

Dukang Distillers Holdings Limited

(Incorporated in Bermuda)

THIRD QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 2016

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1. (a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Three months ended		Increase/ (Decrease) %	Nine months ended		Increase/ (Decrease) %
	31 Mar 2016 Unaudited RMB'000	31 Mar 2015 Unaudited RMB'000		31 Mar 2016 Unaudited RMB'000	31 Mar 2015 Unaudited RMB'000	
Revenue	278,887	250,325	11.4	701,588	689,381	1.8
Cost of sales	(185,075)	(177,694)	4.2	(463,233)	(512,709)	(9.6)
Gross profit	93,812	72,631	29.2	238,355	176,672	34.9
Other income	741	622	19.1	1,992	1,893	5.2
Selling and distribution expenses	(70,035)	(45,057)	55.4	(163,741)	(125,273)	30.7
Administrative expenses	(26,889)	(25,731)	4.5	(77,087)	(73,790)	4.5
Operating (loss)/profit	(2,371)	2,465	(196.2)	(481)	(20,498)	(97.7)
Finance costs	(2,326)	(2,083)	11.7	(6,895)	(7,576)	(9.0)
Share of profit of an associate	1,652	1,488	11.0	3,848	3,588	7.2
(Loss)/profit before income tax	(3,045)	1,870	(262.8)	(3,528)	(24,486)	(85.6)
Income tax credit/(expense)	357	(91)	(492.3)	1,072	623	72.1
(Loss)/profit for the period, attributable to the owners of the Company	(2,688)	1,779	(251.1)	(2,456)	(23,863)	(89.7)
Other comprehensive income for the period						
Items that may be reclassified subsequently to profit or loss:						
Exchange (loss)/gain on translation of financial statements of foreign operations	(11)	3	(466.7)	(26)	(561)	(95.4)
Total comprehensive income for the period, attributable to the owners of the Company	(2,699)	1,782	(251.5)	(2,482)	(24,424)	(89.8)

Notes:

- i. Loss before income tax is arrived at after crediting / (charging):

	Group				Group		
	Three months ended		Increase/ (Decrease) %	Nine months ended		Increase/ (Decrease) %	
	31 Mar 2016	31 Mar 2015		31 Mar 2016	31 Mar 2015		
	Unaudited RMB'000	Unaudited RMB'000		Unaudited RMB'000	Unaudited RMB'000		
Interest income	495	312	58.7	1,352	830	62.9	
Interest expenses	(2,326)	(2,083)	11.7	(6,895)	(7,576)	(9.0)	
Loss on disposal of property, plant and equipment	-	(1,508)	N.M.	-	(1,508)	N.M.	
Depreciation of property, plant and equipment	(6,366)	(6,233)	2.1	(19,116)	(25,564)	(25.2)	
Amortisation of prepaid land lease payments	(696)	(743)	(6.3)	(2,088)	(2,229)	(6.3)	

N.M. : Not Meaningful

1. (b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	GROUP		COMPANY	
	Unaudited	Audited	Unaudited	Audited
	As at	As at	As at	As at
	31 Mar 2016	30 Jun 2015	31 Mar 2016	30 Jun 2015
	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS AND LIABILITIES				
Non-current assets				
Interests in subsidiaries	-	-	279,108	279,108
Interest in an associate	122,918	119,070	-	-
Property, plant and equipment	368,797	385,601	-	-
Prepaid land lease payments	116,689	118,777	-	-
Intangible assets	1,280	1,280	-	-
Deposits	6,537	6,537	-	-
	616,221	631,265	279,108	279,108
Current assets				
Inventories	594,605	663,700	-	-
Amounts due from subsidiaries	-	-	509,720	515,526
Prepayments, deposits and other receivables	31,482	87,870	-	-
Cash and cash equivalents	587,932	403,009	20	22
	1,214,019	1,154,579	509,740	515,548
Non-current assets held for sale	52,592	52,592	-	-
	1,266,611	1,207,171	509,740	515,548
Current liabilities				
Trade payables	70,832	79,767	-	-
Amount due to an associate	31,808	20,097	-	-
Accrued liabilities and other payables	196,911	149,208	4,831	3,450
Bank and other loans, secured	120,000	119,750	-	-
Provision for income tax	2,135	4,914	-	-
	421,686	373,736	4,831	3,450
Net current assets	844,925	833,435	504,909	512,098
Total assets less current liabilities	1,461,146	1,464,700	784,017	791,206
Non-current liabilities				
Bank and other loans, secured	15,000	15,000	-	-
Deferred tax liabilities	11,374	12,446	-	-
	26,374	27,446	-	-
Net assets	1,434,772	1,437,254	784,017	791,206
EQUITY				
Equity attributable to owners of the Company				
Share capital	279,499	279,499	279,499	279,499
Reserves	1,155,273	1,157,755	504,518	511,707
Total equity	1,434,772	1,437,254	784,017	791,206

1. (b)(ii) Aggregate amount of group's borrowings and debt securities.**Amount repayable in one year or less, or on demand:**

As at 31 March 2016	As at 30 June 2015
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Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
120,000	-	119,750	-

Amount repayable after one year:

As at 31 March 2016	As at 30 June 2015
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Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
15,000	-	15,000	-

Details of any collateral:

As at 31 March 2016, the Group's bank and other loans amounting to RMB 135.0 million were secured by charges over the Company's 9.09% equity interest in a subsidiary, Ruyang Dukang Distillers Company Limited, the Group's existing land use rights and leasehold buildings.

1. (c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Group	
	Three months ended	Three months ended	Nine months ended	Nine months ended
	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015
	Unaudited	Unaudited	Unaudited	Unaudited
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from operating activities				
(loss)/profit before income tax	(3,045)	1,870	(3,528)	(24,486)
Adjustments for:				
Interest income on financial assets stated at amortised cost	(495)	(312)	(1,352)	(830)
Interest expenses	2,326	2,083	6,895	7,576
Depreciation of property, plant and equipment	6,366	6,233	19,116	25,564
Amortisation of prepaid land lease payments	696	743	2,088	2,229
Loss on disposal of property, plant and equipment	-	1,508	-	1,508
Share of profit of an associate	(1,652)	(1,488)	(3,848)	(3,588)
Operating profit before working capital changes	4,196	10,637	19,371	7,973
Decrease/(increase) in inventories	24,772	(6,279)	69,095	3,930
Decrease in trade receivables	-	-	-	1,838
Decrease in prepayments, deposits and other receivables	4,060	3,077	56,388	166,324
(Decrease)/increase in trade payables	(7,646)	310	(8,935)	(88,706)
(Decrease)/increase in accrued liabilities and other payables	(2,526)	8,500	47,703	3,409
Increase/(decrease) in amount due to an associate	5,617	(1,594)	11,711	2,243
Cash generated from operations	28,473	14,651	195,333	97,011
Income taxes paid	(36)	-	(2,779)	(2,210)
Net cash generated from operating activities	28,437	14,651	192,554	94,801
Cash flows from investing activities				
Purchases of property, plant and equipment	-	(1,131)	(2,312)	(12,350)
Interest received	495	312	1,352	830
Proceeds from disposal of property, plant and equipment	-	576	-	576
Net cash generated from/(used in) investing activities	495	(243)	(960)	(10,944)
Cash flows from financing activities				
Proceeds from bank loans	-	-	20,000	-
Repayment of bank loans	-	(24,000)	(19,750)	(66,250)
Interest paid	(2,326)	(2,083)	(6,895)	(7,576)
Net cash used in financing activities	(2,326)	(26,083)	(6,645)	(73,826)
Net increase/(decrease) in cash and cash equivalents	26,606	(11,675)	184,949	10,031
Cash and cash equivalents at beginning of period	561,337	412,893	403,009	391,751
Effect of foreign exchange rate changes	(11)	3	(26)	(561)
Cash and cash equivalents at end of period	587,932	401,221	587,932	401,221
Analysis of balances of cash and cash equivalents				
Cash at banks and in hand	587,932	401,221	587,932	401,221

1. (d)(i) A statement (for the issuer and group) showing either (a) all changes in equity or (b) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

GROUP	Share capital RMB'000	Share premium RMB'000	Merger reserve RMB'000	Statutory reserves RMB'000	Translation reserve RMB'000	Retained profits RMB'000	Total equity RMB'000
Balance as at 1 January 2015	279,499	656,811	(150,101)	147,182	3,291	1,035,773	1,972,455
Profit for the period	-	-	-	-	-	1,779	1,779
Other comprehensive income							
Exchange gain on translation of financial statements of foreign operations	-	-	-	-	3	-	3
Total comprehensive income for the period	-	-	-	-	3	1,779	1,782
Balance as at 31 March 2015	279,499	656,811	(150,101)	147,182	3,294	1,037,552	1,974,237
Balance as at 1 July 2014	279,499	656,811	(150,101)	147,182	3,855	1,061,415	1,998,661
Loss for the period	-	-	-	-	-	(23,863)	(23,863)
Other comprehensive income							
Exchange loss on translation of financial statements of foreign operations	-	-	-	-	(561)	-	(561)
Total comprehensive income for the period	-	-	-	-	(561)	(23,863)	(24,424)
Balance as at 31 March 2015	279,499	656,811	(150,101)	147,182	3,294	1,037,552	1,974,237
Balance as at 1 January 2016	279,499	656,811	(150,101)	152,773	3,819	494,670	1,437,471
Loss for the period	-	-	-	-	-	(2,688)	(2,688)
Other comprehensive income							
Exchange loss on translation of financial statements of foreign operations	-	-	-	-	(11)	-	(11)
Total comprehensive income for the period	-	-	-	-	(11)	(2,688)	(2,699)
Balance as at 31 March 2016	279,499	656,811	(150,101)	152,773	3,808	491,982	1,434,772
Balance as at 1 July 2015	279,499	656,811	(150,101)	152,773	3,834	494,438	1,437,254
Loss for the period	-	-	-	-	-	(2,456)	(2,456)
Other comprehensive income							
Exchange loss on translation of financial statements of foreign operations	-	-	-	-	(26)	-	(26)
Total comprehensive income for the period	-	-	-	-	(26)	(2,456)	(2,482)
Balance as at 31 March 2016	279,499	656,811	(150,101)	152,773	3,808	491,982	1,434,772

COMPANY	Share capital RMB'000	Share premium RMB'000	Contributed surplus RMB'000	Translation reserve RMB'000	Accumulated losses RMB'000	Total equity RMB'000
Balance as at 1 January 2015	279,499	656,811	120,523	(64,258)	(202,984)	789,591
Loss for the period	-	-	-	-	(1,371)	(1,371)
Other comprehensive income						
Exchange gain on translation of financial statements	-	-	-	3	-	3
Total comprehensive income for the period	-	-	-	3	(1,371)	(1,368)
Balance as at 31 March 2015	279,499	656,811	120,523	(64,255)	(204,355)	788,223
Balance as at 1 July 2014	279,499	656,811	120,523	(58,889)	(200,761)	797,183
Loss for the period	-	-	-	-	(3,594)	(3,594)
Other comprehensive income						
Exchange loss on translation of financial statements	-	-	-	(5,366)	-	(5,366)
Total comprehensive income for the period	-	-	-	(5,366)	(3,594)	(8,960)
Balance as at 31 March 2015	279,499	656,811	120,523	(64,255)	(204,355)	788,223
Balance as at 1 January 2016	279,499	656,811	120,523	(58,916)	(211,205)	786,712
Loss for the period	-	-	-	-	(2,690)	(2,690)
Other comprehensive income						
Exchange loss on translation of financial statements	-	-	-	(5)	-	(5)
Total comprehensive income for the period	-	-	-	(5)	(2,690)	(2,695)
Balance as at 31 March 2016	279,499	656,811	120,523	(58,921)	(213,895)	784,017
Balance as at 1 July 2015	279,499	656,811	120,523	(58,904)	(206,723)	791,206
Loss for the period	-	-	-	-	(7,172)	(7,172)
Other comprehensive income						
Exchange loss on translation of financial statements	-	-	-	(17)	-	(17)
Total comprehensive income for the period	-	-	-	(17)	(7,172)	(7,189)
Balance as at 31 March 2016	279,499	656,811	120,523	(58,921)	(213,895)	784,017

1. (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

The Company had on 20 November 2015 completed a share consolidation of every ten (10) shares registered in the name or standing to the credit of the Securities Account (as the case may be), of each Shareholder into one (1) Consolidated Share

("Share Consolidation"). The issued share capital of the Company after the said share consolidation comprises 79,828,931 Consolidated Shares with a par value of HK\$4.00 each, after disregarding any fractions of Consolidated Shares arising from the Share Consolidation.

The Company had no outstanding convertibles and there were no shares held as treasury shares as at 31 March 2016.

1. (d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at	
	31 Mar 2016	30 Jun 2015
Total number of issued shares (excluding treasury shares)	79,828,931	798,289,318

1. (d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except for the adoption of the applicable new/revised International Financial Reporting Standards (IFRSs) which became effective for the financial period

beginning on or after 1 July 2015, the Group has adopted the same accounting policies and methods of computations as stated in the audited financial statements for the year ended 30 June 2015. The adoption of these revised IFRSs for the current reporting period ended 31 March 2016 did not result in material changes to the Group's results.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to Item 4 above.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	Three months ended	
	31 Mar 2016	31 Mar 2015
	Unaudited	Unaudited
	RMB cents	RMB cents
Basic	(3.37)	0.22
Diluted	N/A	N/A

Basic earnings per share for the period ended 31 March 2016 ("3QFY2016") was calculated based on the Group's loss for the period of approximately RMB 2,688,000 (Period ended 31 March 2015 ("3QFY2015"): profit of approximately RMB 1,779,000) divided by the weighted average number of 79,828,931 ordinary shares of HK\$4.0 each ("Shares") (3QFY2015: 798,289,318 Shares) in issue during 3QFY2016.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:

- a) current financial period reported on; and**
- b) immediately preceding financial year.**

	Group		Company	
	As at 31 Mar 2016 RMB cents	As at 30 Jun 2015 RMB cents	As at 31 Mar 2016 RMB cents	As at 30 Jun 2015 RMB cents
Net asset value per ordinary share	1,797.31	180.04	982.12	99.11
Number of ordinary shares	79,828,931	798,289,318	79,828,931	798,289,318

Net asset value per ordinary share of the Group as at 31 March 2016 was calculated based on the Group's net assets of approximately RMB 1,434,772,000 as at 31 March 2016 (30 June 2015: approximately RMB 1,437,254,000) divided by 79,828,931 Shares (30 June 2015: 798,289,318 Shares).

Net asset value per ordinary share of the Company as at 31 March 2016 was calculated based on the net assets of approximately RMB 784,017,000 as at 31 March 2016 (30 June 2015: approximately RMB 791,206,000) divided by 79,828,931 Shares (30 June 2015: 798,289,318 Shares).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following;

- a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal and cyclical factors; and**
- b) any material factors that affected the cash flow, working capital, assets and liabilities of the group during the current financial period reported on.**

Review of Group's Performance**3QFY2016 VS 3QFY2015****Revenue**Luoyang Dukang

<u>3Q FY2016</u>	Revenue RMB'million	Volume Tonnes	Average selling price RMB/Kg	<u>3Q FY2015</u>	Revenue RMB'million	Volume Tonnes	Average selling price RMB/Kg
Premium series	56.4	383	147.3	Premium series	57.4	393	146.1
Regular series	222.5	6,486	34.3	Regular series	192.9	6,590	29.3
Total	278.9	6,869	40.6	Total	250.3	6,983	35.8

Group revenue for 3QFY2016 increased by RMB 28.6 million or 11.4% to RMB 278.9 million. The growth was due mainly to the launch of the Group's major new products, such as Dukang No.1 (under premium series) and Dukang No.2 (under regular series) from Luoyang Dukang operations during the period.

Gross profit and margin

The Group's gross profit increased by RMB 21.2 million or 29.2% to RMB 93.8 million.

Gross profit margin ("GPM") increased by 4.6 percentage points from 29.0% to 33.6% primarily due to an increase in the overall GPM for 「Dukang」 products.

Gross profit for premium and regular series increased from RMB 25.1 million and RMB 47.5 million to RMB 29.6 million and RMB 64.2 million respectively. GPM for premium series increased from 43.7% to 52.5% and GPM for regular series increased from 24.6% to 28.8%. The increase in gross profit margin was mainly due to the change in product mix during 3QFY2016.

Other income

Other income increased from RMB 0.6 million to RMB 0.7 million mainly due to the increase in proceeds from the sale of distilled grain mixture as animal feed, which is a by-product resulting from baijiu production process.

Selling and distribution expenses

Selling and distribution expenses increased by 55.4% or RMB 25.0 million to RMB

70.0 million. This was due mainly to:

- TV and radio commercial broadcast in channels in Henan Province, which increased by around RMB 30.0 million

The purpose of the intensified advertising and promotional activities is to elevate the awareness of the Group's new products, Dukang No.1 and Dukang No.2.

Share of profit of an associate

Share of profit of an associate increased as a result of increase in license fee income of the Group's associate arising from the increased in sale of the products under the 「Dukang」 brand.

Income tax credit

The income tax credit for the period represents the effect of reversal of deferred tax liabilities for RMB 0.4 million.

Loss for the period

Taking into account of the above mentioned, the loss attributable to the owners of the Company amounted to RMB 2.7 million for 3QFY2016 (3QFY2015: profit of RMB 1.9 million).

Review of Group's Financial Position

31 March 2016 VS 30 June 2015

Inventories

Inventories decreased by RMB 69.1 million, mainly due to the reduction in production volume of the grain alcohol from the cessation of production of the Group's Yichuan factory in the first half of FY2016, and lower amount of raw materials and packaging materials purchased in 3QFY2016.

Prepayments, deposits and other receivables

Prepayment, deposits and other receivables decreased by RMB 56.4 million, mainly due to the settlement of the receivables from the sale of grain alcohol during the first half of FY2016.

Non-current assets classified as held for sale

Pursuant to the Relocation Exercise as mentioned in the announcement released on

13 February 2015, the existing production facilities in Yichuan will be relocated to a new site. The land, buildings and some plant and machinery (“Residual Assets”) which are incapable of being relocated will be sold. In 1QFY2016, remaining sales deposit amounting to RMB 40.0 million have been received and is now classified under accrued liabilities and other payables.

The balance of RMB 52.6 million represents the net book value of the Residual Assets reclassified from property, plant and equipment as well as prepaid land lease payments.

Accrued liabilities and other payables

Accrued liabilities and other payables increased by 47.7 million mainly due to the remaining sales deposit received for RMB 40.0 million as above mentioned.

Cash and cash equivalents

Cash and cash equivalents increased by RMB 184.9 million from RMB 403.0 million as at 30 June 2015 to RMB 587.9 million as at 31 March 2016. This was mainly due to net cash of RMB 192.6 million generated from operating activities, net cash of RMB 1.0 million used in investing activities and net cash of RMB 6.6 million used in financing activities during 3QFY2016.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The 3QFY2016 results are in line with the information described in paragraph 10 of the 2QFY2016 results announcement.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The baijiu industry has gone through three to four years of adjustment which began with a rapid decline; however of late it has been showing signs of recovery although weak. The momentum seemed to persist in the first quarter of 2016 as industry players reported better than expected sales.

In March this year, the Group participated in the Spring China National Sugar and

Alcoholic Commodities Fair held in Chengdu, China. The trade fair saw a record number of domestic and international exhibitors with more than 300,000 visitors. Apart from the annual Luoyang Dukang National Trade Fair organised by the Group in June 2016, the Group will also participate in the Autumn China National Sugar and Alcoholic Commodities Fair in October 2016 to broaden our customer base and improve our brand presence in the baijiu market.

The Group's strategic new products, Dukang No.1 and Dukang No.2, have been gaining traction. Going forward, the Group will pay close attention to changes in consumer behaviour and explore new channels to promote the 「Dukang」 brand and attract younger consumers.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date Payable

Not applicable.

(d) Books Closure Date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not applicable.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable.

15. A breakdown of sales

Not applicable.

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable.

17. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate from shareholders for IPTs.

18. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

**BY ORDER OF THE BOARD
DUKANG DISTILLERS HOLDINGS LIMITED**

**ZHOU TAO
CHAIRMAN
13 MAY 2016**

**CONFIRMATION BY DIRECTORS PURSUANT TO RULE 705(5) OF THE LISTING
MANUAL OF SGX-ST**

On behalf of the Board of Directors, we, Zhou Tao and Huo Lei, confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of Dukang Distillers Holdings Limited, which may render the financial statements for the third quarter ended 31 March 2016 to be false or misleading in any material aspect.

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

**Zhou Tao
Director**

**Huo Lei
Director**

13 May 2016