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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)

VOLUNTARY ANNOUNCEMENT
COOPERATION WITH
ZHAODONG BEIDAHUANG BIOTECHNOLOGY LIMITED

The board of directors (the “**Board**”) of Sino Distillery Group Limited (the “**Company**”) is pleased to announce that on 14 January 2014 (after trading hours), the Company and 肇東北大荒生物科技有限公司 (Zhaodong Beidahuang Biotechnology Limited*, the “**Partner**”) entered into a strategic cooperation agreement (the “**Agreement**”) forming a foundation of the future cooperation between the Company and the Partner.

Pursuant to the Agreement, the Company and the Partner will cooperate with each other for a term of one year from the date of the Agreement in following manners:

1. the Partner will supply all corns (approximately 200,000 tons per year) needed by 哈爾濱中國釀酒有限公司 (Harbin China Distillery Company Limited*, “**Harbin Distillery**”), a 75% owned subsidiary of the Company, for its production of ethanol products and ethanol by-products at market price; and
2. the Partner will be responsible for the sale of ethanol (approximately 70,000 tons per year), distillers dried grains with solubles (approximately 60,000 tons per year) and fuel ethanol (approximately 40,000 tons per year) produced by Harbin Distillery. It is estimated that the annual revenue for the sale of the said products is approximately RMB420 million, RMB126 million and RMB320 million respectively, and the total annual revenue amounts to approximately RMB866 million.

The Partner is a company incorporated in the People's Republic of China (the "PRC") and a subsidiary of 黑龍江農墾北大荒商貿集團 (Heilongjiang Nongken Beidahuang Business Trade Group*), a company with the principal business in refined oil, production and distribution of agricultural products, and logistics. The Partner is principally engaged in production and distribution of agricultural products in the North East of the PRC. "Beidahuang (北大荒)" is an established brand for green agricultural products in the PRC, and the Partner and its associated companies have extensive distribution network for agricultural and chemical products in the PRC.

The Board is of the view that the sales network of the Partner and its associated companies will further extend and stabilize the existing distribution network of Harbin Distillery and benefit the publicity of its ethanol products and ethanol by-products.

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

Hong Kong, 14 January 2014

* *In this announcement, the English translation of certain Chinese names and entities is included for information purpose only and should not be regarded as official English translation of such Chinese names and entities.*

As at the date of this announcement, 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.