

DUKANG DISTILLERS HOLDINGS LIMITED

(Incorporated in Bermuda)

(Company Registration Number: 41457)

PROFIT GUIDANCE FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2017

The Board of Directors (the “Board”) of Dukang Distillers Holdings Ltd. (the “Company”, and together with its subsidiaries, the “Group”) wishes to announce that the Group expects its overall revenue and earnings to be significantly lower for the first quarter ended 30 September 2017 (“**1QFY2018**”) compared to the three months ended 30 September 2016 (“**1QFY2017**”).

Due to the prolonged severe pollution and smog which caused a significant decline in the purchase of baijiu products by the distributors for the financial year ended 30 June 2017; the Group, in order to retain market share launched a sales promotion in the form of giving Dukang baijiu products from the Group existing inventory to distributors. As a result of this sales promotion, distributors were unable to digest the increase in inventory during 1QFY2018, thus causing a significant decline in sales for the period. This significantly lowered the revenue and earnings.

This profit guidance is based on a preliminary review of the unaudited financial results of the Group. Further details of the Group’s performance will be released when the Company announces its unaudited financial results for 1QFY2018, on or before 14 November 2017.

In the meantime, the Board wishes to advise shareholders of the Company and investors to exercise caution when dealing in the shares of the Company.

By Order of the Board

Zhou Tao
CEO and Executive Chairman
3 November 2017