



NEWS RELEASE

TRUMP DRAGON DISTILLERS REPORTS FIRST QUARTER NET PROFIT OF RMB15.9 MILLION

(RMB'million)	1QFY2010	1QFY2009	Change (%)
Revenue	124.2	171.8	(27.7)
Gross Profit	34.8	56.4	(38.3)
Gross Profit Margin	28.0%	32.8%	(4.8 ppt)
Profit Before Tax	18.4	32.2	(42.9)
Profit Attributable to Equity Holders	15.9	27.7	(42.6)

FY: Financial year ended June 30

Singapore, November 14, 2009 – Trump Dragon Distillers Holdings Limited (祥龙控股有限公司) (“Trump Dragon Distillers” or “the Group”), a producer and seller of *baijiu* (白酒) products under its signature 四五 (“Siwu”) brand name in Henan Province, the People’s Republic of China (the “PRC”), today posted revenue of RMB124.2 million for the three months ended September 30, 2009 (“1QFY2010”), a 27.7% decrease from RMB171.8 million for the three months ended September 30, 2008 (“1QFY2009”). This was due to the decline in both the Group’s overall sales volume and average selling price in 1QFY2010.

During the quarter under review, the Group continued to fine-tune its product range, which was in line with its strategy to focus on mid-end *baijiu* (白酒) products. It discontinued 4 Premium series products, following the launch of Laojiao Zhencang (老窖珍藏) in the fourth quarter of the previous financial year (“4QFY2009”). As a

result of the change in sales mix, the average selling price for the Premium series registered a marginal decline. Coupled with a drop in sales volume due to the global financial downturn and continued weak consumer demand for high-end *baijiu* (白酒) products, revenue for the Group's Premium series products decreased 40.6% to RMB42.4 million in 1QFY2010.

Sales volume for the Group's Regular series products also declined in 1QFY2010. This was due partly to the cessation of 25 products during the period, following the launch of 10 new products in the previous two quarters. In line with the change in sales mix, the average selling price of the Regular series also decreased, which led to an 18.5% drop in the segment's revenue to RMB81.8 million in 1QFY2010.

	1QFY2010	1QFY2009	Change (%)
Total Sales Volume (tonnes)	3,979	4,787	(16.9)
<i>Premium</i>	266	438	(39.3)
<i>Regular</i>	3,713	4,349	(14.6)
Overall ASP/kg (RMB)	31.2	35.8	(12.8)
<i>Premium</i>	159.6	162.8	(2.0)
<i>Regular</i>	22.0	23.1	(4.8)

Gross profit margin of the Group's Regular series declined to 15.6% in 1QFY2010, which more than offsets the improvement in the Premium series' gross profit margin from 48.1% in 1QFY2009 to 51.9% in 1QFY2010. As a result, overall gross profit margin dropped from 32.8% in 1QFY2009 to 28.0% in 1QFY2010.

Selling and distribution expenses were 13.2% lower at RMB12.7 million in 1QFY2010, due mainly to the decrease in the Group's total number of products, which led to lower marketing and promotional expenses. Administrative expenses also decreased 27.3% to RMB4.6 million.

In view of a lower operating profit of RMB18.6 million in 1QFY2010, the Group recorded a 42.6% decline in its profit attributable to equity holders to RMB15.9 million.

Outlook

Following the global financial downturn, the Group will continue to fine-tune its product offerings to meet the changing demands of consumers. In 1QFY2010, the Group launched two new Regular series products, namely Siwu Haoyun (四五好运) and New Yangguang Paidui (新阳光派对), to replace older, lower-priced products.

“We believe that our strategy of converging towards a mid-end product offering will allow us to meet consumer preferences more effectively,” said Mr Gao Feng (高峰), Executive Chairman of Trump Dragon Distillers.

Consequently, the Group expects that the sales revenue for the three months ended December 31, 2009 will be lower compared to the same period of the previous financial year. The Group will continue to adjust its strategy to improve its performance in view of the competitive operating environment.

In October 2009, the Group had announced the signing of two memoranda of understanding to acquire Ruyang Dukang Distillers Group (“Ruyang Dukang”) and Yichuan Dukang Distillers Group (“Yichuan Dukang”) (the “Proposed Acquisition”). The two distillers groups produce, market, distribute and sell *baijiu* (白酒) products under the “汝阳杜康” (“Ruyang Dukang”) and “杜康” (“Dukang”) brand names respectively.

“Our Proposed Acquisition of the two renowned *baijiu* (白酒) brands in the PRC will allow the Group to further enhance its visibility in the industry as well as grow its market presence in the country. In addition, it is also expected to bring to the Group a ready stream of sales and marketing channels throughout the PRC, particularly in Luoyang City in Henan Province,” added Mr Gao.

With an aggregate annual production capacity of 15,000 tonnes for grain alcohol and 90,000 tonnes for *baijiu* (白酒), the target production facilities are expected to increase the Group's production capacity significantly.

The Proposed Acquisition would be financed from the Group's IPO proceeds received in 2008, proceeds from the Proposed Convertible Bond Issue to Sculptor Finance (MD) Ireland Limited, and through external financing. Should the Proposed Acquisition succeed, Ruyang Dukang and Yichuan Dukang distillers are expected to contribute positively to the Group's revenue and net profit in the financial year ending June 30, 2011.

About Trump Dragon Distillers

Based in Zhoukou City, Henan Province, the PRC, Trump Dragon Distillers is a producer and seller of *baijiu* (白酒) products. The Group's wide range of *baijiu* (白酒) products are sold and marketed under its signature brand name, 四五 ("Siwu"), which has a strong and established brand identity in Henan Province.

The Group currently produces a wide range of *baijiu* (白酒) products, which are classified into two series, namely the Premium series and the Regular series, with varying price ranges to cater to the consumers' different tastes, preferences and spending powers.

Over the years, the Group's 四五 ("Siwu") brand name has won various awards and established a strong brand identity in Henan Province. Since March 2006, the Group has engaged well-known Taiwanese singer-songwriter Emil Chau (周华健) as its products' spokesperson.

The Group's products are sold through distributors mainly to hospitality establishments, supermarkets and specialty stores selling tobacco and alcohol products in Henan Province.

Trump Dragon Distillers Holdings Limited was listed on the SGX Mainboard on September 5, 2008.

The IPO of the Company was sponsored by Boulton Capital Asia Pte Limited (“the Manager”). The Manager assumes no responsibility for the contents of this announcement.

ISSUED ON BEHALF OF : Trump Dragon Distillers Holdings Limited
BY : Citigate Dewe Rogerson, i.MAGE Pte Ltd
1 Raffles Place
#26-02 OUB Centre
SINGAPORE 048616
CONTACT : Ms Chia Hui Kheng / Ms Kelyn Tan
at telephone
DURING OFFICE HOURS : 6534-5122 (Office)
AFTER OFFICE HOURS : 9781-5913 / 9781-3605 (Handphone)
EMAIL : huikheng.chia@citigatedrimage.com
kelyn.tan@citigatedrimage.com

152/09/005/TDDH

November 14, 2009