

Circular dated 9 October 2015

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

If you have sold or transferred all your ordinary shares in the capital of Dukang Distillers Holdings Limited (the “**Company**”) held through The Central Depository (Pte) Ltd (“**CDP**”), you need not forward this Circular to the purchaser or the transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or the transferee. If you have sold or transferred all your shares represented by physical share certificate(s), you should immediately forward this Circular, the Notice of Special General Meeting and the enclosed Proxy Forms to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (“**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made, reports contained/referred to, or opinions expressed, in this Circular.



Dukang Distillers Holdings Limited

**DUKANG DISTILLERS HOLDINGS LIMITED**

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

**CIRCULAR TO SHAREHOLDERS**  
**in relation to**

**THE PROPOSED CONSOLIDATION OF EVERY TEN (10) ORDINARY SHARES WITH A PAR VALUE OF HK\$0.40 EACH IN THE AUTHORISED AND ISSUED CAPITAL OF THE COMPANY INTO ONE (1) CONSOLIDATED SHARE WITH A PAR VALUE OF HK\$4.00 EACH IN THE AUTHORISED AND ISSUED CAPITAL OF THE COMPANY**

#### **IMPORTANT DATES AND TIMES**

Last date and time for lodgement of relevant Proxy Form : 26 October 2015, 3.45pm

Date and time of Special General Meeting : 28 October 2015, 3.45pm (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2.30pm on the same day and at the same place, or any adjournment thereof)

Place of Special General Meeting : Ocean 5, Level 2, Pan Pacific Singapore, 7 Raffles Boulevard, Marina Square, Singapore 039595

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## DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:

<b>“AGM” or “Annual General Meeting”</b>	: The annual general meeting of the Company
<b>“Bermuda Companies Act”</b>	: The Companies Act 1981 of Bermuda, as amended or modified from time to time
<b>“Board” or “Board of Directors”</b>	: The Board of Directors of the Company for the time being
<b>“Books Closure Date”</b>	: The time and date to be determined by the Directors at and on which the Register of Members and the Share Transfer Books of the Company will be closed to determine the entitlements of Shareholders to the Consolidated Shares under the Proposed Share Consolidation
<b>“Bye-Laws”</b>	: The bye-laws of the Company as amended, supplemented or modified from time to time
<b>“CDP”</b>	: The Central Depository (Pte) Limited
<b>“Circular”</b>	: This circular to Shareholders dated 9 October 2015
<b>“Companies Act”</b>	: Companies Act (Chapter 50) of Singapore (as may be amended from time to time)
<b>“Company”</b>	: Dukang Distillers Holdings Limited
<b>“Consolidated Shares”</b>	: Consolidated ordinary shares with a par value of HK\$4.00 each in the authorised and issued capital of the Company after completion of the Proposed Share Consolidation
<b>“Depositor Proxy Form”</b>	: Has the meaning ascribed to it in Paragraph 8 of this Circular
<b>“Directors”</b>	: The directors of the Company as at the date of this Circular
<b>“Effective Trading Date”</b>	: Has the meaning ascribed to it in Paragraph 2.3 of this Circular
<b>“EPS”</b>	: Earnings per Share
<b>“FY2015”</b>	: The financial year ended 30 June 2015
<b>“Group”</b>	: The Company and its subsidiaries
<b>“Latest Practicable Date”</b>	: The latest practicable date prior to the printing of this Circular, being 29 September 2015
<b>“Market Day”</b>	: A day on which the SGX-ST is open for trading in securities
<b>“Member Proxy Form”</b>	: Has the meaning ascribed to it in Paragraph 8 of this Circular
<b>“Memorandum of Association”</b>	: The memorandum of association of the Company
<b>“Minimum Trading Price”</b>	: Has the meaning ascribed to it in Paragraph 2.2(a) of this Circular
<b>“New Share Certificates”</b>	: Share certificates for the Consolidated Shares
<b>“NTA”</b>	: Net tangible assets
<b>“Old Share Certificates”</b>	: Share certificates for the existing Shares with a par value of HK\$0.40 each in the capital of the Company
<b>“Proposed Share Consolidation”</b>	: The proposed consolidation of every ten (10) Shares with a par value of HK\$0.40 each in the authorised and issued capital of the Company into one (1) Consolidated Share, fractional entitlements to be disregarded
<b>“Proxy Form”</b>	: Collectively, the Member Proxy Form and the Depositor Proxy Form in respect of the SGM as attached to this Circular
<b>“Register of Members”</b>	: The register of members of the Company
<b>“Securities Account”</b>	: A securities account maintained by a Depositor with CDP (but does not include a securities sub-account maintained with a Depository Agent)
<b>“SGM” or “Special General Meeting”</b>	: The special general meeting of the Company, notice of which is set out on pages 12 to 13 of this Circular
<b>“SGXNET”</b>	: A system network used by listed companies to send information and announcements to the SGX-ST or any other system networks described by the SGX-ST

<b>“SGX-ST”</b>	: Singapore Exchange Securities Trading Limited
<b>“Share Transfer Agent”</b>	: Boardroom Corporate & Advisory Services Pte Ltd
<b>“Shareholders”</b>	: Registered holders of Shares
<b>“Shares”</b>	: Ordinary shares in the capital of the Company
<b>“Substantial Shareholder”</b>	: A person who has an interest (directly or indirectly) in not less than five per cent (5%) of all the voting shares in the Company
<b>“TDRs”</b>	: Has the meaning ascribed to it in Paragraph 2.7 of this Circular
<b>“VWAP”</b>	: Volume weighted average price
<b>“\$” or “S\$” and “cents”</b>	: Singapore dollars and cents respectively, unless otherwise stated
<b>“HKD” or “HK\$”</b>	: Hong Kong dollars, the lawful currency of Hong Kong
<b>“RMB”</b>	: Renminbi, the lawful currency of the People’s Republic of China
<b>“%” or “per cent”</b>	: Percentage or per centum

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively by Section 130A of the Companies Act.

The term **“subsidiary”** shall have the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted. Any word defined under the Companies Act, the Bermuda Companies Act or any modification thereof and used in this Circular shall have the same meaning assigned to it under the Companies Act, the Bermuda Companies Act or any modification thereof.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Where any word or expression is defined in this Circular, such definition shall extend to the grammatical variations and cognate expressions of such word or expression.

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding.

Unless otherwise stated, the following exchange rates as at the Latest Practicable Date has been used in this Circular:

HK\$1 : RMB0.820

The exchange rate as set out above is used for illustration purposes only and should not be construed as a representation that the relevant amounts have been or could be converted at the rates above or at any other rate.

## LETTER TO SHAREHOLDERS

### DUKANG DISTILLERS HOLDINGS LIMITED

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

9 October 2015

#### Directors:

Zhou Tao (*Executive Chairman and Chief Executive Officer*)  
Huo Lei (*Executive Director*)  
Tan Siok Sing (Calvin) (*Lead Independent Director*)  
Ho Teck Cheong (*Independent Director*)  
Chia Seng Hee, Jack (*Independent Director*)  
Jia Guobiao (*Non-Executive and Non-Independent Director*)

#### Registered Office:

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

To: The Shareholders of **DUKANG DISTILLERS HOLDINGS LIMITED**

Dear Sir/Madam

**THE PROPOSED CONSOLIDATION OF EVERY TEN (10) ORDINARY SHARES WITH A PAR VALUE OF HK\$0.40 EACH IN THE AUTHORISED AND ISSUED CAPITAL OF THE COMPANY INTO ONE (1) CONSOLIDATED SHARE WITH A PAR VALUE OF HK\$4.00 EACH IN THE AUTHORISED AND ISSUED CAPITAL OF THE COMPANY**

#### 1. INTRODUCTION

- 1.1 The Directors are convening the SGM to be held on 28 October 2015 to seek Shareholders' approval for the Proposed Share Consolidation.
- 1.2 This Circular has been prepared to provide Shareholders with information relating to the Proposed Share Consolidation, which will be tabled at the SGM.
- 1.3 Shareholders are advised that the SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained in this Circular. The in-principle approval from the SGX-ST is not to be taken as an indication of the merits of the Proposed Share Consolidation, the Consolidated Shares, the Company and/or its subsidiaries.

#### 2. THE PROPOSED SHARE CONSOLIDATION

##### 2.1. Details of the Proposed Share Consolidation

On 4 September 2015, the Directors announced the Proposed Share Consolidation subject to, *inter alia*:-

- (a) the approval of the SGX-ST for the Proposed Share Consolidation and for the dealing in, listing of and quotation of the Consolidated Shares on the SGX-ST; and
- (b) the approval of the Shareholders by ordinary resolution at the SGM of the Company to be convened.

The Company is seeking the approval of Shareholders at the SGM to undertake the Proposed Share Consolidation pursuant to which the Company will consolidate every ten (10) Shares with a par value of HK\$0.40 each in the authorised and issued capital of the Company into one (1) Consolidated Share, fractional entitlements to be disregarded, resulting in an authorised capital of HK\$400,000,000 divided into 100,000,000 Consolidated Shares and an issued capital of HK\$319,315,727 divided into

79,828,931 Consolidated Shares. Accordingly, under the Proposed Share Consolidation, every ten (10) Shares with a par value of HK\$0.40 each in the capital of the Company registered in the name, or standing to the credit of the Securities Account, of each Shareholder or Depositor (as the case may be) as at the Books Closure Date will be consolidated into one (1) Consolidated Share.

**Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their holdings of the Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractions of a Consolidated Share arising from the Proposed Share Consolidation will be disregarded. All fractional entitlements arising from the implementation of the Proposed Share Consolidation will be dealt with in such manner and on such terms as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including (i) aggregating and selling the same and retaining the net proceeds for the benefit of the Company; and (ii) purchasing and cancelling the same or holding the same as treasury shares. Shareholders should note that where fractions of Shares are dealt with by the Company in the manner set out above, they will not be entitled to any proceeds derived from any such dealing, or to any interest or share of revenue or other benefit arising therefrom.**

The Consolidated Shares in issue shall rank *pari passu* in all respects with each other, and will be traded in board lots of 100 Consolidated Shares.

As at the Latest Practicable Date, the Company has an issued ordinary share capital of HK\$319,315,727 (approximately RMB279,499,000) comprising 798,289,318 Shares with a par value of HK\$0.40 each. Following the completion of the Proposed Share Consolidation and assuming no new Shares are issued by the Company, the Company will have an issued share capital of HK\$319,315,727 (approximately RMB279,499,000) divided into approximately 79,828,931 Consolidated Shares as at 29 September 2015.

Subject to Shareholders' approval being obtained for the Proposed Share Consolidation at the SGM to be convened by the Company, Shareholders' and Depositors' holdings of the Consolidated Shares arising from the Proposed Share Consolidation will be ascertained on the Books Closure Date.

**The Proposed Share Consolidation will have no impact on the amount of the authorised and issued capital of the Company. The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the equity of the Company and its subsidiaries.**

Shareholders will not be required to make any payment to the Company in respect of the Proposed Share Consolidation. Shareholders who hold Old Share Certificates may wish to deposit the same with CDP and have their Shares credited to their Securities Accounts with CDP before the announcement of the Books Closure Date, as CDP will only accept for deposit New Share Certificates after the Books Closure Date. The Proposed Share Consolidation will not cause any changes to the percentage shareholding of each Shareholder, other than non-material changes due to rounding. For illustrative purposes: (i) the closing market price of the Shares on the Latest Practicable Date on which the Shares were traded on the SGX-ST is S\$0.087 and upon completion of the Proposed Share Consolidation, the theoretical share price of each Consolidated Share is S\$0.87; and (ii) the VWAP of the Shares for the six-month period immediately preceding the Latest Practicable Date is S\$0.140, and following the Proposed Share Consolidation, the theoretical adjusted VWAP of the Consolidated Shares for such six-month period would be S\$1.40.

## 2.2. Rationale for the Proposed Share Consolidation

The Directors believe that the Proposed Share Consolidation will generally be beneficial to the Company and its Shareholders for the reasons set out below:

### (a) *Compliance with the Minimum Trading Price requirement*

The SGX-ST has introduced a minimum trading price of S\$0.20 (the “**Minimum Trading Price**”) for Mainboard-listed issuers with effect from 2 March 2015 as a continuing listing requirement to address risks associated with low-priced securities and to improve overall market quality. Issuers will be first assessed for compliance with the Minimum Trading Price requirement 12 months from 2 March 2015 (i.e. 1 March 2016). Issuers that fail to fulfil the Minimum Trading Price requirement at the first review date on 1 March 2016 or any of the subsequent quarterly reviews will be placed on the SGX-ST watch-list. The assessment of whether an issuer has met the Minimum Trading Price of S\$0.20 will be based on the issuer’s VWAP of its shares for the six (6) months preceding the date of review. Issuers placed on the watch-list on or after 1 March 2016 will have a 36-month period to exit from the watch-list. Issuers who fail to exit from the watch-list will be subject to delisting in accordance with the listing rules.

For the past six (6) calendar months prior to the Company making the announcement on the Proposed Share Consolidation on 4 September 2015, the Shares have been trading in a range of between S\$0.09 and S\$0.189, which is below the Minimum Trading Price. The highest and lowest closing market prices for each such month and the transacted volume of the Shares traded on the SGX-ST for each such month are as follows:

	Highest Price (S\$)	Lowest Price (S\$)	Volume of traded Shares ('000)
March 2015	0.123	0.115	4,312,400
April 2015	0.145	0.117	4,792,000
May 2015	0.189	0.129	14,866,700
June 2015	0.172	0.15	6,463,200
July 2015	0.132	0.156	7,749,300
August 2015	0.128	0.09	7,312,500

Source: SGX-ST

For illustrative purposes only, the VWAP of the Company’s Shares for the six (6) months prior to the Company making the announcement on the Proposed Share Consolidation on 4 September 2015 is S\$0.144. This is below the Minimum Trading Price.

As such, the Company is seeking to undertake the Proposed Share Consolidation with the purpose of raising the minimum theoretical Share price of the Company so as to facilitate the compliance with the Minimum Trading Price requirement by the Company.

On the assumption that the Proposed Share Consolidation had been in place for the six (6) months prior to the Company making the announcement on the Proposed Share Consolidation on 4 September 2015, the theoretical adjusted 6-month VWAP based on the Consolidated Shares will be S\$1.44.

### (b) *Reduction of magnitude of volatility of the Share price*

As share trading may involve certain minimum fixed expenses (such as minimum brokerage fees), low traded share prices translate to higher transaction costs, relative to the trading price, for each trading of one board lot of Shares. In addition, the low traded Share price may encourage speculation in the Shares, which may result in excessive Share price volatility. The Directors therefore believe that the Proposed Share Consolidation may serve to reduce the fluctuation in magnitude of the Company’s market capitalisation and reduce the percentage transaction cost for trading in each board lot of Shares.

**(c) Increase in the market interest and attractiveness of the Company**

The Proposed Share Consolidation will rationalise the share capital of the Company by reducing the number of authorised and issued Shares. Following the Proposed Share Consolidation, the Board expects that, all other things being equal, the theoretical trading price and NTA of each Consolidated Share in issue would be higher than the trading price and NTA of each existing Share in issue, taking into account the decrease in the number of Shares in issue following the Proposed Share Consolidation. The Directors believe that, with the reduction in the number of Shares in issue and the resulting increase in the theoretical trading price of each Consolidated Share in issue, the Proposed Share Consolidation may increase the profile of the Company amongst the institutional investors and the coverage of the Company amongst research houses and fund managers which may, in turn, increase market interest and activity in the Consolidated Shares, and generally make the Consolidated Shares more attractive to investors.

**Shareholders should note, however, that there can be no assurance that the Proposed Share Consolidation will achieve the desired results, nor is there assurance that such results (if achieved) can be sustained in the longer term.**

**2.3. Conditions of the Proposed Share Consolidation**

The implementation of the Proposed Share Consolidation is subject to the approval of the Shareholders by way of an ordinary resolution at the SGM.

The Company had on 28 September 2015 obtained in-principle approval from the SGX-ST for the dealing in, listing of and quotation for up to 79,828,931 Consolidated Shares on the Official List of the SGX-ST subject to, *inter alia*, Shareholders' approval. Such approval is not to be taken as an indication of the merits of the Consolidated Shares, the Proposed Share Consolidation, the Company and/or its subsidiaries.

An announcement will be made by the Company to notify Shareholders of the date when the Proposed Share Consolidation will become effective and the date on which the Shares will trade on the SGX-ST in board lots of 100 Consolidated Shares (the "**Effective Trading Date**") as well as the Books Closure Date in due course.

**2.4. Updating of Register of Members and Depository Register**

If Shareholders at the SGM approve the Proposed Share Consolidation, Shareholders' and Depositors' entitlements to the Consolidated Shares will be determined on the Books Closure Date, based on their shareholdings as at 5.00 p.m. on such date. The Register of Members and the Depository Register will be updated to reflect the number of Consolidated Shares held by Shareholders and Depositors upon completion of the Proposed Share Consolidation, and the Shares will begin trading in board lots of 100 Consolidated Shares at 9.00 a.m. on the Effective Trading Date.

**2.4.1 Deposit of Share Certificates with CDP**

Shareholders who hold Old Share Certificates in their own names and who wish to deposit the same with CDP and have their Consolidated Shares credited to their Securities Accounts must deposit their Old Share Certificates, together with the duly executed instruments of transfer in favour of CDP, no later than twelve (12) Market Days prior to the Books Closure Date. After the Books Closure Date, CDP will only accept for deposit New Share Certificates.

Shareholders who wish to deposit their Old Share Certificates with CDP after the Books Closure Date must first deliver such Old Share Certificates to the Share Transfer Agent of the Company, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623, for cancellation and issue of the New Share Certificates in replacement thereof as described below. The New Share Certificates will then be sent by ordinary mail to the registered addresses of the Shareholders at their own risk within ten (10) Market Days from the date of receipt of their Old Share Certificates. Upon receipt of the New Share Certificates, Shareholders may then proceed to deposit these New Share Certificates with CDP.



#### **2.4.2 Issue of New Share Certificates**

Shareholders who have deposited their Old Share Certificates with CDP at least twelve (12) Market Days prior to the Books Closure Date need not take any action. The Company will make arrangements with CDP to effect the exchange of New Share Certificates pursuant to the Proposed Share Consolidation.

Shareholders who have not deposited their Old Share Certificates as aforesaid or who do not wish to deposit their Old Share Certificates with CDP are advised to forward all their Old Share Certificates to the Share Transfer Agent of the Company, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623, as soon as possible after they have been notified of the Books Closure Date and preferably, not later than five (5) Market Days after the Books Closure Date for cancellation and exchange for New Share Certificates. The New Share Certificates will be sent by ordinary mail to the registered addresses of the Shareholders at their own risk within ten (10) Market Days from the Books Closure Date or the date of receipt of the Old Share Certificates, whichever is later.

Shareholders are to deliver their respective Old Share Certificates to the Share Transfer Agent of the Company or CDP in accordance with the provisions set out in this Paragraph 2.4.2 only after the announcement of the Books Closure Date by the Company.

No receipt will be issued by the Share Transfer Agent of the Company for the receipt of the Old Share Certificates tendered.

Shareholders should note that New Share Certificates will not be issued to Shareholders unless their Old Share Certificates have been tendered to the Share Transfer Agent of the Company for cancellation.

Please notify the Share Transfer Agent of the Company, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623, if you have lost any of your existing Old Share Certificates or if there is any change in your address from that reflected in the Register of Members of the Company.

#### **2.4.3 Share Certificates Not Valid for Settlement of Trades on SGX-ST**

Shareholders are reminded that their Old Share Certificates are no longer good for settlement of trading in the Shares on the SGX-ST, as the Company is under a book-entry (scripless) settlement system, but will continue to be accepted by the Share Transfer Agent for cancellation and issue of New Share Certificates in replacement thereof for an indefinite period. The New Share Certificates will not be valid for delivery for trades done on the SGX-ST although they will continue to be *prima facie* evidence of legal title.

### **2.5. Trading Arrangements for the Shares and Odd Lots**

#### **2.5.1 Trading Arrangements for the Shares**

Subject to the approval of the Shareholders for the Proposed Share Consolidation at the SGM, with effect from 9.00 a.m. on the Effective Trading Date, trading in the Shares will be in board lots of 100 Consolidated Shares. Accordingly, every ten (10) Shares with a par value of HK\$0.40 each in the capital of the Company as at 5.00 p.m. on the Market Day immediately preceding the Effective Trading Date will represent one (1) Consolidated Share with effect from 9.00 a.m. on the Effective Trading Date. Trading in the existing Shares with a par value of HK\$0.40 each in the capital of the Company will cease after 5.00 p.m. on the Market Day immediately preceding the Effective Trading Date.

#### **2.5.2 Trading Arrangements for Odd Lots**

The Shares in issue are currently traded in board lots of 100 Shares in the ready market. Following the Proposed Share Consolidation, the Securities Accounts of Depositors may be credited with odd lots of Consolidated Shares (that is, lots other than board lots of 100 Consolidated Shares). The market for trading of such odd lots of Consolidated Shares may be illiquid. Trading in odd lots of Consolidated Shares may also give rise to disproportionate transaction costs. Depositors who receive odd lots of Consolidated Shares pursuant to the

Proposed Share Consolidation and who wish to trade such odd lots of Consolidated Shares on the SGX-ST should note that odd lots of Consolidated Shares can trade with a minimum size of one (1) Consolidated Share on the SGX-ST's unit share market. The unit share market will enable trading in odd lots in any quantity less than one (1) board lot of the underlying Consolidated Shares in the ready market.

## 2.6. Financial Effects of the Proposed Share Consolidation

For illustrative purposes only and based on the Company's audited consolidated financial statements for FY2015, the financial effects of the Proposed Share Consolidation on the Group and/or the Company are set out below.

### (a) Assumptions

For the purpose of this Paragraph 2.6, the following assumptions apply:

- (i) the pro forma financial effects of the Proposed Share Consolidation on the share capital, NTA per Share, EPS and gearing of the Group and/or the Company are prepared purely for illustration only and do not reflect the actual future financial situation of the Group and/or the Company after the completion of the Proposed Share Consolidation. The pro forma financial effects have been computed based on the FY2015 audited financial statements; and
- (ii) the number of Shares for the financial effects relating to the NTA per Share and the share capital of the Group and/or the Company are based on 798,289,318 issued Shares (excluding treasury shares) as at 30 June 2015.

### (b) Share Capital

As at 30 June 2015		
Issued and Paid-up Share Capital	No. of Shares	HK\$ <sup>(1)</sup>
Before the Proposed Share Consolidation	798,289,318	319,315,727
After the Proposed Share Consolidation	79,828,931	319,315,727

Note:

- <sup>(1)</sup> The issued and paid-up share capital of the Company as at 30 June 2015 was equivalent to approximately RMB279,499,000.

### (c) NTA per Share

	Company		Group	
	Before Proposed Share Consolidation	After Proposed Share Consolidation	Before Proposed Share Consolidation	After Proposed Share Consolidation
NTA (RMB'000)	791,206	791,206	1,437,254	1,437,254
Number of issued and paid-up Shares	798,289,318	79,828,931	798,289,318	79,828,931
NTA per Share (cents)	99.11	991.13	180.04	1,800.42

(d) **EPS**

	<b>Group</b>	
	<b>Before Proposed Share Consolidation</b>	<b>After Proposed Share Consolidation</b>
Loss after taxation and minority interests (RMB'000)	(561,386)	(561,386)
Weighted average number of issued and paid- up Shares	798,289,318	79,828,931
EPS (\$ cents)	(70.32)	(703.24)

(e) **Gearing**

The Proposed Share Consolidation will not affect the gearing of the Group and the Company.

**2.7. Effect of the Proposed Share Consolidation on the Company's Taiwan Depository Receipts ("TDRs")**

As at the Latest Practicable Date, the Company has in issue an amount of 129,768,000 TDRs with a conversion ratio of 1 Share for 1 TDR. Pursuant to the Proposed Share Consolidation, the conversion ratio of the TDRs will be adjusted to 0.1 Consolidated Shares for 1 TDR.

**3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS**

The interests of the Directors and the Substantial Shareholders in the issued share capital of the Company as recorded respectively in the Register of Directors' Shareholdings and Register of Substantial Shareholders, as at the Latest Practicable Date, are set out below.

	<b>As at the Latest Practicable Date</b>			
	<b>Direct Interest</b>		<b>Deemed Interest</b>	
	<b>No. of Shares</b>	<b>%<sup>(1)</sup></b>	<b>No. of Shares</b>	<b>%<sup>(1)</sup></b>
<b><u>Directors</u></b>				
Zhou Tao	—	—	—	—
Huo Lei	—	—	—	—
Tan Siok Sing (Calvin)	—	—	—	—
Ho Teck Cheong	—	—	—	—
Chia Seng Hee, Jack	—	—	—	—
Jia Guobiao	—	—	—	—
<b><u>Substantial Shareholders (other than Directors)</u></b>				
Bright Sing Group Limited <sup>(2)</sup>	114,484,489	14.34	—	—
Kaifeng Tian Feng Mills Co., Limited <sup>(2)</sup>	—	—	114,484,489	14.34
Dou Wu <sup>(2)</sup>	—	—	114,484,489	14.34
Zhengzhou Yingbao Enterprise Management Consulting Co., Ltd <sup>(2)</sup>	—	—	114,484,489	14.34
Yang Qingwei <sup>(2)</sup>	—	—	114,484,489	14.34
Wang Weiqing <sup>(2)</sup>	—	—	114,484,489	14.34
Treasure Winner Holdings Limited <sup>(3)</sup>	235,515,511	29.50	—	—
Wang Peng <sup>(3)</sup>	—	—	235,515,511	29.50
FIL Limited <sup>(4)</sup>	—	—	63,890,000	8.0
Pandanus Partners L.P. <sup>(4)</sup>	—	—	63,890,000	8.0

## Notes:

- (1) Based on the issued share capital of 798,289,318 Shares as at the Latest Practicable Date.
- (2) Bright Sing Group Limited is the nominee for Kaifeng Tian Feng Mills Co., Limited ("**Kaifeng**") and is directly interested in 114,484,489 ordinary shares in the Company. Kaifeng is 20% owned by Dou Wu and 80% owned by Zhengzhou Yingbao Enterprise Management Consulting Co., Ltd ("**Zhengzhou Yingbao**"). Zhengzhou Yingbao is in turn 60% owned by Wang Weiqing and 40% owned by Yang Qingwei. Accordingly, each of Dou Wu, Zhengzhou Yingbao, Wang Weiqing and Yang Qingwei is deemed interested in the 114,484,489 ordinary shares in the Company held by Bright Sing Group Limited.
- (3) Treasure Winner Holdings Limited ("**Treasure Winner**") is wholly-owned by Mr Wang Peng and as such, Mr Wang Peng is deemed interested in the 235,515,511 ordinary shares in the Company held by Treasure Winner.
- (4) FIL Limited ("**FIL**") is a privately-owned company incorporated under the laws of Bermuda. Pandanus Partners L.P. is deemed interested in the shares held by FIL.

Save for the shareholding interests in the Company set out above, none of the Directors and Substantial Shareholders has any interest, direct or indirect, in the Proposed Share Consolidation.

## 4. DIRECTORS' RECOMMENDATION

Having considered the rationale and the terms of the Proposed Share Consolidation, the Directors are of the opinion that the Proposed Share Consolidation would be beneficial to, and is in the best interests of, the Company and, accordingly, they recommend that Shareholders vote in favour of the ordinary resolution relating to the Proposed Share Consolidation to be proposed at the SGM.

## 5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm, after making all reasonable enquires, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Share Consolidation, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information contained in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

## 6. SPECIAL GENERAL MEETING

The SGM, notice of which is set out on pages 12 to 13 of this Circular, will be held at Ocean 5, Level 2, Pan Pacific Singapore, 7 Raffles Boulevard, Marina Square, Singapore 039595 on Wednesday, 28 October 2015 at 3.45pm (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2.30pm on the same day and at the same place, or any adjournment thereof) for the purpose of considering and, if thought fit, passing with or without modification, the ordinary resolution set out in the Notice of SGM.

## 7. NOTICE OF BOOKS CLOSURE DATE

The Books Closure Date for the purpose of determining Shareholders' entitlements pursuant to the Proposed Share Consolidation will be announced at a later date.

## 8. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the SGM and who wish to appoint a proxy to attend and vote at the SGM on their behalf should sign and return the member proxy form attached to the Notice of SGM ("**Member Proxy Form**") in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the office of the Company's Share Transfer Agent in Singapore, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time fixed for the SGM. The appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the meeting if he wishes to do so. In such an event, the relevant Member Proxy Forms will be deemed to be revoked. **Please note that this paragraph is only applicable to Shareholders who do not hold Shares through an account with CDP (i.e. Shareholders who hold Shares in scrip).**

Depositors shall not be regarded as Shareholders entitled to attend the SGM and to speak and vote thereat. Depositors who wish to attend and vote at the SGM, and whose names are shown in the records of CDP as at a time not earlier than 48 hours prior to the time of the SGM, may attend as CDP's proxies. Depositors who are individuals and who wish to attend the SGM in person need not take any further action and can attend and vote at the SGM without the lodgment of any proxy form. Depositors who are individuals and are unable to attend the SGM personally and wish to appoint their nominee(s) to attend the SGM and vote on their behalf, and Depositors who are not individuals, must complete and sign the depositor proxy form attached to the Notice of SGM ("**Depositor Proxy Form**") in accordance with the instructions printed thereon and return it to the Company's Share Transfer Agent in Singapore, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623 as soon as possible and in any event not less than 48 hours before the time fixed for the SGM. The appointment of a nominee or nominees by a Depositor (who is an individual) does not preclude him from attending and voting in person at the SGM if he so wishes, in which event the Depositor Proxy Form submitted bearing his name shall be deemed to be revoked.

## 9. DOCUMENTS FOR INSPECTION

The following documents are available for inspection at the office of the Company's Share Transfer Agent in Singapore, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623 during normal business hours on any weekday (public holidays excepted) from the date of this Circular up to and including the date of the SGM:-

- (a) the Memorandum of Association and Bye-Laws of the Company;
- (b) the Annual Report of the Company for the financial year ended 30 June 2015; and
- (c) the announcement released by the Company on SGXNET on 4 September 2015 in respect of the Proposed Share Consolidation.

Yours faithfully

ZHOU TAO  
Executive Chairman and Chief Executive Officer

For and on behalf of the Board of Directors of  
**Dukang Distillers Holdings Limited**

**DUKANG DISTILLERS HOLDINGS LIMITED**

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

**NOTICE OF SPECIAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that a **SPECIAL GENERAL MEETING** of Dukang Distillers Holdings Limited (the “**Company**”) will be held at Ocean 5, Level 2, Pan Pacific Singapore, 7 Raffles Boulevard, Marina Square, Singapore 039595 on Wednesday, 28 October 2015 at 3.45pm (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2.30pm on the same day and at the same place, or any adjournment thereof), for the purpose of considering and, if thought fit, passing with or without any modifications the following resolution:

***All capitalised terms used below which are not defined herein shall have the same meaning ascribed to them in the Circular to Shareholders dated 9 October 2015, unless otherwise defined herein or where the context otherwise requires.***

**AS AN ORDINARY RESOLUTION  
THE PROPOSED SHARE CONSOLIDATION**

THAT:-

- (a) with effect from the date to be determined by the Directors of the Company, being the effective date of the Proposed Share Consolidation, every ten (10) issued and unissued ordinary shares with a par value of HK\$0.40 each in the authorised and issued capital of the Company be consolidated into one (1) share with a par value of HK\$4.00 each in the capital of the Company, resulting in an authorised capital of HK\$400,000,000 divided into 100,000,000 ordinary shares with a par value of HK\$4.00 each and an issued capital of HK\$319,315,727 divided into 79,828,931 ordinary shares with a par value of HK\$4.00 each in the share capital of the Company;
- (b) following the consolidation in paragraph (a) above, the Directors be and are hereby authorised to do all such acts and things as they consider necessary or expedient in connection with the consolidation, including but not limited to disregarding fractional entitlements, issuing new share certificates in respect of fractions of shares and making arrangements for the settlement and disposal of fractional entitlements, if any, arising from or in connection therewith and, in particular (but without prejudice to the generality of the foregoing), by aggregating any fractional entitlements arising as a result thereof and selling the same for the benefit of the Company in such manner and on such terms as the Directors may think fit and/or repurchasing (and, if thought fit, cancelling or holding as treasury shares) any fractional entitlements in such manner and on such terms as the Directors may think fit; and
- (c) the Directors of the Company and each of them be and are hereby authorised and empowered to complete and do all such acts and things (including, without limitation, to execute all such documents, to approve any amendments, alterations or modifications to any documents and to sign, file and/or submit any notices, forms and documents with or to the relevant authorities, as may be required) as they or he may consider necessary, desirable or expedient to give full effect to the matters contemplated by this Ordinary Resolution.

BY ORDER OF THE BOARD

Busarakham Kohsikaporn  
Ho Hin Yip  
Company Secretaries

9 October 2015  
Singapore

## IMPORTANT: PLEASE READ NOTES

### Notes:

- a. A Shareholder entitled to attend and vote at the SGM is entitled to appoint a proxy to attend and vote in his/her/its stead. With the exception of The Central Depository (Pte) Limited (“**CDP**”), who may appoint more than two proxies, any Shareholder who is the holder of two or more shares may appoint not more than two proxies. A proxy need not be a Shareholder.
- b. If a Shareholder is unable to attend the SGM and wishes to appoint a proxy to attend and vote at the SGM in his/her/its stead, then he/she/it should complete and sign the Member Proxy Form and deposit the duly completed Member Proxy Form at the office of the Company’s Share Transfer Agent in Singapore, Boardroom Corporate Advisory Services Pte Ltd, at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for the SGM. **Please note that this paragraph is only applicable to Shareholders who do not hold Shares through an account with CDP (i.e. Shareholders who hold Shares in scrip).**
- c. A Depositor (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore) registered and holding Shares through CDP who/which is (i) an individual but is unable to attend the SGM personally and wishes to appoint a nominee to attend and vote; or (ii) a corporation, must complete and sign the Depositor Proxy Form and deposit the duly completed Depositor Proxy Form at the office of the Company’s Share Transfer Agent in Singapore, Boardroom Corporate Advisory Services Pte Ltd, at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for the SGM.
- d. A Depositor who is an individual and who wishes to attend the SGM in person need not take any further action and can attend and vote at the SGM as CDP’s proxy without the lodgement of any proxy form.
- e. If a Shareholder who has Shares entered against his name in the Depository Register and Shares registered in his name in the Register of Members of the Company is unable to attend the SGM and wishes to appoint a proxy, he should use the Depositor Proxy Form and the Member Proxy Form.

### Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Special General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Special General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Special General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) 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.

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