

**DUKANG DISTILLERS HOLDINGS LIMITED**  
(Incorporated in Bermuda)  
(Company Registration Number: 41457)

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**QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL**

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The Board of Directors (the “**Board**”) of Dukang Distillers Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) was placed on the watch-list under the minimum trading price (“**MTP**”) entry criteria pursuant to Listing Rule 1311(2) of the SGX-ST Listing Manual on 6 June 2019 and the watch-list under the financial entry criteria pursuant to Listing Rule 1311(1) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual on 4 December 2019.

Following the amendments to the listing rules with effect from 1 June 2020, the financial entry criteria under Listing Rule 1311(1) has been amended to Listing Rule 1311 while the MTP entry criteria has been removed.

Pursuant to Rule 1313(2) of the Listing Manual of the SGX-ST, the Company must, for the period in which it remains on the watch-list, provide the market with a quarterly update on its efforts and the progress made in meeting the exit criteria of the watch-list.

**Update on Unaudited Financial Performance and Financial Position**

The Group's revenue for the second quarter ended 31 December 2020 (“**2QFY2021**”) decreased by RMB1.7 million or 10.5% to RMB14.1 million. During the national lockdown in February 2020 as a result of the outbreak of the COVID-19 pandemic, there was a drastic change in consumers' consumption habit and spending pattern on discretionary consumer goods. The Group's baijiu sales were therefore disrupted since then.

**Update on Future Direction, other material development and efforts for satisfying MTP and Financial exit criterion**

China's economy started the new year on a weaker footing as new COVID-19 outbreaks and pandemic-containment measures are likely to restrain economic activity. According to data from Beijing's National Bureau of Statistics, industrial and services activities eased more than expected in January 2021, with demand taking a particular hit as authorities discouraged travel ahead of February's Lunar New Year festival.

As a result, demand for the Group's baijiu products may continue to be weak due to fresh outbreaks of the COVID-19 in China.

In view of the Group's trend of declining profitability and losses in recent years, the Board undertook a strategic review in FY2018 and proposed to dispose the lossmaking baijiu business and enter into the kiwifruit cultivation and processing industry (the “**Proposed Transactions**”).

For more information on the Proposed Transactions, please refer to the Company's announcements dated 17 November 2018, 15 November 2019, 8 June 2020, 30 June 2020 and 9 December 2020.

By Order of the Board

Zhou Tao  
CEO and Executive Chairman  
9 February 2021