

# Dukang Distillers Holdings Limited

(Incorporated in Bermuda)

## FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2015

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	Year ended		Increase/ (Decrease) %
	30 Jun 2015 Unaudited RMB'000	30 Jun 2014 Audited RMB'000	
Revenue	863,413	1,450,854	(40.5)
Cost of sales	(650,047)	(927,549)	(29.9)
<b>Gross profit</b>	213,366	523,305	(59.2)
Other income	5,833	4,759	22.6
Selling and distribution expenses	(160,038)	(342,893)	(53.3)
Administrative expenses	(92,886)	(96,144)	(3.4)
Impairment loss on interest in an associate	(36,957)	-	N.M.
Impairment loss on property, plant and equipment	(471,729)	-	N.M.
Impairment loss on intangible assets	(38,720)	-	N.M.
<b>Operating (loss)/profit</b>	(581,131)	89,027	(752.8)
Finance costs	(11,361)	(10,463)	8.6
Share of profit of an associate	4,238	6,266	(32.4)
<b>(Loss)/profit before income tax</b>	(588,254)	84,830	(793.5)
Income tax credit/(expense)	26,868	(40,747)	(165.9)
<b>(Loss)/profit for the year, attributable to owners of the Company</b>	(561,386)	44,083	(1,373.5)
<b>Other comprehensive income for the year</b>			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operations	(21)	(341)	(93.8)
<b>Total comprehensive income for the year, attributable to owners of the Company</b>	(561,407)	43,742	(1,383.5)

N.M.: Not meaningful

Notes:

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

	<b>Group</b>		<b>Increase/ (Decrease) %</b>
	<b>Year ended 30 Jun 2015 Unaudited RMB'000</b>	<b>30 Jun 2014 Audited RMB'000</b>	
Interest income	1,323	2,363	(44.0)
Interest expenses	(11,361)	(10,463)	8.6
Depreciation of property, plant and equipment	(48,893)	(32,610)	49.9
Amortisation of prepaid land lease payments	(2,784)	(2,978)	(6.5)
Impairment loss on interest in an associate	(36,957)	-	N.M.
Impairment loss on property, plant and equipment	(471,729)	-	N.M.
Impairment loss on intangible assets	(38,720)	-	N.M.
Loss on disposal of property, plant and equipment	(2,783)	-	N.M.
Write-off of property, plant and equipment	(10,736)	(5,520)	94.5

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 As at 30 Jun 2015 RMB'000	Audited As at 30 Jun 2014 RMB'000	Unaudited As at 30 Jun 2015 RMB'000	Audited As at 30 Jun 2014 RMB'000
<b>ASSETS AND LIABILITIES</b>				
<b>Non-current assets</b>				
Interests in subsidiaries	-	-	279,108	279,108
Interest in an associate	119,070	151,789	-	-
Property, plant and equipment	385,601	911,746	-	-
Prepaid land lease payments	118,777	117,710	-	-
Intangible assets	1,280	40,000	-	-
Deposits	6,537	8,801	-	-
	631,265	1,230,046	279,108	279,108
<b>Current assets</b>				
Inventories	663,700	689,607	-	-
Trade receivables	-	1,838	-	-
Amounts due from subsidiaries	-	-	515,526	521,243
Prepayments, deposits and other receivables	87,870	220,793	-	-
Cash and cash equivalents	403,009	391,751	22	22
	1,154,579	1,303,989	515,548	521,265
Non-current assets held for sale	52,592	-	-	-
	1,207,171	1,303,989	515,548	521,265
<b>Current liabilities</b>				
Trade payables	79,767	132,831	-	-
Amount due to an associate	20,097	11,841	-	-
Accrued liabilities and other payables	149,208	130,890	3,450	3,190
Bank and other loans, secured	119,750	186,000	-	-
Provision for income tax	4,914	2,176	-	-
	373,736	463,738	3,450	3,190
<b>Net current assets</b>	833,435	840,251	512,098	518,075
<b>Total assets less current liabilities</b>	1,464,700	2,070,297	791,206	797,183
<b>Non-current liabilities</b>				
Bank and other loans, secured	15,000	15,000	-	-
Deferred tax liabilities	12,446	56,636	-	-
	27,446	71,636	-	-
<b>Net assets</b>	1,437,254	1,998,661	791,206	797,183
<b>EQUITY</b>				
<b>Equity attributable to owners of the Company</b>				
Share capital	279,499	279,499	279,499	279,499
Reserves	1,157,755	1,719,162	511,707	517,684
<b>Total equity</b>	1,437,254	1,998,661	791,206	797,183

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

As at 30 June 2015	As at 30 June 2014
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Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
119,750	-	186,000	-

**Amount repayable after one year:**

As at 30 June 2015	As at 30 June 2014
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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 30 June 2015, the Group's bank and other loans amounting to RMB 134.8 million were secured by charges over the Company's 9.09% equity interest amounting to RMB 15.0 million 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.**

	<b>Group</b>	
	<b>Year ended</b>	
	<b>30 Jun 2015</b>	<b>30 Jun 2014</b>
	<b>Unaudited</b>	<b>Audited</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Cash flows from operating activities</b>		
(Loss)/profit before income tax	(588,254)	84,830
Adjustments for:		
Interest income on financial assets stated at amortised cost	(1,323)	(2,363)
Interest expenses	11,361	10,463
Depreciation of property, plant and equipment	48,893	32,610
Amortisation of prepaid land lease payments	2,784	2,978
Loss on disposal of property, plant and equipment	2,783	-
Write-off of property, plant and equipment	10,736	5,520
Impairment loss on interest in an associate	36,957	-
Impairment loss on property, plant and equipment	471,729	-
Impairment loss on intangible assets	38,720	-
Share of profit of an associate	(4,238)	(6,266)
Operating profit before working capital changes	30,148	127,772
Decrease/(increase) in inventories	25,907	(346,596)
Decrease in trade receivables	1,838	31,644
Decrease/(increase) in prepayments, deposits and other receivables	132,923	(3,635)
Decrease in trade payables	(53,064)	(52,820)
Increase/(decrease) in accrued liabilities and other payables	18,318	(3,148)
Increase/(decrease) in amount due to an associate	8,256	(1,810)
Cash generated from/(used in) operations	164,326	(248,593)
Income taxes paid	(14,584)	(71,363)
<b>Net cash generated from/(used in) operating activities</b>	<b>149,742</b>	<b>(319,956)</b>
<b>Cash flows from investing activities</b>		
Additions to prepaid land lease payments	(29,347)	-
Purchases of properties, plant and equipment	(24,396)	(152,034)
Deposits paid for acquisition of property, plant and equipment	(9,471)	(8,801)
Proceeds from disposals of property, plant and equipment	1,039	6,392
Interest received	1,323	2,363
<b>Net cash used in investing activities</b>	<b>(60,852)</b>	<b>(152,080)</b>
<b>Cash flows from financing activities</b>		
Proceeds from bank and other loans	143,750	201,000
Repayments of bank and other loans	(210,000)	(84,000)
Interest paid	(11,361)	(10,463)
<b>Net cash (used in)/generated from financing activities</b>	<b>(77,611)</b>	<b>106,537</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>11,279</b>	<b>(365,499)</b>
Cash and cash equivalents at beginning of year	391,751	757,591
Effect of foreign exchange rate changes	(21)	(341)
<b>Cash and cash equivalents at end of year</b>	<b>403,009</b>	<b>391,751</b>

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
<b>Balance as at 1 July 2013</b>	279,499	656,811	(150,101)	107,267	4,196	1,057,247	1,954,919
Profit for the year	-	-	-	-	-	44,083	44,083
Other comprehensive income							
Exchange loss on translation of financial statements of foreign operations	-	-	-	-	(341)	-	(341)
<b>Total comprehensive income for the year</b>	-	-	-	-	(341)	44,083	43,742
Transfer to statutory reserves	-	-	-	39,915	-	(39,915)	-
<b>Balance as at 30 June 2014 and 1 July 2014</b>	279,499	656,811	(150,101)	147,182	3,855	1,061,415	1,998,661
Loss for the year	-	-	-	-	-	(561,386)	(561,386)
Other comprehensive income							
Exchange loss on translation of financial statements of foreign operations	-	-	-	-	(21)	-	(21)
<b>Total comprehensive income for the year</b>	-	-	-	-	(21)	(561,386)	(561,407)
Transfer to statutory reserves	-	-	-	5,591	-	(5,591)	-
<b>Balance as at 30 June 2015</b>	279,499	656,811	(150,101)	152,773	3,834	494,438	1,437,254

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
<b>Balance at 1 July 2013</b>	279,499	656,811	120,523	(65,325)	(195,087)	796,421
Loss for the year	-	-	-	-	(5,674)	(5,674)
Other comprehensive income						
Exchange gain on translation of financial statements	-	-	-	6,436	-	6,436
<b>Total comprehensive income for the year</b>	-	-	-	6,436	(5,674)	762
<b>Balance as at 30 June 2014 and 1 July 2014</b>	279,499	656,811	120,523	(58,889)	(200,761)	797,183
Loss for the year	-	-	-	-	(5,962)	(5,962)
Other comprehensive income						
Exchange loss on translation of financial statements	-	-	-	(15)	-	(15)
<b>Total comprehensive income for the year</b>	-	-	-	(15)	(5,962)	(5,977)
<b>Balance as at 30 June 2015</b>	279,499	656,811	120,523	(58,904)	(206,723)	791,206

**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.**

There was no change in the Company's share capital during the current financial period reported on. The Company had no outstanding convertibles and there were no shares held as treasury shares as at 30 June 2015.

**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	
	30 Jun 2015	30 Jun 2014
Total number of issued shares (excluding treasury shares)	798,289,318	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 2014, 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 2014. The adoption of these revised IFRSs for the current reporting year ended 30 June 2015 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.**

	<b>Group</b>	
	<b>Year ended</b>	
	<b>30 Jun 2015</b>	<b>30 Jun 2014</b>
	<b>Unaudited</b>	<b>Audited</b>
	<b>RMB cents</b>	<b>RMB cents</b>
<b>Basic</b>	(70.32)	5.52
<b>Diluted</b>	N/A	N/A

Basic (loss)/earnings per share ("EPS") for the year ended 30 June 2015 ("FY2015") was calculated based on the Group's loss for the year of approximately RMB 561,386,000 (Year ended 30 June 2014 ("FY2014"): profit for approximately RMB 44,083,000) divided by the weighted average number of 798,289,318 ordinary shares of HK\$0.40 each ("Shares") (FY2014: 798,289,318 Shares) in issue during FY2015.

**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.**

	<b>Group</b>		<b>Company</b>	
	<b>As at 30 Jun 2015 RMB cents</b>	<b>As at 30 Jun 2014 RMB cents</b>	<b>As at 30 Jun 2015 RMB cents</b>	<b>As at 30 Jun 2014 RMB cents</b>
Net asset value per ordinary share	180.04	250.37	99.11	99.86
Number of ordinary shares	798,289,318	798,289,318	798,289,318	798,289,318

Net asset value per ordinary share of the Group as at 30 June 2015 was calculated based on the Group's net assets of approximately RMB 1,437,254,000 as at 30 June 2015 (30 June 2014: approximately RMB 1,998,661,000) divided by 798,289,318 Shares (30 June 2014: 798,289,318 Shares).

Net asset value per ordinary share of the Company as at 30 June 2015 was calculated based on the net assets of approximately RMB 791,206,000 as at 30 June 2015 (30 June 2014: approximately RMB 797,183,000) divided by 798,289,318 Shares (30 June 2014: 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****FY2015 VS FY2014****Revenue**Luoyang Dukung

<u>FY2015</u>	Revenue RMB'million	Volume Tonnes	Average selling price RMB/Kg	<u>FY2014</u>	Revenue RMB'million	Volume Tonnes	Average selling price RMB/Kg
Premium series	200.1	1,396	143.3	Premium series	318.3	1,807	176.1
Regular series	663.0	23,058	28.8	Regular series	957.0	30,827	31.0
Total	863.1	24,454	35.3	Total	1,275.3	32,634	39.1

Siwu

<u>FY2015</u>	Revenue RMB'million	Volume Tonnes	Average selling price RMB/Kg	<u>FY2014</u>	Revenue RMB'million	Volume Tonnes	Average selling price RMB/Kg
Premium series	-	-	-	Premium series	28.7	237	121.1
Regular series	0.3	10	30.0	Regular series	146.9	8,266	17.8
Total	0.3	10	30.0	Total	175.6	8,503	20.7

Revenue for FY2015 decreased significantly by RMB 587.4 million or 40.5% to RMB 863.4 million. The decrease was mainly due to a decrease in revenue from both Luoyang Dukung and Siwu operations, as a result of China's current austerity measures on luxury gifts and spending.

**Gross profit and margin**

The Group's gross profit decreased significantly by RMB 309.9 million or 59.2% to RMB 213.4 million.

Gross profit margin ("GPM") decreased by 11.4 percentage points from 36.1% to 24.7% primarily due to a decrease in the overall GPM for 「Dukung」 products.

i. Luoyang Dukung

Gross profit for premium and regular series decreased from RMB 162.7 million and RMB 308.3 million to RMB 81.4 million and RMB 131.9 million respectively. GPM for premium series decreased from 51.1% to 40.7% and GPM for regular series decreased from 32.2% to 19.9%. Overall gross profit margin for 「Dukung」 products decreased from 36.9% to 24.7%. The decrease in gross profit margin was mainly due to the change in product mix during FY2015.

ii. Siwu

There was no recognition of revenue for premium series during FY2015, and therefore the gross profit for premium series decreased from RMB 13.9 million to nil. Gross profit for regular series decreased from RMB 38.4 million to RMB 0.1 million. GPM for regular series decreased from 26.2% to 25.3%. Overall gross profit margin for “Siwu” brand products decreased from 29.8% to 25.3%. The drop in GPM was mainly due to the change in product mix.

Other income

Other income increased from RMB 4.8 million to RMB 5.8 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 decreased by 53.3% or RMB 182.9 million to RMB 160.0 million. The Group has reduced its television commercials on China Central Television and reallocated the advertising and promotion budget to focus more in Henan province.

Impairment losses

In view of the continuous weakening of the baijiu industry due to the austerity measures in China, the management performed an impairment assessment on its non-current assets, including prepaid land lease payments, property, plant and equipment, intangible assets, interest in an associate and non-current deposits. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. As the recoverable amounts of the assets assessed by an independent and professionally qualified valuer were significantly lower than their carrying value, impairment losses for a total of approximately RMB547.4 million on property, plant and equipment, intangible assets and interest in an associate were recognised against the respective assets in this financial year.

The impairment losses were mainly due to significant changes in the economic and political environment in the PRC which adversely affected the demand for the Group's baijiu products in the financial year under review. It is expected that the situation will continue in the near future in the baijiu market and the economic performance of the dedicated assets will be worse.

These impairment losses were non-cash in nature and they did not affect the Group's cash flow condition.

#### Finance costs

Finance costs increased by RMB 0.9 million due mainly to the increase in the average balance of bank loans during the period compared to FY2014.

#### Share of profit of an associate

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

#### Income tax credit/(expense)

The income tax credit for the year represents the effect of reversal of deferred tax liabilities for RMB 44.2m as significant impairment losses were made on the property, plant and equipment and land use rights acquired in 2010 business combination during the year, which was offset by the Group's income tax expense amounting to RMB 17.3m for the year.

#### (Loss)/profit for the year

Taking into account of the above mentioned, the loss attributable to the owners of the Company amounted to RMB 561.4 million for FY2015 (FY2014: profit of RMB 44.1 million).

### **Review of Group's Financial Position**

#### **30 June 2015 VS 30 June 2014**

#### Interest in an associate

Interest in an associate decreased by RMB32.8m due to the impairment loss made for RMB 37.0m, which was offset by the share of result of an associate for RMB 4.2m.

#### Property, plant and equipment

Property, plant and equipment decreased by RMB 526.1m mainly due to the impairment loss on property, plant and equipment for RMB 471.7m and depreciation charges for RMB 48.9 million.

#### Intangible assets

Intangible assets decreased by RMB 38.7m due to the impairment loss made as

mentioned above.

#### Deposits

Deposits decreased by RMB 2.3 million mainly due to the completion of the acquisition of machineries ordered in FY2014.

#### Trade receivables

There were no trade receivables recorded as at 30 June 2015 as there was no recognition of sales of Siwu products FY4Q2015.

#### Prepayments, deposits and other receivables

Prepayment, deposits and other receivables decreased by RMB 132.9 million, mainly due to the Group ceased to place deposits with selected suppliers of raw materials in a bid to secure a stable supply at attractive prices during the year.

#### Non-current assets classified as held for sale

Pursuant to the Relocation Exercise as mentioned in the announcement released on 13 Feb 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 4QFY2015, sales deposit amounting to RMB 40.0m has been received and 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.

#### Trade payables

Trade payables decreased by RMB 53.1 million mainly due to a significantly lower amount of raw materials and packaging materials purchased in 4QFY2015 compared to 4QFY2014. This was in line with the decrease in sales volume.

#### Accrued liabilities and other payables

Accrued liabilities and other payables increased by 18.3 million mainly due to the sales deposit received for RMB 40.0m as above mentioned, which was offset by decrease in value-added tax payable, consumption tax payable and other taxes and levies resulting from the decrease in sales during 4QFY2015.

**Bank and other loans, secured**

Bank and other loans decreased by RMB 66.3 million to RMB 134.8 million mainly due to repayment of the bank borrowings during the year.

**Cash and cash equivalents**

Cash and cash equivalents increased by RMB 11.2 million from RMB 391.8 million as at 30 June 2014 to RMB 403.0 million as at 30 June 2015. This was mainly due to net cash of RMB 149.7 million generated from operating activities, net cash of RMB 60.9 million used in investing activities and net cash of RMB 77.6 million used in financing activities during the year ended 30 June 2015.

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

Although there was no deviation from the information disclosed in Paragraph 10 of the previous results announcement, the Company had released announcements on profit guidance to the Singapore Exchange Securities Trading Limited on 14 August 2015 and 21 August 2015 in view of its significantly lower overall revenue and earnings in FY2015 compared to FY2014.

**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 Chinese government austerity measures continue to weigh down the baijiu industry. This has been reflected in the sharp decrease in the demand for baijiu.

Furthermore, the new baijiu production and access rules have been revised and is expected to be implemented in the second half of 2015 according to China Association of Wine. Stringent standards have been imposed on baijiu producers to ensure the quality of baijiu and raise the barriers of entry in the baijiu industry.

In response to the Chinese government's austerity measures, some of the leading brands are witnessing growing penetration into the mass market with lower retail prices and better product mix. Thus, future growth of baijiu industry will likely be driven by expanding mass consumption in the mid-to-long term.

The Group has put in place several strategies to boost the sales of baijiu products. The Group will remain committed to its advertising and promotional activities in its home market, Henan province and penetration plans into mass market by promoting its Jiuzu Dukang series and Mianrou Dukang series.

## **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**

	Year ended 30 June 2015 RMB'000	Year ended 30 June 2014 RMB'000
Revenue reported for the 1st half year	439,056	792,194
Net (loss)/profit reported for the 1st half year	(25,042)	40,493
Revenue reported for the 2nd half year	424,357	658,660
Net (loss)/profit reported for the 2nd half year	(536,344)	3,590

**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. Use of proceeds from issuance of Taiwan Depository Receipts**

As stated in the announcement released to the Singapore Exchange Securities Trading limited on 6 January 2015, the Company has fully utilized the proceeds as at 31 December 2014.

**18. 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.

**19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

There are no persons occupying managerial positions in the Company or any of its

principal subsidiaries who are relatives of a Director or Chief Executive Officer or substantial shareholder of the Company.

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

**ZHOU TAO  
CHAIRMAN  
28 Aug 2015**