

**DUKANG DISTILLERS HOLDINGS LIMITED**  
(Incorporated in Bermuda)  
(Company Registration No. 41457)

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**(1) PROPOSED ACQUISITION OF GREAT RESOLUTE LIMITED; AND (2) PROPOSED DISPOSAL OF SEA WILL INTERNATIONAL LIMITED**

- **WAIVER FROM COMPLIANCE WITH RULE 1015(5) READ WITH CHAPTER 6 OF THE LISTING MANUAL IN RESPECT OF DISCLOSURE OF PRO FORMA FINANCIAL INFORMATION OF THE RESTRUCTURED GROUP**
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**1. INTRODUCTION**

The Board of Directors ("**Board**") of Dukang Distillers Holdings Limited ("**Company**") and collectively with its subsidiaries and associated company, "**Current Group**") refers to the following announcements ("**Announcements**") of the Company:

- (a) its announcement dated 17 November 2018 in respect of a conditional acquisition and disposal agreement dated 17 November 2018 ("**Agreement**") entered with Keen Wind Limited ("**Keen Wind**", and together with the Company, "**Parties**") in relation to the Xingnong Acquisition and the Dukang Disposal (collectively, the "**Proposed Transactions**"); and
- (b) its announcement dated 15 November 2019 in relation to the execution of a side letter to the Agreement to extend the Long-Stop Date of the Agreement.

*Capitalised terms not defined herein shall bear the same meaning ascribed to them in the Announcements.*

**2. DISCLOSURE REQUIREMENTS PURSUANT TO RULE 1015(5) READ WITH RULE 602(A) OF THE LISTING MANUAL**

- 2.1.** The Xingnong Acquisition constitutes a "Very Substantial Acquisition" as defined under Chapter 10 of the Listing Manual. Pursuant to Rule 1015(5) read with Rule 602(a) of the Listing Manual ("**Relevant Rules**"), the Circular to Shareholders in respect of a "Very Substantial Acquisition or Reverse Takeover" is required to, *inter alia*, comply with the Fifth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-Based Derivatives Contracts) Regulations 2018 ("**Fifth Schedule**").
- 2.2.** In particular, paragraph 24 of Part 9 of the Fifth Schedule requires the pro forma financial statements of the Company and its subsidiaries following the Proposed Transactions ("**Restructured Group**") for the most recently completed financial year, and if applicable, the period covered by interim financial statements, to be included in the Circular.

**3. APPLICATION FOR WAIVER**

- 3.1.** The Company wishes to announce that ZICO Capital Pte. Ltd., in their capacity as the financial adviser to the Company in respect of the Proposed Transactions ("**Financial Adviser**"), had on 2 February 2019, applied to the SGX-ST for a waiver from compliance with the Relevant Rules, specifically the requirement to present the pro forma financial statements of the Restructured Group in the Circular ("**Waiver**").

**3.2.** The bases for the Waiver are as follows:

- (a) pursuant to the terms of the Agreement, on completion of the Proposed Transactions ("**Completion**"), full satisfaction of the Acquisition Consideration and the Disposal Consideration will be by way of the Netting Off. Accordingly, upon Completion and the Netting Off, there will be no outstanding amount owing to Keen Wind by the Company, and no outstanding amount owing to the Company by Keen Wind in respect of the Xingnong Acquisition and Dukang Disposal respectively. In addition, as there will be no allotment and issuance of new shares in the capital of the Company, there will be no change to the Company's share capital pursuant to the Proposed Transactions;
- (b) the Xingnong Acquisition and Dukang Disposal are inter-conditional and will be completed concurrently. Pursuant to Completion, the Company's business will comprise wholly the business carried out by the Xingnong Group;
- (c) the Company believes that the audited combined financial statements of the Xingnong Group will be reflective of the new business of the Restructured Group after Completion;
- (d) the Company is of the view that the audited combined financial statements of the Xingnong Group proposed to be included in the Circular will not be materially different from the pro forma financial statements of the Restructured Group, save for (i) non-cash impact on the profit or loss and/or the net assets of the Restructured Group arising from goodwill recognition and/or fair value adjustments as a result of acquisition accounting and the Dukang Disposal, pursuant to the prevailing financial reporting standards; and (ii) professional fees incurred in connection with the Proposed Transactions, which are both one-off and non-recurring in nature; and
- (e) Shareholders who wish to have an understanding of the historical financial performance and position of the Group can refer to the Group's annual reports and periodic financial announcements.

**4. GRANT OF WAIVER**

**4.1.** The SGX-ST has, on 5 June 2020, responded that it has no objection to the application for the Waiver, subject to the following:

- (a) the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Rule 107 of the Listing Manual and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met;
- (b) the accountant's report must be signed off jointly by BDO LLP (Singapore) and BDO Limited (Hong Kong);
- (c) the accountant's report must present financial information on the Restructured Group, but adjustments may be made to exclude the income, expenses, assets and liabilities attributable to the existing business to be disposed of; and
- (d) the Company disclosing in the Circular details of how Rule 1015(2) of the Listing Manual has been complied with.

- 4.2.** Pursuant to Rule 107 of the Listing Manual, the SGX-ST may waive or modify compliance with a listing rule (or part of a rule) either generally or to suit the circumstances of a particular case, unless the listing rule specifies that the SGX-ST will not waive it. The SGX-ST may grant a waiver subject to such conditions, as it considers appropriate. If the SGX-ST waives a listing rule (or part of a rule) subject to a condition, the condition must be satisfied for the waiver to be effective. Where a waiver is granted, the issuer must announce the waiver, the reasons for seeking the waiver and the conditions, if any, upon which the waiver is granted as soon as practicable.

**5. FURTHER ANNOUNCEMENTS**

The Company will release such further announcements in respect of the Proposed Transactions, in compliance with the requirements of the Listing Manual, as and when appropriate.

**6. CAUTIONARY STATEMENT**

**Shareholders and potential investors are advised to exercise caution when dealing in the Shares of the Company. The Proposed Transactions are subject to the fulfilment of conditions precedent under the Agreement. There is no certainty or assurance that the Proposed Transactions will be completed or that no changes will be made to the terms thereof.**

**Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.**

**BY ORDER OF THE BOARD**

**Zhou Tao  
CEO and Executive Chairman**

**8 June 2020**