

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

PROFIT GUIDANCE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The board of directors (the “**Board**”) of China ShenShan Orchard Holdings Co. Ltd. (the “**Company**”, and collectively with its subsidiaries, the “**Group**”) wishes to announce that, based on a preliminary review of the unaudited consolidated financial results of the Group for the financial year ended 31 December 2023 (“**FY2023**”), the Group is expected to record a lower net profit for FY2023, as compared to the net profit recorded for the prior financial year ended 31 December 2022.

The lower net profit is mainly due to:

- (a) a decrease in revenue due to a drop in average selling price stemming from lower demand for premium kiwifruits amidst the soft economic conditions and weak consumer sentiments in the People’s Republic of China (“**PRC**”). Additionally, there was a decline in the harvest volume of kiwifruits due to a decrease in the number of mature bearer plants following the grafting of kiwifruit cultivars to enhance commercial viability and align with evolving consumer preferences;
- (b) a decrease in the gain arising from changes in fair value of biological assets due to the decreased volume of harvested kiwifruits and a decrease in market prices of kiwifruits in the PRC;
- (c) a decrease in other income due to a decrease in unconditional grants from government-related agencies in the form of cash subsidies, in support of agricultural activities in the PRC; and
- (d) an increase in administrative expenses mainly due to the legal fees incurred in relation to the proceedings brought against the Company by Securities and Futures Investors Protection Center at Taiwan for a claim for damages, and the court application fee for filing of an appeal to the Supreme Court of Taiwan against the Commercial Court’s decision in relation to the proceedings.

The Company is in the process of finalising the unaudited consolidated financial results of the Group for FY2023, and will disclose further details not later than 29 February 2024.

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

By Order of the Board

Zhao Chichun
Executive Director and Chief Executive Officer
21 February 2024