

FOR IMMEDIATE RELEASE

Dukang Distillers registers revenue of RMB863.4 million in FY2015

- Revenue and gross profit declined due to China's ongoing austerity measures
- Impairment losses of RMB547.4 million incurred largely due to changes in economic and political environment in PRC
- Group to emphasise on penetration plans into mass market

Financial Highlights

(RMB'Mil)	FY2015	FY2014	% Change
Sales	863.4	1,450.9	(40.5)
Gross Profit	213.4	523.3	(59.2)
Gross Profit Margin	24.7%	36.1%	(11.4pp)
Profit Attributable to Shareholders	(561.4)	44.1	N.M
Net Profit Margin	(65.0%)	3.0%	N.M
Earnings Per Share* (RMB'cent)	(70.32)	5.52	N.M

pp: percentage points

N.M: Not meaningful

* Based on the weighted average number of 798,289,318 ordinary shares in FY2015 and FY2014

Singapore & Taiwan, 28 August 2015 –SGX Mainboard-listed Dukang Distillers Holdings Limited (“Dukang Distillers” or “杜康控股有限公司”, and together with its subsidiaries, the “Group”), a leading producer of white liquor (“*baijiu*”) in Henan, China, registered a 40.5% year-on-year (“yoy”) decline in sales to RMB863.4 million for the financial year ended 30 June 2015 (“FY2015”). Excluding the impairment losses of RMB547.4 million, the Group would have registered a net loss of RMB14.0 million for FY2015.

The Group witnessed a decline in overall sales as a result of the clamp down on luxury gifting and spending in China. Revenue from *Luoyang Dukang's* premium series declined 37.1% yoy to RMB200.1 million due to 22.7% and 18.6% yoy decline in sales volume and average selling price (“ASP”) respectively. Sales from *Luoyang Dukang's* regular series decreased 30.7% yoy to RMB663.0 million, mainly attributable to 25.2% and 7.1% yoy decline in sales volume and ASP respectively.

Due to a decrease in the overall gross profit margin for 「Dukang」 products, the Group's overall gross profit margin decreased 11.4 percentage points yoy from 36.1% for FY2014 to 24.7% for FY2015.

As a result of reducing television commercials on China Central Television and reallocating advertising and promotion budget to focus more in Henan province, the Group's selling and distribution expenses declined 53.3% yoy from RMB342.9 million to RMB160.0 million for FY2015.

Other income increased from RMB4.8 million to RMB5.8 million mainly due to increase in proceeds from the sale of distilled grain mixture as animal feed, which is a by-product from baijiu production process.

Financial Year End: End June FY2015: July 2014 – June 2015 FY2014: July 2013- June 2014



杜康控股

Dukang Distillers Holdings Limited

In addition, the Group recognised a total impairment loss of RMB547.4 million on property, plant and equipment, intangible assets and interest in associate for FY2015, largely due to significant changes in the economic and political environment in PRC which adversely affected the demand for the Group's baijiu products. However, the impairment losses did not affect the Group's cash flow condition.

As a result of lower sales and recognition of impairment losses, the Group registered a net loss of RMB561.4 million for FY2015.

Outlook

Mr Zhou Tao, Dukang's Chairman and Chief Executive Officer, commented, **"FY2015 has been a challenging year as the Chinese government's austerity measures have continued to impact the baijiu industry. As part of our efforts to drive sales and stay ahead of competition, we are placing emphasis on penetration plans into mass market by promoting our Jiuzu Dukang series and Mianrou Dukang series of products to capitalise on the booming demand in mass market."**

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About Dukang Distillers Holdings Limited

Dukang Distillers Holdings Limited (previously Trump Dragon Distillers Holdings Limited) is a leading producer *baijiu* in Henan Province, the PRC. The Group carries a broad range of *baijiu* products and is the exclusive holder of 「Dukang」 (“杜康”) Brand.

Named after the forefather of *baijiu* and supported by a history of over two thousand years, 「Dukang」 (“杜康”) is a well-established national brand with a rich cultural heritage that focuses on the mid to high-end *baijiu* market in the PRC.

The Group’s products are sold through distributors to hospitality establishments, supermarkets and specialty stores selling tobacco and alcohol products in the PRC. With the acquisition of *Luoyang Dukang* complete in May 2010, the Group has significantly increased its production capacity, and is primed to strengthen its market position and competitive edge in *baijiu* industry within Henan Province as well as across the PRC.

The Group has been listed on the SGX Mainboard since September 2008 and on the Taiwan Stock Exchange via Taiwan Depository Receipts since March 2011.

Issued for and on behalf of Dukang Distillers Holdings Limited

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