

# Dukang Distillers Holdings Limited

(Incorporated in Bermuda)

## THIRD QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 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	Three months ended		Increase/ (Decrease) %	Nine months ended		Increase/ (Decrease) %
	31 Mar 2015 Unaudited RMB'000	31 Mar 2014 Unaudited RMB'000		31 Mar 2015 Unaudited RMB'000	31 Mar 2014 Unaudited RMB'000	
<b>Revenue</b>	250,325	352,221	(28.9)	689,381	1,144,415	(39.8)
<b>Cost of sales</b>	(177,694)	(233,270)	(23.8)	(512,709)	(734,598)	(30.2)
<b>Gross profit</b>	72,631	118,951	(38.9)	176,672	409,817	(56.9)
Other income	622	1,359	(54.2)	1,893	3,794	(50.1)
Selling and distribution expenses	(45,057)	(76,539)	(41.1)	(125,273)	(250,301)	(50.0)
Administrative expenses	(25,731)	(32,620)	(21.1)	(73,790)	(96,916)	(23.9)
<b>Operating profit/(loss)</b>	2,465	11,151	(77.9)	(20,498)	66,394	(130.9)
Finance costs	(2,083)	(3,203)	(35.0)	(7,576)	(7,043)	7.6
Share of profit of an associate	1,488	1,957	(24.0)	3,588	5,259	(31.8)
<b>Profit/(loss) before income tax</b>	1,870	9,905	(81.1)	(24,486)	64,610	(137.9)
Income tax (expense)/credit	(91)	(2,445)	(96.3)	623	(16,657)	(103.7)
<b>Profit/(loss) for the period, attributable to the owners of the Company</b>	1,779	7,460	(76.2)	(23,863)	47,953	(149.8)
<b>Other comprehensive income for the period</b>						
<b>Items that may be reclassified subsequently to profit or loss:</b>						
Exchange gain/(loss) on translation of financial statements of foreign operations	3	26	(88.5)	(561)	83	(775.9)
<b>Total comprehensive income for the period, attributable to the owners of the Company</b>	1,782	7,486	(76.2)	(24,424)	48,036	(150.8)

## Notes:

## i. Profit/(loss) before income tax is arrived at after crediting / (charging):

	Group		Increase/ (Decrease)	Group		Increase/ (Decrease)
	Three months ended 31 Mar 2015 Unaudited RMB'000	31 Mar 2014 Unaudited RMB'000		Nine months ended 31 Mar 2015 Unaudited RMB'000	31 Mar 2014 Unaudited RMB'000	
Interest income	312	835	(62.6)	830	2,473	(66.4)
Interest expenses	(2,083)	(3,203)	(35.0)	(7,576)	(7,043)	7.6
Loss on disposal of property, plant and equipment	(1,508)	-	N.M.	(1,508)	-	N.M.
Depreciation of property, plant and equipment	(6,233)	(6,790)	(8.2)	(25,564)	(20,069)	27.4
Amortisation of prepaid land lease payments	(743)	(598)	24.2	(2,229)	(1,793)	24.3

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.**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>Unaudited</b>	<b>Audited</b>	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>31 Mar 2015</b>	<b>30 Jun 2014</b>	<b>31 Mar 2015</b>	<b>30 Jun 2014</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>ASSETS AND LIABILITIES</b>				
<b>Non-current assets</b>				
Interests in subsidiaries	-	-	279,108	279,108
Interest in an associate	155,377	151,789	-	-
Property, plant and equipment	896,448	911,746	-	-
Prepaid land lease payments	115,481	117,710	-	-
Intangible assets	40,000	40,000	-	-
Deposits	8,801	8,801	-	-
	1,216,107	1,230,046	279,108	279,108
<b>Current assets</b>				
Inventories	685,677	689,607	-	-
Trade receivables	-	1,838	-	-
Amounts due from subsidiaries	-	-	510,716	521,243
Prepayments, deposits and other receivables	54,503	220,793	-	-
Cash and cash equivalents	401,221	391,751	21	22
	1,141,401	1,303,989	510,737	521,265
<b>Current liabilities</b>				
Trade payables	44,125	132,831	-	-
Amount due to an associate	14,084	11,841	-	-
Accrued liabilities and other payables	134,299	130,890	1,622	3,190
Bank and other loans, secured	119,750	186,000	-	-
Provision for income tax	448	2,176	-	-
	312,706	463,738	1,622	3,190
<b>Net current assets</b>	828,695	840,251	509,115	518,075
<b>Total assets less current liabilities</b>	2,044,802	2,070,297	788,223	797,183
<b>Non-current liabilities</b>				
Bank and other loans, secured	15,000	15,000	-	-
Deferred tax liabilities	55,565	56,636	-	-
	70,565	71,636	-	-
<b>Net assets</b>	1,974,237	1,998,661	788,223	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	1,694,738	1,719,162	508,724	517,684
<b>Total equity</b>	1,974,237	1,998,661	788,223	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 31 March 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 31 March 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 31 March 2015, the Group's bank and other loans amounting to RMB 134.8 million were secured by charges over the Group'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 31 Mar 2015 Unaudited RMB'000	31 Mar 2014 Unaudited RMB'000	Nine months ended 31 Mar 2015 Unaudited RMB'000	31 Mar 2014 Unaudited RMB'000
<b>Cash flows from operating activities</b>				
Profit/(loss) before income tax	1,870	9,905	(24,486)	64,610
Adjustments for:				
Interest income on financial assets stated at amortised cost	(312)	(835)	(830)	(2,473)
Interest expenses	2,083	3,203	7,576	7,043
Depreciation of property, plant and equipment	6,233	6,790	25,564	20,069
Amortisation of prepaid land lease payments	743	598	2,229	1,793
Loss on disposal of property, plant and equipment	1,508	-	1,508	-
Share of profit of an associate	(1,488)	(1,957)	(3,588)	(5,259)
Operating profit before working capital changes	10,637	17,704	7,973	85,783
(Increase)/decrease in inventories	(6,279)	(132,133)	3,930	(216,486)
Decrease in trade receivables	-	15,210	1,838	23,378
Decrease/(increase) in prepayments, deposits and other receivables	3,077	(497)	166,324	(10,741)
Increase/(decrease) in trade payables	310	(7,099)	(88,706)	(75,771)
Increase/(decrease) in accrued liabilities and other payables	8,500	507	3,409	(36,202)
(Decrease)/increase in amount due to an associate	(1,594)	(3,525)	2,243	(10,166)
Cash generated from/(used in) operations	14,651	(109,833)	97,011	(240,205)
Income taxes paid	-	(3,052)	(2,210)	(44,653)
<b>Net cash generated from/(used in) operating activities</b>	<b>14,651</b>	<b>(112,885)</b>	<b>94,801</b>	<b>(284,858)</b>
<b>Cash flows from investing activities</b>				
Purchases of property, plant and equipment	(1,131)	-	(12,350)	(27,182)
Dividend received from an associate	-	-	-	6,392
Interest received	312	835	830	2,473
Proceeds from disposal of property, plant and equipment	576	-	576	-
<b>Net cash used in investing activities</b>	<b>(243)</b>	<b>835</b>	<b>(10,944)</b>	<b>(18,317)</b>
<b>Cash flows from financing activities</b>				
Proceeds from bank loans	-	-	-	162,000
Repayment of bank loans	(24,000)	-	(66,250)	(60,000)
Interest paid	(2,083)	(3,203)	(7,576)	(7,043)
<b>Net cash (used in)/generated from financing activities</b>	<b>(26,083)</b>	<b>(3,203)</b>	<b>(73,826)</b>	<b>94,957</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(11,675)</b>	<b>(115,253)</b>	<b>10,031</b>	<b>(208,218)</b>
Cash and cash equivalents at beginning of period	412,893	664,683	391,751	757,591
Effect of foreign exchange rate changes	3	26	(561)	83
<b>Cash and cash equivalents at end of period</b>	<b>401,221</b>	<b>549,456</b>	<b>401,221</b>	<b>549,456</b>
<b>Analysis of balances of cash and cash equivalents</b>				
<b>Cash at banks and in hand</b>	<b>401,221</b>	<b>549,456</b>	<b>401,221</b>	<b>549,456</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 January 2014</b>	279,499	656,811	(150,101)	107,267	4,253	1,097,740	1,995,469
Profit for the period	-	-	-	-	-	7,460	7,460
Other comprehensive income							
Exchange gain on translation of financial statements of foreign operations	-	-	-	-	26	-	26
<b>Total comprehensive income for the period</b>	-	-	-	-	26	7,460	7,486
<b>Balance as at 31 March 2014</b>	279,499	656,811	(150,101)	107,267	4,279	1,105,200	2,002,955
<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 period	-	-	-	-	-	47,953	47,953
Other comprehensive income							
Exchange gain on translation of financial statements of foreign operations	-	-	-	-	83	-	83
<b>Total comprehensive income for the period</b>	-	-	-	-	83	47,953	48,036
<b>Balance as at 31 March 2014</b>	279,499	656,811	(150,101)	107,267	4,279	1,105,200	2,002,955
<b>Balance as at 1 January 2015</b>	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
<b>Total comprehensive income for the period</b>	-	-	-	-	3	1,779	1,782
<b>Balance as at 31 March 2015</b>	279,499	656,811	(150,101)	147,182	3,294	1,037,552	1,974,237
<b>Balance as at 1 July 2014</b>	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)
<b>Total comprehensive income for the period</b>	-	-	-	-	(561)	(23,863)	(24,424)
<b>Balance as at 31 March 2015</b>	279,499	656,811	(150,101)	147,182	3,294	1,037,552	1,974,237

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 as at 1 January 2014</b>	279,499	656,811	120,523	(65,296)	(196,639)	794,898
Loss for the period	-	-	-	-	(1,553)	(1,553)
Other comprehensive income						
Exchange gain on translation of financial statements	-	-	-	27	-	27
<b>Total comprehensive income for the period</b>	-	-	-	27	(1,553)	(1,526)
<b>Balance as at 31 March 2014</b>	279,499	656,811	120,523	(65,269)	(198,192)	793,372
<b>Balance as at 1 July 2013</b>	279,499	656,811	120,523	(65,325)	(195,087)	796,421
Loss for the period	-	-	-	-	(3,105)	(3,105)
Other comprehensive income						
Exchange gain on translation of financial statements	-	-	-	56	-	56
<b>Total comprehensive income for the period</b>	-	-	-	56	(3,105)	(3,049)
<b>Balance as at 31 March 2014</b>	279,499	656,811	120,523	(65,269)	(198,192)	793,372
<b>Balance as at 1 January 2015</b>	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
<b>Total comprehensive income for the period</b>	-	-	-	3	(1,371)	(1,368)
<b>Balance as at 31 March 2015</b>	279,499	656,811	120,523	(64,255)	(204,355)	788,223
<b>Balance as at 1 July 2014</b>	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)
<b>Total comprehensive income for the period</b>	-	-	-	(5,366)	(3,594)	(8,960)
<b>Balance as at 31 March 2015</b>	279,499	656,811	120,523	(64,255)	(204,355)	788,223

**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 31 March 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	
	31 Mar 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 period ended 31 March 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>Three months ended</b>	
	<b>31 Mar 2015</b>	<b>31 Mar 2014</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>RMB cents</b>	<b>RMB cents</b>
<b>Basic</b>	0.22	0.93
<b>Diluted</b>	N/A	N/A

Basic earnings per share for the period ended 31 March 2015 ("3QFY2015") was calculated based on the Group's profit for the period of approximately RMB 1,779,000 (Period ended 31 March 2014 ("3QFY2014"): profit for approximately RMB 7,460,000) divided by the weighted average number of 798,289,318 ordinary shares of HK\$0.40 each ("Shares") (3QFY2014: 798,289,318 Shares) in issue during 3QFY2015.

**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 31 Mar 2015 RMB cents</b>	<b>As at 30 Jun 2014 RMB cents</b>	<b>As at 31 Mar 2015 RMB cents</b>	<b>As at 30 Jun 2014 RMB cents</b>
Net asset value per ordinary share	247.31	250.37	98.74	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 31 March 2015 was calculated based on the Group's net assets of approximately RMB 1,974,237,000 as at 31 March 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 31 March 2015 was calculated based on the net assets of approximately RMB 788,223,000 as at 31 March 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****3QFY2015 VS 3QFY2014****Revenue**

<u>3Q FY2015</u>				<u>3Q FY2014</u>			
	Revenue RMB'million	Volume Tonnes	Average selling price RMB/Kg		Revenue RMB'million	Volume Tonnes	Average selling price RMB/Kg
Premium series	57.4	393	146.1	Premium series	30.6	180	170.0
Regular series	192.9	6,590	29.3	Regular series	297.5	9,610	31.0
Total	250.3	6,983	35.8	Total	328.1	9,790	33.5

**Siwu**

<u>3Q FY2015</u>				<u>3Q FY2014</u>			
	Revenue RMB'million	Volume Tonnes	Average selling price RMB/Kg		Revenue RMB'million	Volume Tonnes	Average selling price RMB/Kg
Premium series	-	-	-	Premium series	1.1	9	122.2
Regular series	-	-	-	Regular series	23.0	2,313	9.9
Total	-	-	-	Total	24.1	2,322	10.4

Revenue for 3QFY2015 decreased significantly by RMB 101.9 million or 28.9% to RMB 250.3 million. The decrease was mainly due to a significant decrease in revenue from both Luoyang Dukang and Siwu operations, as a result of China's current austerity measures on luxury gifts and spending. The Group focused on the branding and marketing efforts on the products of "Dukang" brand and there was no recognition of revenue for Siwu products during the period under review.

**Gross profit and margin**

The Group's gross profit decreased by RMB 46.3 million or 38.9% to RMB 72.6 million.

Gross profit margin ("GPM") decreased by 4.8 percentage points from 33.8% to 29.0%.

**i. Luoyang Dukang**

Gross profit for premium series increased from RMB 16.3 million to RMB 25.1 million, and gross profit for regular series decreased from RMB 97.0 million to RMB 47.5 million. GPM for premium and regular series decreased from 53.3% and 32.6% to 43.7% and 24.6%. Overall gross profit margin for 「Dukang」 products decreased from 34.5% to 29.0%. The decrease in gross profit margin was due to the change in

product mix during 3QFY2015.

#### Other income

Other income decreased from RMB 1.4 million to RMB 0.6 million mainly due to the decrease 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 41.1% or RMB 31.5 million to RMB 45.1 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.

#### Administrative expenses

Administrative expenses decreased by RMB 6.9 million to RMB 25.7 million as a result of the Group's cost-saving efforts during this challenging time.

#### Finance costs

Finance costs decreased by RMB 1.1 million, mainly due to the decrease in average balance of bank loans during the period compared to 3QFY2014.

#### Share of profit of an associate

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

#### Profit for the period

Taking into account of the aforementioned, the profit attributable to the owners of the Company decreased by RMB 5.7 million to RMB 1.8 million.

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

#### **31 March 2015 VS 30 June 2014**

#### Trade receivables

There were no trade receivables recorded as at 31 March 2015 as there was no recognition of sales of Siwu products during the period.

Prepayments, deposits and other receivables

Prepayment, deposits and other receivables decreased by RMB 166.3 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 period.

Trade payables

Trade payables decreased by RMB 88.7 million, mainly due to a significantly lower amount of purchases of grain alcohol and packaging materials purchased in 3QFY2015 compared to 4QFY2014.

Bank and other loans, secured

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

Cash and cash equivalents

Cash and cash equivalents increased by RMB 9.5 million from RMB 391.8 million as at 30 June 2014 to RMB 401.2 million as at 31 March 2015. This was mainly due to net cash of RMB 94.8 million generated from operating activities, net cash of RMB 10.9 million used in investing activities and net cash of RMB 73.8 million used in financing activities in 3QFY2015.

**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 a profit guidance announcement to the Singapore Exchange Securities Trading Limited on 29 April 2015.

**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.**

Since the start of the anti-corruption campaign in 2012, the baijiu industry has shifted drastically from a stage of rapid growth to a phase of adjustment. The price of high-end baijiu has plunged significantly, and the competition among mid-to-low end products became more intense. Nonetheless, the baijiu market is expected to stabilise in 2015 and

a rebound could be expected for the first tier baijiu brands.

The Group will focus its advertising and promotional activities in Henan province as the Group intends to strengthen its foothold in Henan. In addition, the Group will strive to improve its operational efficiency and implement cost reduction measures to make it through the current challenging period.

## **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. 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 utilised 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.

**BY ORDER OF THE BOARD**

**DUKANG DISTILLERS HOLDINGS LIMITED**

**ZHOU TAO**

**CHAIRMAN**

**14 MAY 2015**

**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 2015 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**

**14 MAY 2015**