

CHINA SHENSHAN ORCHARD HOLDINGS CO. LTD.

(Incorporated in Bermuda)
(Company Registration No. 41457)

ANNOUNCEMENT PURSUANT TO RULE 706A OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

Pursuant to Rule 706A of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Board of Directors (“**Board**”) of China Shenshan Orchard Holdings Co. Ltd. (“**Company**”, and collectively with its subsidiaries, “**Group**”) refers to:

- (i) the Company’s circular to shareholders dated 31 March 2021 (“**Circular**”) in relation to, *inter alia*, the acquisition of Great Resolute Limited (“**Great Resolute**”) as a very substantial acquisition (“**Xingnong Acquisition**”) and an interested person transaction, and the disposal of Sea Will International Limited (“**Sea Will**”) as a major transaction and an interested person transaction (“**Dukang Disposal**”, together with the Xingnong Acquisition, the “**Transactions**”); and
- (ii) the Company’s previous announcements dated 17 November 2018, 15 November 2019, 8 June 2020, 30 June 2020, 9 December 2020, 30 March 2021, 1 April 2021, 4 May 2021, 6 May 2021, 1 June 2021, 15 June 2021, 24 June 2021 and 3 July 2021 in relation to the Transactions (collectively, the “**Previous Announcements**”),

and wishes to announce the following in respect of the eighteen months period from 1 July 2020 to 31 December 2021.

Any capitalised but undefined terms used herein shall have the same meaning as used in the Circular.

1. Acquisition of Subsidiaries pursuant to the Xingnong Acquisition

Country	Name	Shareholding Percentage Acquired	Consideration for acquisition	Net Asset Value	Date of Acquisition
British Virgin Islands	Great Resolute Limited 宏堅有限公司	100%	See note (1) below	See note (2) below	3 July 2021
Hong Kong	Go National Limited 冠義有限公司	100%			
PRC	Chibi Shenshan Xingnong Agriculture Technology Co., Ltd 赤壁神山兴农业科技 有限公司	100%			

Please refer to the Circular and Previous Announcements for more information.

Notes:

- (1) The Acquisition Consideration was RMB1,111,000,000 and was arrived at on a willing-buyer and willing-seller basis, taking into account, *inter alia*, (i) the market value of the Kiwifruit Business of RMB1,234,000,000 as at 30 June 2018, based on the valuations performed by the Independent Company Appointed Valuer and the Independent Xingnong Appointed Valuer; (ii) future revenue and growth

prospects of the Xingnong Group; and (iii) the Cash Top-up. The Acquisition Consideration was satisfied in full by way of net-off against the Disposal Consideration.

- (2) Based on the unaudited consolidated financial statements of the Xingnong Group for the six months ended 30 June 2021, the net asset value of the Xingnong Group was RMB259,364,000 as at 30 June 2021.

For the purposes of the Xingnong Acquisition, (i) the Company had commissioned the Independent Company Appointed Valuer to undertake an independent valuation of the market value of the 100% equity interest in Xingnong Group; and (ii) the Xingnong Group had commissioned the Independent Xingnong Appointed Valuer to undertake the same. The Xingnong Group Value was RMB1,573,000,000 (being the average of the market values of RMB1,536,000,000 and RMB1,610,000,000 ascribed respectively by the Independent Company Appointed Valuer and the Independent Xingnong Appointed Valuer) as at the Valuation Date of 30 September 2020.

2. Incorporation of Subsidiary

Country	Name	Shareholding Percentage	Issued and Paid-Up Capital	No. of Shares	Date of Incorporation	Principal Activities
PRC	Hubei Shenshan Orchard Technology Co. Ltd. 湖北神山果农科技有限公司	100%	Registered capital of RMB 5 million (which has not been paid-up as at the date of this announcement)	N.A See note (1) below	16 November 2021	Researching and developing new kiwifruit varieties with enhanced tastes, quality, higher yield, higher disease resistance as well as targeting significant challenges in the kiwifruit industry including pests and disease, environmental factors, sustainability and food security with the adoption of technology

Please refer to the Company's previous announcement dated 24 November 2021 for more information.

Note:

- (1) The concept of registered capital, as opposed to issued shares, is applicable to a limited liability company incorporated in the PRC, where voting rights are determined by the respective registered capital contributions into the PRC entity.

3. Disposal of Subsidiaries pursuant to the Dukang Disposal

Country	Name	Shareholding Percentage disposed	Consideration for disposal	Net Asset Value	Date of disposal
British Virgin Islands	Sea Will International Limited	100%	See note (1) below	See note (2) below	3 July 2021
Hong Kong	Trump Dragon Investment Limited	100%			
PRC	Henan Zhongxin Haifu Ltd. (河南中)	100%			

Country	Name	Shareholding Percentage disposed	Consideration for disposal	Net Asset Value	Date of disposal
	新海富商贸有限公司)				
British Virgin Islands	Hugefield Holdings Limited	100%			
Hong Kong	Greater Fortune Investments Limited	100%			
PRC	Henan Siwu Wine Sales Company Limited (河南四五酒业销售有限公司)	100%			
PRC	Luoyang Dukang Holdings Limited (洛阳杜康控股有限公司)	100%			
PRC	Ruyang Dukang Distillers Company Limited (汝阳杜康酿酒有限公司)	100%			
PRC	Henan Dukang Distillers Company Limited (河南杜康酒业股份有限公司)	100%			
PRC	Ruyang Siji Trading Company Limited (汝阳四季商贸有限公司)	100%			
PRC	Luoyang Dukang Sales Company Limited (洛阳杜康酒销售有限公司)	100%			
PRC	Luoyang Dukang Baiyi Wine Sales Company Limited (洛阳杜康佰亿酒业销售有限公司)	100%			
PRC	Yichuan Dukang Jiuzu Asset Management Limited (伊川杜康酒祖资产管理 有限公司)	49%			

Please refer to the Circular and Previous Announcements for more information.

Notes:

- (1) The Disposal Consideration was RMB1,111,000,000 and was arrived at on a willing-buyer and willing-seller basis, taking into account, *inter alia*, (i) the market value of Dukang Group of RMB1,111,000,000 as at 30 June 2018, based on an earlier desktop valuation performed by the Independent Dukang Group Valuer; (ii) the Dukang Group's reported net losses for the financial year ended 30 June 2018; and (iii) the ongoing uncertainties of the Current Business in respect of, *inter alia*, its financial performance. The Disposal Consideration was satisfied in full by way of net-off against the Acquisition Consideration.
- (2) Based on the unaudited consolidated financial statements of the Dukang Group for the six months ended 30 June 2021, the net asset value of the Dukang Group was RMB875,009,000 as at 30 June 2021.

Sea Will was the holding entity in the Dukang Group. For the purposes of the Dukang Disposal, the Company had commissioned the Independent Dukang Group Valuer to undertake an independent valuation of the market value of the entire equity interest in Sea Will. Based on the Independent Dukang Group Valuation Report, the possible market value of Sea Will (before taking into consideration any transaction cost) as at 30 September 2020 was in the region of RMB991,000,000.

By Order of the Board

Hu Chao
Executive Director and Chief Executive Officer
28 February 2022