

DUKANG DISTILLERS HOLDINGS LIMITED

(Incorporated in Bermuda)

(Company Registration Number: 41457)

ENTRY INTO A MEMORANDUM OF UNDERSTANDING WITH CHIBI GREEN INDUSTRY DEVELOPMENT CO., LTD.

The board of directors (the “**Board**” or “**Directors**”) of Dukang Distillers Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that its indirect wholly-owned subsidiary, Chibi Shenshan Xingnong Agriculture Technology Co., Ltd (“**Chibi Shenshan**”), has on 5 July 2021 entered into a non-binding memorandum of understanding (“**MOU**”) with Chibi Green Industry Development Investment Co., Ltd. (“**Green Investment Group**”) for the joint development and cooperation of a land area spanning up to 5,000 mu (or 3.33 km²) located in Chibi City, Hubei Province, the People’s Republic of China for kiwifruit planting and cultivation. The joint development and cooperation will cover a 30-year period commencing 1 January 2022, with a total investment amount of approximately RMB150 million.

Green Investment Group was established in December 2017 and is a state-owned company funded by the Assets Supervision and Administrative Bureau of Chibi City, Hubei Province, with a registered capital of RMB400 million.

Pursuant to the MOU, (i) Chibi Shenshan shall be responsible for the construction and development of the kiwifruit plantation, and the day-to-day management and operation over kiwifruit planting and cultivation of the kiwifruit plantation, and (ii) Green Investment Group shall be responsible for the provision of the investment amount for the construction of the kiwifruit plantation.

The MOU with Green Investment Group is aligned with the Company’s long-term strategic vision, and the Group will be able to, pursuant to its continuous research and development initiatives on biodiversity development, collaborate with Green Investment Group and deploy advanced biotechnological techniques in kiwifruit planting and cultivation.

The MOU does not have any material impact on the consolidated earnings per share and net tangible assets per share of the Company and the Group for the current financial period ending 31 December 2021.

Save for the Directors’ interests arising by way of their shareholdings in the Company and/or directorships in the Group, as the case may be, none of the Directors, the controlling shareholders of the Company, and their respective associates, has any interest, direct or indirect, in the MOU.

The MOU may or may not lead to the entry into a definitive agreement and the transactions contemplated under the MOU may or may not materialise. At the present stage, the definitive terms and conditions of the joint development and cooperation between both Chibi Shenshan and Green Investment Group are yet to be agreed and finalised. The Company will continue to update its shareholders and potential investors as and when there are any material developments.

Shareholders of the Company and potential investors are reminded to exercise caution when dealing in the securities of the Company and should consult their stockbrokers, bank

managers, solicitors, accountants or other professional advisers if they are in doubt about the actions that they should take.

By Order of the Board

Huo Lei
Non-Executive and Non-Independent Director
6 July 2021