大昌行集團
DAH CHONG HONG HOLDINGS

Press Release
Aug 23, 2017
[For immediate release]

Dah Chong Hong Announces 2017 Interim Results

***

DCH revenue and profit increased due to strong China motor segment performance and expansion in the consumer products business

(Hong Kong, 23 August 2017) Dah Chong Hong Holdings Limited ("DCH" or the "Group"; stock code: 01828) announced today its interim results for the half year ended 30 June 2017.

In the first half of 2017, Dah Chong Hong Holdings Limited recorded increases in revenue and profit attributable to shareholders as a result of strong performance in the company's largest segment, the mainland China motor business coupled with the consolidation of the LF Asia food, FMCG and healthcare products distribution business acquired in 2016. During the first half of 2017, DCH focused on developing synergies and driving profitability enhancements in order to build a solid platform for strategic growth.

For the half-year ended 30 June 2017:

- Group revenue increased by 14.5% to HK$23,044 million (first half 2016: HK$ 20,121 million)
- Profit attributable to shareholders increased by 5.5% to HK$232 million (first half 2016: HK$220 million)
- Earnings per share were 12.66 HK cents
- Declared interim dividend was 5.05 HK cents per share
- Net asset value per share of HK$5.31

Motor Business

In mainland China, the motor business grew 6.7% in RMB terms and segment margin doubled to 2.4% reflecting the success of an ongoing strategy to improve productivity by upgrading the vehicle brand portfolio, controlling inventory and discounting, driving customer loyalty and expanding the motor related business through cross-selling. In the second half of 2017, the mainland China motor business

will build on the momentum of performance improvements and increase exposure to China's growing luxury segment. As part of this strategy, DCH announced it will strengthen the company's eastern China dealership network by increasing the number of Mercedes-Benz and Audi dealerships through acquisition.

The Hong Kong and Macao motor segment offset the strong performance in mainland China with a decrease in sales and profitability as a result of industry factors as well as model launch timings, Yen impacts on margin, and the timing of annual principal incentive payments. The business is expected to improve in sales and profitability after the completion of emissions-related model changes and gross margin improvements from better Yen forward hedging.

Consumer Products Business

Segment revenue from the consumer products business grew by 67.3% to HK$7,994 million after the consolidation of the LF Asia business and now represents 34.7% of the overall company portfolio with increased revenue in the mainland China and Hong Kong and Macao segments as well as expansion into Southeast Asia. The consumer products business now covers mainland China, Hong Kong, Macao, Japan, Taiwan, Singapore, Malaysia, Thailand, Indonesia, the Philippines and Brunei. Despite challenges in the food and FMCG business, overall segment result from operations increased by 112% particularly from the strong profitability of the new healthcare business.

2H2017 Outlook

In the second half of 2017, DCH will continue to pursue strategic partnership and acquisition opportunities leveraging the CITIC platform, while improving overall performance with strengthened core competencies. The mainland China motor business will remain the key growth and profit driver as DCH continues to upgrade the vehicle brand portfolio, improve profitability and expand horizontally in the motor segment. In the consumer products segment, ongoing integration and business development will increase economies of scale while growth in key areas such as healthcare are expected to positively impact the overall performance of DCH. "Looking forward, the opportunities for DCH are tremendous," said CEO Frank Lai. "Leveraging support from the CITIC platform, we will continue to strengthen our fundamentals while actively seeking opportunities to achieve dynamic growth and build on a DCH legacy spanning nearly 70 years."

About DCH (Stock Code: 01828)

Dah Chong Hong ("DCH", stock code: 1828.HK) is an integrated trading and distribution company operating in Asia, supported by an extensive logistics network. DCH is a leading distributor and dealer of motor vehicles in Greater China as well as a provider of a full range of associated services. DCH's consumer business comprises the manufacture and distribution of food, healthcare, electrical products, beauty and lifestyle products.

DCH has more than 68 years of experience in helping principals penetrate markets including China, Hong Kong, Macau, Thailand, Malaysia, Japan, Indonesia, Singapore, the Philippines and Brunei. As the preferred partner of over 1,000 brands from more than 30 countries, DCH offers a full range of value-added tailored solutions from positioning and marketing to wholesale, retail, after-sales support.
A subsidiary of China's largest conglomerate CITIC Limited (stock code: 0267.HK), DCH employs over 17,000 staff across the region. For more details, please visit www.dch.com.hk.

Media Enquiry

Ms. Kitty Fung
(Chief Financial Officer)
Tel: (852) 2768-3311
Email: kittyfung@gfn.dch.com.hk

Ms. Gwen Walters
(Corporate Communications)
Tel: (852) 2768-2017
Email: gwenwalters@dch-holding.com