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Sino Distillery Group Limited
中國釀酒集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 00039)

ANNOUNCEMENT
(1) ADJOURNMENT OF THE EGM;
(2) LITIGATION; AND (3) RESUMPTION OF TRADING

This announcement is made by Sino Distillery Group Limited (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the circular of the Company dated 27 March 2014 in relation to the disposal (the “**Disposal**”) of 75% equity interest in 哈爾濱中國釀酒有限公司 (Harbin China Distillery Company Limited* (the “**Disposed Company**”), a sino-foreign joint venture established under the laws of the People’s Republic of China and an non-wholly owned subsidiary of the Company), the announcement of the Company dated 16 April 2014 in relation to the halt of trading in the shares of the Company (the “**Shares**”) and the announcement of the Company dated 16 April 2014 (the “**Announcement**”) in relation to the inquiries from the Stock Exchange and the adjournment of the extraordinary general meeting on 17 April 2014 (the “**EGM**”).

ADJOURNMENT OF THE EGM

In light of the reasons set out in the Announcement, at the EGM held today in which a quorum was present, without submitting the resolution set out in the notice of the EGM dated 27 March 2014 for voting, the chairman of the EGM, demanded a poll on the resolution regarding the adjournment of the EGM to a time, date and place until further notice by the Company (the “**Adjournment Resolution**”) which was duly passed by the following votes:

Ordinary Resolution	Number of Votes (%)	
	For	Against
To adjourn the EGM until further notice	11,175,050 (100%)	Nil (0%)

As at the date of the EGM, there are a total of 1,464,694,876 Shares in issue. The total number of Shares entitling the shareholders of the Company (the “**Shareholders**”) to attend and vote for or against the Adjournment Resolution at the EGM was 1,464,694,876. None of the Shareholders were required under the Listing Rules to abstain from voting in favour of the Adjournment Resolution at the EGM. None of the Shareholders were required under the Listing Rules to abstain from voting at the EGM.

The Company’s share registrar in Hong Kong, Tricor Tengis Limited, acted as the scrutineer for the vote-taking at the EGM.

As more than 50% of the votes were cast in favour of the Adjournment Resolution, such resolution was duly passed as an ordinary resolution and the EGM will be adjourned to a time, date and place until further notice by the Company. If the EGM is adjourned for 14 days or more from 17 April 2014, the Company will issue an at least seven clear days’ notice, specifying the place, the day and the hour of the adjourned meeting to all Shareholders according to its Articles of Association.

LITIGATION

The directors of the Company (the “**Directors**”) announce that the Disposed Company received a civil complaint (民事起訴狀) from the High People’s Court of Heilongjiang Province (黑龍江省高級人民法院, the “**Court**”) on 3 March 2014 in respect of a civil case where 新沂中紡天潤糧油有限公司 (Xinyi Zhongfang Tianrun Cereals & Oils Limited*) as the plaintiff (the “**Plaintiff**”) claimed against the Disposed Company as the first defendant and another party as the second defendant in relation to the alleged unpaid purchase price for the purchase of corns of approximately RMB60.1 million by the Disposed Company together with the alleged interest, penalty and legal fees of approximately RMB4.3 million arising from the non-payment of the said purchase price (the “**Litigation**”).

To the best knowledge of the Directors, based on the information available as at the date of this announcement, the Disposed Company has no dispute with the Plaintiff as to the unpaid purchase price of approximately RMB49.3 million for the purchase of corns (the “**Unpaid Purchase Price**”) but will contest against the claims of the Plaintiff for the interest, penalty and legal fees of approximately RMB15.0 million arising from the Unpaid Purchase Price, some of which were believed to be mistakenly treated by the Plaintiff as part of the purchase price for corns, on the principal ground that the relevant interest and penalty clauses in the agreements between the Plaintiff and the Disposed Company violate the laws and the regulation of the People’s Republic of China and shall be void. On 4 April 2014, the Disposed Company has filed its answer to civil complaint (民事答辯狀) with the Court. The Disposed Company is still negotiating the settlement of the Litigation with the Plaintiff. Further announcement will be issued by the Company in relation to any progress on the above matter as soon as practicable.

The Unpaid Purchase Price has been recognised in the financial statements of the Disposed Company and was made known to the purchasers of the Disposed Company during their due diligence on the Disposed Company. The Directors are of the view that the Litigation is of no material importance and has no material adverse impact on the Disposal or the financial position and the operation of the Company and its subsidiaries.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange had been halted with effect from 9:00 a.m. on 16 April 2014 pending the release of the Announcement and this announcement. An application has been made to the Stock Exchange for the resumption of trading with effect from 9:00 a.m. on 22 April 2014.

Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

By Order of the Board
Sino Distillery Group Limited
Jiang Jianjun
Chairman

Hong Kong, 17 April 2014

As at the date hereof, the Executive Directors are Mr. Jiang Jianjun, Mr. Qu Shuncai and Mr. Song Shaohua; the Non-executive Director is Mr. Huang Qingxi; and the Independent Non-executive Directors are Dr. Loke Yu alias Loke Hoi Lam, Mr. Zhang Yonggen and Mr. Li Xiaofeng.

* *For identification purpose only.*