



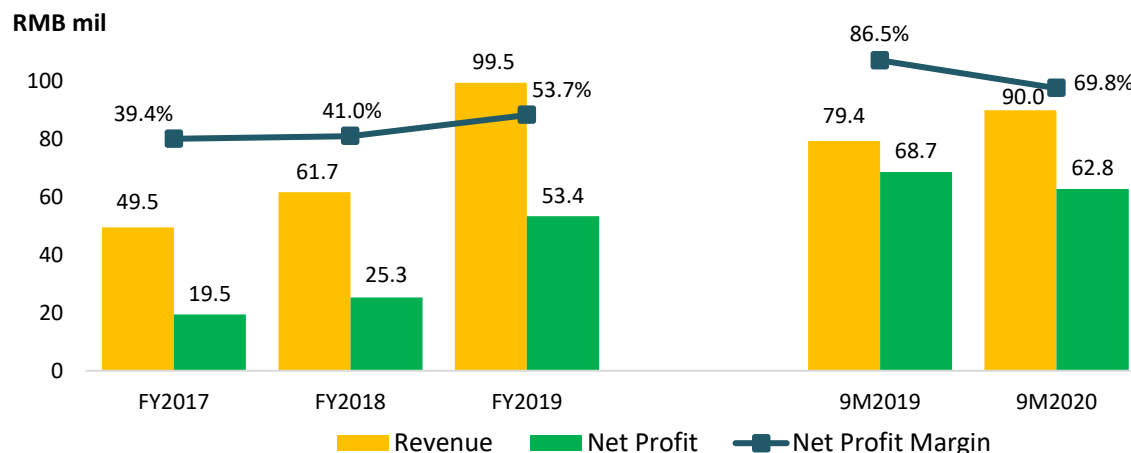
FOR IMMEDIATE RELEASE

Dukang Distillers successfully enters burgeoning kiwifruit cultivation market in China, transforming into the first SGX-ST listed pure-play kiwifruit producer

- Restructured Group will pose a turnaround with the entry into the kiwifruit cultivation and planting industry with steady revenue stream
- Holds forest use rights for 8 kiwifruit orchards in Chibi City, Hubei Province, spanning a total land area of 9,805 mu (approximately 6.5 million sqm)
- The Company will change its name to China Shenshan Orchard Holdings Co. Ltd. (中国神山果农控股有限公司)
- The Restructured Group will be the first pure-play kiwifruit producer to be listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”)
- Poised to tap into huge growth potential in China’s kiwifruit industry driven by rising domestic consumer demand for premium-quality, healthy and organic fruits

Singapore & Taiwan, 5 July 2021 – SGX-ST Mainboard-listed Dukang Distillers Holdings Limited (“Dukang Distillers” or “杜康控股有限公司”, and together with its subsidiaries, the “Company”), a leading producer of white liquor (“*baijiu*”) in Henan Province, China, has completed the restructuring with the acquisition of the kiwifruit business and disposal of its existing baijiu business. To reflect the new business transformation, the Company will change its name to China Shenshan Orchard Holdings Co. Ltd. (中国神山果农控股有限公司) and the stock code BKV (SGX-ST) and 911616 (Taiwan Depository Receipts on Taiwan Stock Exchange) will remain unchanged.

Steady Growth in Revenue and Net Profit of the Kiwifruit Business



Source: Company’s circular dated 31 March 2021

Revenue and net profit of the kiwifruit business have been growing steadily since 2017 and was minimally impacted by the onset of the COVID-19 pandemic in the PRC in 2020. The Xingnong Group's revenue increased from RMB49.5 million in FY2017 to RMB99.5 million in FY2019 while net profit also increased to RMB53.4 million in FY2019 from RMB19.5 million in FY2017, registering a CAGR of 41.8% and 65.5% respectively. With its entry into the kiwifruit cultivation and planting industry, the Restructured Group is expected to pose an immediate turnaround with a steady revenue stream and sustained profitability.

Favourable growth prospects

The PRC government has set itself the goal of eradicating total poverty by modernising the PRC's agricultural industry by 2035. The government is also granting higher subsidies for large scale landholders and accelerating rural land transfer process. These favourable policies and support by the government are expected to bode well for the kiwifruit cultivation industry in China. As the Xingnong Group is engaged in a qualifying agricultural business, it is well-supported by such policies, and is therefore entitled to full exemption of enterprise income tax on profits derived from the kiwifruit business.

Post restructuring, the Restructured Group will become a horticultural marketing company, focusing on the planting, cultivating and sale of kiwifruits in the PRC. The Xingnong Group holds forest use rights for 8 strategically located orchards, spanning a total land area of 9,805 mu (approximately 6.5 million sqm), which is believed to be one of the largest domestic kiwifruit orchards concentrated in the Chibi City, Hubei, the PRC. Holding 80 trademarks and 36 patents as at 17 March 2021, the Xingnong Group is mainly focused on the management of kiwifruit cultivation, supply and distribution management and marketing of its Fairy Gold (精灵果) and Jade Green (翠玉) kiwifruits. The Xingnong Group currently distributes its products via distributors, wholesalers, corporates, and e-commerce platforms.



The Xingnong Group's kiwifruit products

Leveraging on technology and deep expertise

The Xingnong Group deploys advanced technology in its entire vertically integrated business model and undertakes research and development to keep pace with changing consumer tastes and preferences, as well as the evolving nature of kiwifruit cultivation and production. Its in-house technology department is complemented by the external technology advisory and research partners assisting the Xingnong Group in research and development at its testing bases. The aforementioned capabilities have allowed the Xingnong Group to differentiate itself from other industry players in the PRC.

Mr. Hu Chao, Executive Director and CEO of Dukang Distillers (to be renamed China Shenshan Orchard Holdings Co. Ltd.) said, **“We are pleased to complete the transformation into a horticultural marketing company. This marks a new beginning for the Company as we will focus our resources on the fast-growing kiwifruit industry in the PRC going forward.”**

A major milestone for the Company

In commemoration of the successful restructuring and listing of the kiwifruit business on the Main Board of the SGX-ST, the Restructured Group hosted a ceremonial striking of the gong at Chibi, Hubei, the PRC which was witnessed by Secretary of Chibi Municipal Party Committee Mr. Sheng Wenjun (盛文军), Ms Xie Caihan (谢采含女士), Chief Representative of SGX-ST Beijing Representative Office, together with local senior government officers, relevant partner institutions and experts in the agricultural industry.



Ms Xie Caihan, Chief Representative of SGX-ST Beijing Representative Office gave a speech at the gong striking ceremony



Mr. Hu Chao, Executive Director and CEO of Dukang Distillers (to be renamed China Shenshan Orchard Holdings Co. Ltd.) exchanged mementoes with Ms Xie Caihan at the gong striking ceremony



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Dukang Distillers Holdings Limited

Mr. Hu Chao added, **“The demand for kiwifruit has been growing over the years in the PRC, largely driven by the rising disposable income of the consumers as well as growing domestic consumer demand for premium-quality fruits such as kiwifruit. Commonly known as Chinese gooseberry or monkey peach (猕猴桃), the kiwifruit is high in Vitamin C and dietary fibre and can provide a variety of health benefits. As Chinese consumers become more health-conscious these days, we believe that the kiwifruit’s tart flavour, pleasing texture, and low-calorie count will make it a delicious and healthy option for snacking, sides, or a unique dessert. We believe this will provide ample opportunities for us to grow the kiwifruit business to meet rising domestic demand and deliver sustainable long-term value to all stakeholders.”**

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Dukang Distillers Holdings Limited

About the Xingnong Group

Established in 2009, the Xingnong Group is a horticultural marketing company in the business of planting, cultivating and sale of kiwifruits in the PRC. The Xingnong Group holds forest use rights for 8 strategically located orchards, spanning a total land area of 9,805 mu (approximately 6.5 million sqm), which is believed to be one of the largest domestic kiwifruit orchards concentrated in the Chibi City, Hubei, the PRC. The Xingnong Group also engages in the ad-hoc trading of apples and oranges.

Leveraging on experienced in-house research and development team and external technology advisory and research partners, the Xingnong Group aims to establish itself as the leading kiwifruit producer, bringing to the market reputable kiwifruit brands of highest quality. Holding 80 trademarks and 36 patents as at 17 March 2021, the Xingnong Group is mainly focused on the management of kiwifruit cultivation, supply and distribution management and marketing of its Fairy Gold (精灵果) and Jade Green (翠玉) kiwifruits. The Xingnong Group currently distributes its products via distributors, wholesalers, corporates, and e-commerce platforms.

The Xingnong Group has won numerous accolades and awards including being recognised as Top 30 Private Enterprises in 2017, achieving Agricultural Industrialisation Excellence – Key Leading Enterprise, Agricultural Product Processing Industry (Target Gross Product of RMB100 Billion) in 2018 – Outstanding Contribution Award, Key Leading Enterprise of Agricultural Industrialisation in Hubei Province in 2019, and Certificate of Good Agricultural Practice in 2020.

Scan the QR code below to subscribe and follow China Shenshan Orchard Holdings Co. Ltd. (神山果农) on WeChat:



About Dukang Distillers Holdings Limited

Dukang Distillers Holdings Limited (previously Trump Dragon Distillers Holdings Limited) is a leading producer *baijiu* in Henan Province, the PRC. The Group carries a broad range of *baijiu* products that are sold and marketed under two distinct brands, 'Dukang' ("杜康") and 'Siwu' ("四五").

Named after the forefather of *baijiu* and supported by a history of over two thousand years, 'Dukang' ("杜康") is a well-established national brand with a rich cultural heritage that focuses on the mid to high-end *baijiu* market in the PRC.

With its extensive range of affordably priced products, the Group's 'Siwu' ("四五") brand targets the mass to mid-end *baijiu* market and has an established consumer base in Henan Province.

The Group's products are sold through distributors to hospitality establishments, supermarkets and specialty stores selling tobacco and alcohol products in the PRC. With the acquisition of Luoyang Dukang complete in May 2010, the Group has significantly increased its production capacity, and is primed to strengthen its market position and competitive edge in *baijiu* industry within Henan Province as well as across the PRC.

The Group has been listed on the SGX Mainboard since September 2008 and on the Taiwan Stock Exchange via Taiwan Depository Receipts since March 2011.

Issued for and on behalf of Dukang Distillers Holdings Limited

by Woodnote Consulting

E: partners@woodnoteconsulting.com

T: (65) 8446 3043