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

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

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 Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual on 6 June 2019.

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 first quarter ended 30 September 2019 ("**1QFY2020**") increased by RMB4.9 million or 25.1% to RMB24.7 million, mainly due to the effectiveness of its sponsorship in the marketing events during the past 2 quarters.

For more details on the results and financial position of the Group, please refer to the unaudited financial statements announcement for 1QFY2020 released to the SGX-ST on 13 November 2019.

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

The Group continues to face challenges from multiple fronts. It has experienced declining profitability and reduced demand for its baijiu products in recent years due to the profound and lingering impact of the austerity measures and restrictions in the People's Republic of China ("**PRC**"). The situation was further aggravated by geopolitical events, such as the trade tensions, which have infused greater uncertainty to the global economy and impacted consumer sentiment in the PRC. Chinese consumer spending is likely to slow for the rest of the year which will negatively impact sales of discretionary consumer goods like baijiu.

In view of the Group's declining profitability and recent losses due to the challenging industry environment, the Board undertook a strategic review and has proposed to dispose the loss-making 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 announcement dated 17 November 2018.

The Board will update the shareholders on any material developments by way of further announcements as and when they arise.

By Order of the Board

Zhou Tao
CEO and Executive Chairman
13 November 2019