

DUKANG DISTILLERS HOLDINGS LIMITED

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

**USE OF BALANCE PROCEEDS FROM ISSUANCE OF TAIWAN DEPOSITORY RECEIPTS
("TDR")**

Further to the announcement made by the Board of Directors (the "**Board**") of Dukang Distillers Holdings Limited (the "**Company**") on 26 December 2014 in respect of reallocation of the use of the balance proceeds from the issuance of the Company's TDR amounting to RMB3,441,000 ("**Balance Proceeds**"), the Board wishes to announce that the Company has fully utilised the Balance Proceeds as at 31 December 2014.

A summary of the use of proceeds is as follows:

Intended usage	Proceeds (RMB'000)	Amount utilised (RMB'000)
Expansion of production capacity	175,764	175,764
Purchase of land use rights	17,390	17,390
Repayment of bank loans	65,000	65,000
Establishment of Taiwan office	6,335	6,335
Advertising and promotional activities in the PRC market	3,441	3,441
Total	267,930	267,930

By Order of the Board
Dukang Distillers Holdings Limited

Zhou Tao
Executive Chairman and Chief Executive Officer

6 January 2015