

FOR IMMEDIATE RELEASE

## Dukang Distillers' 3Q2015 revenue falls 28.9% yoy to RMB250.3 million

- Revenue declined as a result of China's ongoing austerity measures
- Reduced selling and distribution expenses and administrative expenses due to prudent A&P budgeting and cost-saving efforts
- Group to continue its operational efficiency and implement cost reduction measures to tide through the current challenging period

### Financial Highlights

(RMB'Mil)	3Q2015	3Q2014	% Change
Sales	250.3	352.2	(28.9)
Gross Profit	72.6	119.0	(38.9)
Gross Profit Margin%	29.0%	33.8%	(4.8) pp
Selling and Distribution Expenses	(45.1)	(76.5)	(41.1)
Administrative expenses	(25.7)	(32.6)	(21.1)
Profit Attributable to Shareholders	1.8	7.5	(76.2)
Net Profit Margin%	0.7%	2.1%	(1.4) pp
Earnings Per Share * (RMB'cent)	0.22	0.93	(76.3)

pp: percentage points

\* Based on the weighted average number of 798,289,318 ordinary shares in 3Q2014 and 3Q2015

**Singapore & Taiwan, 14 May 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 28.9% year-on-year (“yoy”) decline in sales to RMB250.3 million and 76.2% yoy decrease in profit attributable to shareholders to RMB1.8 million for the 3 months ended 31 March 2015 (“3Q2015”).

Revenue of *Luoyang Dukang's* premium series increased 87.6% yoy to RMB57.4 million due to 118.3% yoy increase in sales volume, which was partially offset by a 14.1% decrease in average selling price (“ASP”). Sales from *Luoyang Dukang's* regular series sales decreased 35.2% yoy to RMB192.9 million due to 31.4% and 5.5% yoy decline in sales volume and ASP respectively.

Due to a change in product mix to meet the current market demand, the Group's overall gross profit margin decreased from 34.5% for 3Q2014 to 29.0% for 3Q2015.

As a result from reducing its television commercials on China Central Television and reallocating the advertising and promotion budget to focus more in Henan Province, the Group's selling and distribution expenses declined 41.1% yoy to RMB45.1 million. In addition, the Group's cost-saving effort led to lower administrative expenses by 21.1% yoy to RMB25.7 million for 3Q2015.

### Outlook

Financial Year End: End June 3Q2015: January – March 2015



杜康控股

Dukang Distillers Holdings Limited

China's baijiu market continues to remain challenging against a backdrop of the ongoing austerity measures since 2012, which leads to significantly lower sales volume and softening prices for most baijiu players. In the near term, the adjustment in the baijiu market will probably continue despite a slight rebound during the peak sales season.

Mr Zhou Tao, Dukang's Chairman and Chief Executive Officer, commented, **"Although there might be a slight turn around in baijiu market according to some reports, China's baijiu market has yet to indicate a clear trend. To tide through the current challenging period, we will put in our best effort to improve the Group's operational efficiency and reduce administrative cost."**

-End-

## 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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