the Directors have complied with such requirement and such compliance is duly recorded in the minutes of meeting or, as the case may be, the Directors' Resolutions in Writing.

<u>Provision 1.2 – Induction and training of Directors</u>

Newly appointed Executive Directors will be provided with Service Agreements setting out their term of office and terms of appointment. The Service Agreement in respect of the employment of the Executive Directors, will upon the expiry of the initial term commencing on the Commencement Date as defined in the Service Agreement, be automatically renewed on a year-to-year basis. For Non-Executive Directors, formal letters of appointment setting out their terms of appointment will be issued to new appointees to the Board.

All Directors, including newly appointed Directors, will receive an orientation that includes briefings by Management on the Group's structure, history, business, operations, visions, values and policies. Directors also have the opportunity to visit the Group's operational facilities and meet with Management so as to gain a better understanding of the Group's business operations. Directors who do not have prior experience as a director of an issuer listed on the SGX-ST (a "**First-time Director**") are required to undergo training in the roles and responsibilities of a director of a listed issuer by attending one of the training programmes conducted by a training provider as specified in Schedule 1 to Practice Note 4D of the Catalist Rules within one year from the date of his/her appointment to the Board.

All Directors of the Company have undergone training on sustainability matters as prescribed by Rule 720(6) of the Catalist Rules.

To keep the Directors abreast of new laws, regulations, evolving commercial risks and accounting standards, all Directors engage in constant dialogue with Management and professionals from time to time. On an ongoing basis, the Board is updated on any amendments and requirements of the Catalist Rules and other statutory changes to regulatory requirements which may have an important bearing on the Company and the Directors' obligations to the Company, from time to time, or during Board meetings by the Company Secretary and/or its Sponsor, or at separate seminars on the amendments and requirements of the Catalist Rules and other statutory and regulatory changes which may have an important bearing on the Company and the Directors' obligations from time to time.

Provision 1.3 – Matters requiring Board's approval

The matters reserved for the Board's decision and the types of material transactions that are likely to have a material impact on the Group's operating units and/or financial position as well as matters other than in the ordinary course of business are as follows, but are not limited to:

- Quarterly (if applicable), half-year and full year financial results;
- The Group's strategic plans including long-term strategic plans;
- The Group's annual budget;
- Potential joint venture, merger, acquisition, divestment or other changes in the Company's assets, if any;
- Changes in the Management or changes in effective control of the Company, if any;
- Firm evidence of significant improvement or deterioration in near term earnings prospects, if any;
- Subdivision of shares or stock dividends, if any;
- Declaration or omission of dividends or the determination of earnings, if any;
- Acquisition or loss of significant contract, if any;
- Purchase or sale of a significant asset;
- Significant new product or discovery, if any;
- Public or private sale of significant amount of additional securities of the Company, if any;
- Share buyback, if any;
- Share option or share schemes, if any;
- Scrip dividend scheme, if any;
- Interested person transactions, if any;
- Provision or receipt of a significant amount of financial assistance, if any;
- Occurrence of an event of default under debt or other securities or financing or sale agreements, if any;
- Significant litigation, if any;
- Call of securities for redemption, if any;
- Significant change in capital investment plans, e.g. building of factories, increasing plant and machinery and increasing production lines, if any;
- Significant dispute(s) with customers or suppliers, or with any parties, if any;
- Material financial loss/damage caused by disaster and/or loss of credibility arising from corporate scandals and other fraudulent activities pursuant to any reports received under the Whistle-Blowing Policy adopted by the Company, if any;
- Appointment or removal of Company Secretary, if any;
- Tender offer for another company's securities, if any;
- Valuation of the Group's assets that has a significant impact on the Group's financial position and/or performance;
- Cessation of Sponsor or cessation to sponsor the Company, if any;
- Appointment of a new Sponsor, if any;
- Involuntary striking-off of the Company's subsidiaries;
- Any investigation on a Director or an Executive Officer of the Company;
- Loss of a major customer or a significant reduction of business with a major customer; and
- Major disruption to supply of critical goods or services.

CORPORATE GOVERNANCE REPORT

Provision 1.4 – Delegation by the Board

Certain functions have been delegated by the Board to various Board Committees, namely the AC, the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**"), which operate under clearly defined terms of reference and reviewed on a regular basis to ensure their continued relevance. The responsibilities and authority of the Board Committees set out in their respective terms of reference were revised from time to time to align with the Code. The effectiveness of each Board Committee is also constantly monitored. All Board Committees are chaired by an Independent Director and all the members are Non-Executive Directors.

The Board acknowledges that while these Board Committees have the authority to examine particular issues and report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

The composition of the Board and the Board Committees is set out under Provisions 2.2 and 2.3 of the Code below.

Provision 1.5 – Board processes, including Directors' attendance at meetings

The Board meets on a half-yearly basis to review the key activities and business strategies of the Group, and as and when warranted by particular circumstances. Dates of the Board meetings are normally set by the Directors well in advance. The Board and Board Committees' meetings are scheduled in advance to coincide with the announcement of the Group's half-yearly and full year results. Additional Board meetings will be convened when they are deemed necessary to address any significant issues that may arise in between the scheduled meetings.

The Company's Bye-laws and the Board Committees' terms of reference provide for Board and Board Committees' meetings to be held via telephone, electronic or other communication facilities which permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously. The Board and Board Committees also circulate written resolutions, when necessary, for approval by the relevant members of the Board and Board Committees.

In addition, at least once a year, the Board holds its Board and/or Board Committees' meetings at the Group's sites or where it has business presence and/or an AC member who is an Independent Director will visit the Group's sites and conduct physical inspection on the Group's property, plant and equipment. This allows the Board to develop a good understanding of the Group's businesses and promote active engagement with the Group's key management team.

Directors may request further explanations, briefing or discussion from Management on any aspect of the Group's operations or business. When circumstances require, Board members exchange views outside the formal environment of Board meetings. The Board conducts an annual review of its processes to ensure that it is able to carry out its functions in the most effective manner.

The number of Board and Board Committees' meetings and general meetings, i.e. annual general meeting ("**AGM**") and special general meeting ("**SGM**"), held from 1 January 2025 to 31 December 2025 as well as the details of Directors' attendance at those meetings are summarised in the table below:

	General meetings*		Board		Board Committees' meetings					
	AGM				AC		NC		RC	
	No. of meetings		No. of meetings		No. of meetings		No. of meetings		No. of meetings	
Name of Director	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Zhao Chichun	1	1	4	4	-	-	-	-	-	-
Zhou, Liyang	1	1	4	4	-	-	-	-	-	-
Huo Lei	1	1	4	4	3	3	1	1	1	1
Yeo Teck Chuan	1	1	4	4	3	3	1	1	1	1
Ngo Yit Sung	1	1	4	4	3	3	1	1	1	1

* There was no SGM of the Company held in 2025.

Provision 1.6 – Complete, adequate and timely information

Board members are provided with complete, adequate and timely information on Board affairs and issues that require the Board's decision in order for them to make informed decisions and on an ongoing basis.

Information included background or explanatory information relating to matters to be brought before the Board, and an analysis on the Group's sales revenue, gross profit margins, advertising and promotion expenses, financial expenses and turnover ratio. To assist the Directors in discharging their duties, Management provides reports and financial statements to the Board on a regular basis. Board and Board Committees' papers are sent to Directors at least three working days before each meeting so that the Directors may better understand the matters prior to the meetings and discussions may be focused on questions that the Directors may have on these matters. The Group's performance and development are presented on a half yearly basis at the AC and the Board meetings.

The Group's Chief Executive Officer ("**CEO**"), senior management and the Financial Controller are present at these presentations to address any queries which the Board may have. Directors are entitled to request from Management and be provided with additional information as required in order for them to make informed decisions.

Provision 1.7 – Independent access to Management, Company Secretaries and independent professional advice

All Directors have independent and separate access to Management and the Company Secretaries. All Directors are provided with complete and adequate information prior to Board meetings and on an ongoing basis.

The Company Secretaries provide secretarial support to the Board, ensure adherence to Board and Board Committees' procedures and relevant rules and regulations which are applicable to the Company are complied with. Under the direction of the Chairman of the Board, the Company Secretaries also ensure sufficient and pertinent information flows within the Board and its Board Committees and between Management and Non-Executive Directors. The Company Secretary(ies) and/or his/her representative(s) attend(s) all Board and Board Committees' meetings. They also assist the Board to implement corporate governance practices and processes.

The appointment or the removal of the Company Secretary(ies) is a decision of the Board as a whole.

Where decisions to be taken require expert opinion or specialised knowledge, the Directors, either as a group or individually, in furtherance of their duties, may seek independent professional advice as and when necessary, at the Company's expense. The appointment of such an independent professional adviser, if required, is subject to approval by the Board.

BOARD COMPOSITION AND GUIDANCE

PRINCIPLE 2: THE BOARD HAS AN APPROPRIATE LEVEL OF INDEPENDENCE AND DIVERSITY OF THOUGHT AND BACKGROUND IN ITS COMPOSITION TO ENABLE IT TO MAKE DECISIONS IN THE BEST INTERESTS OF THE COMPANY.

Provisions 2.1 and 4.4 – Directors' independence review

An "independent" Director is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial Shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company.

CORPORATE GOVERNANCE REPORT

Provisions 2.2 and 2.3 – Composition of (i) Independent Director and (ii) Non-Executive Directors on the Board

As at the date of this report, the Board comprises five (5) members and the composition of the Board and the Board Committees are as follows:

Name	AC	RC	NC
Zhao Chichun (Executive Director and CEO)	–	–	–
Yeo Teck Chuan (Non-Executive Chairman and Independent Director)	C	M	M
Zhou, Liyang (Executive Director)	–	–	–
Huo Lei (Non-Executive and Non-Independent Director)	M	M	M
Ngo Yit Sung (Independent Director)	M	C	C

Notes:

C – Chairman
M – Member

No alternate Director was appointed to the Board in FY2025 or appointed to the Board currently.

Presently, the Board comprises two (2) Executive Directors (one (1) of whom is also the Company's CEO) and three (3) Non-Executive Directors, two (2) of whom are independent (one (1) of whom is also the Chairman of the Board).

The Chairman of the Board is an Independent Director and the Independent Directors make up at least one-third of the Board. As such, Provision 2.2 of the Code is not applicable to the Company and the Company complied with Provision 2.3 of the Code and Rule 406(3)(c) of the Catalist Rules.

The Board is satisfied that the Board comprises members who are each able to exercise objective judgement on corporate affairs independently and no individual or select group of individuals are allowed to dominate the Board's decision-making process.

Accordingly, there is a strong and independent element on the Board and consistent with the intent of Principle 2, the Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Provision 2.4 – Composition of the Board and Board Committees, and Board Diversity Policy

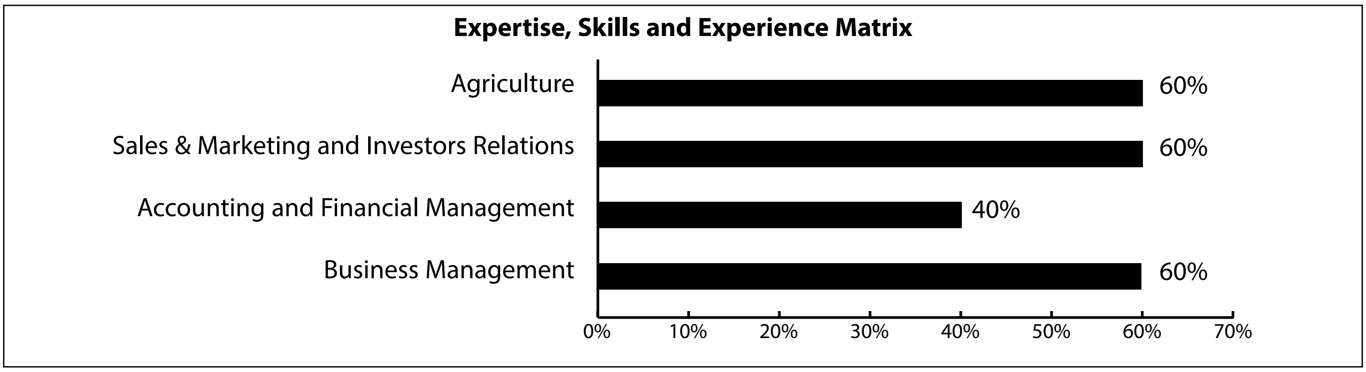
The Company is committed to building a diverse, inclusive and collaborative culture. It recognises that a diverse Board of an appropriate size is an important element which will better pave the way for the Company to achieve its strategic objectives for sustainable development, avoid groupthink and foster constructive debate. A diverse Board also enhances the decision-making process through perspectives derived from differentiating skillsets, business experience, industry discipline, gender, age and culture, geographical background and nationalities, tenure of service and other distinguishing qualities of the Directors.

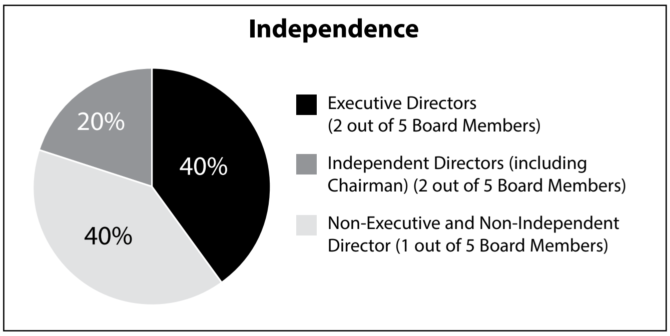
The size and composition of the Board are reviewed annually by the NC to ensure that it is appropriate so as to facilitate effective decision-making. When reviewing the composition of the Board, the NC will also take into consideration that there is an appropriate mix of expertise and experience and the Board members collectively possess the relevant skills which the Group may tap on for assistance in furthering its business objectives.

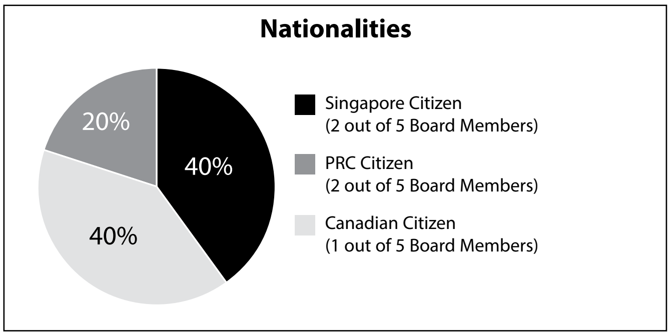
Pursuant to Provision 2.4 of the Code, the Board has adopted a Board Diversity Policy that addresses gender, skills and experience, and other relevant aspects of diversity. Having regard to the guidelines in the Board Diversity Policy, the NC will, in reviewing the Board's size and composition, re-election and retirement of Directors and succession planning, take into account factors, including but not limited to gender, age, nationalities, cultural background, educational background, experience, skillset, knowledge, independence and length of service. These differentiating factors will be considered in determining the optimum composition of the Board and will be balanced appropriately, when possible.

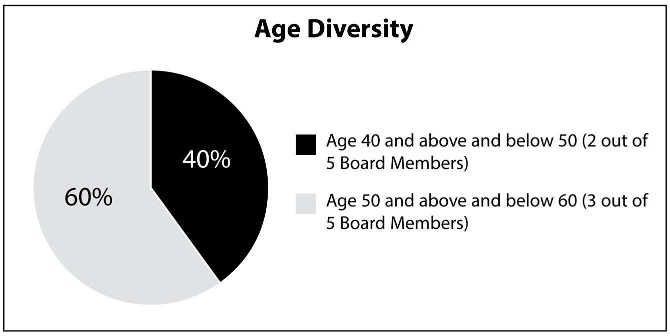
Each Director has been appointed based on their strength, experience and stature. They are expected to bring a valuable range of experience and expertise and contribute to the development of the Group's strategy and business performance. Together, the Board and Board Committees comprise Directors who, as a group, provide an appropriate balance and diversity of skills, experience and knowledge to the Company. They also bring a wide range of core competencies such as accounting and finance, business and management experience, industry knowledge, strategic planning experience and customer-based experience and knowledge. The diversity of the Directors' background allows for the useful exchange of ideas and views. Their core competencies include accounting, finance, business, industry and management experience, and strategic planning experience and they are familiar with regulatory requirements. The diversity of the Directors' experience allows for a useful exchange of ideas and views. All Directors have extensive experience in jurisdictions outside Singapore, specifically the People's Republic of China ("**PRC**" or "**China**").

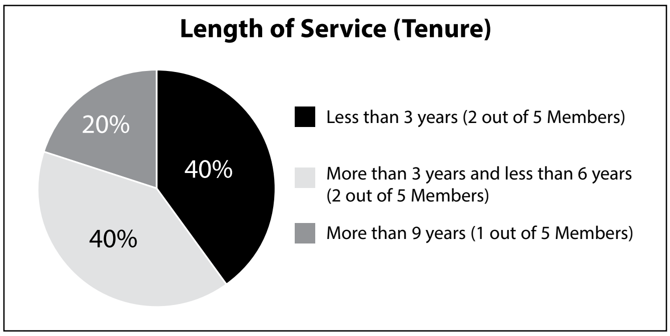
In evaluating the diversity of the Board, the following Board Skills Matrix and diversity criteria of the current Board were noted:











CORPORATE GOVERNANCE REPORT

Key information regarding the Directors is set out in the "Board of Directors" section of this Annual Report.

The main objective of the Board Diversity Policy is to continue to maintain the appropriate balance of perspectives, skills and experience on the Board to support the long-term success of the Company. The Board Diversity Policy, in particular on matters regarding gender diversity, provides that the NC shall endeavour to ensure that female candidates are included for consideration when identifying candidates to be appointed as new Directors and will work towards having female Director(s) for future Board renewal, if the opportunity arises. The Board is committed to considering female candidates from different backgrounds and professional experience, with a view to appointing female Director(s) on the Board. Nonetheless, no specific target is set for gender diversity as the decision on the selection of Director(s) to be appointed on the Board will ultimately be based on merit and candidates will be considered against objective criteria, having due regard for the benefits of diversity balanced with the needs of the Board. As at the date of this report, the NC and Board are of the opinion that the current combination of skills, talents and experience of the Directors is sufficiently diversified to serve the needs and plans of the Group, supports the breadth and depth of the Board's decision-making capabilities and to ensure the effective oversight of the Group's affairs.

The NC and the Board review the size of the Board and the Board Committees, including the skills and core competencies of its members on an annual basis to ensure that the Board and the Board Committees are of an appropriate size, an appropriate balance and mix of skillset, knowledge, experience, expertise and gender, with a strong element of independence, which facilitates effective decision-making. No individual or select group of individuals dominates the Board's decision-making as a majority of the Board is made up of Non-Executive Directors and with two members of the Board comprising Independent Directors.

Taking into account the nature and scope of the Group's operations, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees, the NC, with the concurrence of the Board, is satisfied that the current Board and Board Committees have the appropriate size and composition with a mix of expertise and experience, and collectively possesses the necessary core competencies to lead and govern the Group effectively. As a group, the members of the Board bring with them an appropriate balance and diversity of skills, experience and knowledge of the Group.

Should there be any proposed new appointment(s) of member(s) to the Board, new Director(s), if any, will continue to be selected based on the Board Diversity Policy as part of the process for the evaluation and appointment of new Directors. The NC will evaluate the suitability of the nominee or candidate based on his/her qualifications, business and related experience, commitment, ability to contribute to the Board process and such other qualities and attributes that may be relevant to the Board before making its recommendations to the Board.

The NC will review the Board Diversity Policy from time to time as appropriate, to ensure the effectiveness of this policy. The NC will also discuss any revisions that may be required and recommend any such revisions to the Board for consideration and approval.

Any external search consultants, if required, engaged to assist the Board or the NC to search for candidates for appointment to the Board will be specifically directed to include candidates from diverse backgrounds and female candidates. The decision on the selection of Director(s) to be appointed on the Board will ultimately be based on merit and candidates will be considered against objective criteria, having due regard for the benefits of diversity balanced with the needs of the Board.

Provision 2.5 – Role of the Non-Executive Directors

Non-Executive Directors contribute to the Board process by monitoring and reviewing Management's performance against goals and objectives. Their views and opinions provide alternative perspectives to the Group's business. When challenging Management's proposals or decisions, they bring independent judgement to bear on business activities and transactions involving conflicts of interest and/or other complexities.

The Independent Directors and the Non-Executive and Non-Independent Director meet frequently without the presence of the other Directors and Management or communicate via emails or telephone discussions on issues concerning the Company and will provide feedback to the Board where necessary, after such meetings or communications.

CHAIRMAN AND CEO

PRINCIPLE 3: THERE IS A CLEAR DIVISION OF RESPONSIBILITIES BETWEEN THE LEADERSHIP OF THE BOARD AND MANAGEMENT, AND NO ONE INDIVIDUAL HAS UNFETTERED POWERS OF DECISION-MAKING.

Provisions 3.1 and 3.2 – Chairman and CEO

The roles and responsibilities between the Chairman of the Board and the CEO are held by separate individuals to ensure that there is an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. There is no one individual who has unfettered powers of decision-making.

Mr. Yeo Teck Chuan, an incumbent Independent Director of the Company, was appointed as Non-Executive Chairman of the Board with effect from 26 April 2024. The principal duties and responsibilities of the Chairman of the Board include:

- leading the Board to ensure its effectiveness on all aspects of its roles;
- scheduling meetings for the Board to discharge its duties, including setting the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;
- promoting a culture of openness and debate at the Board;
- coordinating activities of the Independent Directors and Non-Executive Directors and facilitate the effective contribution of Non-Executive Directors;
- exercising control over quality, quantity and timeliness of the flow of information between the Management and the Board to ensure that the Directors receive complete, adequate and timely information;
- encouraging constructive relations within the Board and between the Board and Management;
- ensuring effective communication with Shareholders; and
- promoting high standards of corporate governance.

Mr. Zhao Chichun, an Executive Director of the Company, was appointed as the CEO of the Company with effect from 7 July 2023.

Mr. Zhao Chichun, being an Executive Director and the CEO of the Company, plays a key role in developing the business of the Group and provides the Group with strong leadership and vision. As the CEO, Mr. Zhao Chichun is responsible for the Group's overall business direction, strategies and policies, including but not limited to, the day-to-day running of the Group's operations. He also oversees the Company's sales and marketing functions, as well as investor relations, and is a Director of the Company's principal subsidiary (as defined in the Listing Manual of the SGX-ST), Chibi Shenshan Xingnong Agriculture Technology Co., Ltd. Mr. Zhao Chichun is assisted by among others, Mr. Zhou, Liyang (the Company's other Executive Director) and the Management to oversee the daily operations and business development of the Group, including the execution of strategies and plans.

Mr. Yeo Teck Chuan (Non-executive Chairman and Independent Director) and Mr. Zhao Chichun do not have any familial relationship.

Provision 3.3 – Lead Independent Director

The Board is of the view that there are sufficient safeguards and checks in place to ensure that there is a good balance of power, accountability and capacity of the Board for independent decision-making. As the roles and responsibilities between the Chairman of the Board and the CEO are held by separate individuals ensuring that there is an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making, there is no necessity for the designation of any Lead Independent Director.

Notwithstanding the above, the Non-Executive Chairman functions as a Lead Independent Director in that he is available to Shareholders where they have concerns and for which contact through the normal channels of communication with the CEO or Management are inappropriate or inadequate.

CORPORATE GOVERNANCE REPORT

BOARD MEMBERSHIP

PRINCIPLE 4: THE BOARD HAS A FORMAL AND TRANSPARENT PROCESS FOR THE APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS, TAKING INTO ACCOUNT THE NEED FOR PROGRESSIVE RENEWAL OF THE BOARD.

Provisions 4.1 and 4.2 – NC's duties and composition

The terms of reference of the NC provide that the NC shall comprise at least three members, a majority of whom, including the NC Chairman, shall be a member and the Lead Independent Director, if any, shall be a member. The composition of the NC is as follows:

Ngo Yit Sung (Independent Director)	-	NC Chairman
Yeo Teck Chuan (Non-Executive Chairman and Independent Director)	-	NC Member
Huo Lei (Non-Executive and Non-Independent Director)	-	NC Member

The NC is regulated by a set of written terms of reference, which are in line with the provisions of the Code. The NC is responsible for, including but not limited to, the following key terms of reference:

1. regularly and strategically reviewing the Board and Board Committees structure, size and composition (including the skills, gender, age, qualification, experience and diversity) and making recommendations to the Board with regard to any adjustments that are deemed necessary;

2. identifying and nominating candidates to fill Board vacancies as they occur by (i) considering candidates from a wide range of backgrounds, (ii) considering the candidates' own merits and evaluate against objective criteria such as their experience, knowledge, gender, age and skills in relation to the needs of the Board (whether the candidate add diversity to the Board and are likely to have adequate time to discharge their duties), (iii) considering the composition and progressive renewal of the Board and Board Committees, and (iv) appointing an independent third party to source and screen candidates, if necessary. Before recommending an appointee to the Board, appointee will be requested by NC to disclose any existing or expected future business interest that may lead to a conflict of interest;

3. determining annually, on a discretionary basis, whether or not a director is independent, bearing in mind the circumstances set forth in the Code and any other salient factors;

4. in respect of a director who has multiple board representations on various companies, deciding whether or not such director is able to and has been adequately carrying out his/her duties as a director, having regard to the competing time commitments that are faced when serving on multiple boards of listed companies and other principal commitments and recommending to the Board guidelines to address competing time commitments faced by Directors, if any, who serve on multiple boards;

5. reviewing the succession plans for Board Chairman, Directors, CEO and key management personnel of the Company;

6. determining how the Board's performance may be evaluated and propose objective performance criteria, as approved by the Board, that allows comparison with its industry peers, and address how the Board has enhanced long term Shareholders' value;

7. developing the performance evaluation framework for the Board, the Board Committees and individual Directors. The NC also propose objective performance criteria for the Board, the Board Committee and individual Directors. It conducts the evaluations, analyses the findings and reports the results to the Board and recommending areas that need improvement. This process can be assisted by independent third party facilitators;

8. identifying and developing training programmes/schedules for the Board and assist with similar programmes for the Board Committees. The NC will ensure that all Board appointees undergo appropriate induction programmes; and

9. keeping up to date with developments in corporate governance initiatives, changes to relevant legislations, strategic issues and commercial changes that may affect the Company and the industry in which it operates.

The NC held one (1) meeting in FY2025 and the principal activities of the NC are summarised below:

a. reviewed the findings of the evaluations of (i) NC and (ii) Board and Individual Director's Self-Assessment;

b. reviewed and recommended to the Board the nomination of Directors for re-election;

c. reviewed other directorships and principal commitments held by each Director and whether a Director is able to carry out, and has been adequately carrying out, his/her duties as a Director;

d. reviewed the Board structure, size, composition and balance of the Board, as well as the size and composition of the Board Committees;

e. reviewed the Company's diversity targets and its accompanying plans and timelines in accordance with Rule 710A(2) of the Catalist Rules; and

f. reviewed and assessed the independence of each Independent Director.

Provision 4.3 - Process for selection and appointment of new Directors

The NC has adopted a process for selection and appointment of new Directors which provides the procedure for identification of potential candidates, evaluation of candidates' skills, knowledge and experience as well as assessment of candidates' suitability. The curriculum vitae and other particulars/documents of the nominee or candidate will be reviewed by the NC based on his/her qualifications, business and related experience, commitment, ability to contribute to the Board process, such qualities and attributes that may be required by the Board, before making its recommendation to the Board. The Board believes that contributions from each Director go beyond his/her attendance at Board and Board Committees' meetings.

The NC and the Board will also take into consideration whether a Director had previously served on the board of a company with an adverse track record or with a history of irregularities or is or was under investigation by regulators. The NC and the Board will also assess whether a Director's resignation from the board of any such company casts any doubt on the director's qualification and ability to act as a Director of the Company.

Newly appointed Executive Directors will be provided with Service Agreements setting out their term of office and terms of appointment. The Service Agreements, subject to the RC's recommendations, can be automatically renewed on a year-to-year basis on such terms and conditions as the parties may agree after the expiry of the first term. For Non-Executive Directors, formal letters of appointment setting out their terms of appointment will be issued to new appointees to the Board.

Where and when required, the Company may also appoint professional search firms and recruitment consultants to assist in the selection and evaluation process if the appointment involves specific skillsets or industry specialisation.

Provision 4.3 – Process for re-election/re-appointment of Directors

Pursuant to Bye-law 86(1) of the Company's Bye-laws, every Director is required to retire at least once every three (3) years and shall be eligible for re-election. Any Director appointed by the Board to fill a casual vacancy is required to retire at the next AGM following his/her appointment and shall then be eligible for re-election at that meeting pursuant to Bye-law 85(6) of the Company's Bye-laws. In addition, pursuant to Rule 720(4) of the Catalist Rules, an issuer must have all directors submit themselves for re-nomination and re-appointment at least once every three (3) years.

The NC, having considered the attendance and participation of Mr. Huo Lei at Board and Board Committees' meetings, and taking into account his track record, experience and capabilities to, amongst others, provide insight and guidance to the Group's business and strategies, had recommended to the Board the re-election of Mr. Huo Lei who will be retiring pursuant to Bye-law 86(1) of the Company's Bye-laws at the forthcoming AGM for FY2025. Mr. Huo Lei had consented to continue in office and the Board had accepted the recommendation of the NC.

Mr. Huo Lei had abstained from deliberation and voting on any resolution and making any recommendation and/or participate in respect of his own re-election at the respective NC and Board meetings.

CORPORATE GOVERNANCE REPORT

The requirements under Rule 720(5) of the Catalist Rules as at the date of this report are set out below:

	Huo Lei
Date of Appointment	1 September 2014
Date of last re-election (if applicable)	26 April 2023
Age	47
Country of principal residence	China
The Board's comments on this re-election (including rationale, selection criteria, board diversity considerations, and the search and nomination process).	The NC, having considered the participation of Mr. Huo Lei at Board meetings, and taking into account Mr. Huo Lei's track record, experience and capabilities to, amongst others, provide insight and guidance to the Group's business and strategies, as well as the diversity of the Board with regards to the objectives of the Board Diversity Policy of the Company, had recommended to the Board the re-election of Mr. Huo Lei who will be retiring pursuant to Bye-law 86(1) of the Company's Bye-laws at the forthcoming AGM. The Board supported the NC's recommendation. Mr. Huo Lei had abstained from voting on any resolution and making any recommendation and/or participating in any discussions in respect of his own re-election at the Board meeting.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive and Non-Independent Director, as well as a member of the AC, the NC and the RC of the Company.
Professional qualifications	Diploma in Electric System Automation from Zhengzhou University of Technology; and Master in Business Administration from North West Agriculture and Forestry University, Shaanxi Province.
Working experience and occupation(s) during the past 10 years	<u>February 2008 to August 2014:</u> General manager of Dukang Distillers Holdings Limited <u>September 2014 to 2 July 2021:</u> Executive Director of Dukang Distillers Holdings Limited <u>3 July 2021 to present:</u> Non-Executive and Non-Independent Director of the Company
Shareholding interest in the listed issuer and its subsidiaries	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil
Conflict of interest (including any competing business)	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments*	Please refer to the key information regarding the Director set out in the "Board of Directors" section

CORPORATE GOVERNANCE REPORT

	Huo Lei
Other Directorships for the past 5 years	Nil
Other Present Directorships	Nil
<u>Disclosure applicable to appointment of Director only</u>	
Any prior experience as a director of an issuer listed on the Exchange? **If yes, please provide details of prior experience.**	Not applicable
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	Not applicable
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable

The Company confirms that there is no change in the responses to declaration items (a) to (k) of Appendix 7F of the Catalist Rules concerning the Director to be re-elected, which response to each item is a "no".

**The term "principal commitments" shall include all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.*

<u>Provision 4.4 – Review of Directors' Independence</u>

The NC, which is responsible for reviewing the independence of each Director on an annual basis, has adopted a Declaration of Independence Form pursuant to Provision 2.1 of the Code and in accordance with Rule 406(3)(d) of the Catalist Rules.

For FY2025, the NC had reviewed the independence of the Independent Directors by considering the Declaration of Independence Form for FY2025 submitted by the Independent Directors and determined Mr. Yeo Teck Chuan and Mr. Ngo Yit Sung to be independent and free from any of the relationships outlined in the Code and Rule 406(3)(d) of the Catalist Rules. The Directors have also confirmed their own independence and the Board concurred with the NC's views.

Save as disclosed, none of the Directors on the Board is related and does not have any relationship with the Company or its related companies or its officers who could interfere or to be reasonably perceived to interfere with the exercise of their independent judgements.

Each of the Independent Directors had recused themselves from the NC's and the Board's deliberations on their own independence.

None of the Independent Directors have served on the Board beyond nine (9) years from the date of their first appointment.

<u>Provision 4.5 – Directors' time commitments and multiple Directorships</u>

The NC had reviewed the multiple board seats held by the Non-Executive Directors in listed companies to determine if they had been adequately carrying out their duties as a Director of the Company. The NC, having considered the confirmations received by the Non-Executive Directors, the details of their other commitments and multiple board seats, and their contributions during the workings of the Board, is of the view that such multiple board representations do not hinder each Non-Executive Director from carrying out his duties as a Director of the Company. The NC is satisfied that sufficient time and attention have been accorded by these Directors to the affairs of the Company. The Board concurred with the NC's views.

CORPORATE GOVERNANCE REPORT

To allow for flexibility, there will not be a fixed maximum number of listed company board representations which Directors may hold. The NC and the Board are of the view that the number of directorships a Director can hold and his principal commitments should not be prescriptive as the time commitment for each company will vary.

The NC and the Board will review the number of listed company board representations of the Directors from time to time.

Directorships or chairmanships held by the Company's Directors as at the date of this report in other listed companies are as follows:

Name of Director[1]	Date of first appointment / last re-election	Directorships in other listed companies	
		Current	Past 3 Years
Zhao Chichun (Executive Director and CEO)	3 July 2021 / 26 April 2024	Nil	Nil
Zhou, Liyang (Executive Director)	7 July 2023 / 26 April 2024	Nil	Nil
Huo Lei (Non-Executive and Non-Independent Director)	1 September 2014 / 26 April 2023	Nil	Nil
Yeo Teck Chuan (Non-Executive Chairman and Independent Director)	2 December 2021/ 29 April 2025	Legion Consortium Limited[2] Republic Healthcare Limited[3]	Nil
Ngo Yit Sung (Independent Director)	1 October 2024 / 29 April 2025	World Precision Machinery Limited[4]	Eneco Energy Limited[5]

Notes:

(1) The principal commitment of the Directors, if any, is set out in the "Board of Directors" section in this Annual Report.
(2) Listed on the Hong Kong Stock Exchange and is appointed since December 2020.
(3) Listed on the Hong Kong Stock Exchange and is appointed since August 2021.
(4) Listed on the SGX-ST Mainboard and is appointed with effect from 2 February 2024.
(5) Listed on the SGX-ST Mainboard and resigned with effect from 31 December 2024.

BOARD PERFORMANCE

PRINCIPLE 5: THE BOARD UNDERTAKES A FORMAL ANNUAL ASSESSMENT OF ITS EFFECTIVENESS AS A WHOLE, AND THAT OF EACH OF ITS BOARD COMMITTEES AND INDIVIDUAL DIRECTORS.

Provisions 5.1 and 5.2 – Assessments of the Board, the Board Committees and Individual Directors

The Board has implemented a process for assessing its effectiveness as a whole as well as the contribution by each Director to the Board, and of each of its Board Committee separately on an annual basis.

The NC reviews the criteria for evaluating the Board's performance and recommends to the Board a set of objective performance criteria focusing on enhancing long-term Shareholders' value. Based on the recommendations of the NC, the Board has established processes for evaluating the effectiveness of the Board as a whole and self-assessment of each individual Director and the Chairman, and its Board Committees to the effectiveness of the Board.

For FY2025, the NC has conducted the assessments on the effectiveness of the Board as a whole and self-assessment of each individual Directors and the Chairman where each Director is required to complete his self- evaluation based on the (1) understanding of Company's mission, vision and values; (2) corporate governance metrics; (3) business development efforts; (4) training attendance; and (5) whether targets were met by Board (for Executive Directors only) or maintenance of independence for Independent Directors (for Independent Directors only) and/or the ability to devote sufficient time (for Non-Executive Directors), after considering the following key performance criteria of the Board:

- Board composition;
- Board information;
- Board process;
- Board accountability; and
- Performance benchmark/Standards of Conduct.

The Chairmen of respective Board Committees are required to complete a questionnaire on the effectiveness of these Board Committees. The results and findings of the assessment will be presented and further discussed at the respective Board Committees meeting.

Each Board member is required to complete a Board Evaluation Questionnaire and Individual Director's Self Assessment Form and submit the completed forms to the chairman of the NC before the NC meeting. Based on the responses, a consolidated report will be presented and further discussed at a NC meeting. Following the NC's deliberation, the NC chairman will report the results with the recommendations to the Board.

The assessments/questions were collated and the findings analysed and discussed, with a view to implementing certain recommendations to further enhance the effectiveness of the Board and the Board Committees.

The NC was generally satisfied with the results of the evaluation for the performance of the Board and the individual Directors, and the respective Board Committees for FY2025, which also indicated areas that could be improved further. No significant problems were identified. The NC had discussed the results with Board members who agreed to work on those areas that could be further improved. The NC would continue to evaluate the process for such review and its effectiveness from time to time.

To-date, no external facilitator has been engaged to assist in the assessment of the effectiveness of the Board as a whole as well as the contribution by each Director to the Board, and of each of the Board Committees. Where relevant, the NC will consider such engagement.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

PRINCIPLE 6: THE BOARD HAS A FORMAL AND TRANSPARENT PROCEDURE FOR DEVELOPING POLICIES ON DIRECTORS AND EXECUTIVE REMUNERATION, AND FOR FIXING THE REMUNERATION PACKAGES OF INDIVIDUAL DIRECTORS AND KEY MANAGEMENT PERSONNEL. NO DIRECTOR IS INVOLVED IN DECIDING HIS OR HER OWN REMUNERATION.

Provisions 6.1 and 6.2 – RC's duties and composition

The terms of reference of the RC provide that the RC shall comprise at least three (3) members who shall be Non-Executive Directors, a majority of whom, including the RC Chairman shall be independent.

The composition of the RC is as follows:

Ngo Yit Sung (Independent Director)	-	RC Chairman
Yeo Teck Chuan (Non-Executive Chairman and Independent Director)	-	RC Member
Huo Lei (Non-Executive and Non-Independent Director)	-	RC Member

CORPORATE GOVERNANCE REPORT

The RC is regulated by a set of written terms of reference, which are in line with the provisions of the Code. The RC is responsible for, including but not limited to, the following:

1. taking into account all relevant legal and regulatory requirements, including the principles and provisions of the Code, when determining the Company's remuneration policies. It should also consider the Company's risk appetite and ensure that the policies are aligned to long-term goals;

2. ensuring that the level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company;

3. setting the remuneration policy for Directors and key management personnel as well as monitoring the level and structure of remuneration for key management personnel relative to the internal and external peers and competitors;

4. ensuring that the remuneration of the Non-Executive Directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, responsibilities and reviewing the remuneration of employees related to the Directors, CEO or substantial Shareholders, if any, to ensures that their remuneration packages are in line with staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Any bonuses, pay increases and/or promotion for these related employees will also be subjected to the review and approval of the RC;

5. obtaining reliable, up-to-date information on the remuneration packages proposed by other companies and the relevant market benchmarks through the appointment of external consultants. Such information can also be obtained by commissioning or purchasing any appropriate reports, surveys or information. These would be at the expense of the Company, subject to the budgetary constraints imposed by the Board;

6. overseeing any major changes in employee benefits or remuneration structures;

7. reviewing the design of all long-term and short-term incentive plans for approval by the Board and Shareholders;

8. ensuring that the contractual terms and any termination payments are fair to the individual and the Company. Poor performance should not be rewarded; and

9. setting performance measures and determining targets for any performance-related pay schemes operated by the Company.

The RC held one (1) meeting in FY2025 and the principal activities of the RC are summarised below:

a. reviewed the findings of the performance evaluation of the RC;

b. reviewed the remuneration of each of the Directors of the Company and the CEO for the financial year under review;

c. reviewed and recommended to the Board the remuneration of the Executive Directors (including the CEO), key management personnel and employees who are substantial Shareholders of the Company, or are immediate family members of any Director, the CEO or a substantial shareholder of the Company (if any);

d. reviewed and recommended to the Board the Directors' fees; and

e. reviewed the terms of service agreement for the renewal of/entry into the service agreement(s) of Executive Directors and/or CEO, if any.

Provisions 6.3 and 6.4 – Remuneration framework and engagement of remuneration consultants, if any

The scope of the RC's review covers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits-in-kind. The remuneration packages take into consideration the long-term interests of the Group, industry standards, and ensure that the interests of the Executive Directors are aligned with those of the Shareholders. The recommendation of the RC for the Directors' remuneration would be submitted to the Board for endorsement. No Director or member of the RC is involved in deciding his/her own remuneration.

If required, the RC will seek internal and/or external expert advice on the remuneration of all Directors and key management personnel. The Company did not engage any remuneration consultant for FY2025.

Mr. Zhao Chichun had entered into a service agreement as Executive Director with the Company for an initial term of three (3) years commencing from the date of Completion (as defined in the Company's circular to Shareholders dated 31 March 2021) (i.e. 3 July 2021) subject to the terms and conditions of the service agreement and shall be automatically renewed on a year-to-year basis on such terms and conditions as the parties may agree. Consequently, Mr. Zhao Chichun was appointed as the CEO of the Company with effect from 7 July 2023. His service agreement, which had been amended/supplemented to include such appointment, shall be automatically renewed on a year-to-year basis on such terms and conditions as the parties may agree.

Mr. Zhou, Liyang, was appointed as an Executive Director of the Company on 7 July 2023 and had entered into a service agreement for an initial term of three (3) years commencing from 7 July 2023, subject to the terms and conditions of the service agreement and shall be automatically renewed on a year-to-year basis on such terms and conditions as the parties may agree.

The above service agreements may be terminated by either party upon giving to the other party notice in writing of six (6) months or by the Company paying such executive an amount equal to six (6) months salary in lieu of notice.

The Company does not have any contractual provisions which allow the Company to reclaim incentive components of remuneration from Executive Directors and/or key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company as such provisions will stifle the Company's ability to effectively attract and retain the right individuals.

LEVEL AND MIX OF REMUNERATION DISCLOSURE ON REMUNERATION

PRINCIPLE 7: THE LEVEL AND STRUCTURE OF REMUNERATION OF THE BOARD AND KEY MANAGEMENT PERSONNEL ARE APPROPRIATE AND PROPORTIONATE TO THE SUSTAINED PERFORMANCE AND VALUE CREATION OF THE COMPANY, TAKING INTO ACCOUNT THE STRATEGIC OBJECTIVES OF THE COMPANY.

PRINCIPLE 8: THE COMPANY IS TRANSPARENT ON ITS REMUNERATION POLICIES, LEVEL AND MIX OF REMUNERATION, THE PROCEDURE FOR SETTING REMUNERATION, AND THE RELATIONSHIPS BETWEEN REMUNERATION, PERFORMANCE AND VALUE CREATION.

Provisions 7.1 to 7.3 – Level and mix of remuneration

In reviewing and determining the remuneration packages of the Executive Directors and key management personnel, the RC takes into consideration the prevailing economic situation, skills, expertise and contribution to the individual and Company's performance, the pay and employment conditions within the industry and in comparable companies. The remuneration packages are set such that the Directors and key management personnel are adequately but not excessively remunerated.

CORPORATE GOVERNANCE REPORT

Provisions 8.1 to 8.3 – Directors' remuneration/fees and remuneration of the CEO and remuneration of the top five key management personnel (who are not Directors or the CEO) in bands no wider than S$250,000 and in aggregate the total remuneration paid to these key management personnel

Framework for remuneration of Executive Directors and key management personnel

The remuneration packages for the Executive Directors and other key management personnel consist of fixed and variable components. The fixed component consists of a basic salary and annual wage supplement. To ensure that the remuneration packages of Executive Directors and key management personnel are consistent and comparable with market practice, the RC regularly compares this fixed component with those of companies in similar industries, while continuing to be mindful of the fact that there is a general correlation between increased remuneration and incentives, and improvement in performance.

A significant and appropriate proportion of the remuneration of executive directors and key management personnel is structured so as to link rewards with the achievement of corporate and individual performance targets in an objective and equitable way and reflects the degree of responsibility held by each employee. The Group seeks to ensure that such variable components in the remuneration of executive directors and key management personnel is aligned with the interests of Shareholders and other stakeholders, and promotes the long-term success of the Company.

To ensure that the level and structure of remuneration is proportionate to the sustained performance and value creation of the Group, the Company has put in place a framework of remuneration for its Executive Directors and key management personnel. The key areas of focus of the remuneration framework and details of the implementation within the Group are set out below:

Main thrusts	Details
Pay for performance	• Instil and drive a pay-for-performance culture • Ensure that remuneration is closely linked to annual and long-term business objectives • Set, communicate and monitor key performance targets and indicators • Adjust the proportion of fixed and variable remuneration to emphasise sustainable performance that is aligned with the Group's strategic objectives, considering qualitative and quantitative factors
Competitive remuneration	• Benchmark total remuneration against other organisations of similar size and standing in the Group's industry
Accountability and Risk-taking	• Focus on achieving risk-adjusted returns that are consistent with prudent risk taking and capital management as well as emphasis on long-term sustainable outcomes

Remuneration of Non-Executive Directors

The RC is of the view that the current remuneration of the Non-Executive Directors is appropriate, taking into account factors such as efforts and time spent, and responsibilities of the Directors, as well as attendance at meetings. They are not over-compensated to the extent that their independence may be compromised. Other than fixed Directors' fees, which are subject to Shareholders' approval at every AGM, the Non-Executive Directors do not receive any other forms of remuneration from the Company. The RC had recommended to the Board an amount of S$98,125 for the financial year ending 31 December 2026, payable half-yearly in arrears (FY2025: S$97,868). This recommendation has been endorsed by the Board and will be tabled at the forthcoming AGM for Shareholders' approval. The RC would also consider, if necessary, implementing schemes to encourage Non-Executive Directors to hold shares in the Company so as to better align the interests of such Non-Executive Directors with the interests of Shareholders.

The RC has carried out an annual review of the Executive Directors and key management personnel's remuneration packages to ensure that their remuneration commensurate with their performance, giving due regard to the financial health and business needs of the Group. The review considers the Group and individual performance as well as relevant comparative remuneration in the market. For FY2025, the RC reviewed the remuneration packages of the Executive Directors (including the CEO) and key management personnel and had recommended the same for Board approval. The Board concurred with the RC's recommendations accordingly.

CORPORATE GOVERNANCE REPORT

The remuneration of each individual Director, CEO and key management personnel for FY2025 is set out below:

Name	Fees %	Salaries %	Variable / Performance-related Income / Bonus %	Benefits in kind %	Other long-term incentives %	Total
						RMB'000
Executive Director and CEO:						
Zhao Chichun	-	100	-	-	-	644
Executive Director:						
Zhou, Liyang	-	100	-	-	-	498
						S$'000
Non-Executive Directors:						
Huo Lei	100	-	-	-	-	41
Yeo Teck Chuan	100	-	-	-	-	38
Ngo Yit Sung	100	-	-	-	-	19
						%
Key Management Personnel:						
Below S$250,000						
Ho Hin Yip	-	100	-	-	-	100
Liang Qianyun	-	100	-	-	-	100

As there were only top two (2) Key Management Personnels for FY2025, the Company is unable to disclose the aggregate remuneration paid to the top two (2) Key Management Personnel due to the confidentiality and commercial sensitivity attached to remuneration matters.

There are no termination, retirement and post-employment benefits plan that may be granted to Directors and the aforementioned two (2) key management personnel (who is not a Director or the CEO) for FY2025.

Due to the confidentiality and commercial sensitivity attached to remuneration matters, in particular those of our key management personnel, given the highly competitive environment the Group operates in, the Company does not fully disclose the remuneration of the key management personnel. However, disclosures had been provided in applicable bands of S$250,000 as above, with a breakdown in percentage of the remuneration earned through fees, salary, fixed component, variable component, benefits in kind, and/or other long-term incentives.

Despite having varied from Provision 8.1(b) of the Code, the Board believes that consistent with the intent of Principle 8 of the Code, sufficient information has been disclosed for Shareholders' understanding with respect to the Group's level and mix of remuneration.

The remuneration packages of the Executive Directors and the key management personnel of the Company and its subsidiaries comprise base salaries and variable performance bonus.

For FY2025, there are no employees who are substantial Shareholders, or are immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S$100,000.

The Company currently does not have an employee share option scheme or performance share plan in place.

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

PRINCIPLE 9: THE BOARD IS RESPONSIBLE FOR THE GOVERNANCE OF RISK AND ENSURES THAT MANAGEMENT MAINTAINS A SOUND SYSTEM OF RISK AND MANAGEMENT AND INTERNAL CONTROLS, TO SAFEGUARD THE INTERESTS OF THE COMPANY AND ITS SHAREHOLDERS.

Provision 9.1 – Maintenance of a sound risk management system and internal controls

The Board acknowledges that it is responsible for the overall internal control framework and the maintenance of a sound system of internal controls and an effective risk management system to safeguard Shareholders' interests and the Group's assets, including determining the Company's levels of risk tolerance and risk policies.

In particular, the Board, with support from the AC, is responsible for ensuring that the Company puts in place adequate safeguards to address and mitigate any financial, operating and compliance risks. The Board confirms that as at the date of this Annual Report, the Group is not at risk of becoming subject to, or violating, any sanctions-related law or regulation. The AC and the Board will assess the need to obtain independent legal advice or appoint a compliance adviser on sanctions-related risks applicable to the Group and to ensure continuous monitoring of the validity of relevant information to Shareholders and the SGX-ST, if required.

The Group's control environment provides the foundation upon which all other components of internal controls are built upon. It provides discipline and structure, setting the tone of the organisation and influencing the control consciousness of its staff. A weak environment control foundation hampers the effectiveness of even the best designed internal control procedures.

The adequacy and effectiveness of the internal control system and procedures at present are monitored by Management. The Company does not have a Risk Management Committee. However, Management regularly reviews the Company's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. Management reviews all significant control policies and procedures and highlights all significant matters to the AC and the Directors. The Group's financial risk management is disclosed under Note 31 of the Notes to the Financial Statements of this Annual Report.

The AC, with the assistance of the internal and external auditors, reviews on an annual basis the adequacy and effectiveness of the Company's internal controls addressing financial, operational, compliance and information technology risks, and risk management policies established by Management.

The internal and external auditors have, during the course of their audit, carried out a review of the adequacy and effectiveness of key internal controls within the scope of their audit. Any material non-compliance or weaknesses in internal controls noted during their respective audits and their recommendations are reported to the AC. The AC also reviews the adequacy and effectiveness of the actions taken by Management on the recommendations made by the internal and external auditors in this respect and ensures that there are adequate and effective internal controls implemented within the Group, and recommendations are implemented.

Provision 9.2 – Written assurance regarding (i) financial records and financial statements and (ii) adequacy and effectiveness of the Group's risk management and internal control systems

The Board has received written assurance from Mr. Zhao Chichun, Executive Director and CEO, Mr. Zhou, Liyang, Executive Director, Mr. Ho Hin Yip, Financial Controller and Joint Company Secretary, and Ms. Liang Qianyun, Accounting Director, who are also the key management personnel having authority and responsibility for planning, directing and controlling the business and operational activities of the Group, that as at 31 December 2025:-

(a) the finance function is adequately staffed and the key personnel responsible for preparing or overseeing the preparation of financial statements are experienced, competent and appropriately qualified;

(b) the relevant functions responsible for implementing, operating and monitoring the Group's internal controls and policies are competent and adequately resourced;

(c) there is no uncertainty on any accounting treatment due to changes to accounting policies or occurrence of significant events;

(d) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances;

(e) to the best of their knowledge, nothing had come to their attention as Management, which would render the interim financial statements to be false or misleading in any aspect;

(f) they are aware of their responsibilities for establishing, maintaining and evaluating the effectiveness of the risk management and internal control systems of the Company;

(g) they are not aware of any known significant deficiencies in the risk management and internal control systems relating to preparation and reporting of financial data, or of any fraud; and

(h) the internal controls, including financial, operational, compliance and information technology control, and risk management systems are adequate and effective.

The Board aims to provide a balanced and understandable assessment of the Group's financial performance, position and prospects to the Shareholders. Half year and full year financial results are released to the Shareholders within the timeline stipulated in the Catalist Rules. All financial information presented in the results announcement or Annual Report has been prepared in accordance with the International Financial Reporting Standards and were reviewed and recommended by the AC and approved by the Board before being released through SGXNet.

In line with the Catalist Rules, negative assurance statements were issued by the Board to accompany the Group's interim financial results announcements, confirming to the best of the Board's knowledge that nothing had come to their attention which would render the Company's interim results announcements to be false or misleading in any material aspect for FY2025. The Company is not required to issue negative assurance statements for its full year results announcement.

The Company has also procured undertakings from all its Directors and Executive Officers in compliance with Rule 720(1) of the Catalist Rules.

<u>Rule 1204(10) of the Catalist Rules</u>

The internal audit function of the Group performs risk assessment and conducts review on the adequacy and effectiveness of the Group's material internal controls, that addresses the Group's financial, operational, compliance and information technology controls, as well as risk management systems. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the AC. The AC also reviews and endorses the internal audit plan and internal audit reports of the Group.

No material internal control weaknesses had been raised by the internal auditor in the course of their audits for FY2025.

Based on the Group's risk management framework, and the internal controls established and maintained by the Group including financial, operational, compliance and information technology controls, work performed by the in-house internal auditor and external auditors, and reviews undertaken by Management, the AC and the Board are of the opinion that the Group's internal controls addressing material financial, operational, compliance and information technology risks, and risk management systems are adequate and effective as at 31 December 2025 to meet the needs of the Group, taking into account the nature and scope of its operations. There were no material weaknesses identified by the Board or the AC for FY2025.

The Board recognises that no internal control system will preclude all errors and irregularities as a system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss, and to manage rather than eliminate risks of failure to achieve the Group's objectives. The review of the Group's internal control system is a concerted and continuing process.

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE

PRINCIPLE 10: THE BOARD HAS AN AUDIT COMMITTEE WHICH DISCHARGES ITS DUTIES OBJECTIVELY.

Provisions 10.1 to 10.3 and 10.5 – Duties and composition of the AC

The AC is regulated by a set of written terms of reference, which are in line with the Code.

The terms of reference of the AC provide that the AC shall comprise at least three (3) members who shall be Non-Executive Directors, and a majority of whom including the AC Chairman shall be independent.

The composition of the AC is as follows:

Yeo Teck Chuan (Non-Executive Chairman and Independent Director)	-	AC Chairman
Ngo Yit Sung (Independent Director)	-	AC Member
Huo Lei (Non-Executive and Non-Independent Director)	-	AC Member

The AC meets at least two (2) times a year and, as and when deemed appropriate, to carry out its functions.

The AC has the authority to investigate any matter within its terms of reference. It has full access to and the co-operation of Management and also full discretion to invite any Director or Executive Officer to attend its meetings and give adequate resources to enable it to discharge its functions properly.

The Board is of the view that the AC members are appropriately qualified and have the necessary recent and relevant accounting or related financial management expertise and experience as the Board interprets such qualifications in its business judgement, to discharge their duties and responsibilities effectively. The AC members are not former partners or directors of or have any financial interest in the Company's existing audit firm or corporation.

The AC is regulated by a set of written terms of reference which are in line with the provisions of the Code. The AC is responsible for, including but not limited to, the following under its terms of reference:

1. reviewing the financial reporting issues and judgements so as to ensure the integrity of financial statements, and of announcements on the Company's financial performance and recommending changes, if any, to the Board;

2. reviewing and reporting to the Board on the adequacy and effectiveness of the Company's risk management framework and internal controls, including areas in relation to financial reporting and other financial-related risk and controls (and to the extent delegated to it by the Board);

3. reviewing the assurance from the Executive Directors, the CEO, the Accounting Director and the Financial Controller and Joint Company Secretary on the financial records and financial statements;

4. reviewing the adequacy, effectiveness, independence, scope and results of the Company's internal audit function, and monitoring Management's response to their findings to ensure that appropriate follow-up measures are taken;

5. reviewing the scope and results of the external audit, and the independence and objectivity of the external auditors. It shall then recommend to the Board the appointment, reappointment and removal of the external auditors, and its remuneration and terms of engagement;

6. ensuring that the Company complies with the requisite laws and regulations;

7. ensuring that the Company has programmes and policies in place to identify and prevent fraud;

8. overseeing the establishment and operation of the whistle-blowing process in the Company; and

9. reviewing all Interested Person Transactions ("**IPTs**") and Related Party Transactions.

Summary of the AC's activities in FY2025

The AC meets with the Group's in-house internal auditor and external auditors and Management to review internal controls, accounting, auditing and financial reporting matters so as to ensure that an effective system of controls is maintained. In performing its functions for FY2025, the AC had:

(i) held three (3) meetings with Management.

(ii) reviewed the findings of the performance evaluation of the AC.

(iii) reviewed the internal and external audit plans, including the nature and scope of work before commencement of these audits.

(iv) reviewed IPTs, if any.

(v) reviewed the adequacy and effectiveness of the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems.

(vi) met with the Group's in-house internal auditor and external auditors during the financial year under review without the presence of Management to discuss their findings set out in their respective reports to the AC. Both the in-house internal auditor and external auditors had confirmed that they had access to and received full cooperation and assistance from Management and no restrictions were placed on the scope of audits.

(vii) reviewed the half-yearly and full year unaudited results announcement and the audited financial statements and recommended the same to the Board for approval.

(viii) conducted a review of the audit services provided by the external auditors and is satisfied with the nature of the audit services provided before confirming their re-nomination. The aggregate amount of audit fees amounting to RMB1,568,000 paid to the external auditors was approved. There were no non-audit services or fees paid for non-audit services.

The external auditors had also confirmed their independence in this respect.

(ix) recommended the re-appointment of Messrs BDO Limited, Certified Public Accountants, Hong Kong ("**BDO-HK**") and Messrs BDO LLP, Public Accountants and Chartered Accountants, Singapore ("**BDO-SG**") to act jointly and severally as the Company's Auditors.

BDO-HK is a member of BDO International Limited in Hong Kong and BDO-SG, which is registered with the Accounting and Corporate Regulatory Authority, is a member firm of BDO International Limited in Singapore. The Board, with the concurrence of the AC, is of the view that the re-appointment of BDO-HK and BDO-SG to act jointly and severally as the Auditors has enabled the Company to comply with and meet the objective and spirit of Rule 712 of the Catalist Rules.

(x) confirmed that the Company had complied with Rule 715(2) of the Catalist Rules in relation to the appointment of the same auditing firm to audit its foreign-incorporated subsidiaries. The Group's subsidiaries are disclosed under Note 13 of the Notes to the Financial Statements of this Annual Report.

(xi) reviewed and updated the Whistle-Blowing Policy and recommended the same to the Board for approval.

(xii) reviewed and approved the updated Terms of Reference of the AC and recommended the same to the Board for approval.

The AC has full access to the external auditors and the internal auditors and has met with them at least once during FY2025 without the presence of the Management.

The external auditors and/or the Group Financial Controller will keep the AC abreast of changes to accounting standards, requirements and issues, if any, which have a direct impact on the financial statements through updates and/or reports from time to time, where applicable or relevant. In addition, the AC is entitled to seek clarification from Management, the external auditors and/or internal auditors or seek independent professional advice or attend relevant seminars at the Company's expense from time to time to apprise themselves of accounting standards/ financial updates.

CORPORATE GOVERNANCE REPORT

Whistle-Blowing (Rules 1204(18A) and (18B) of the Catalist Rules)

The Group has put in place a whistle-blowing programme ("**Whistle-Blowing Policy**") which provides well defined and accessible channels in the Group through which employees and any other persons may raise concerns about fraudulent activities, malpractice or improper conduct within the Group, in a responsible and effective manner.

The Whistle-Blowing Policy is in line with Rules 1204(18A) and (18B) of the Catalist Rules.

To ensure that the identity of any whistle-blower is kept confidential, the Company will treat all information received with utmost confidentiality. Anonymous disclosures will be accepted and anonymity honoured.

Furthermore, the Company is committed to ensure protection of the whistle-blower against detrimental or unfair treatment. While the policy is meant to protect the whistle-blower from any detrimental or unfair treatment as a result of their report or disclosure, it strictly prohibits frivolous and untrue reports or disclosures. No adverse action will be taken against any director, officer, employee or other individual for making a report or disclosing information in good faith under this policy. The Company will not tolerate the harassment or victimisation of anyone reporting a genuine concern. Where a report or disclosure has been made, the Company will take all reasonable steps to ensure necessary confidentiality, and that no other person harasses or victimises the whistle-blower.

The Company has designated an independent function to investigate whistle-blowing reports made in good faith. The Administrator, Mr. Huo Lei, the Non-Executive and Non-Independent Director, and/or the Chairman of the AC shall promptly initiate an independent investigation of the whistle-blowing reports made in good faith and with the advice and the assistance of the Chief Financial Officer (or any other individual equivalent to that of the Chief Financial Officer) and/or such other officers of the Company as appropriate, oversee such investigation. Such investigation shall ensure as far as possible that the privacy of the parties involved is maintained during the investigation.

The AC is responsible for oversight and monitoring of the whistle-blowing function. Following the investigation of the whistle-blowing report, the Administrator, Mr. Huo Lei or such other appropriate officer shall promptly provide detailed information of the investigation to the AC. Appropriate and corrective action will be taken if warranted by the investigation. External parties or professional advisors can be enlisted at the Group's expense, to assist in conducting any investigation and/or to provide appropriate advice.

The AC shall, at its discretion, advise the Group's Executive Directors, CEO and Chief Financial Officer (or any other individual equivalent to that of the foregoing persons) and/or the AC to carry out the corrective and disciplinary action if applicable. For serious or criminal offences, the AC may, at its discretion, report the matter to the relevant authorities for further investigation.

A summary of all the whistle-blowing reports shall be reported to the AC at least annually by the Administrator. There were no whistle-blowing reports received for FY2025.

Provision 10.4 – Internal Audit
Rule 1204(10C) of the Catalist Rules

For FY2025, the Group's internal audit function is carried out independently by its in-house internal audit department ("**Internal Audit Department**") comprising of 3 staff and is headed by Ms. Wang Linlin, who has more than 11 years of experience in the accounting industry and at least 16 years of experience in internal audit.

Each member of the Internal Audit Department possesses relevant qualifications and experience and is guided by the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The Internal Audit Department operates under clearly defined terms of reference which sets out its reporting structure, roles and responsibilities, workflow and processes. Each member of the Internal Audit Department is independent of the activities he/she audits and does not undertake any operational responsibility or authority over any of the activities within its audit scope. In addition, the Internal Audit Department has unfettered access to all the Group's documents, records, properties and personnel, including access to the AC and reports primarily and directly to the AC Chairman on all internal audit matters and findings, if any, from the audit process.

Annually, the Group's internal audit plan is formulated based on a risk-based approach to review the adequacy and effectiveness of the Group's system of internal controls, including financial, operational, compliance and information technology controls, and risk management systems. The internal audit plan is developed in consultation with, but independent of Management. The AC reviews and endorses the internal audit plan and internal audit reports of the Group. Any material non-compliance or failures in the internal audit function and recommendations for improvements are reported to the AC.

For FY2025, the AC reviewed the findings of the Internal Audit Department and the adequacy and effectiveness of the internal audit function to ensure that the internal audit function is adequately resourced, is able to perform its function effectively and objectively, and internal audits are performed by competent professional staff.

Based on the foregoing and taking into account the Group's operations and needs, the AC is of the view that the internal audit function is independent, effective and adequately resourced.

The AC will also approve the appointment, removal, evaluation and compensation of the head of the internal audit function.

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETING

PRINCIPLE 11: THE COMPANY TREATS ALL SHAREHOLDERS FAIRLY AND EQUITABLY IN ORDER TO ENABLE THEM TO EXERCISE SHAREHOLDERS' RIGHTS AND HAVE THE OPPORTUNITY TO COMMUNICATE THEIR VIEWS ON MATTERS AFFECTING THE COMPANY. THE COMPANY GIVES SHAREHOLDERS A BALANCED AND UNDERSTANDABLE ASSESSMENT OF ITS PERFORMANCE, POSITION AND PROSPECTS.

The Board ensures that all Shareholders are treated equitably for them to exercise their Shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives Shareholders a balanced and understandable assessment of its performance position and prospects.

<u>Provisions 11.1 to 11.5 – Participation and voting at general meetings of Shareholders</u>

General meetings are the principal forum for dialogue with Shareholders. Shareholders are invited and encouraged to attend general meetings to put forth any questions they may have on the motions to be debated and decided upon. The Company is not implementing absentia voting methods such as voting via mail, e-mail or fax until security, integrity and other pertinent issues are satisfactorily resolved. Nonetheless, Shareholders can vote at the general meetings in person or by appointing up to two (2) proxies, through proxy forms which are sent together with the Annual Reports or circulars, as the case may be. The duly completed and original proxy form is required to be submitted not less than seventy-two (72) hours before the general meeting and deposited at the Company's Singapore Share Transfer Agent's office.

The notices of the general meetings are despatched to Shareholders, together with explanatory notes informing Shareholders of the rules governing general meetings of Shareholders at least fourteen (14) clear days before each meeting for ordinary resolutions and at least twenty-one (21) clear days for special resolutions to be passed. The notice is also advertised in a national newspaper.

Every matter requiring Shareholders' approval is proposed as a separate resolution. The Company does not "bundle" resolutions, unless the resolutions are interdependent and linked as to form one significant proposal. Where the Company considers it warranted to "bundle" the resolutions, the Company will explain the reasons and material implications.

The Company welcomes Shareholders to voice their views and seek clarification on issues relating to the Group's business as outlined in the agenda of the AGM notice and encourages Shareholders' participation at AGMs.

The Chairman of the Board and the Chairmen of the AC, the NC and the RC will endeavour to attend if they are available, or otherwise their representatives will attend the AGM to attend to queries raised by the Shareholders.

CORPORATE GOVERNANCE REPORT

The external auditors will also be present to assist the Directors in addressing any relevant queries by Shareholders about the conduct of the audit and the preparation and content of the auditors' report. The Company Secretary(ies) record(s) minutes of every general meeting which include substantial and relevant comments or queries from Shareholders relating to the agenda of the general meeting, and responses from the Board and Management. These minutes would be published via SGXNet and the Company's corporate website within one (1) month after the date of the general meeting.

The Company would conduct its voting in general meetings by poll (whether by paper polling or electronic polling) where Shareholders are accorded rights proportionate to the shareholding and all votes are counted. The Board believes that this will enhance transparency of the voting process and encourage greater shareholder participation. An announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages will be released via the SGXNet after the meeting.

<u>Conduct of Shareholders' meetings</u>

The Company's Bye-laws permit a general meeting to be held electronically. Specifically, Bye-law 56 of the Company's Bye-laws provides that a general meeting may be held as a physical meeting, an electronic meeting or as a hybrid meeting, as may be determined by the Board in its absolute discretion.

Accordingly, the Company's AGM for the financial year ended 31 December 2024 was held on 29 April 2025, in a wholly physical format in Singapore ("**Physical Meeting**") and there was no option for Shareholders to participate virtually.

The Physical Meeting with respect to the Company's forthcoming AGM for FY2025 will be held in Singapore. Please refer to the Notice of AGM for further details.

The Company has also put in place arrangements to permit Shareholders to submit their questions ahead of the AGM. Arrangements have also been put in place to allow authenticated Shareholders and proxy(ies) to ask questions in person at the Physical Meeting. Live voting by poll will be conducted during the AGM for Shareholders and proxy(ies) attending the Physical Meeting.

<u>Provision 11.6 – Dividend Policy</u>

The Company does not have a policy on payments of dividends. Nonetheless, consistent with the intent of Principle 11 of the Code, the form, frequency and amount of dividends declared each year will take into consideration the Group's profit growth, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate. The Company endeavours to pay dividends and where dividends are not paid, the Company will disclose its reason(s) accordingly.

No dividend was declared for FY2025 as the Company recorded a loss for FY2025.

ENGAGEMENT WITH SHAREHOLDERS

PRINCIPLE 12: THE COMPANY COMMUNICATES REGULARLY WITH ITS SHAREHOLDERS AND FACILITATES THE PARTICIPATION OF SHAREHOLDERS DURING GENERAL MEETINGS AND OTHER DIALOGUES TO ALLOW SHAREHOLDERS TO COMMUNICATE THEIR VIEWS ON VARIOUS MATTERS AFFECTING THE COMPANY.

<u>Provisions 12.1 to 12.3 – Interaction/engagement with Shareholders</u>

The Group continues to keep all Shareholders/stakeholders informed of its corporate activities on a timely and consistent basis. In line with continuous disclosure obligations, the Company is mindful of the need for regular and proactive communication with its Shareholders and to facilitate the exercise of ownership rights by all Shareholders. Communication with Shareholders is done via announcements and/or press releases on a timely basis through:

(i) announcements or press releases on major developments of the Group;

(ii) financial statements containing a summary of the financial information and affairs of the Group for the half year and full year via SGXNet;

(iii) annual reports and circulars that are sent to all Shareholders; and

(iv) notices of and explanatory notes for general meetings.

The Company does not practise selective disclosure, and in the event any inadvertent disclosure is made to a select group, the Company will make available the same disclosure publicly as promptly as possible.

The Company values dialogue sessions with its Shareholders and is committed to hearing Shareholders' views and addressing their concerns. During general meetings of the Company, the Board devotes time and attention to addressing questions from and concerns raised by Shareholders and the Directors are generally present for the entire duration of the meetings. The chairman of the meeting will also endeavour to facilitate constructive dialogue between Shareholders and the Board. In addition, members of the Board and key management personnel make themselves available to interact with Shareholders both before and after general meetings.

Although the Company does not have an investor relations policy, other than communicating with Shareholders at AGMs, the Company has engaged an external Investor Relations Manager ("**IR Manager**") to assist with its investor relations matters. Media, analysts, investors and Shareholders may also contact the IR Manager or the Group Financial Controller and/or the Directors through the Company on any investor relations matters. The IR Manager can be contacted at jingwen@woodnoteconsulting.com.

MANAGING STAKEHOLDERS RELATIONSHIPS ENGAGEMENT WITH STAKEHOLDERS

PRINCIPLE 13: THE BOARD ADOPTS AN INCLUSIVE APPROACH BY CONSIDERING AND BALANCING THE NEEDS AND INTERESTS OF MATERIAL STAKEHOLDERS, AS PART OF ITS OVERALL RESPONSIBILITY TO ENSURE THAT THE BEST INTERESTS OF THE COMPANY ARE SERVED.

Provisions 13.1 and 13.2 – Identification and engagement with material stakeholder groups, including managing relationships with such groups

The Group believes that forging good relationships with its stakeholders is crucial for the sustainable growth of its business and its key stakeholders including customers, suppliers, employees, investors and Shareholders, local communities, as well as government and regulators.

To understand and better manage stakeholders' expectations, the Group engages and fosters trusted relationships through listening to their views and responding to their concerns. The frequency of ongoing engagements with various stakeholders depends on mutual needs and expectations.

The key areas of focus in relation to the management of stakeholder relationships are set out in the Company's annual Sustainability Report for FY2025, which is contained in this Annual Report.

Provision 13.3 – Corporate website

The Company maintains a current corporate website, www.ddhlimited.com, to communicate and engage with stakeholders.

All pertinent information on the Company's financial results, as well as the latest annual report of the Company, are announced and available on the SGXNet and its corporate website.

CORPORATE GOVERNANCE REPORT

DEALINGS IN SECURITIES

The Group has established and maintains an internal compliance code of conduct to provide guidance to its Directors, key officers and employees regarding dealings in the Company's securities and insider trading implications (the "**Securities Code**"), in compliance with Rule 1204(19) of the Catalist Rules.

In line with the Securities Code, Directors, key officers and employees of the Group are prohibited from dealing in securities of the Company during the period commencing one (1) month before the release of its half year and full year results and ending one (1) day after the release of the announcement of the relevant results and price sensitive information. Directors and employees are also advised against dealing in the securities when they are in possession of any unpublished material price-sensitive information of the Group at all times.

The Company confirms that it has adhered to its Securities Code for FY2025.

In addition, Directors and key officers are encouraged not to deal in the Company's securities on short-term considerations.

INTERESTED PERSON TRANSACTIONS

The Company has adopted an internal policy governing procedures for the identification, approval and monitoring of IPTs. All IPTs are subject to review by the AC at its half-yearly meetings to ensure that such transactions are conducted on an arm's length basis and are not prejudicial to the interests of the Shareholders. The AC, with the concurrence of the Board, confirmed that there were no interested person transactions for FY2025 pursuant to the disclosure under Rule 907 of the Catalist Rules:

Name of Interested Person	Nature of relationship	Aggregate value of all IPTs during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPTs conducted under shareholders' mandates pursuant to Rule 920 during the financial year under review (excluding transactions less than S$100,000)
Nil	Nil	Nil	Nil

The Group does not have a general mandate from Shareholders for IPTs.

MATERIAL CONTRACTS

Save as disclosed in the Company's circular to Shareholders dated 31 March 2021 and the service agreements entered into between each of the Executive Directors and the Company, there were no other material contracts of the Company and its subsidiaries involving the interests of the CEO, each Director or controlling Shareholder, either still subsisting as at the end of FY2025 or if not then subsisting, entered into since the end of the previous financial year.

NON-SPONSOR FEES

No non-sponsor fees were paid/payable to the Company's Sponsor, ZICO Capital for FY2025.

SUSTAINABILITY REPORT CONTENTS

SUSTAINABILITY REPORT 2025

MESSAGE FROM THE BOARD

Dear Stakeholders,

On behalf of the Board of Directors of China Shenshan Orchard Holdings Co. Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") (the "**Board**"), I am pleased to announce the publication of our annual sustainability report for the reporting period from 1 January 2025 to 31 December 2025 ("**FY2025**") ("**Sustainability Report**").

The slowdown in China's fruit market has placed significant pressure on the Group's sales, leading to a sharp decline in revenue. The Group also faced operational challenges in its principal business of planting, cultivating, and selling fresh kiwifruits (the "**Kiwifruit Operation**"), arising from climate change and disease outbreaks (the "**Unfavourable Planting Conditions**"). At the same time, persistently high planting costs have further eroded profit margins, substantially affecting the performance of the Group's kiwifruit business. Following a comprehensive operational and biological assessment of the Unfavourable Planting Conditions conducted in June 2025, the management of the Company ("**Management**") decided to suspend the Kiwifruit Operation ("**Suspension**"), which has adversely impacted the Group's results and adopted a low-cost operational model to enhance efficiency and preserve resources. In view of the Suspension, the Group has shifted its core business focus to the provision of agricultural land leasing services.

In relation to environmental sustainability, we achieved our annual reduction target of 3-5% in water, electricity and fuel usage. On the social sustainability front, we are pleased to report zero serious injuries or fatalities across our workplaces in 2025. We remain steadfast in our commitment to cultivating a diverse and inclusive workforce, with continued emphasis on gender and age diversity in our hiring practices.

For governance sustainability, we upheld high standards of integrity and accountability, with zero reported cases of violations, misconduct, fraud, or other governance concerns in 2025.

This Sustainability Report provides a comprehensive overview of our environmental, social, and governance ("**ESG**") performance and progress. We recognise that corporate sustainability is a long-term journey requiring continuous learning, disciplined execution, and ongoing improvement before meaningful outcomes are realised. We remain firmly committed to this journey and look forward to strengthening our position as a responsible, resilient, and forward-looking organisation that contributes positively to a sustainable future.

For and on behalf of
China Shenshan Orchard Holdings Co. Ltd.,

Yeo Teck Chuan
Non-Executive Chairman and Independent Director

ABOUT THIS REPORT

This report marks the Group's fifth Sustainability Report for its kiwifruit business. By outlining the Group's policies, practices, targets, and performance across key material sustainability topics, the report provides stakeholders with a clear and comprehensive understanding of the Group's progress and strategic direction.

Report Scope

This report covers the period of FY2025. It details the management approaches and sustainability performance of the agricultural leasing activities located in China and its Kiwifruit Operation prior to the Suspension.

Reporting Standard

This report is prepared in accordance with Rule 711A of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), as well as the guidelines set out in the Practice Note 7F: Sustainability Reporting Guide of the Catalist Rules. The six reporting components prescribed by Rule 711B of the Catalist Rules underline the key structure of this report.

The Group has selected the Global Reporting Initiative ("**GRI**") Standards as the reporting framework as the Group believes that it provides robust guidance and is widely accepted as a global standard for sustainability reporting. This year's report has been prepared with reference to the GRI Universal Standards 2021. This would provide us time to review the appliable GRI Sector Standards – GRI 13: *Agriculture, Aquaculture, and Fishing* Sectors 2022 – which is a requirement for reporting in accordance with the GRI Universal Standards. This decision reflects our commitment to ensuring that our reporting is meaningful, balanced and feasible within our operational and resource capabilities.

Climate-related disclosures in this report continue to build on last year's reporting and take reference from the recommended phased approach in SGX Practice Note 7F Sustainability Reporting Guide, consistent with the Task Force on Climate-related Financial Disclosure ("**TCFD**") recommendations. The Accounting and Corporate Regulatory Authority and Singapore Exchange Regulation have extended the timelines for implementing climate reporting (including external assurance) requirements, to support listed companies and large non-listed companies in developing reporting capabilities. The Group is aware that the International Sustainability Standards Board ("**ISSB**") based climate-related disclosures for non-STI constituent listed company are deferred to FY2030. The Group will take the necessary steps to comply with the new reporting requirements commencing.

Confirmation and Approval

The information documented in this report is sourced from official documents, statistical data, as well as Management and operation information collected according to the policies of the Group. This report was approved by the Board in March 2026. An internal review of the sustainability reporting process has been conducted by the internal auditor of the Company.

No external assurance has been sought for this report.

Feedback

The Group values the opinions of stakeholders. If you have any questions or suggestions regarding the content or format of this report, please email your feedback or comments to: raymond@shenshanorchard.com.

SUSTAINABILITY REPORT 2025

SUSTAINABILITY PERFORMANCE

The table below presents the financial year ended 31 December ("**FY**") 2024 performance, FY2025 targets and performance on key sustainability indicators, as well as the targets for financial year ending 31 December 2026:

Disclosures	FY2024 Performance	FY2025 Targets	FY2025 Performance	FY2026 Targets
Human Resource	• 207 permanent staff and 120 contract workers. • For permanent staff, gender ratio of 33.8% female to 66.2% male, and 16.4% of the workforce were aged 50 and above.	• Improve the gender and age diversity of the workforce – target met.	• 11 permanent staff and 0 contract workers. • For permanent staff, gender ratio of 54.5% female to 45.5% male, and 9.1% of the workforce were aged 50 and above.	• Sustain the gender and age diversity of the workforce.
Food Quality and Safety	• Zero incidents of non-compliance related to the health and safety aspect of the harvested kiwifruits.	• Maintain zero incidents of non-compliance related to the health and safety aspect of the harvested kiwifruits.	• Zero incidents of non-compliance related to the health and safety aspect of the Contractors' harvested kiwifruits.	• Maintain zero incidents of non-compliance related to the health and safety aspect of the Contractors' harvested kiwifruits.
Governance and Safety	• No reported cases of violations, misconduct, fraud or any other form of wrongdoing or concerns. • No serious or fatal incidents at the Group's workplaces.	• Maintain zero reported cases of violations, misconduct, fraud or any other form of wrongdoing or concerns – target met. • Maintain zero serious or fatal incidents at the Group's workplaces – target met.	• No reported cases of violations, misconduct, fraud or any other form of wrongdoing or concerns. • No serious or fatal incidents at the Group's workplaces.	• Maintain zero reported cases of violations, misconduct, fraud or any other form of wrongdoing or concerns. • Maintain zero serious or fatal incidents at the Group's workplaces.
Resource Usage	• 10,039 tonnes of water (-4.2% YoY). • 286,300 kWh of electricity (-3.4% YoY). • 52,958 litres of fuel (-3.4% YoY).	• Reduce resource usage by 3-5% - target met for water, electricity and fuel.	• 3,603 tonnes of water (-64.1% YoY). • 100,200 kWh of electricity (-65.0% YoY). • 18,096 litres of fuel (-65.8% YoY).	• Reduce resource usage by 3-5%.

SUSTAINABILITY APPROACH AND GOVERNANCE

The Group is committed to a balanced and holistic approach to sustainability, integrating Environmental, Social, and Governance ("**ESG**") considerations across all aspects of its operations. This approach focuses on optimising resource utilisation, minimising environmental impact, safeguarding the health and well-being of our employees, ensuring full compliance with applicable laws and regulations, and maintaining a robust framework to effectively manage operational and corporate risks.

Corporate and Sustainability Governance

The Board is committed to upholding the highest standards of corporate governance within the Group by adhering to the principles and provisions of the Code of Corporate Governance 2018 (the "**Code**"). This commitment is central to safeguarding and advancing the interests of all stakeholders.

To ensure effective oversight, the Board has delegated specific responsibilities to three Board Committees, the Audit Committee ("**AC**"), Nominating Committee ("**NC**"), and Remuneration Committee ("**RC**"), each operating under clearly defined terms of reference. All Board Committees are chaired by Independent Directors to ensure objectivity and transparency in decision-making.

Sustainability considerations, including climate-related and other ESG risks, opportunities, and issues, are integrated into the Group's strategic planning process. The Board provides continuous guidance to the Chief Executive Officer and senior management team of the Company on the implementation and monitoring of sustainability initiatives. Senior management, in turn, provides regular updates to the Board, including timely reports on any critical sustainability-related matters.

To further strengthen governance and execution, the Group has previously established the Sustainability Task Force, led by the General Manager, and is responsible for overseeing and implementing the Group's sustainability strategies, initiatives, and performance measures.

All Directors of the Group have undergone training on sustainability matters.

Board of Directors

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Sustainability Task Force

Conflict of Interest Policy

The Group has put in place robust procedures to ensure that all transactions involving interested persons are promptly reported to the AC and reviewed in accordance with established governance protocols. Depending on the transaction value, such transactions are subject to review and approval by senior management, the AC, and/or the Board. Each transaction is carefully assessed to confirm that it is conducted on normal commercial terms and is not detrimental to the interests of the Company or its minority shareholders.

In instances where a potential conflict of interest arises, the Director concerned will abstain from all discussions, deliberations, and voting related to the transaction to ensure transparency, fairness, and integrity in the decision-making process.

SUSTAINABILITY REPORT 2025

SUSTAINABILITY APPROACH AND GOVERNANCE

Whistle-blowing and Fraud

The Group has implemented a whistle-blowing policy to ensure that any instances of misconduct, corruption or inappropriate behaviour are promptly and effectively addressed. This policy reinforces the Group's commitment to upholding the highest standards of accountability, transparency, and integrity, thereby fostering a responsible and trustworthy business environment.

The whistle-blowing policy aims to:

- Provide a reliable and secure channel for employees, vendors, customers, and other stakeholders to report any suspected violations, misconduct, or unethical behaviour including issues related to fraud, internal controls, or integrity in good faith and without fear of retaliation; and
- Ensure that robust mechanisms are in place to support independent investigations and facilitate appropriate follow-up actions.

In FY2025, the Group achieved its target with no reported cases of violations, misconduct, fraud, or any other forms of wrongdoing, reflecting our strong ethical culture and sound governance practices.

Supply Chain Management

Due to the Suspension, the Group has shifted its core business focus to the provision of agricultural land leasing services. Accordingly, the orchards are managed by third parties, and thus the Group did not engage any suppliers in relation to these operations.

STAKEHOLDERS ENGAGEMENT

Overview of Stakeholders Engagement

The Group maintains ongoing engagement with its stakeholders to better understand their concerns and incorporate their feedback into both corporate and sustainability strategies. Annual General Meetings and Extraordinary General Meetings are conducted in compliance with SGX requirements, ensuring transparency and accountability.

The following table provides a summary of the Group's key stakeholder groups, their primary modes of engagement, and the main areas of concern identified.

Stakeholders	Modes of Communication	Areas of Concerns
Employees	Regular dialogues, internal memos, direct mails and messages	• Staff welfare • Learning and career progression opportunities • Health and safety • Job stability
Shareholders, analysts, and investors	Investor meetings, direct mails, and annual and extraordinary general meetings (online and offline) Announcements, annual reports and sustainability reports	• Financial and operational performance • Dividends • Sound business strategies • Risk management • Governance and transparency
Third-party Contractors	Regular meetings, direct mails, phone calls, visits, use of electronic communication applications such as WeChat and QQ	• Product safety and quality • Tree survival rate and trees health • Stable and long-term business relationships
Local communities, governments, and regulatory bodies	Regular meetings, community activities, direct mails, phone calls, and visits	• Sound management of environmental impact such as minimising pollution • Assistance provided to local residents • Sustainable sourcing • Food safety • Compliance with industry standards and hygiene practices

SUSTAINABILITY REPORT 2025

MATERIALITY ASSESSMENT

Approach to Materiality Assessment

The Group believes that long-term sustainable growth depends on our ability to meet and exceed the expectations of key stakeholders, particularly in relation to material factors that influence their assessments and decisions. We also recognise that these factors may have significant environmental and social impacts in the regions where we operate.

To ensure a focused and transparent approach, the Group adopts a structured, multi-step process in conducting its materiality assessment, as outlined in the table below. The Board has reviewed and approved the identified material factors and continues to oversee their effective management and monitoring.

Identification	Prioritisation	Validation	Review
Identification of the material factors relevant to the Group's activities, its value chain and data points for performance reporting.	Prioritisation of the material factors and identification of key sustainability factors to be reported.	Validation involves the verification of information and data gathered on material factors as well as assessment of the completeness of key sustainability factors to finalise the report content.	Monitor, review and update our material factors from the previous reporting period, taking into account the feedback received from engagement with stakeholders, as well as organisational and external developments.

Material Factors

For FY2025, the Group assessed that FY2024's material factors remained relevant and appropriate for the Group's sustainability reporting:

- **Food Quality and Safety –** The Group is dedicated to ensuring that all kiwifruits cultivated and sold by the third-party contractors ("**Contractors**", individually a "**Contractor**") meet the highest quality and safety standards.

- **Human Resource –** Our people are the Group's most valuable asset, forming the foundation of our operational excellence. They drive innovation, enhance our products and processes, and ensure smooth operations across the entire value chain. The Group fully complies with all relevant labour laws, social insurance regulations, and housing fund requirements in the PRC, underscoring our commitment to fair and responsible employment practices.

- **Environmental Conservation –** The Group is committed to minimising its environmental footprint and preserving natural resources to maintain the long-term productivity of its orchards. Our efforts also contribute to a cleaner and healthier environment for employees, surrounding communities, and future generations.

FOOD QUALITY AND SAFETY

Product Overview

The Group owns nine orchards located in Chibi City, Hubei Province, the PRC, which are currently leased to Contractors. The Contractors continue to cultivate and market the same varieties of kiwifruit previously produced by the Group. The produce is sold under four commercial brands, namely Fairy Gold (精灵果), Sunshine Kiwi (阳光金果), Jade Green (翠玉), and Red Heart (红心).

Quality Assurance

The kiwifruit growing season generally lasts up to 240 days, during which cultivation practices are thoughtfully adjusted to suit seasonal and climatic conditions such as rainfall, temperature, and weather patterns. This careful approach helps maintain consistent quality and yield across each harvest.

Although the Group has leased out six of its orchards to Contractors, the agreements stipulate strict compliance with orchard planting standards.

The leasing contracts with the Contractors 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.

These requirements ensure that product quality remains top-notch. The Group also conducts regular inspections of the fallow orchards to ensure proper upkeep and maintenance.

The Contractors harvest the kiwifruits and distribute them through three primary sales channels: distributorships, wholesale markets, and e-commerce platforms such as Tmall, Taobao, and JD.com.

Research and Certification

The Group ensures that all Contractors strictly comply with applicable food safety regulations in the PRC, including the Agricultural Product Quality Safety Law of China and the Food Safety Law of China. The contracts signed between the Group and the Contractors requires the respective Contractor to comply with the Management oversight and supervision of the relevant government authorities, and to conduct its operations in full accordance with applicable laws and regulations. In addition, the Contractors are required to adhere to the stringent Green Food Grade A standards throughout the planting and production processes, thereby upholding high standards of product quality and food safety.

Target

In FY2025, we recorded zero incidents of non-compliance related to the health and safety aspects of the Contractors' harvested kiwifruits, and we remain firmly committed to maintaining this standard in FY2026.

SUSTAINABILITY REPORT 2025

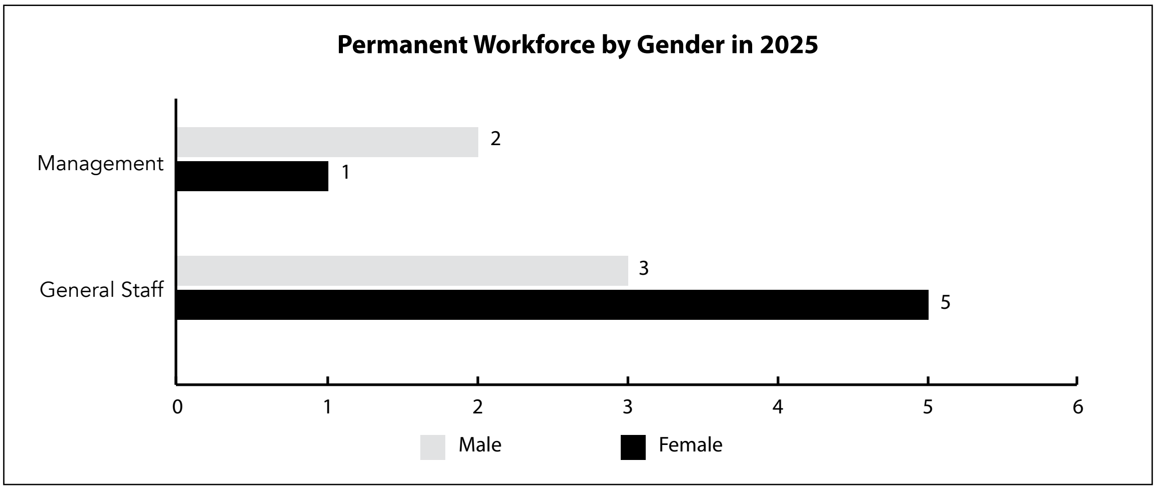
HUMAN RESOURCE

Staff Profile

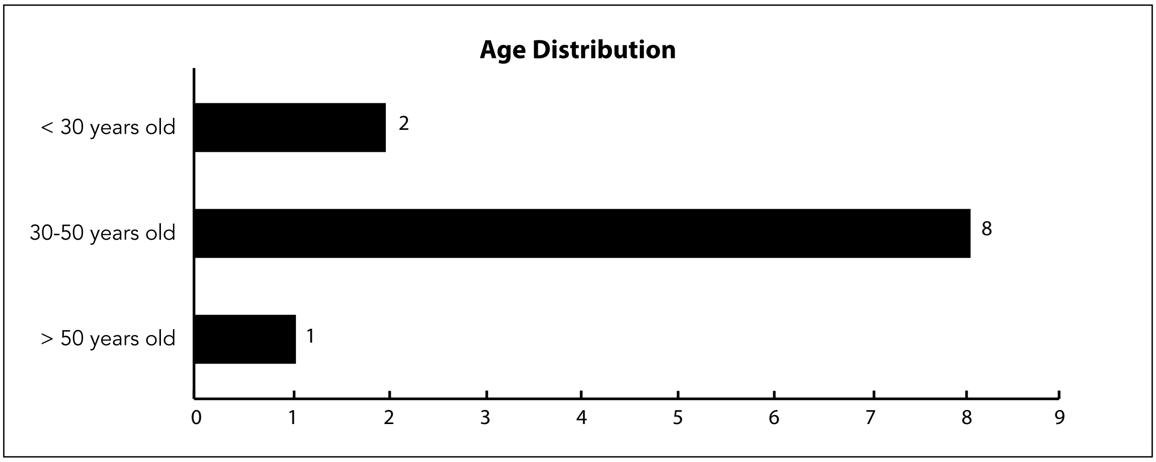
In FY2025, our workforce consisted of 11 permanent staff and 0 contract workers, compared to 207 permanent staff and 120 contract workers in FY2024. With the transition of the Group's operations to agricultural land leasing services, manpower requirements have been significantly reduced. The Group now operates with a lean workforce and contract workers are no longer required for kiwifruit cultivation and harvesting activities.

During FY2025, we did not onboard any new employees while experiencing a turnover of 196 individuals.

The FY2025 target of sustaining gender and age diversity of the workforce was met. Regarding gender diversity, 33.3% of our Management and 62.5% of our general staff were female in FY2025, compared to 26.3% and 34.6%, respectively, in FY2024. Overall, females made up 54.5% of the permanent workforce in FY2025, as compared to 33.8% in FY2024.



9.1% of our permanent workforce were more than 50 years old in FY2025, compared to 16.4% in FY2024.



The Group upholds the principles of diversity, equality, and fairness, and is firmly committed to maintaining an inclusive workplace free from discrimination. Employment decisions are based solely on merit, regardless of gender, age, race, or religion. We also promote open, two-way communication with employees and value their feedback and suggestions to foster a more positive and supportive work environment.

To further strengthen employee representation and uphold fair labour practices, the Group has established a labour union that serves all employees. The union organises cultural and sports activities, implements employee welfare programmes, and facilitates communication with government unions at various levels. It also coordinates with relevant authorities on official announcements and reporting requirements. In addition, the union remains dedicated to improving employees' work and living conditions, gathering feedback, and promoting a cohesive and harmonious organisational culture.

HUMAN RESOURCE

Staff Remuneration

Our employees form the cornerstone of the Group's success. We deeply value their dedication and remain committed to recognising their contributions, supporting their professional growth, and nurturing their talents. The Group upholds a fair and transparent remuneration framework that promotes a positive work environment and strengthens employees' sense of belonging and commitment to the organisation.

In FY2025, we continued to uphold our commitment to fair and competitive compensation, taking into account each employee's education, experience, and skill set. Our performance-based evaluation system involves regular assessments conducted by both peers and Management, resulting in performance ratings of general, good, or excellent.

The Group's salary structure remains consistent, comprising a base salary, years-of-service increments, and various allowances. Actual take-home pay may vary due to standard statutory deductions such as social insurance contributions and personal income tax. Eligible employees are also provided with mobile phone, housing, and fuel allowances, offering additional support to meet both their professional and personal needs.

Given that wage levels vary across seniority and job scope, we do not track the annual total compensation ratio between the organisation's senior management and the median compensation for all employees.

Staff Benefits

The Group provides a comprehensive suite of employee benefits aimed at promoting staff welfare and well-being while cultivating a family-friendly workplace culture. All employees are entitled to an annual on-the-job health examination fully sponsored by the company. In addition, employees receive special benefits and tokens of appreciation on their birthdays and during traditional festive occasions.

Annual leave entitlement for each employee is based on the length of service with a minimum of 5 days and up to a maximum of 15 days. Other forms of leave are spelt out in the table below.

Marriage	3 days of marriage leave	Specific to employees who are of legal marriage age (22 years old for men, 20 years old for women)
Maternity	128 days of maternity leave	Other maternity benefits include 1 hour of breastfeeding allowance per day before the child is 1 year old. In the event of multiple babies, the mother receives an additional hour per day for each additional child.
Bereavement	4 days of bereavement leave	Can be applied in the event of the death of parent, spouse or child (including biological, adoptive, step, parents-in-law or grandparents)
Abortion	15 days of leave for employees who have an abortion (induced or not) within less than 4 months of the pregnancy. 42 days of leave for employees who have an abortion (induced or not) who are more than 4 months into pregnancy	

SUSTAINABILITY REPORT 2025

HUMAN RESOURCE

Training and Development

The Group places strong emphasis on employee training to ensure that all staff are equipped with the technical skills and knowledge required to perform their roles effectively. Every new hire undergoes a comprehensive 48-hour training programme designed to build a solid foundation for success. Well-trained employees are able to execute tasks with greater accuracy and efficiency, thereby enhancing overall productivity.

To encourage continuous professional growth, the Group provides ongoing learning opportunities through on-site training sessions and seminars conducted throughout the year. We believe that investing in personal and professional development not only strengthens individual capabilities but also drives organisational excellence and supports long-term, sustainable business success.

Prior to the Suspension in FY2025, a total of 130 employees participated in training programmes between January and June, with each employee receiving an average of five hours per month. These employees participated in training programmes focused on job-specific skills and technical knowledge.

We organised monthly sharing sessions to engage with our employees. The year wrapped up with our annual company meeting, which emphasised organisational goals and priorities for the coming year while serving as a forum for open dialogue and feedback.

Occupational Safety and Health

The Group is committed to establishing and maintaining a robust occupational safety and health management system in compliance with the Labour Law of the People's Republic of China (中华人民共和国劳动法). This includes educating employees on workplace safety, preventing work-related accidents, and minimising occupational hazards.

The Group provides comprehensive training on occupational health and safety to all employees. This includes on-the-job learning, where senior personnel share practical skills and knowledge with junior staff and new hires. The training covers standard operating procedures and safe work practices. In addition, the Group conducts regular internal safety inspections to ensure full compliance with safety standards across the organisation.

The Group successfully achieved its FY2025 target of maintaining zero serious or fatal incidents across all workplaces. We remain committed to sustaining this exemplary safety record in FY2026 and beyond.

Corporate Social Responsibility

The Group places a strong emphasis on corporate social responsibility (CSR) by actively engaging with local communities surrounding our orchards. Land leasing fees paid by the Group contribute to the income of local villagers, who also benefit from employment opportunities. Our operations generate employment, positively impacting the livelihoods of the workers and their families.

ENVIRONMENTAL CONSERVATION

Minimising Environmental Impacts

In FY2025, the Group ensured that the Contractors continued its cultivation activities in alignment with industry best practices and in full compliance with applicable environmental laws and regulations. The contract signed requires the Contractors to comply with the Management oversight and supervision of the relevant government authorities, and to conduct its operations in full accordance with applicable laws and regulations. The Contractors are required to conduct cultivation in strict accordance with green food production standards. The use of prohibited pesticides and fertilisers is strictly prohibited, and the Contractors must ensure that all fresh kiwifruit produced complies with the applicable green food certification requirements. Recognising that kiwifruit cultivation can have environmental impacts such as the potential degradation of arable land—the Contractors are required to implement a series of measures to mitigate these effects and promote sustainable agricultural practices while the Group will be supervising

ENVIRONMENTAL CONSERVATION

- **Use of organic fertilisers and organic recycling practices** to minimise adverse environmental impacts;
- **Installation of water treatment systems** and adoption of appropriate controls for the disposal of waste gases, wastewater, and other environmental by-products; and
- **Implementation of energy-efficiency measures** to ensure the responsible use of electricity in packing facilities, including continuous monitoring and periodic checks of coolant systems and temperature readings.

Resource Usage

The Group tracks and optimises the use of water, electricity and fuel to enhance business efficiency and reduce the environmental footprint. Our usage of such resources for FY2023 to FY2025 was as follows:

Resource	FY2023	FY2024	FY2025
Water (tonnes)	10,480	10,039 (-4.2% YOY)	3,603 (-64.1% YOY)
Electricity (10,000 kWh)	29.65	28.63 (-3.4% YOY)	10.02 (-65.0% YOY)
Fuel (i.e. petrol for vehicles) (litres)	54,847	52,958 (-3.4% YOY)	18,096 (-65.8% YOY)

We met the FY2025 target of reducing resource usage by 3% to 5%. The significant reduction in resource usage was primarily attributable to the shift in the Group's business model, as the Group no longer manages the orchards or involves in cultivation activities. However, the Group continued to maintain various resource conservation measures such as reminding all employees to turn off lights and equipment when not in use, setting indoor air-conditioned temperatures within a sensible nature (i.e. not too low in summer and not too high in winter), and inspecting and maintaining equipment regularly. The Group aims to maintain the annual target of reducing resource usage by 3% to 5% in FY2026 by improving on existing conservation measures.

Greenhouse Gas ("GHG") Emissions

Estimated Scope 1 direct and Scope 2 indirect emissions for FY2023 to FY2025 are as follows:

Type of Emissions	FY2023 (Restated)*	FY2024	FY2025	Remarks
Scope 1 direct emissions from mobile combustion (i.e. petrol for vehicular use)	125,600 $kgCO_2$	121,274 $kgCO_2$ (-3.4% YOY)	41,439 $kgCO_2$ (-65.8% YOY)	Petrol emission factor = 2.29 $kgCO_2$ per litre (Source: GHG Protocol)
Scope 2 indirect emissions from purchased electricity	169,094 $kgCO_2$	163,277 $kgCO_2$ (-3.4% YOY)	57,144 $kgCO_2$ (-65.0% YOY)	Grid emission factor = 0.5703 tCO_2 per MWh (Source: GHG Protocol)
Total of Scope 1 and Scope 2 emissions	294,694 $kgCO_2$	284,551 $kgCO_2$ (-3.4% YOY)	98,583 $kgCO_2$ (-65.4% YOY)	
Scope 1 and Scope 2 emission intensity in $kgCO_2$ per RMB of revenue	0.0040 $kgCO_2$/RMB	0.0147 $kgCO_2$/RMB (+267.5% YOY)	0.0971 $kgCO_2$/RMB (+560.5% YOY)	

The significant increase of 560.5% in Scope 1 and Scope 2 emissions intensity ($kgCO_2$ per RMB of revenue) in FY2025 was mainly driven by reduced revenue, following the suspension of the Kiwifruit Operation.

Note:
* The petrol emission and grid emission factors are sourced from the GHG Emission Factors worksheet updated in March 2024. These updated emission factors have been applied to the FY2023 data for comparability, and the Scope 1 and Scope 2 emissions have been restated as compared to last year's report.

SUSTAINABILITY REPORT 2025

ENVIRONMENTAL CONSERVATION

Climate-Related Risks and Opportunities

The Group started the identification of climate-related risks and opportunities in FY2023 by analysing the impact of climate change on agricultural practices and studying how comparable businesses are managing their climate-related risks and opportunities.

As part of the climate assessment in FY2025, the Group examined two different scenarios with the help of an external consultant. These scenarios are based on the Sixth Assessment Report on climate change published by the Intergovernmental Panel on Climate Change ("**IPCC**") in March 2023[1]:

- Optimistic scenario - whereby the world would reach or exceed 1.5°C during the 21st century with a likelihood of ≤67%, and limit warming to 1.5°C in 2100 with a likelihood >50%, in line with the Paris Agreement. The impacts of climate change would be relatively less adverse. Extreme weather events become less frequent and less severe, reducing the physical risks associated with climate change for businesses.

  Additionally, companies that have proactively invested in climate resilience measures and sustainable practices benefit from enhanced operational efficiency and reduced exposure to regulatory and reputational risks. This scenario assumes the implementation of strict carbon mitigation regulations and a societal shift toward renewable energy and increased market demand for sustainable products and services.

- Pessimistic scenario - whereby the world would limit peak warming to 3°C throughout the 21st century with a likelihood of >50%, exacerbating climate-related risks such as sea-level rise, extreme temperatures, and natural disasters. Companies could face escalating physical risks from climate change, including loss of assets.

  This scenario assumes that global mitigation efforts fall short with geopolitical tensions in place. Climate policies exist in a fragmented manner and are significantly less aggressive than in the Paris-aligned scenario. The physical impacts of climate change worsen, transition risks are moderate, and companies will need to focus on climate adaptation as much as if not more so than emission mitigation.

In the optimistic scenario, the Group may need to comply with stricter decarbonisation mandates and rapidly transit to renewable energy. Conversely, in the pessimistic scenario, the Group may need to focus on risk mitigation and invest in adaptation measures, particularly to protect the safety and well-being of employees.

The divergent scenarios would help the Group to frame the physical risks, transition risks and climate-related opportunities in terms of assessing potential impacts and identifying possible mitigation measures over the short-term (i.e. within 5 years), medium-term (i.e. 5-10 years) and long-term (i.e. beyond 10 years). Physical risk includes business disruptions from extreme weather events and rising temperatures. Transition risks are business-related risks related to societal and economic shifts toward a low-carbon future, including policy and regulatory risks, rising compliance and insurance costs, obsolete infrastructure, technological risks, market risks and reputational risks.

The Group uses GHG emissions as a key metric to assess climate-related risks and opportunities, recognising that higher emissions levels may increase exposure to such risks. For example, rising Scope 1 and Scope 2 emissions could lead to higher operational costs and intensify the physical risks associated with climate change. Conversely, improving emissions performance offers opportunities to enhance operational efficiency, lower costs, and strengthen climate resilience.

To this end, the Group's annual objective is to continually optimise the use of water, electricity, and fuel resources. Where feasible, we will explore the adoption of greener fuels and renewable energy sources, taking into account factors such as availability, cost-effectiveness, regulatory requirements, and operational needs.

1 https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_SPM.pdf

ENVIRONMENTAL CONSERVATION

Details of the Group's analysis of climate-related physical risks, transition risks, and opportunities are spelt out in the table below.

Description	Qualitative Impacts	Mitigation Measures
Physical Risks (i.e. climate-related risks that can result in physical damage)		
Extreme weather events (short-term)	• The rising frequency and severity of extreme weather, including intense heat can cause heatstroke, dehydration, and worsen pre-existing medical conditions. • Prolonged exposure to heat can lead to heat-related illnesses, adversely affecting employees' health and well-being.	• Introduce precautions to prevent heat-related illnesses, such as ensuring sufficient hydration and air-conditioning. • Offer remote work options and flexible scheduling when extreme weather conditions occur.
Gradual changes in weather patterns (medium to long-term)	• Increase in the number of high temperature days could amplify heat stress risks on workers.	• Develop plans and measures to protect workers against heat stress risks.
Transition Risks (i.e. climate-related risks as businesses transition to a low-carbon economy)		
Regulatory changes (medium to long-term)	• Introduction of new regulations or carbon pricing will increase compliance costs and potential litigation risks in the event of non-compliance. • Changes in climate-related reporting rules and processes as mandated by the SGX or other authorities.	• Stay informed on evolving regulations and engage with regulatory authorities. For instance, the Environmental Protection Law of the People's Republic of China mandates that all enterprises, including agricultural ones, prioritise environmental protection and reduce pollutive emissions during their production and operations. • Ensure operational flexibility to adapt quickly to new requirements
Energy transition (short to medium-term)	• Shifts in energy availability or pricing affecting the cost. • Increased energy costs impacting overall expenses.	• Explore energy-efficient technologies and renewable energy sources to manage energy-related risks.
Opportunities		
Energy/resources efficiency (short to medium-term)	• Integrating renewable energy sources into operations can reduce GHG emissions and energy costs • Adopting energy-efficient equipment and processes	• Implement LED lighting. • Reduce water consumption to enhance cost efficiency and mitigate exposure to future price fluctuations or water shortages. • Promote recycling to conserve resources and support a circular economy.

SUSTAINABILITY REPORT 2025

GRI CONTENT INDEX

Statement of use	China Shenshan Orchard Holdings Co. Ltd. has reported with reference to with the GRI Standards 2021 for the period 1 January 2025 to 31 December 2025.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021		
2-1	Organisational details	Corporate Profile, Annual Report
2-2	Entities included in the organisation's sustainability reporting	Report Scope, About This Report
2-3	Reporting period, frequency and contact point	Report Scope, About This Report, Message from the Board
2-4	Restatements of information	Greenhouse Gas ("GHG") Emissions
2-5	External assurance	Nil
2-6	Activities, value chain and other business relationships	Corporate Profile, Annual Report
2-7	Employees	Staff Profile, Human Resource
2-8	Workers who are not employees	Nil
2-9	Governance structure and composition	Corporate and Sustainability Governance, Sustainability Approach and Governance
2-10	Nomination and selection of the highest governance body	Corporate Governance Report, Annual Report
2-11	Chair of the highest governance body	Corporate Governance Report, Annual Report
2-12	Roles of the highest governance body in overseeing the management of impacts	Corporate and Sustainability Governance, Sustainability Approach and Governance
2-13	Delegation of responsibility for managing impacts	Corporate and Sustainability Governance, Sustainability Approach and Governance
2-14	Roles of the highest governance body in sustainability reporting	Corporate and Sustainability Governance, Sustainability Approach and Governance
2-15	Conflicts of interest	Corporate Governance Report, Annual Report
2-16	Communication of critical concerns	Corporate and Sustainability Governance, Sustainability Approach and Governance
2-17	Collective knowledge of the highest governance body	Corporate Governance Report, Annual Report
2-18	Evaluation of the performance of the highest governance body	Corporate Governance Report, Annual Report
2-19	Remuneration policies	Staff Remuneration, Human Resource
2-20	Process to determine remuneration	Staff Remuneration, Human Resource
2-21	Annual total compensation ratio	Staff Remuneration, Human Resource
2-22	Statement on sustainable development strategy	Corporate and Sustainability Governance, Sustainability Approach and Governance
2-23	Policy commitments	Corporate and Sustainability Governance, Sustainability Approach and Governance
2-24	Embedding policy commitments	Corporate and Sustainability Governance, Sustainability Approach and Governance
2-25	Processes to remediate negative impacts	Corporate and Sustainability Governance, Sustainability Approach and Governance
2-26	Mechanisms for seeking advice and raising concerns	Corporate and Sustainability Governance, Sustainability Approach and Governance
2-27	Compliance with laws and regulations	Corporate and Sustainability Governance, Sustainability Approach and Governance
2-28	Membership associations	Stakeholders Engagement
2-29	Approach to stakeholder engagement	Overview of Stakeholders Engagement, Stakeholders Engagement

GRI CONTENT INDEX

GRI Standard	Disclosure	Location
2-30	Collective bargaining agreements	Staff Profile, Human Resource
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	Approach to Materiality Assessment, Materiality Assessment
3-2	List of material topics	Material Factors, Materiality Assessment
3-3	Management of material topics	Approach to Materiality Assessment, Materiality Assessment
Food Quality and Safety		
GRI 416: Customer Health and Safety		
416-1	Assessment of the health and safety impacts of product and service categories	Quality Assurance, Food Quality and Safety
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Research and Certification, Food Quality and Safety
Human Resource		
GRI 401: Employment		
401-1	New employee hires and employee turnover	Staff Profile, Human Resource
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Staff Benefits, Human Resource
401-3	Parental leave	Staff Benefits, Human Resource
GRI 403: Occupational Health and Safety		
403-1	Occupational health and safety management system	Occupational Safety and Health, Human Resource
403-2	Hazard identification, risk assessment, and incident investigation	Occupational Safety and Health, Human Resource
403-5	Worker training on occupational health and safety	Occupational Safety and Health, Human Resource
403-9	Work-related injuries	Occupational Safety and Health, Human Resource
GRI 404: Training and Education		
404-1	Average hours of training per year per employee	Training and Development, Human Resource
404-2	Programs for upgrading employee skills and transition assistance programs	Training and Development, Human Resource
GRI 405: Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	Staff Profile, Human Resource
GRI 413: Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	Corporate Social Responsibility, Human Resource
Environmental Conservation		
GRI 302: Energy		
302-1	Energy consumption within the organisation	Resource Usage, Environmental Conservation
302-4	Reduction of energy consumption	Resource Usage, Environmental Conservation
GRI 303: Water and Effluents		
303-5	Water consumption	Resource Usage, Environmental Conservation
GRI 305: Emissions		
305-1	Direct (Scope 1) GHG emissions	Greenhouse Gas (“GHG”) Emissions, Environmental Conservation
305-2	Energy indirect (Scope 2) GHG emissions	Greenhouse Gas (“GHG”) Emissions, Environmental Conservation
305-4	GHG emissions intensity	Greenhouse Gas (“GHG”) Emissions, Environmental Conservation

SUSTAINABILITY REPORT 2025

TCFD INDEX

TCFD Thematic Areas	Recommended Disclosures	Remarks and References
1. Governance Disclose the organisation's governance around climate-related risks and opportunities	a) Describe the board's oversight of climate-related risks and opportunities	The Board oversees the corporate governance structure and sustainability strategy of the Group, including climate-related risks and opportunities. See the **Sustainability Approach and Governance** section.
	b) Describe management's role in assessing and managing climate-related risks and opportunities	Management implements, monitors and reports on ESG performance, including climate-related risks and opportunities. See the **Sustainability Approach and Governance** section.
2. Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term	See the **Climate-Related Risks and Opportunities** of the Environmental Conservation section.
	b) Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning	See the **Climate-Related Risks and Opportunities** of the Environmental Conservation section.
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	See the **Climate-Related Risks and Opportunities** of the Environmental Conservation section.
3. Risk Management Disclose how the organisation identifies, assesses, and manages climate-related risks	a) Describe the organisation's processes for identifying and assessing climate-related risks	See the **Climate-Related Risks and Opportunities** of the Environmental Conservation section.
	b) Describe the organisation's processes for managing climate-related risks c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	The Board incorporates sustainability considerations, which include climate-related and other ESG risks, issues and opportunities, as part of the Group's strategic formulation. See the **Sustainability Approach and Governance** section.
4. Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	See the **Climate-Related Risks and Opportunities** of the Environmental Conservation section.
	b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	See the **Greenhouse Gas ("GHG") Emissions** of the Environmental Conservation section.
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	See the **Climate-Related Risks and Opportunities** of the Environmental Conservation section.

FINANCIAL CONTENTS

DIRECTORS' REPORT

The Directors present their report together with the audited consolidated financial statements of China Shenshan Orchard Holdings Co. Ltd. (the "**Company**") and its subsidiaries (collectively known as the "**Group**") for the financial year ended 31 December 2025 ("**FY2025**").

Directors

The Directors of the Company in office at the date of this report are:

Zhao Chichun (Executive Director and Chief Executive Officer)
Zhou, Liyang (Executive Director)
Huo Lei (Non-Executive and Non-Independent Director)
Yeo Teck Chuan (Non-Executive Chairman and Independent Director)
Ngo Yit Sung (Independent Director)

Share Options

The Company does not have any share option scheme.

Arrangements to enable Directors to acquire Shares or Debentures

During and at the end of FY2025, neither the Company nor any of its subsidiaries was a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' Interests in Shares or Debentures

According to the Register of Directors' shareholdings, save as disclosed below, none of the Directors holding office (i) at the end of FY2025; and (ii) as at the 21st day after the end of FY2025, had any interests in shares, debentures, warrants or share options of the Company, or of its related corporations:

	Direct Interest			Deemed Interest(1)		
Name of Director	**As at the beginning of financial year**	**As at the end of financial year**	**As at 21 January 2026**	**As at the beginning of financial year**	**As at the end of financial year**	**As at 21 January 2026**
Ordinary shares of the Company						
Zhao Chichun	-	-	-	13,162,649	13,162,649	13,162,649

(1) Zhao Chichun is the sole shareholder of Easy Direct International Limited ("**Easy Direct**"), which was incorporated for the purpose of allowing the employees of the Group to acquire and hold shares in the capital of the Company through Easy Direct.

Through Easy Direct, Zhao Chichun (Executive Director and Chief Executive Officer of the Company) and Hu Chao (former Executive Director and Chief Executive Officer of the Company) each acquired 5,265,060 Shares (representing approximately 6.60% of total number of issued Shares), and the remaining 2,632,529 Shares (representing approximately 3.30% of total number of issued Shares) were acquired by other employees of the Group.

Accordingly, Zhao Chichun is deemed to have an interest in the 13,162,649 Shares held through a nominee account with UOB Kay Hian Private Limited by virtue of Section 4 of the Securities and Futures Act 2001.

Directors' Contractual Benefits

Except for the Service Agreements detailed above and transactions disclosed in note 31 to the financial statements, no Director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest since the end of the previous financial year.

Material contracts involving the interests of Chief Executive Officer, each Director or Controlling Shareholder

Save for the Service Agreements entered into with the Executive Directors, there are no material contracts entered into by the Group involving the interests of the Chief Executive Officer, any Director or controlling shareholder subsisting for FY2025.

Audit Committee, Nominating Committee and Remuneration Committee

Details of the Company's Audit Committee ("**AC**"), Nominating Committee and Remuneration Committee are set out in the Corporate Governance Report of this Annual Report.

The AC has recommended to the Board of Directors the re-appointment of BDO Limited, Certified Public Accountants, Hong Kong ("**BDO Limited**") and BDO LLP, Public Accountants and Chartered Accountants, Singapore ("**BDO LLP**") to act jointly and severally as the auditors of the Company at the forthcoming Annual General Meeting.

Auditors

BDO Limited and BDO LLP have expressed their willingness to accept the re-appointment to act jointly and severally as auditors of the Company.

ON BEHALF OF THE BOARD OF DIRECTORS

Zhao Chichun
Director

Zhou, Liyang
Director

7 April 2026

STATEMENT BY DIRECTORS

We, Zhao Chichun and Zhou, Liyang, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors:

(i) the accompanying consolidated statements of financial position, consolidated statement of comprehensive income, statements of changes in equity and consolidated statement of cash flows together with the notes thereto, set out on pages 63 to 105, are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2025 and the results of the business, changes in equity and cash flows of the Group for the financial year then ended; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors authorised these financial statements for issue on 7 April 2026.

ON BEHALF OF THE BOARD OF DIRECTORS

Zhao Chichun
Director

Zhou, Liyang
Director

7 April 2026

INDEPENDENT JOINT AUDITORS' REPORT

To the shareholders of China Shenshan Orchard Holdings Co. Ltd. *(incorporated in Bermuda with limited liability)*

BDO

Opinion

We have audited the financial statements of China Shenshan Orchard Holdings Co. Ltd. (the "Company") and its subsidiaries (the "Group") set out on pages 63 to 105, which comprise:

- the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2025;

- the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the year then ended;

- the statement of changes in equity of the Company for the year then ended; and

- notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company give a true and fair view of the consolidated financial position of the Group and of the financial position of the Company as at 31 December 2025, and of its consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group, and the changes in equity of the Company for the year then ended in accordance with International Financial Reporting Standards ("IFRS Accounting Standards").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore and the Hong Kong Institute of Certified Public Accountants ("HKICPA") Code of Ethics for Professional Accountants ("HKICPA Code"). We have also fulfilled our other ethical responsibilities in accordance with these requirements, the ACRA Code and the HKICPA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT JOINT AUDITORS' REPORT

To the shareholders of China Shenshan Orchard Holdings Co. Ltd. *(incorporated in Bermuda with limited liability)*

Key audit matter	Audit response
1 Impairment assessment on non-financial assets	
As at 31 December 2025, the Group performed impairment assessment on its cash-generating unit (the "CGU") as disclosed in Note 14(i) of the accompanying financial statements. As a result of impairment assessment, impairment losses of approximately RMB4,734,000, RMB992,478,000, RMB17,774,000 and RMB20,327,000 were recognised in respect of intangible assets, property, plant and equipment, investment properties and deposit and prepayment respectively for the year ended 31 December 2025. The Group engaged an independent valuer to assist management in estimating the recoverable amount of the CGU which required significant judgement in determining key assumptions. We identified the impairment assessment of non-financial assets relating to the CGU as a key audit matter due to significant management judgement involved in determining key assumptions. Refer to notes 5(ii), 14(i), 15, 16 and 18 of the accompanying financial statements.	Our audit procedures included: (i) Assessing the appropriateness of the valuation methodologies; (ii) Assessing the appropriateness of the management's identification of CGUs based on our understanding of the Group's business; (iii) Assessing the reasonableness of key assumptions and estimations used; (iv) Reconciling the key input data to supporting evidence such as historical financial information, approved budgets and considering the reasonableness of these budgets; (v) Engaging an auditor's expert to assist our assessment on the appropriateness of the methodologies and the reasonableness of the assumptions and estimations adopted in the valuation for estimating the recoverable amounts of relevant CGUs and non-financial assets; and (vi) Evaluation of the competence, capabilities and objectivity of management's expert and auditor's expert.

Other Information in the Annual Report

The directors are responsible for the other information. The other information comprises all the information included in the Company's 2025 annual report, but does not include the financial statements and our joint auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT JOINT AUDITORS' REPORT

To the shareholders of China Shenshan Orchard Holdings Co. Ltd. *(incorporated in Bermuda with limited liability)*

Responsibilities of Directors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a joint auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our joint auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our joint auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT JOINT AUDITORS' REPORT

To the shareholders of China Shenshan Orchard Holdings Co. Ltd. *(incorporated in Bermuda with limited liability)*

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our joint auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent joint auditors' report are Aw Vern Chun Philip from BDO LLP, and Cheung Wing Yin from BDO Limited.

BDO LLP
Public Accountants and Chartered Accountants
Singapore

7 April 2026

BDO Limited
Certified Public Accountants
Hong Kong

7 April 2026

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	6	**1,015**	19,305
Cost of sales		**-**	(17,027)
Gross profit		**1,015**	2,278
Gain arising from changes in fair value less costs to sell of biological assets	17	**-**	15,776
Other losses	7	**(5,449)**	(28,553)
Selling and distribution expenses		**(2,312)**	(3,042)
Administrative expenses		**(42,387)**	(47,772)
Other operating expenses		**(17,271)**	(43,474)
Impairment loss on intangible assets	16	**(4,734)**	-
Impairment loss on property, plant and equipment	14	**(992,478)**	-
Impairment loss on investment properties	15	**(17,774)**	-
Impairment loss on deposit and prepayment	18	**(20,327)**	-
Operating loss	8	**(1,101,717)**	(104,787)
Finance costs	9	**-**	-
Loss before income tax		**(1,101,717)**	(104,787)
Income tax credit	11	**213,900**	5,370
Loss for the year, attributable to owners of the Parent		**(887,817)**	(99,417)
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**333**	(378)
Other comprehensive income for the year, net of tax amounting to RMBnil (2024: RMBnil)		**333**	(378)
Total comprehensive loss for the year attributable to owners of the Parent		**(887,484)**	(99,795)
Loss per share for loss attributable to owners of the Parent during the year	12		
- Basic and diluted		**(RMB11.12)**	(RMB1.25)

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2025

	Notes	Group As at 31 December 2025 RMB'000	Group As at 31 December 2024 RMB'000	Company As at 31 December 2025 RMB'000	Company As at 31 December 2024 RMB'000
ASSETS AND LIABILITIES					
Non-current assets					
Interests in subsidiaries	13	**-**	-	**98,511**	952,120
Property, plant and equipment	14	**-**	1,041,913	**-**	-
Investment properties	15	**-**	-	**-**	-
Deposit paid for property, plant and equipment	18	**-**	327	**-**	-
Prepayment	18	**-**	20,000	**-**	-
Intangible assets	16	**-**	4,870	**-**	-
		-	1,067,110	**98,511**	952,120
Current assets					
Inventories and consumables	19	**-**	899	**-**	-
Trade receivables	20	**-**	9,822	**-**	-
Prepayments, deposits and other receivables	18	**52**	929	**-**	-
Cash and cash equivalents	21	**90,939**	118,652	**5**	5
		90,991	130,302	**5**	5
Current liabilities					
Trade payables		**-**	1,733	**-**	-
Accrued liabilities and other payables	22	**7,600**	14,835	**1,656**	1,732
Amounts due to subsidiaries	23	**-**	-	**33,461**	32,959
Lease liabilities	24	**49**	45	**-**	-
Deferred government grants	25	**-**	478	**-**	-
Other provision	30	**15,542**	-	**15,542**	-
Provision for income tax		**732**	732	**-**	-
		23,923	17,823	**50,659**	34,691
Net current assets/(liabilities)		**67,068**	112,479	**(50,654)**	(34,686)
Total assets less current liabilities		**67,068**	1,179,589	**47,857**	917,434
Non-current liabilities					
Lease liabilities	24	**9,072**	9,121	**-**	-
Deferred government grants	25	**-**	11,090	**-**	-
Deferred tax liabilities	26	**-**	213,898	**-**	-
		9,072	234,109	**-**	-
Net assets		**57,996**	945,480	**47,857**	917,434
EQUITY					
Equity attributable to owners of the Parent					
Share capital	27	**279,499**	279,499	**279,499**	279,499
Reserves	28	**(221,503)**	665,981	**(231,642)**	637,935
Total equity		**57,996**	945,480	**47,857**	917,434

Zhou Liyang
Director

Zhao Chichun
Director

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2025

GROUP

	Share capital	Share premium* (Note 28)	Statutory reserves* (Note 28)	Translation reserve* (Note 4.16)	(Accumulated losses)/ Retained profits*	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1 January 2024	**279,499**	**656,811**	**15,571**	**(26,645)**	**120,039**	**1,045,275**
Loss for the year	-	-	-	-	(99,417)	(99,417)
Other comprehensive income						
- Exchange differences on translation of foreign operations	-	-	-	(378)	-	(378)
Total comprehensive income for the year	-	-	-	(378)	(99,417)	(99,795)
Balance as at 31 December 2024 and 1 January 2025	**279,499**	**656,811**	**15,571**	**(27,023)**	**20,622**	**945,480**
Loss for the year	**-**	**-**	**-**	**-**	**(887,817)**	**(887,817)**
Other comprehensive income						
- Exchange differences on translation of foreign operations	**-**	**-**	**-**	**333**	**-**	**333**
Total comprehensive income for the year	**-**	**-**	**-**	**333**	**(887,817)**	**(887,484)**
Balance as at 31 December 2025	**279,499**	**656,811**	**15,571**	**(26,690)**	**(867,195)**	**57,996**

* These reserve accounts comprise the consolidated reserves of deficit RMB221,503,000 (2024: RMB665,981,000) in the consolidated statement of financial position.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2025

COMPANY

	Share capital	Share premium** (Note 28)	Translation reserve** (Note 4.16)	(Accumulated losses)/ Retained profits**	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1 January 2024	**279,499**	**656,811**	**(26,792)**	**11,009**	**920,527**
Loss for the year	-	-	-	(1,964)	(1,964)
Other comprehensive income					
- Exchange differences on translation of financial statements	-	-	(1,129)	-	(1,129)
Total comprehensive income for the year	-	-	(1,129)	(1,964)	(3,093)
Balance as at 31 December 2024 and 1 January 2025	**279,499**	**656,811**	**(27,921)**	**9,045**	**917,434**
Loss for the year	**-**	**-**	**-**	**(871,345)**	**(871,495)**
Other comprehensive income					
- Exchange differences on translation of financial statements	**-**	**-**	**1,768**	**-**	**1,768**
Total comprehensive income for the year	**-**	**-**	**1,768**	**(871,345)**	**(869,577)**
Balance as at 31 December 2025	**279,499**	**656,811**	**(26,153)**	**(862,300)**	**47,857**

** These reserve accounts comprise the Company's reserves of deficit RMB231,642,000 (2024: reserves of RMB637,935,000) in the Company's statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2025

	Notes	**2025 RMB'000**	2024 RMB'000
Cash flows from operating activities			
Loss before income tax		**(1,101,717)**	(104,787)
Adjustments for:			
Bank interest income		**(271)**	(278)
Depreciation of property, plant and equipment	8(c)	**17,967**	42,573
Depreciation of right of use assets	8(c), 14	**466**	468
Impairment loss on property, plant and equipment	14	**992,478**	-
Impairment loss on investment properties	15	**17,774**	-
Loss of disposal of property, plant and equipment	7	**1,090**	1,092
Property, plant and equipment written off	7	**14,667**	33,435
Consumable written off		**701**	-
Impairment loss on intangible assets	16	**4,734**	-
Amortisation of intangible assets	16	**136**	498
Compensation received	7	**(301)**	(3,250)
Impairment loss on deposit and prepayment		**20,327**	-
Provision for litigation claim	30	**15,542**	-
Amortisation of deferred government grants	7	**(240)**	(478)
Release of provision for deferred government grants	7	**(11,328)**	-
Other payables written off		**7**	-
Prepayments written off		**944**	-
Other receivables written off		**(67)**	-
Exchange loss		**184**	31
		(26,907)	(30,696)
Decrease/(increase) in inventories		**198**	(254)
Decrease in trade receivables		**9,822**	23,767
Decrease/(increase) in prepayments, deposits and other receivables		**944**	(94)
(Decrease)/increase in trade payables		**(2,677)**	359
(Decrease)/increase in accrued liabilities and other payables		**(8,966)**	7,149
Cash (used in)/generated from operations		**(27,586)**	231
Income taxes paid		**-**	(192)
Net cash (used in)/generated from operating activities		**(27,586)**	39
Cash flows from investing activities			
Purchases of property, plant and equipment	14	**(2,020)**	(5,976)
Prepayment for intangible assets		**-**	(8,000)
Proceed from disposal of property, plant and equipment		**235**	5
Compensation received		**301**	3,250
Interest received		**271**	278
Net cash used in investing activities		**(1,213)**	(10,443)
Cash flows from financing activities			
Repayment of principal on lease liabilities	34	**(45)**	(41)
Repayment of interest on lease liabilities	34	**(744)**	(748)
Advance/(repayment to) from a director	34	**1,883**	(8,478)
Net cash generated from/(used in) financing activities		**1,094**	(9,267)
Net decrease in cash and cash equivalents		**(27,705)**	(19,671)
Cash and cash equivalents at beginning of year		**118,652**	138,316
Effect of foreign exchange rate changes		**(8)**	7
Cash and cash equivalents at end of year		**90,939**	118,652

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

1. GENERAL CORPORATE INFORMATION

China Shenshan Orchard Holdings Co. Ltd. (the "Company") was incorporated in Bermuda on 12 February 2008 under the Bermuda Companies Act as an exempted company with limited liability. The address of its registered office is located at Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda. The principal place of business of the Company is located at 12 Guanghua Road, Chi Ma Port Industrial Zone, Chibi, Hubei Province, the People's Republic of China (the "PRC").

The Company's shares are listed on the Catalist board of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are set out in note 13 to the financial statements. The Company and its subsidiaries are referred to as the "Group" hereinafter.

The consolidated financial statements of the Group, the statement of financial position and statement of changes in equity of the Company for the year ended 31 December 2025 were approved for issue by the Board of Directors on 7 April 2026.

2. BASIS OF PREPARATION AND GOING CONCERN ASSUMPTION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") which collective term includes all applicable IFRS Accounting Standards, International Accounting Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretation Committee ("IFRIC") of the IASB. The financial statements also include the applicable disclosure requirements of the Listing Manual of the SGX-ST.

The financial statements have been prepared under the historical cost basis except for biological assets, kiwifruits. The financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 5 to the financial statements.

During the year, the Group encountered operational challenges in its principal activity of planting, cultivating, and selling fresh Kiwifruits (the "Kiwifruit Operation") due to climate change and disease outbreaks (the "Unfavourable Planting Conditions"). After the Group completed a thorough operational and biological assessment of the Unfavourable Planting Conditions in June 2025, management decided to suspend the Kiwifruit Operation. This suspension has had an adverse impact on the Group's financial performance. Following the suspension, the Group shifted its core activity to the leasing of agricultural land (the "Leasing Activity").

For the year ended 31 December 2025, the Group recorded a loss of approximately RMB887,817,000. As at 31 December 2025, cash and cash equivalents of the Group amounted to approximately RMB90,939,000.

In view of these circumstances, the directors of the Company (the "Directors") have assessed the Group's future working capital requirements and are of the view that the Group has sufficient financial resources to continue as a going concern and meet its liabilities as and when they fall due. For the purpose of assessing going concern basis, the Directors have carefully considered the Group's cash flow forecast covering a period of twelve months from the end of the reporting period (the "Cash Flow Forecast"), taking into the account the expected revenue from the Leasing Activity, and the ongoing cost-control measures implemented to streamline its operation in the PRC and maintain liquidity.

Based on the Cash Flow Forecast, the Directors are of the opinion that, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due in the forecast period in order to enable the Group to continue as a going concern. The Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

3. ADOPTION OF IFRS ACCOUNTING STANDARDS

3.1 Adoption of new and revised IFRS Accounting Standards

The Group has adopted the following amendments to IFRS Accounting Standards which are relevant to the Group's operations for the first time in the current year:

Amendments to IAS 21 and IFRS1	Lack of Exchangeability
Amendments to Illustrative Example on IFRS 7, IFRS18, IAS1, IAS8, IAS36 and IAS37	Disclosures about Uncertainties in the Financial Statement

The new or amended IFRS Accounting Standards that are effective from 1 January 2025 did not have any significant impact on the Group's accounting policies.

3.2 Issued but not effective IFRS Accounting Standards

The Group has not applied the following new and revised IFRS Accounting Standards, which have been issued and are potentially relevant to the Group's operations but are not yet effective, in these financial statements.

Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments[1]
Various	Annual Improvements to IFRS Accounting Standards – Volume 11[1]
IFRS 9 and IFRS 7	Contracts Referencing Nature dependent Electricity[1]
IAS 8	Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors)[2]
IFRS 18	Presentation and Disclosure in Financial Statements[2]
IFRS 19	Subsidiaries without Public Accountability[2]
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]

1 Effective for annual periods beginning on or after 1 January 2026
2 Effective for annual periods beginning on or after 1 January 2027
3 A date to be determined by the IASB

Other than IFRS 18 for which the directors of the Company are still evaluating the impact to the presentation and disclosure in the consolidated financial statements, the directors of the Company anticipate that the application of these new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

3. ADOPTION OF IFRS ACCOUNTING STANDARDS (Continued)

3.2 Issued but not effective IFRS Accounting Standards (Continued)

Presentation and Disclosure in Financial Statements (IFRS 18)

IFRS 18 will replace IAS 1 Presentation of Financial Statements. IFRS 18, which was published by the IASB on 9 April 2024, sets out significant new requirements for how financial statements are presented, with particular focus on:

The statement of profit or loss, including requirements for mandatory sub-totals to be presented. IFRS 18 introduces requirements for items of income and expense to be classified into one of five categories in the statement of profit or loss. This classification results in certain sub-totals being presented, such as the sum of all items of income and expense in the operating category comprising the new mandatory 'operating profit or loss' sub-total.

Aggregation and disaggregation of information, including the introduction of overall principles for how information should be aggregated and disaggregated in financial statements.

Disclosures related to management-defined performance measures (MPMs), which are measures of financial performance based on a total or sub-total required by IFRS Accounting Standards with adjustments made (e.g. 'adjusted profit or loss'). Entities will be required to disclose MPMs in the financial statements with disclosures, including reconciliations of MPMs to the nearest total or sub-total calculated in accordance with IFRS Accounting Standards.

The aim of the IASB in publishing IFRS 18 is to improve comparability and transparency of companies' performance reporting. IFRS 18 has also resulted in narrow changes to the statement of cash flows.

IFRS 18 is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these financial statements are summarised below. These policies have been consistently applied to all the years presented.

4.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 December each year.

Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

4.2 Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, interests in subsidiaries together with advances from the Company which are neither planned nor likely to be settled in foreseeable future are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

4.3 Property, plant and equipment

Property, plant and equipment, other than construction in progress ("CIP"), are stated at cost less accumulated depreciation and any impairment losses.

A bearer plant is a living plant that:

(i) is used in the production or supply of agricultural produce;

(ii) is expected to bear produce for more than one period; and

(iii) has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Bearer plants comprise fruit trees of kiwifruits ("Fruit Trees") in the woodlands, of which the forest use rights certificates have been issued to the Group for the purpose of the plantation of kiwifruits for sale.

Bearer plants are stated at cost less impairment losses before they reach maturity. Depreciation of bearer plants is started from the stage that bearer plants reach stage of maturity.

CIP, which represents buildings under construction, is stated at cost less accumulated impairment losses. Cost comprises direct costs incurred during the periods of construction, installation and testing. No depreciation is provided on CIP until such time as the relevant assets are completed and ready for intended use. When the assets concerned are available for use, the costs are transferred to property, plant and equipment and depreciated in accordance with the policy as stated above.

Depreciation is provided to write off the cost of property, plant and equipment, less any estimated residual values, using the straight-line method, over the following estimated useful lives:

Right-of-use assets	Over the lease term and 46 – 50 years
Leasehold buildings	Over the shorter of lease terms and useful lives of 20 – 50 years
Plant and machinery	2 - 10 years
Furniture, fixtures and office equipment	5 years
Transportation equipment	10 years
Farmland infrastructure and equipment	20 to 40 years
Bearer plants	40 years

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

4.4 Investment properties

Investment property is property held either to earn rentals or for capital appreciation or for both, but not held for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged so as to write off the cost of investment property net of estimated residual value over the estimated useful live using straight-line method. The useful live, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each of the reporting period. The useful lives are as follows:

Woodlands	Over the lease term and 46 – 50 years

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

4.5 Leases

All leases are required to be capitalised in the consolidated statement of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term less than 12 months. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

Right-of-use asset

The Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-to-use at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability. For right-of-use assets that meet the definition of a leasehold land and buildings held for own use, they are carried at depreciated cost less accumulated impairment losses.

The Group accounts for leasehold land and buildings which is held for own use under IAS 16 and are carried at depreciated cost less accumulated impairment losses.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets in "property, plant and equipment", the same line item within which the corresponding underlying assets would be presented if they were owned.

Lease liability

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the Group's incremental borrowing rate.

Accounting as a lessor

Classification and measurement of leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased assets to the lessee. All other leases are classified as operating leases. The Group leases certain of its owned properties under operating lease arrangements with leases negotiated as short-term to third-party and related companies. Rental income from operating leases is recognised in profit or loss on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on the straight-line basis over the lease term.

Sublease

Right-of-use assets for leased properties held for sub-leases under operating lease meet the definition of investment properties. At the date of initial recognition, leased properties held for sub-leases were assessed whether the sub-leases classified as an operating lease or finance lease individually based on the remaining contractual terms and conditions of the head lease and the sub-lease at that date. Right-of-use assets of all sub-leases that are classified as operating lease are classified as investment properties and are measured under the cost model in accordance with the Group's accounting policies for investment properties.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

4.6 Intangible assets

Intangible assets acquired separately are initially recognised at cost. The cost of intangible assets acquired in a business combination is fair value at the date of acquisition. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is provided on a straight-line basis over their useful lives as follows. The amortisation expense is recognised in profit or loss and included in administrative and other expenses.

Licensing rights	10 to 20 years

4.7 Biological assets

Agricultural produce — Harvested Kiwifruit (the "Fresh Fruits")

Agricultural produce harvested from bearer plants is measured at their fair value less costs to sell at the point of harvest. Such measurement is the cost at that date when applying IAS 2 Inventories. A gain or loss arising from agricultural produce at the point of harvest at fair value less costs to sell is included in profit or loss for the period in which it arises.

4.8 Inventories and consumables

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less applicable selling expenses.

Fresh Fruits are agricultural produce harvested from the Group's biological assets. Upon harvest, agricultural produce is initially recognised at their fair values less costs to sell at the point of harvest. Agricultural produce is then transferred to inventories and is carried at the lower of cost and net realisable value. Upon subsequent sales, such amount of the inventories initially recognised is charged to the cost of sales in the consolidated statement of comprehensive income.

Consumables for own consumption are stated at cost. Cost is determined using the weighted average method.

4.9 Financial assets

The Group's and the Company's financial assets include trade receivables, deposits and other receivables and cash and cash equivalents and are classified investments in debt instruments.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments at amortised cost.

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

4.9 Financial assets (Continued)

Impairment loss on financial assets

The Group recognises loss allowances for expected credit loss ("ECL") on the financial assets measured at amortised cost. The ECLs are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date: and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The ECLs for the Group's trade receivables are measured at lifetime ECLs. The ECLs for other financial assets that are classified at amortised cost are based on the 12-months ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group considers a financial asset to be default when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due, unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

The Group considers a financial asset to be credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

4.9 Financial assets (Continued)

Impairment loss on financial assets (Continued)

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets interest income is calculated based on the gross carrying amount.

4.10 Financial liabilities

The Group's and the Company's financial liabilities include trade payables, accrued liabilities and other payables, amounts due to subsidiaries, bank loans and lease liabilities.

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Interest charges incurred for expenditure as part of cost of the Group's qualifying assets are capitalised as cost of the qualifying assets when necessary activities are being undertaken to prepare the qualifying assets for their intended use or sale. The Group's qualifying assets include fruit trees of kiwifruits which are not yet mature, and those that are under grafting process. All other interest related charges are recognised as an expense in finance costs in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

4.11 Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Group are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

4.12 Revenue recognition

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Revenue is recognised at a point in time when the customer obtains control of the goods or service.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

4.12 Revenue recognition (Continued)

(i) Sale of agricultural produce - kiwifruits

Revenue from sale of agricultural produce is recognised at a point in time when control of the products has transferred, being when the products are delivered to the customers and there is no unfulfilled obligation that could affect the customer's acceptance of the products and collectability of the related receivables is reasonably assured.

For contracts where the period between the payment and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

(ii) Rental income

Rental income under operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

(iii) Interest income

Interest income is accrued on a time basis on the principal outstanding using the effective interest rate method.

4.13 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grants will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to agriculture activities and land use rights are included in non-current liabilities as deferred government grants and are recognised in profit or loss on straight line method over the expected lives of the related assets.

4.14 Accounting for income tax

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, tax authorities relating to the current or prior reporting period, that are unpaid at the reporting date.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising on interests in subsidiaries, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

4.15 Employee benefits

Retirement benefits

Pursuant to the relevant regulations of the government in Mainland China, the subsidiaries operating in Mainland China have participated in central pension schemes (the "Schemes") operated by local municipal governments, whereby the subsidiaries in the PRC are required to contribute a certain percentage of the basic salaries of their employees to fund their retirement benefits. The local municipal governments undertake to assume the retirement benefits obligations of all existing and future retired employees of the subsidiaries in the PRC. The only obligation of the Group with respect to the Schemes is to pay the ongoing required contributions under the Schemes mentioned above. Contributions under the Schemes are charged to profit or loss as incurred. There are no provisions under the Schemes whereby forfeited contributions may be used to reduce future contributions.

Short-term employee benefits

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

4.16 Foreign currency translation

The functional currency of the Company is Hong Kong dollars ("HK$"). The financial statements are presented in RMB, which is the functional currency of the principal subsidiaries of the Group whose operations are principally conducted in Mainland China.

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into RMB. Assets and liabilities have been translated into RMB at the closing rates at the reporting date. Income and expenses have been converted into RMB at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the translation reserve in equity. When a foreign operation is sold, such exchange differences are reclassified from equity to profit or loss as part of the gain or loss on sale.

4.17 Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

4.18 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components.

The Group's revenue, assets and capital expenditure are principally attributable to a single geographical region, which is Mainland China.

Accordingly, no separate analysis of segment information by business or geographical segments is presented.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Going concern consideration

As mentioned in note 2, the Directors considered that the Group has the ability to continue as a going concern, and accordingly, the consolidated financial statements for the year ended 31 December 2025 have been prepared on a going concern basis. The assessment of the going concern assumption involves making judgements by the Directors at a particular point of time, about the future outcomes of events or conditions which are inherently uncertain. These include the outcome of the litigation claim, the amount of ultimately payable, and the timing of settlement, as disclosed in note 5(vii).

(ii) Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. These assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value-in-use calculations are undertaken, management estimates the expected future cash flows from the asset or CGU and determines a suitable discount rate in order to calculate the present value of those cash flows.

(iii) Provision for litigation claim

The Group is undergoing legal proceedings in Taiwan. Management determines whether a provision is required by assessing the probability of an outflow of resources and whether a reliable estimate of the obligation can be made.

These assessments involve significant judgement and are based on current available information, including legal advice from external counsel, historical experience, and the current status of the proceedings. As the final outcomes of these legal matters are subject to many uncertainties, the actual settlement may differ from the estimated amounts. Any increase or decrease in the provision would affect the Group's profit or loss in future periods. The carrying amount of provision for litigation claim is disclosed in note 30 to the consolidated financial statements.

6. REVENUE

Disaggregation of revenue

The Group has presented revenue recognised in the following table which is intended to depict the nature, amount, timing and uncertainty of revenue and cash flows. Revenue from contracts with customers within the scope of IFRS 15 and rental income within the scope of IFRS 16 recognised are as follows:

	Group	
	2025	2024
	RMB'000	RMB'000
Sales of Fresh Fruits	**-**	19,305
Rental income	**1,015**	-
	1,015	19,305
Timing of revenue recognition		
Point in time	**-**	19,305
Over time	**1,015**	-

Revenue from sale of Fresh Fruits is recognised at a point in time when the control of product has transferred to the customer. Trading terms with customers are either on a cash basis or on credit. For those customers who trade on credit, a credit period of three months is allowed according to relevant business practice.

Rental income from operating leases is recognised on a straight-line basis over the lease term.

The Group's customer base includes the following customers with whom transactions have exceeded 10% of the Group's revenue. Revenue derived from these customers is as follows:

	Revenue from external customers	
	2025	2024
	RMB'000	RMB'000
Customer A*	**-**	6,004
Customer B*	**-**	2,995
Customer C#	**300**	-
Customer D#	**200**	-
Customer E#	**200**	-
Customer F#	**200**	-

* Revenue derived from the Sales of Fresh Fruit
\# Revenue derived from Rental income

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

7. OTHER LOSSES

	Group	
	2025	2024
	RMB'000	RMB'000
Bank interest income	**271**	278
Government grants		
- relating to property, plant and equipment, and prepaid land lease for own use	**240**	478
- other grants (note)	**-**	1,960
- release of provision of government grants	**11,328**	-
Compensation received	**301**	3,250
Loss on written off of property, plant and equipment	**(14,667)**	(33,435)
Loss on disposal of property, plant and equipment	**(1,090)**	(1,092)
Loss on written off of consumables	**(701)**	-
Written off on other payables	**(7)**	-
Written off on prepayments	**(944)**	-
Written off on other receivables	**67**	-
Others	**(247)**	8
	(5,449)	(28,553)

Note: The amounts mainly represented unconditional cash subsidies from government for subsidising enterprises involving in specific industry in the local region.

8. OPERATING LOSS

The Group's operating loss is arrived at after charging/(crediting):

		Group	
		2025	2024
		RMB'000	RMB'000
(a)	**Employee benefit expenses**		
	Directors' remuneration	**1,679**	8,326
	Salaries, wages and other benefits	**13,132**	29,955
	Retirement benefits scheme contributions	**710**	2,236
		15,521	40,517
	The employee benefit expenses are recognised in the following line items:		
	Cost of sales	**-**	304
	Selling	**2,299**	2,347
	Administrative	**13,222**	33,743
	Other operating expenses	**-**	4,123
		15,521	40,517
(b)	**Cost of sales**		
	Cost of inventories recognised as an expense	**-**	16,714

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

8. OPERATING PROFIT (Continued)

	Group	
	2025	2024
	RMB'000	RMB'000
(c) Other items:		
Depreciation of property, plant and equipment		
- owned assets	**17,886**	42,698
- right-of-use assets	**81**	343
	17,967	43,041
Amortisation of intangible assets	**136**	498
Amortisation of deferred government grants	**(240)**	(478)
Plantation cost of mature bearer plants	**5,612**	5,553

Depreciation of property, plant and equipment is recognised in the following line items:

Selling	**-**	490
Administrative	**4,299**	4,594
Other operating expenses	**13,668**	37,957
	17,967	43,041

9. FINANCE COSTS

	Group	
	2025	2024
	RMB'000	RMB'000
Interest on lease liabilities	**744**	748
Less: Amounts capitalised on property, plant and equipment	**(744)**	(748)
	-	-

For the year ended 31 December 2025, the capitalisation rate of 100% (2024: 100%) used to determine the amount of borrowing costs to be capitalised applicable to the entity's specific borrowings.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

10. DIRECTORS' REMUNERATION

For the year ended 31 December 2025 and 2024, the remuneration of the directors of the Company analysed into the following bands is disclosed in compliance with paragraph 1204(10D) of Chapter 12 of the Listing Manual of SGX-ST:

	Executive directors	Non-executive directors	Total
For the year ended 31 December 2025			
Above S$100,000 (equivalent to RMB579,000)	**1**	**-**	**1**
S$50,001 - S$100,000 (equivalent to RMB290,000 – RMB579,000)	**1**	**-**	**1**
Below S$50,000 (equivalent to RMB290,000)	**-**	**3**	**3**
For the year ended 31 December 2024			
Above S$500,000 (equivalent to RMB2,897,000)	1	-	1
S$250,001 - S$500,000 (equivalent to RMB1,448,000 – RMB2,897,000)	1	-	1
Below S$250,000 (equivalent to RMB1,448,000)	-	5	5

11. INCOME TAX CREDIT

	Group	
	2025	2024
	RMB'000	RMB'000
Current tax – Mainland China		
- Charge for the year	**-**	490
- Over-provision in respect of prior year	**(2)**	-
Deferred tax (note 26)	**(213,898)**	(5,860)
Income tax credit	**(213,900)**	(5,370)

Pursuant to the rules and regulations of Bermuda and the British Virgin Islands ("BVI"), the Group is not subject to any taxation under these jurisdictions during the years presented.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong during the years presented.

The provision for Mainland China income tax has been made at the statutory income tax rate of 25% (2024: 25%) on the assessable profits of the PRC subsidiaries of the Group in accordance with the PRC Enterprise Income Tax Law. Enterprises that engage in certain qualifying agricultural business are eligible for certain tax benefits, including full enterprise income tax exemption on profits derived from agricultural business. The Group located in the PRC engaged in qualifying agricultural business is entitled to full exemption of enterprise income tax on profits derived from agricultural business.

The one-off unconditional government grants received are subject to the PRC income tax with tax rate of 25%.

11. INCOME TAX CREDIT (Continued)

Reconciliation between income tax credit and accounting loss at applicable tax rate is as follows:

	2025	2024
	RMB'000	RMB'000
Loss before income tax	**(1,101,717)**	(104,787)
Tax at the applicable tax rate of 25%	**(275,430)**	(26,197)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Effect of non-deductible expenses	**275,916**	35,649
Over provision in respect of prior years	**(2)**	-
Effect of non-taxable income	**(486)**	(8,962)
Effect of temporary difference not recognised	**-**	(5,860)
Reversal of taxable temporary differences	**(213,898)**	-
Income tax credit	**(213,900)**	(5,370)

12. LOSS PER SHARE

Basic loss per share is calculated based on the Group's loss attributable to owners of the Company of RMB887,817,000 (2024: RMB99,417,000) divided by the weighted average number of 79,828,927 (2024: 79,828,927) ordinary shares in issue during the year.

There were no dilutive potential ordinary share in issue for the year ended 31 December 2025 and 2024. Accordingly, the diluted profit per share presented are the same as the basic loss per share.

13. INTERESTS IN SUBSIDIARIES

	Company	
	2025	2024
	RMB'000	RMB'000
Unquoted equity shares, at cost	**952,120**	952,120
Less: Impairment loss	**(853,609)**	-
	98,511	952,120

Great Resolute Limited is directly held by the Group, a wholly own subsidiary of the Group. Based on the investment value at the reporting date, the cost of investment amounted to RMB952,120,000 (2024: RMB952,120,000). The Group undertook an impairment assessment of its investment in subsidiary and estimated its recoverable amount, taking into consideration of the recoverable amount is less than the carrying amount of the subsidiary. The recoverable amount is based on the higher of value-in-use ("**VIU**") and fair value less cost of disposal. The VIU calculation uses cash flow projections based on the financial budgets approved by the directors of the Company based on their best estimations. The projected period covered 5 years and the pre-tax discount rate used in the forecast was 11% and terminal growth rate of 2.5% was adopted. Based on the result, an impairment loss amounting approximately RMB853,609,000 was recognised in the Company's profit or loss during the year ended 31 December 2025. (2024: Nil)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

13. INTERESTS IN SUBSIDIARIES (Continued)

Particulars of the subsidiaries at 31 December 2025 are set out below:

Name	Date and place of incorporation/ establishment	Principal activities and place of business	Issued/ registered and paid-up capital	Equity interest held by the Group	
				2025	2024
<u>Directly held:</u>					
Great Resolute Limited	21 November 2017, BVI	Investment holdings, BVI	US$100	100%	100%
<u>Indirectly held:</u>					
Go National Limited	5 January 2018, Hong Kong	Investment holdings, Hong Kong	HK$100	100%	100%
Chibi Shenshan Xingnong Agriculture Technology Co., Ltd. ("Xingnong Agriculture") 赤壁神山兴农科技有限公司	27 April 2009, the PRC	Leasing of orchards, the PRC	RMB115,990,000	100%	100%
Hubei Shenshan Orchard Technology Co. Ltd. 湖北神山果农科技有限公司 (Note (b))	16 November 2021, the PRC	Inactive	RMB5,000,000	-	100%

Note:

(a) The financial statements of the above subsidiaries were audited by BDO Limited for statutory purpose or group consolidation purpose.

(b) The company was dissolved by the Group during the year ended 31 December 2025.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

14. PROPERTY, PLANT AND EQUIPMENT

Group

	Leasehold buildings RMB'000	Plant and machinery RMB'000	Furniture, fixtures and office equipment RMB'000	CIP RMB'000	Transportation equipment RMB'000	Farmland infrastructure and equipment RMB'000	Bearer plants RMB'000	Right-of-use assets RMB'000	Total RMB'000
	(Note (ii))						**(Note (i))**	**(Note (iii), (iv))**	
Year ended 31 December 2024									
Opening net carrying amount	19,793	22,889	803	1,167	212	34,218	1,015,920	17,032	1,112,034
Additions	-	2,080	9	-	-	-	8,431	-	10,520
Written off	(8,820)	(359)	(2)	-	-	(372)	(23,882)	-	(33,435)
Transfer	-	779	-	(779)	-	-	-	-	-
Depreciation	(1,362)	(5,142)	(710)	-	(83)	(2,736)	(35,608)	(468)	(46,109)
Disposal	-	(94)	(4)	-	-	(999)	-	-	(1,097)
Closing net carrying amount	9,611	20,153	96	388	129	30,111	964,861	16,564	1,041,913
At 31 December 2024									
Cost	15,212	35,660	2,509	388	649	37,421	1,074,579	18,198	1,184,616
Accumulated depreciation and impairment	(5,601)	(15,507)	(2,413)	-	(520)	(7,310)	(109,718)	(1,634)	(142,703)
Net carrying amount	9,611	20,153	96	388	129	30,111	964,861	16,564	1,041,913

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Leasehold buildings RMB'000	Plant and machinery RMB'000	Furniture, fixtures and office equipment RMB'000	CIP RMB'000	Transportation equipment RMB'000	Farmland infrastructure and equipment RMB'000	Bearer plants RMB'000	Right-of-use assets RMB'000	Total RMB'000
	(Note (ii))						(Note (i))	(Note (iii), (iv))	
Year ended 31 December 2025									
Opening net carrying amount	**9,611**	**20,153**	**96**	**388**	**129**	**30,111**	**964,861**	**16,564**	**1,041,913**
Additions	**-**	**-**	**-**	**-**	**-**	**-**	**5,271**	**-**	**5,271**
Written off	**(2,348)**	**(12,120)**	**(59)**	**-**	**(68)**	**(72)**	**-**	**-**	**(14,667)**
Impairment loss	**-**	**(3,483)**	**-**	**-**	**-**	**(26,545)**	**(957,401)**	**(5,049)**	**(992,478)**
Transfer to Investment properties	**(6,337)**	**-**	**-**	**(388)**	**-**	**-**	**-**	**(11,049)**	**(17,774)**
Depreciation	**(926)**	**(3,240)**	**(22)**	**-**	**(61)**	**(3,494)**	**(12,731)**	**(466)**	**(20,940)**
Disposal	**-**	**(1,310)**	**(15)**	**-**	**-**	**-**	**-**	**-**	**(1,325)**
Closing net carrying amount	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
At 31 December 2025									
Cost	**6,527**	**19,671**	**2,402**	**-**	**581**	**37,349**	**956,040**	**-**	**1,022,570**
Accumulated depreciation and impairment	**(6,527)**	**(19,671)**	**(2,402)**	**-**	**(581)**	**(37,349)**	**(956,040)**	**-**	**(1,022,570)**
Net carrying amount	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

During the financial year, the Group acquired property, plant and equipment as follows:

	2025	2024
	RMB'000	RMB'000
Additions of property, plant and equipment	**5,271**	10,520
Less:		
Other payables	**-**	(728)
Finance cost capitalised to bearer plants	**(744)**	(748)
Depreciation of right-of-use assets capitalised to bearer plants	**(185)**	(125)
Depreciation of other property, plant and equipment capitalised to bearer plants	**(2,322)**	(2,943)
Cash payments made to acquire property, plant and equipment	**2,020**	5,976

Notes:

(i) For the year ended 31 December 2025, the Group encountered significant events involving operational challenges within its principal activity of planting, cultivating and selling fresh kiwifruit due to climate change and disease outbreaks.

In June 2025, the Group engaged the Association to conduct an on-site inspection of its nine orchards in Chibi City, Hubei Province, China. According to the Association's report, the mature kiwifruit trees across these orchards are affected by varying degrees of disease, posing significant challenges for ongoing management. Additionally, the newly introduced kiwifruit variety has shown poor resistance to disease, high temperatures, and waterlogging, and does not meet commercial fruit standards.

Having considered the remedy plans with significant investment advised by the Kiwifruit biological expert, the Group has decided to suspend the kiwifruit operation during the year. As a result, no planting, seeding, or harvesting took place during the year.

Following the suspension, the Group shifted its core activity to the leasing of agricultural land. This suspension has had an adverse impact on the Group's financial performance, accordingly, the directors of the Company performed an impairment review on non-financial assets, including investment properties, property plant and equipment, intangible assets and prepayment for intangible assets.

As a result of this change in business model, the composition of the cash-generating units ("CGUs") was reassessed in accordance with IAS 36. Previously, the assets relating to the Kiwifruit Operation were assessed as a single CGU, as the assets generated cash inflows collectively from agricultural production. Upon suspension of the operation and commencement of orchards leasing activities, management determined that cash inflows are now largely independent at the level of individual orchards. Accordingly, for impairment assessment purposes, the Group redefined its CGUs into 9 separate CGUs, each representing an individual orchard together with the related property, plant and equipment that can be leased out independently.

The recoverable amount had been determined based on the higher of the value-in-use ("VIU") calculation and fair value less cost of disposal ("FVLCD") (level 3 of the fair value hierarchy) calculation carried out by AP Appraisals Limited, an independent qualified professional valuer. Both VIU and FVLCD calculations indicated negligible recoverable amounts. The VIU calculation uses cash flow projections based on the financial budgets approved by the directors of the Company based on their best estimations. The projected period covered 5 years and the pre-tax discount rate used in the forecast was 11% and terminal growth rate of 2.5% was adopted. As a result, full impairment loss on property, plant and equipment amounting to approximately RMB992,478,000 was recognised in the consolidated profit or loss during the year ended 31 December 2025.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

Notes:

(ii) As at 31 December 2025, certificates of ownership in respect of certain buildings of the Group in Mainland China with an aggregate net carrying amount of RMB Nil (2024: of RMB1,480,000) had not been issued by the relevant authorities. The directors anticipate that these certificates, based on the advice from the Group's legal advisors, will be issued in the near future and are of the opinion that the Group legally owns the buildings and the aforesaid matter did not have any significant impact on the Group's financial position as at 31 December 2025.

(iii) Right-of-use assets represent the prepaid land lease payments and woodlands in which plantations are situated. The leases for the plantation bases are expiring in 2058 to 2061. The prepaid land lease payments represent up-front payments to acquire interest in the usage of land situated in the PRC, which are held under medium-term leases and are amortised over 50 years on a straight-line basis. The depreciation of right-of-use assets in respect to woodland was capitalised into the cost of bearer plants. For the year ended 31 December 2025, the capitalised depreciation of right-of-use assets were approximately RMB185,000 (2024: RMB125,000).

(iv) Bearer plants represent Fruit Trees on the woodlands located in Chibi City, the PRC. Forest use rights certificates are issued to the Group for the purpose of plantation of kiwifruit. The Group entered into forest use rights transfer agreements and obtained forest use rights in respect of 179 parcels of woodlands, which entitled the Group to use the woodlands until 31 December 2058 to 2061. However, the relevant forest use rights certificates have not been obtained for certain area of woodland located in Luzhuang. As such, the Group followed the advice of the relevant government bureaus, has applied for the certification of land management rights, in order to obtain an official confirmation on the nature and usage of the land and the accompanying forest use rights (the "Land Management Certification"). In the opinion of the directors of the Group, based on the legal advice issued by the PRC legal advisor, the risk of being penalised by the government bureaus in respect of the failure to obtain the forest use right certificates is remote, and it is further confirmed by the government bureaus that the occupation and usage rights of the land by Xingnong Agriculture is in compliance with PRC Laws and Xingnong Agriculture has the right to possess, use and benefit from the land and its agriculture products and other fixtures.

(v) The depreciation of plant and machinery, office equipment, transportation equipment and farmland infrastructure and equipment was capitalised into the cost of immature bearer plants. For the year ended 31 December 2025, the capitalised depreciation was approximately RMB2,322,000 (2024: RMB2,943,000).

(vi) The Group is exposed to a number of risks related to fruits trees plantation. Details are as set out in note 16.

(vii) Prepaid land lease payment represented the Group's leasehold interests under operating leases in land located in Mainland China.

15. INVESTMENT PROPERTIES

	2025	2024
	RMB'000	RMB'000
At the beginning of the year	**-**	-
Transfer from property, plant and equipment	**17,774**	-
Impairment	**(17,774)**	-
At the end of the year	**-**	-

Investment properties are leased to non-related parties under operating lease in note 35. During the year ended 31 December 2025, upon the suspension of the Kiwifruit Operation, the Group leased out several of its agricultural lands to independent third parties, accordingly, the related property, plant and equipment with carrying amount of RMB17,774,000 in note 14 were transferred to investment properties.

For the year ended 31 December 2025, the Group identified indicators of impairment due to the operational challenges detailed in Note 14(i). The Group performed a formal impairment assessment. The recoverable amounts is Nil based on the higher of value-in-use and fair value less cost of disposal. Based on the results, an impairment loss amounting to approximately RMB17,774,000 was recognised in the consolidated profit or loss during the year ended 31 December 2025.

The investment properties included property interest in land located in the PRC with lease terms expiring from 2058 to 2061 (2024: Nil) and the leased properties rented out in the PRC with lease terms of the subleases expiring in 6 years (2024: Nil).

As at 31 December 2025, the building ownership certificates of certain investment properties of the Group have not yet been obtained. In the opinion of the independent PRC legal advisors of the Group, the Group is entitled to obtain the building ownership certificates without legal impediment and is entitled to lawfully and validly use the investment properties during the year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

16. INTANGIBLE ASSETS

	Group Licensing rights RMB'000
Year ended 31 December 2024	
Opening net carrying amount	5,368
Amortisation	(498)
Closing net carrying amount	**4,870**
At 31 December 2024	
Cost	6,661
Accumulated amortisation and impairment	(1,791)
Net carrying amount	**4,870**
Year ended 31 December 2025	
Opening net carrying amount	**4,870**
Amortisation	**(136)**
Impairment	**(4,734)**
Closing net carrying amount	**-**
At 31 December 2025	
Cost	**6,661**
Accumulated amortisation and impairment	**(6,661)**
Net carrying amount	**-**

As at 31 December 2025 and 2024, the licensing rights related to trademark and plant variety rights for kiwifruits.

For the year ended 31 December 2025, the Group identified indicators of impairment within its Kiwifruit business CGU due to the operational challenges detailed in Note 14(i). The Group performed a formal impairment assessment. Based on the results, an impairment loss on intangible assets amounting to approximately RMB4,734,000 was recognised in the consolidated profit or loss during the year ended 31 December 2025.

17. BIOLOGICAL ASSETS

	Fresh Fruits RMB'000
At 1 January 2024	-
Gain arising from changes in fair value less costs to sell	15,776
Transfer of harvested fresh fruits to inventories	(15,776)
At 31 December 2024 and 1 January 2025 and 31 December 2025	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

17. BIOLOGICAL ASSETS (Continued)

The values of agricultural produce harvested measured at fair value less costs to sell during the reporting period were as follows:

	Group	
	2025	2024
	RMB'000	RMB'000
Estimated fair value less costs to sell (RMB'000)		
Fresh fruits	-	15,776
Estimated quantity (kg)		
Fresh fruits	-	1,553,937

Jones Lang LaSalle Corporate Appraisal and Advisory Limited, independent professional valuer, was engaged to determine the fair value less cost to sell of biological assets at the point of harvest. The valuation methodology used to determine the fair value less cost to sell of biological assets is in compliance with both IAS 41, Agriculture, and the "International Valuation Standards (2019)" published by the International Valuation Standards Council with aims to determine the fair value of a biological asset in its present location and condition.

The fair value measurement of the biological assets for the Group is categorised as level 3 fair value measurement within the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement.

During the year, there was no transfer occurred between levels in the hierarchy.

The movement in the fair value of the assets within level 3 of the hierarchy is as follows:

	Group	
	2025	2024
Opening balance (level 3 recurring fair value)	-	-
Gain arising from changes in fair value less costs to sell	-	15,776
Transfer to inventories	-	(15,776)
Closing balance (level 3 recurring fair value)	-	-

The following unobservable inputs were used to measure the Group's biological assets:

Description	Valuation technique	Unobservable Inputs	Range 2024	Range 2025	Inter-relationship between key unobservable inputs and fair value Measurement
Biological assets (i.e. Fresh Fruits)	Market approach	Prices of similar transactions	RMB7.18 – RMB15.95 per kg	Nil	The estimated fair value would increase/(decrease) if: - The prices of similar transactions was higher/(lower) - The packaging fee was lower/(higher)
		Average packaging fee per kilogram	RMB1.45 per kg	Nil	

The fair value measurement is based on the above biological assets' highest and best use, which does not differ from their actual use.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

17. BIOLOGICAL ASSETS (Continued)

The higher the market price, the higher the fair value measurement of the biological assets.

The valuation of Fresh Fruits was compared and determined between market approach by reference to prices of similar transactions and income approach by reference to fair value less cost to sells.

The major assumptions of the valuations of biological assets were made as follows:

(i) The biological assets were in good and saleable condition;

(ii) The growth condition and specification (i.e. size and weight) of biological assets are under similar level of the nutritional treatment, soil conditions or sunlight coverage; and

(iii) No adverse weather condition, plant disease or bacterial infection are materially present by which the growth condition of the biological assets may be impaired.

18. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Group	
	2025	2024
	RMB'000	RMB'000
Non-current		
Prepayment	**-**	20,000
Deposit	**-**	327
	-	20,327
Current		
Prepayments	**52**	828
Other receivables	**-**	82
VAT receivables	**-**	19
	52	929

As at 31 December 2025, the Group's prepayments include an amount of RMB1,000 (2024: Nil) due from a director of the Company. The amount, which mainly represented certain expenses prepaid by the Group on behalf of the director, is unsecured, interest-free and repayable on demand.

The prepayments and deposit as at 31 December 2024 included non-current amount RMB20,000,000 and RMB327,000 for acquiring exclusive kiwifruit variety licensing rights, which has been written off for the year ended 31 December 2025 in Note 14(i).

19. INVENTORIES AND CONSUMABLES

	Group	
	2025	2024
	RMB'000	RMB'000
Consumables	**-**	899

20. TRADE RECEIVABLES

	Group	
	2025	2024
	RMB'000	RMB'000
Trade receivables	**-**	9,822
Less: allowance for impairment of trade receivables	**-**	-
	-	9,822

The Group's trading terms with its existing customers are mainly on credit. The credit period is, in general, ranging from 0 to 90 days or based on the terms agreed in the relevant sales agreements.

The board of directors considers that the fair values of trade receivables which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

The aging analysis of trade receivables, based on invoice date, is as follows:

	Group	
	2025	2024
	RMB'000	RMB'000
0 to 30 days	**-**	-
31 to 60 days	**-**	6
61 to 90 days	**-**	7,792
91 to 180 days	**-**	2,024
	-	9,822

Further details on the Group's credit policy and credit risk arising from trade receivables are set out in note 32.4.

21. CASH AND CASH EQUIVALENTS

Cash and cash equivalents represent cash at banks and in hand. The Group had cash and bank balances denominated in RMB amounting to RMB90,739,000 (2024: RMB118,447,000) which were deposited with banks in Mainland China and held in hand. RMB is not freely convertible into foreign currencies. Under the Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

The Company did not have cash and bank balances denominated in RMB at the reporting date.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The weighted average effective interest rate on cash placed with banks for the year ended 31 December 2025 was 0.05% (2024: 0.2%) per annum.

Included in cash and cash equivalents are the following amounts denominated in currencies other than the functional currencies:

	Group	
	2025	2024
	RMB'000	RMB'000
HKD	**195**	199
USD	**5**	6

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For the financial year ended 31 December 2025

22. ACCRUED LIABILITIES AND OTHER PAYABLES

	Group		Company	
	2025	2024	**2025**	2024
	RMB'000	RMB'000	**RMB'000**	RMB'000
Accrued liabilities and provisions	**3,234**	3,993	**1,656**	1,732
VAT and other payables	**4,366**	10,842	**-**	-
	7,600	14,835	**1,656**	1,732

As at 31 December 2025, the Group's other payables include an amount of RMB2,769,000 (2024: RMB974,000) due to a director of the Company. The amount, which mainly represented certain expenses paid on behalf of the Group by the director, is unsecured, interest-free and repayable on demand.

(i) Included in accruals and other payables of the Group and the Company are the following amounts denominated in currencies other than the functional currencies:

	Group		Company	
	2025	2024	**2025**	2024
	RMB'000	RMB'000	**RMB'000**	RMB'000
HKD	**4,866**	3,171	**1,656**	1,732
SGD	**277**	291	**-**	-

23. AMOUNTS DUE TO SUBSIDIARIES

The amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

24. LEASE LIABILITIES

The Group leases woodlands to operate its business. The leases for the plantation bases will expire between 2058 to 2061. At the end of the reporting period, the Group's woodlands were leased out under operating leases for periods ranging from one to six years (2024: Nil), a substantial portion of which does not have renewal options granted to the lessees. At the end of the reporting period, the Group had contracted with lessor for the following future minimum lease payments under non-cancellable operating leases:

	Woodlands
	RMB'000
At 1 January 2024	9,207
Interest expenses	748
Lease payments	(789)
At 31 December 2024 and 1 January 2025	9,166
Interest expenses	**744**
Lease payments	**(789)**
At 31 December 2025	**9,121**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

24. LEASE LIABILITIES (Continued)

Future lease payments are due as follows:

	Group	
	2025	2024
	RMB'000	RMB'000
Minimum lease payment due:		
- within one year	**789**	789
- more than one year, but not exceeding two years	**789**	789
- more than two years	**24,297**	25,086
	25,875	26,664
Less: future interest expenses	**(16,754)**	(17,498)
Present value of lease liabilities	**9,121**	9,166

The present values of future lease payments are analysed as:

	Group	
	2025	2024
	RMB'000	RMB'000
Current liabilities	**49**	45
Non-current liabilities	**9,072**	9,121
	9,121	9,166

As at 31 December 2025, the effective incremental borrowing rate was 8.9% (2024: 8.9%).

The interest of lease liabilities was capitalised into the cost of bearer plants. For the year ended 31 December 2025, the interest of liabilities was approximately RMB744,000 (2024: RMB748,000). Please refer to note 9 for details of the interest on lease liabilities.

25. DEFERRED GOVERNMENT GRANTS

	Group	
	2025	2024
	RMB'000	RMB'000
At beginning of the year	**11,568**	12,046
Amortisation	**(240)**	(478)
Released due to impairment loss of property, plant and equipment	**(11,328)**	-
At end of the year	**-**	11,568
Less: Current portion	**-**	(478)
Non-current portion	**-**	11,090

The Group's deferred government grants mainly related to acquisition of property, plant and equipment and prepaid land lease payment.

The Group does not have any unfulfilled conditions and other contingencies attaching to government assistance in regard to the government grants that have been recognised at the end of reporting periods.

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For the financial year ended 31 December 2025

25. DEFERRED GOVERNMENT GRANTS (Continued)

During the year ended 31 December 2025, an impairment loss was recognised for property, plant and equipment in full. Consequently, the related deferred government grant of RMB11,328,000 was fully released and recognised in profit or loss to match the recognition of the impairment loss.

26. DEFERRED TAXATION LIABILITIES

The movement of the deferred tax liabilities is as follows:

	Group	
	2025	2024
	RMB'000	RMB'000
At beginning of year	**213,898**	219,758
Credited to profit or loss (note 11)	**(213,898)**	(5,860)
At end of year	**-**	213,898

The significant deferred tax credit recognised during the year ended 31 December 2025 mainly resulted from release of deferred tax liabilities which arose from the fair value adjustment to the carrying amount of biological assets. Such deferred tax liabilities were released upon the suspension of kiwifruit operation.

As at 31 December 2025 and 2024, the deferred tax liabilities represented the taxable temporary differences arising from fair value adjustments from the acquisition of subsidiaries during the eighteen-month period ended 31 December 2021.

As at 31 December 2025, temporary differences relating to the undistributed profits of a subsidiary amounted to NIL (2024: RMB90,474,000). No deferred tax liabilities have been recognised as at 31 December 2025 and 2024 as the Group is in a position to control the dividend policies of these entities and it is probable that these profits will not be distributed to non-PRC entities in the foreseeable future.

27. SHARE CAPITAL

	Par value	Number of ordinary shares (in '000)	RMB'000
Authorised:			
At 1 January 2024, 31 December 2024 and 2025 (HK$4.00 per share)	HK$4.0	100,000	371,239
Issued:			
At 1 January 2024, 31 December 2024 and 2025 (HK$4.00 per share)	HK$4.0	79,829	279,499

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

28. RESERVES

(a) Share premium

The share premium account arises on shares issued at a premium.

(b) Statutory reserves

Statutory reserves comprise statutory surplus reserve and enterprise expansion reserve of the subsidiaries established in the PRC. In accordance with the relevant laws and regulations of the PRC, the Group may be required to transfer 10% of its profit after tax to the statutory surplus reserve until the reserve balance reaches 50% of the respective registered capital. Such reserve may be used to reduce any losses incurred or for capitalisation as paid-up capital. In addition, the Group may be required to make an allocation from its profit after tax to the enterprise expansion reserve. The enterprise expansion reserve may be used for expansion of production facilities or increase in registered capital.

29. COMMITMENTS - GROUP

Capital commitments

The Group had the following outstanding capital commitments:

	Group	
	2025	2024
	RMB'000	RMB'000
Contracted, but not provided for, in respect of:		
- Property, plant and equipment, including CIP	**-**	187

30. OTHER PROVISION

	Group and Company	
	2025	2024
	RMB'000	RMB'000
At beginning of the year	**-**	-
Addition	**15,542**	-
At end of the year	**15,542**	-
Less: Current portion	**(15,542)**	-
Non-current portion	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

30. OTHER PROVISION (Continued)

The Company is undergoing a legal proceeding in Taiwan with an independent third party, namely Securities and Futures Investors Protection Center ("SFIPC"), which is making a claim for damages against the Company (the "Proceedings"). The Proceedings are related to claims by SFIPC (i) claiming that the Company failed to perform the obligations under the undertakings given by the Company to the Taiwan Stock Exchange ("TWSE") and to the holders of Taiwan Depository Receipts representing shares in the Company ("TDRs") 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 Company's 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 the quantum of damages claimed by SFIPC for the above was NT$339,819,428 (equivalent to approximately S$13,860,000), based on a price of NT$4.97 (equivalent to approximately S$0.20) 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 until the repayment date.

On 15 May 2023, the Taiwan counsel of the Company (the "Taiwan Counsel") formally submitted a brief to report to the Intellectual Property and Commercial Court of Taiwan (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 dated 15 February 2023 issued by the Commercial Court 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 judgement would be rendered on 31 May 2023.

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 judgement date without the Company's appearance at such hearing. Upon the Commercial Court rendered a default judgement entirely in favour of SFIPC on 31 May 2023, the Company filed an appeal to the Supreme Court of Taiwan (the "Supreme Court") against the Commercial Court's decision in relation to the Proceedings on 20 June 2023.

On 18 October 2023, based on the invalidity of service of the court papers by the Commercial Court in relation to the Proceedings, the Supreme Court overturned the Commercial Court's decision and ordered a retrial of the case by the Commercial Court. The Commercial Court held the first hearing of the trial on 11 January 2024 with court decision yet to be concluded and scheduled a hearing on 14 March 2024.

On 20 March 2024, the Company received, through the Taiwan Counsel, the official hearing record from the Commercial Court in relation to the hearing on 14 March 2024. The SFIPC maintained its argument that the service of court papers by the Commercial Court were valid and Taiwan Counsel has raised a further defence, in addition to those raised in previous defence brief. The Commercial Court has scheduled the next hearing on 25 June 2024.

On 1 July 2024, the Company received, through its Taiwan Counsels, the official hearing record from the Commercial Court in relation to the hearing for the Proceedings held on 25 June 2024. The SFIPC responded and stated that it would make a separate submission on the basis of claim relied on and the Commercial Court sought to clarify SFIPC's method of calculation of the damages, which the Company's Taiwan Counsels disagreed with. The Commercial Court went through a summary of information received from the TWSE, facts and issues in dispute. Each of SFIPC and the Company stated that it would make submissions on the foregoing. The Commercial Court has scheduled the next hearing on 20 August 2024.

On 27 August 2024, the Company received, through its Taiwan Counsels, the official hearing record from the Commercial Court in relation to the hearing for the Proceedings held on 20 August 2024. The SFIPC had submitted, inter alia, the bases of claims it relied on and its method of calculation of the damages. The Commercial Court informed the Company and SFIPC that there would be a change in the presiding judge of the Proceedings and suggested the Company and SFIPC to enter mediation proceedings. The Company and the SFIPC agreed the suggestion of the Commercial Court and the first mediation proceeding (the "First Mediation") was held on 20 December 2024.

30. OTHER PROVISION (Continued)

In relation to the First Mediation, the Company and the SFIPC have elaborated on their respective arguments and perspectives before the Commercial Court. To facilitate further negotiations, the Commercial Court has requested additional information from the TWSE, furthermore, an additional mediation session has been scheduled for 14 March 2025 (the "Second Mediation"). No conclusive outcome was reached during the First Mediation.

The Company and the SFIPC engaged in 5 mediation sessions, conducted on 14 March 2025, 12 June 2025, 11 July 2025, 22 August 2025 and 13 October 2025. During these sessions, the parties have exchanged several settlement proposals, but negotiations remain ongoing without a final resolution.

Prior to the mediation session scheduled on 30 December 2025 (the "Seventh Mediation"), based on the correspondence exchanged between the Group and the SFIPC prior to the Seventh Mediation, the Group expressed its willingness to consider the proposed settlement amount and payment schedule put forward the board of directors of the SFIPC on 24 December 2025. The next mediation is scheduled on 17 April 2026.

The directors of the Company with the aid of the Taiwan Counsel, considered that, as at 31 December 2025, the Group has a present legal obligation arising from the past events in connection with the legal proceedings and it's probable that an outflow of economic benefit of RMB15,542,000 will be required to settle the obligation, Accordingly, a provision has been recognised. The provision represents the director's best estimation of the expenditure required to settle the obligation at the reporting date, taking into account the outcomes of the disputes in consideration of the SFIPC and discussion with the Court.

31. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following material transactions with a related party at rates and terms agreed by and between the parties:

	2025	2024
	RMB'000	RMB'000
Expenses paid on behalf of the Group by director of the Company	**294**	2,179
Repayment to a director	**-**	10,500

The outstanding balances as at 31 December 2025 and 2024 with related party are disclosed in note 22 to the financial statements.

(b) Compensation of key management personnel

Key management includes members of the board of directors and other members of senior management of the Group. The compensation paid or payable to key management personnel is shown below:

	2025	2024
	RMB'000	RMB'000
- Short term employee benefits	**2,772**	11,341
- Retirement scheme contributions	**64**	90
	2,836	11,431

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32. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

The Group does not have written risk management policies and guidelines. However, the board of directors of the Company meets periodically to analyse and formulate measures to manage the Group's exposure to market risk (including principally changes in interest rates and currency exchange rates), credit risk, business risk and liquidity risk. Generally, the Group employs conservative strategies regarding its risk management. As the Group's exposure to market risk is kept at a minimum level, the Group has not used any derivative or other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes.

32.1 Summary of financial assets and liabilities by category

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

	Group		Company	
	2025	2024	**2025**	2024
	RMB'000	RMB'000	**RMB'000**	RMB'000
Financial assets				
Financial assets measured at amortised cost				
- Trade receivables	**-**	9,822	**-**	-
- Deposits and other receivables	**-**	82	**-**	-
- Cash and cash equivalents	**90,939**	118,652	**5**	5
	90,939	128,556	**5**	5
Financial liabilities				
Financial liabilities measured at amortised cost				
- Trade payables	**-**	1,733	**-**	-
- Accrued liabilities and other payables	**7,374**	6,128	**1,656**	1,732
- Other provision	**15,542**	-	**15,542**	-
- Amounts due to subsidiaries	**-**	-	**33,461**	32,959
- Lease liabilities	**9,121**	9,166	**-**	-
	32,037	17,027	**50,659**	34,691

32.2 Foreign currency risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group does not have significant exposure to foreign currency risk as the Group's businesses are principally located in Mainland China and the Group's transactions are mainly conducted and denominated in RMB, which is the functional currency of majority of the Group's subsidiaries. The Group reviews its foreign currency exposures regularly and does not consider its foreign currency risk to be significant.

The Company does not have significant exposure to foreign currency risk as at 31 December 2025 and 2024.

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

32.3 Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of the changes in market interest rates.

The Group's interest rate risk arises mainly from bank deposits. Bank deposits at floating interest rate expose the Group to cash flow interest rate risk. The Group has not used any derivative contracts to hedge its exposure to interest rate risk. The Group has not formulated a policy to manage the interest rate risk.

Sensitivity analysis - Group

The interest rate of the Group's bank deposits is disclosed in notes 21 to the consolidated financial statements, respectively. At 31 December 2025 and 2024, it is estimated that a general increase/decrease of 100 basis points in interest rates, which was considered reasonably possible by management, with all other variables held constant, would decrease/increase the Group's losses for the year and decrease/increase the accumulated losses by RMB682,000 (2024: increase/decrease retained earnings by RMB890,000).

32.4 Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers and other counterparties and deposits paid in the ordinary course of its operations and its investing activities.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties. The Group's and the Company's substantial cash and bank balances as at 31 December 2025 (99%) and 31 December 2024 (99%) are mainly maintained with one (2024: one) authorised and reputable major bank in Mainland China. The Board of Directors monitors the credit ratings of counterparties regularly. Impairment of cash and cash equivalents have been measured based on 12-month expected credit loss model. At the reporting date, the Group did not expect any material credit losses from non-performance by these banks which are assigned with investment grade ratings of generally at least Baa2 by international credit-rating agencies.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk to each class of financial instruments is the carrying amount of that financial instruments presented in the respective statements of financial position.

For trade receivables, the Group has no significant concentration of credit risk due to its large customer base. The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for trade receivables.

The aging analysis of trade receivables, based on due date, is as follows:

	Group	
	2025	2024
	RMB'000	RMB'000
Current	**-**	7,798
1 to 3 months	**-**	2,024
	-	9,822

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

32.4 Credit risk (Continued)

The Group considers the probability of default upon initial recognition of trade receivables which subsequently measured at amortised cost. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations

- Actual or expected significant changes in the operating results of debtors

- Significant changes in the expected performance and behavior of the debtors, including changes in the payment status of debtors in the Group and changes in the operating results of the debtors

The Group considers the credit risk characteristics and the days past due of the trade receivables to measure the expected credit loss. For the past due trade receivables, the Group has assessed the expected credit loss by considering historical default rates, existing market conditions and forward-looking information. Based on the Group's assessment, expected credit loss rate of trade receivables is close to zero. Therefore, the loss allowance provision for these trade receivables balances was not material.

In respect of deposits, the management makes periodic as well as individual assessment on the recoverability based on historical settlement records, past experience, and also available reasonable and supportive forward-looking information. The management believes that there is no material credit risk inherent in the Group's outstanding balance of deposits.

The credit policies have been followed by the Group since prior years and are considered to have been effective in limiting the Group's exposure to credit risk to a desirable level.

None of the Group's and Company's financial assets are secured by collateral or other credit enhancement.

32.5 Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group is exposed to liquidity risk in respect of settlement of trade payables, accrued liabilities and other payables, bank loans, lease liabilities, and also in respect of its cash flow management.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans, trade financing and capital market financing. Liquidity risk is monitored on an on-going basis.

The liquidity policies have been followed by the Group since prior years and are considered to have been effective in managing liquidity risks.

The tables below analyse the Group's and Company's financial liabilities into relevant maturity grouping based on the remaining contractual maturities at the reporting date. The amounts disclosed in the tables are the contractual undiscounted cash flows.

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

32.5 Liquidity risk (Continued)

Group

	Carrying amount RMB'000	Within one year RMB'000	More than one year RMB'000	Total undiscounted amount RMB'000
As at 31 December 2025				
Accrued liabilities and other payables	**7,374**	**7,374**	**-**	**7,374**
Other provision	**15,542**	**15,542**	**-**	**15,542**
Lease liabilities	**9,121**	**789**	**25,086**	**25,875**
	32,037	**23,705**	**25,086**	**48,791**
As at 31 December 2024				
Trade payables	1,733	1,733	-	1,733
Accrued liabilities and other payables	6,128	6,128	-	6,128
Lease liabilities	9,166	789	25,875	26,664
	17,027	8,650	25,875	34,525

Company

	Carrying amount RMB'000	Within one year RMB'000	Total undiscounted amount RMB'000
As at 31 December 2025			
Accrued liabilities and other payables	**1,656**	**1,656**	**1,656**
Other provision	**15,542**	**15,542**	**15,542**
Amounts due to subsidiaries	**33,461**	**33,461**	**33,461**
As at 31 December 2024			
Accrued liabilities and other payables	1,732	1,732	1,732
Amounts due to subsidiaries	32,959	32,959	32,959

32.6 Fair value measurements

The fair values of deposits, cash and cash equivalents, trade payables, accrued liabilities and other payables and bank loans approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the "fair value hierarchy"):

- Level 1: Quoted prices in active markets for identical items (unadjusted)
- Level 2: Observable direct or indirect inputs other than Level 1 inputs
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

33. CAPITAL MANAGEMENT

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing goods which commensurate with the level of risk.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group, prevailing and projected capital expenditures and projected strategic investment opportunities.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group's and the Company's overall strategy remains unchanged since the previous financial year.

The Group regards total equity presented on the face of the consolidated statement of financial position as capital, for capital management purpose. The amount of capital as at 31 December 2025 amounted to RMB57,996,000 (2024: RMB945,480,000), which the management considers as optimal having considered the projected capital expenditures and the forecast strategic investment opportunities.

The Group is subject to the requirement to maintain statutory reserves as disclosed in note 28(b) to the financial statements. The Group is in compliance with this externally imposed capital requirement for the year ended 31 December 2025 and 2024.

34. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

a. Major non-cash transactions

During the year ended 31 December 2024, addition of property, plant and equipment amounting to RMB728,000 was not yet settled and included in other payables.

b. Changes in liabilities arising from financing activities

	Amount due to a director RMB'000	**Lease liabilities RMB'000**
	(Note 22)	(Note 23)
At 1 January 2024	9,137	9,207
Changes from financing cash flows		
- Repayment of principal on lease liabilities	-	(41)
- Repayment of interest on lease liabilities	-	(748)
- Repayment to a director	(8,478)	-
Amount capitalised on property, plant and equipment	-	748
Foreign exchange movement	315	-
At 31 December 2024 and 1 January 2025	974	9,166
Changes from financing cash flows		
- Repayment of principal on lease liabilities	-	(45)
- Repayment of interest on lease liabilities	-	(744)
- Advance from a director	1,883	-
Amount capitalised on property, plant and equipment	-	744
Foreign exchange movement	(88)	-
At 31 December 2025	2,769	9,121

35. LEASE ARRANGEMENTS

The Group as lessor had future aggregate minimum lease receipts under non-cancellable leases in respect of its properties as follows:

	2025	2024
	RMB'000	RMB'000
Within one year	**1,065**	-
In more than one year but not more than two years	**1,080**	-
In more than two years but not more than three years	**3,420**	-
	5,565	-

The Group leases out certain investment properties which run for initial periods of one to six years (2024: N/A), without an option to renew the lease terms at the expiry date. None of the leases includes contingent rentals.

SHAREHOLDERS' INFORMATION

AS AT 20 MARCH 2026

Class of shares	:	Ordinary shares of HK$4.00 each
Authorised share capital	:	HK$400,000,000.00
Issued and fully paid-up capital	:	HK$319,315,727.20
Number of Shares issued	:	79,828,927
Voting rights	:	One vote per share

The Company does not hold any treasury shares and subsidiary holdings.

STATISTICS OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 - 99	9	0.98	284	0.00
100 - 1,000	288	31.37	185,782	0.23
1,001 - 10,000	492	53.60	1,967,821	2.47
10,001 - 1,000,000	122	13.29	11,182,241	14.01
1,000,001 and above	7	0.76	66,492,799	83.29
	918	**100.00**	**79,828,927**	**100.00**

SUBSTANTIAL SHAREHOLDERS AS AT 20 MARCH 2026

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
Easy Direct International Limited(1)	-	-	13,162,649	16.49
Zhao Chichun(1)	-	-	13,162,649	16.49
Hu Chao(1)	-	-	5,265,060	6.60
Treasure Winner Holdings Limited(2)	23,551,551	29.50	-	-
Wang Peng(2)	-	-	23,551,551	29.50
Keping Guo	8,635,560	10.82	-	-

Notes:

(1) Easy Direct International Limited ("**Easy Direct**") is incorporated for the purpose of allowing the employees of China Shenshan Orchard Holdings Co. Ltd. (the "**Company**") and its subsidiaries (collectively, the "**Group**") to acquire and hold shares in the capital of the Company through Easy Direct.

Mr. Zhao Chichun is the sole shareholder of Easy Direct. Through Easy Direct, Mr. Zhao Chichun (Executive Director and Chief Executive Officer of the Company) and Mr. Hu Chao (former Executive Director and Chief Executive Officer of the Company) each acquired 5,265,060 Shares (representing approximately 6.60% of total number of issued Shares), and the remaining 2,632,529 Shares (representing approximately 3.30% of total number of issued Shares) were acquired by other employees of the Group.

Accordingly, Easy Direct and Mr. Zhao Chichun are deemed to have an interest in the 13,162,649 Shares held through a nominee account with UOB Kay Hian Private Limited by virtue of Section 4 of the Securities and Futures Act 2001 ("**SFA**"), and Mr. Hu Chao is deemed to have an interest in the 5,265,060 Shares held through Easy Direct by virtue of Section 4 of the SFA.

(2) Treasure Winner Holdings Limited ("**Treasure Winner**") is wholly-owned by Mr. Wang Peng and as such, Mr. Wang Peng is deemed interested in 23,551,551 ordinary shares in the Company.

SHAREHOLDERS' INFORMATION

AS AT 20 MARCH 2026

TWENTY LARGEST SHAREHOLDERS AS AT 20 MARCH 2026

No.	Name of Shareholder	Number of Shares	%
1.	UOB KAY HIAN PRIVATE LIMITED	27,678,518	34.67
2.	TREASURE WINNER HOLDINGS LIMITED	17,500,000	21.92
3.	CITIBANK NOMINEES SINGAPORE PTE LTD	8,456,301	10.59
4.	TIGER BROKERS (SINGAPORE) PTE. LTD.	6,439,500	8.07
5.	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	2,364,900	2.96
6.	PHILLIP SECURITIES PTE LTD	2,072,060	2.60
7.	ABN AMRO CLEARING BANK N.V.	1,981,520	2.48
8.	WANG CHUN-JYE	902,200	1.13
9.	DBS NOMINEES (PRIVATE) LIMITED	862,401	1.08
10.	LIM KIM HONG	750,000	0.94
11.	OCBC SECURITIES PRIVATE LIMITED	748,990	0.94
12.	MAYBANK SECURITIES PTE. LTD.	551,500	0.69
13.	LEOW BENG LEE (LIAO MINGLI)	487,000	0.61
14.	LUO BAIWEN	450,000	0.56
15.	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	403,700	0.51
16.	HAH TIING SIU	367,770	0.46
17.	MOHAMMED HUMAYUN KABIR	325,500	0.41
18.	TAN PING	273,700	0.34
19.	WONG YONG CHYE	253,500	0.32
20.	LIN LIXIN	231,400	0.29

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Based on the information available to the Company as at 20 March 2026 and to the best knowledge of the Directors of the Company, approximately 43.19% of the Company's shares are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of China Shenshan Orchard Holdings Co. Ltd. (the "**Company**") will be held at Function Room III, Level 4, 1 Orchard Road, YMCA @ One Orchard, Singapore 238824 on Tuesday, 28 April 2026 at 3.00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Financial Statements of the Company for the financial year ended 31 December 2025 ("**FY2025**"), together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect Mr. Huo Lei, a Director of the Company retiring pursuant to Bye-Law 86(1) of the Bye-Laws of the Company and who, being eligible, offers himself for re-election, as a Director of the Company. **(Resolution 2)**

   *Mr. Huo Lei will, upon re-election as a Director of the Company, remain as Non-Executive and Non-Independent Director of the Company as well as a member of the Audit Committee, the Nominating Committee and the Remuneration Committee of the Company. Mr. Huo Lei is considered to be non-independent by the Board of Directors of the Company ("**Directors**") for the purpose of Rule 704(7) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**").*

   *The information relating to Mr. Huo Lei as required under Rule 720(5) of the Catalist Rules is set out in the corporate governance report in the Annual Report of the Company for FY2025 ("**FY2025 Annual Report**").*

3. To approve the payment of Directors' fees of S$98,125 for the financial year ending 31 December 2026, to be paid half-yearly in arrears (FY2025: S$97,868). **(Resolution 3)**

4. To re-appoint BDO Limited, Certified Public Accountants, Hong Kong and BDO LLP, Public Accountants and Chartered Accountants, Singapore to act jointly and severally as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 4)**

5. To transact any other ordinary business which may properly be transacted at an AGM.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution, with or without any modifications:

6. **SHARE ISSUE MANDATE**

   That pursuant to the Bye-Laws of the Company and Rule 806 of the Catalist Rules, authority be and is hereby given to the Directors of the Company to:

   (a) (i) allot and issue shares in the capital of the Company ("**Shares**") (whether by way of rights, bonus or otherwise); and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued during the continuance of such authority or thereafter, including, but not limited to, the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

   at any time and from time to time thereafter to such persons and on such terms and conditions and for such purposes as the Directors of the Company may in their absolute discretion deem fit; and issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while such authority was in force (notwithstanding that such issue of Shares pursuant to the Instruments may occur after the expiration of the authority contained in this Ordinary Resolution), provided that:

NOTICE OF ANNUAL GENERAL MEETING

(1) the aggregate number of Shares issued pursuant to such authority (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this authority but excluding Shares which may be issued pursuant to any adjustments ("**Adjustments**") effected under any relevant Instrument, which Adjustment shall be made in compliance with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Bye-Laws of the Company for the time being) shall not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), and provided further that the aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders of the Company ("**Shareholders**") (including Shares to be issued in pursuance of Instruments made or granted pursuant to such authority but excluding Shares which may be issued pursuant to any Adjustments effected under any relevant Instrument) does not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculations as may be prescribed by the SGX-ST), for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Ordinary Resolution is passed after adjusting for:

  (i) new Shares arising from the conversion or exercise of any convertible securities;

  (ii) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of this Ordinary Resolution, provided that the share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

  (iii) any subsequent bonus issue, consolidation or sub-division of Shares.

  Adjustments in accordance with sub-paragraphs (2)(i) or (2)(ii) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Ordinary Resolution;

(3) in exercising the authority conferred by this Ordinary Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), and all applicable legal requirements under the Bermuda Companies Act and the Bye-Laws for the time being of the Company; and

(4) unless revoked or varied by the Company in general meeting by ordinary resolution, the authority conferred by this Ordinary Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

[See Explanatory Note (i)] **(Resolution 5)**

By Order of the Board

Ho Hin Yip
Toh Li Ping, Angela
Company Secretaries
13 April 2026

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes to Resolutions to be passed:

(i) Resolution 5 proposed above, if passed, will empower the Directors to allot and issue Shares and convertible securities in the Company. The aggregate number of Shares and convertible securities, which the Directors may allot and issue under this Ordinary Resolution shall not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of passing this Ordinary Resolution. For allotment and issue of Shares and convertible securities other than on a pro-rata basis to all Shareholders, the aggregate number of Shares and convertible securities to be allotted and issued shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings). This authority will, unless previously revoked or varied at a general meeting, expire at the next AGM of the Company.

For the purpose of determining the aggregate number of Shares that may be issued, the percentage of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Ordinary Resolution, after adjusting for new Shares arising from the conversion or exercise of any convertible securities or the exercise of share options or the vesting of share awards which were issued and are outstanding or subsisting at the time of the passing of this Ordinary Resolution and any subsequent bonus issue, consolidation or subdivision of Shares.

Notes:

General

1. The AGM of the Company will be held in a wholly physical format at Function Room III, Level 4, 1 Orchard Road, YMCA @ One Orchard, Singapore 238824 ("**Physical Meeting**") and there will be no option for Shareholders to participate virtually. Shareholders and other attendees who are feeling unwell on the date of the AGM are advised not to attend the Physical Meeting. Please bring along your identification documents (e.g. NRIC/passport) for the Company to verify your identity.

2. Printed copies of the FY2025 Annual Report will not be despatched to Shareholders, unless otherwise requested. Printed copies of (i) this Notice of AGM; (ii) the Proxy Form; and (iii) a request form (to request for printed copies of the FY2025 Annual Report) ("**Request Form**") will be sent to members of the Company, and the electronic copies of which, together with the FY2025 Annual Report, will be posted on the Company's corporate website at the following URL: https://www.ddhlimited.com and the SGX-ST's website at the following URL: https://www.sgx.com/securities/company-announcements.

   To receive a physical copy of the FY2025 Annual Report, please complete and return the Request Form to the registered office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632 no later than 21 April 2026. Alternatively, you may email the completed Request Form to ChinaShenshan-AGM2026@boardroomlimited.com no later than 21 April 2026. A printed copy of the FY2025 Annual Report will then be sent to the address specified by the Shareholders at his/her/its own risk.

3. Authenticated Shareholders and proxy(ies) will be able to ask questions in person at the Physical Meeting. Arrangements have also been put in place to permit Shareholders to submit their questions ahead of the AGM. Please refer to Notes 15 and 16 below for further details.

4. Live voting by poll will be conducted during the AGM for Shareholders and proxy(ies) attending the Physical Meeting.

Voting by proxy

5. A Shareholder (whether individual or corporate) who/which is entitled to attend, speak and vote at the AGM and hold two (2) or more Shares is entitled to appoint not more than two (2) proxies to attend, speak and vote in his/her stead. A proxy need not be a member of the Company.

NOTICE OF ANNUAL GENERAL MEETING

6. Where a Shareholder appoints more than one (1) proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her holding (expressed as percentage of the whole) to be represented by each proxy in the Proxy Form.

7. Persons who hold Shares through relevant intermediaries, other than SRS investors, and who wish to participate in the AGM should contact the relevant intermediary through which they hold such Shares as soon as possible. Persons who hold Shares through relevant intermediaries, other than investors who hold Shares through the Supplementary Retirement Scheme ("**SRS**"), may (i) vote at the AGM if they are appointed as proxies by their respective relevant intermediaries; or (ii) specify their voting instructions to/arrange for their votes to be submitted with their respective relevant intermediaries, and should contact their respective relevant intermediaries as soon as possible in order for the necessary arrangements to be made.

   "**relevant intermediary**" means:

   (a) a banking corporation licensed under the Banking Act 1970 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Shares in that capacity; or

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore, and who holds Shares in that capacity; or

   (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953 of Singapore, in respect of Shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

   SRS investors may (a) vote at the AGM if they are appointed as proxies by their respective SRS Operators, and should contact their respective SRS Operators if they have any queries regarding their appointment as proxies; or (b) specify their voting instructions to arrange for their votes to be submitted with their respective SRS Operators, and should approach their respective SRS Operators as soon as possible in order for the necessary arrangements to be made.

8. In the case of members of the Company whose Shares are entered against their names in the Depository Register, the Company may reject any Proxy Form lodged if such members are not shown to have Shares entered against their names in the Depository Register (as defined in Part IIIAA of the Securities and Futures Act 2001 of Singapore), as at seventy-two (72) hours before the time appointed for holding this AGM as certified by The Central Depository (Pte) Limited to the Company.

9. The Proxy Form must be submitted through any one of the following manners:

   (a) by depositing a physical copy (whether in person or by post) at the registered office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (b) by sending an email to the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at ChinaShenshan-AGM2026@boardroomlimited.com,

   in each case, no later than 3.00 p.m. (Singapore time) on Saturday, 25 April 2026, being not less than seventy-two (72) hours before the time fixed for the AGM, and failing which, the Proxy Form will not be treated as valid.

10. A member who wishes to submit a Proxy Form must first **complete and sign** the Proxy Form, before depositing a physical copy to the address provided above, or scanning and sending it by email to the email address provided above.

NOTICE OF ANNUAL GENERAL MEETING

11. The Proxy Form must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised, failing which the Proxy Form may be treated as invalid. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.

12. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative with respect to the AGM.

13. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form.

14. Completion and submission of the Proxy Form shall not preclude a Shareholder from attending, speaking and voting at the AGM. Any appointment of a proxy or proxies (including the Chairman of the AGM) shall be deemed to be revoked if a Shareholder attends the AGM, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the AGM.

Submission of Questions

15. Shareholders and persons who hold Shares through a relevant intermediary (including SRS investors), or where applicable, their appointed proxy(ies) are strongly encouraged to submit to the Company, questions related to the resolution(s) to be tabled for approval at the AGM in advance of the AGM. In order to do so, their questions must be received by the Company no later than 9.00 a.m. (Singapore time) on Tuesday, 21 April 2026, being at least seven (7) calendar days from the Notice of AGM. Such questions may be submitted in the following manners:

    (a) Shareholders (including SRS investors) may submit their questions electronically by email to ChinaShenshan-AGM2026@boardroomlimited.com; or by post or by depositing at the office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

    (b) persons who hold Shares through relevant intermediaries (other than SRS investors) may submit questions through their relevant intermediary, who in turn may submit a consolidated list of questions to the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., by email to ChinaShenshan-AGM2026@boardroomlimited.com; and

    (c) Shareholders and persons who hold Shares through a relevant intermediary (including SRS investors) who submit questions in advance of the AGM should provide the following information to the Company (or, in the case of persons who hold Shares through a relevant intermediary, their relevant intermediary) for verification purposes:

        (i) the Shareholder's full name;
        (ii) the Shareholder's address, contact number and email; and
        (iii) the manner in which the Shareholder holds Shares (e.g. if you hold Shares directly, please provide your NRIC/Passport No.; otherwise, please state if you hold your Shares through SRS, or through a relevant intermediary).

16. Shareholders attending the AGM may also ask questions at the AGM. The Company will endeavour to address all substantial and relevant questions (which are related to the resolutions to be tabled for approval at the AGM) received in advance of the AGM by publishing its responses to such questions, if any, on the Company's corporate website at the following URL: https://www.ddhlimited.com and on SGXNet at the following URL: https://www.sgx.com/securities/company-announcements at least forty-eight (48) hours prior to the deadline for submission of the Proxy Form, or otherwise, at the AGM.

    Should there be subsequent clarification sought, or follow-up questions after the deadline of the submission of questions, the Company will address those substantial and relevant questions during the AGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

NOTICE OF ANNUAL GENERAL MEETING

Minutes of the AGM

17. The Company will publish the minutes of the AGM within one (1) month after the AGM on the Company's corporate website at the following URL: https://www.ddhlimited.com/investor-relations and on SGXNet at the following URL: https://www.sgx.com/securities/company-announcements and the minutes will include the responses to the substantial and relevant questions received from Shareholders which are addressed during the AGM.

Personal data privacy:

By attending the AGM, submitting questions in advance of the AGM and/or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at, the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data, as contained in any communication from or on behalf of the member in relation to the AGM (including but not limited to questions sent in advance of the AGM and proxy forms), by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes, questions submitted and the answers thereto for disclosure and publication before, at or after (as the case may be) the AGM and/or on SGXNet and the Company's corporate website (including publication of names of the Shareholders/proxies/representatives asking questions) and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules including code of corporate governance, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that all information submitted is true and accurate, and where the member discloses the personal data of the member's proxy(ies), representative(s) and/or any other party to the Company (or its agents or service providers), the member has obtained the prior consent of such party(ies) for the collection, use and disclosure by the Company (or its agents or service providers) of their personal data for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

China Shenshan Orchard Holdings Co. Ltd.
(Company Registration No. 41457)

12 Guanghua Road,
Chi Ma Port Industrial Zone,
Chibi, Hubei Province, PRC.