



Press Release

Mar 8, 2018

[For immediate release]

Dah Chong Hong Announces 2017 Annual Results

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DCH profit increases 56.9% with strong mainland China motor performance

(Hong Kong, 8 March 2018) Dah Chong Hong Holdings Limited (“DCH” or the “Group”; stock code: 01828) announced today its results for the year ended 31 December 2017.

In 2017, Dah Chong Hong Holdings Limited (“DCH”) embarked on a path of enhanced operational excellence to prepare a solid foundation for sustainable growth. As a result of ongoing profitability enhancements and synergy development, DCH achieved revenue of HK\$50,506 million in 2017 (2016: HK\$46,462 million) and an increase of 56.9% in profit attributable to shareholders totaling HK\$802 million (2016: HK\$511 million).

For the year ended 31 December 2017:

- Group revenue increased by 8.7% to HK\$50,506 million
- Profit attributable to shareholders increased by 56.9% to HK\$802 million
- Earnings per share were 43.71 HK cents
- Proposed final dividend with scrip option of 11.90 HK cents per share
- Full year dividend increased by 100.8% to 16.95 HK cents per share

Motor Business

The mainland China motor business, DCH’s largest segment by profit and revenue, was the primary contributor to the strong performance as a result of the successful implementation of profitability enhancement initiatives, an ongoing strategy to increase exposure to the premium vehicle market and the acquisition of premium dealerships in Eastern China. As a result, segment revenue for the mainland China motor business increased by 6.8% while segment result from operations more than doubled to HK\$888 million (2016: HK\$356 million). Segment margin increased to 3.4% from 1.4% in 2016.



While revenue from the Hong Kong and Macao motor business was stable, competitive pricing to secure share in a market impacted by electric and diesel vehicle policies resulted in a 23.1% decrease in segment result from operations. With Hong Kong and Macao motor offsetting mainland China motor performance, the overall motor business segment result from operations increased by 43.2%.

Consumer Products Business

In June 2016, DCH expanded its consumer products business with an acquisition to strengthen existing FMCG operations, introduce a profitable healthcare distribution business and extend geographical coverage to Southeast Asia. In 2017, DCH rebranded the acquired FMCG and healthcare distribution businesses as IMSA (Integrated Market Services Asia) and DCH Auriga, respectively, and focused on integration to achieve operational synergies. With the consolidation of a full year of performance from IMSA and DCH Auriga, the total consumer products business recorded increased revenue of HK\$16,408 million (2016: HK\$13,831 million). However, segment result from operations fell by 41.5% against 2016 as restructuring and business enhancements continued in the mainland China food and FMCG business.

2018 Outlook

In 2018, DCH will continue to improve overall performance with company-wide business enhancement measures while pursuing strategic partnership and acquisition opportunities. As the largest business segment, the mainland China motor business will remain an important growth and profitability driver as DCH explores opportunities to expand its dealership network and motor-related businesses. In the consumer products business, the Hong Kong food and FMCG operations will provide a stable foundation and source of expertise as DCH continues a vigorous agenda of reform and restructuring in mainland China. To strengthen its supply chain network, DCH will continue to invest in infrastructure and the growing healthcare industry.

With enhanced core competencies, nearly seventy years of expertise and the support of parent company, CITIC Limited, DCH will continue to fortify its businesses portfolio to pursue market leadership across its business segments.

This press release should be read in conjunction with the full text of DCHs HKEx Announcement dated 8 March 2018, which is available on <https://www.hkex.com.hk>.



About DCH (Stock Code: 01828)

Dah Chong Hong ("DCH", stock code: 1828.HK) is an integrated motor and consumer products distribution company operating in Asia with an extensive logistics network. DCH is a leading distributor and dealer of motor vehicles in Greater China and provides a full range of motor related services including maintenance, rental, repair and financing. DCH's consumer products business includes the distribution of food and FMCG, healthcare and electronic products as well as food processing, trading and retail. | 3

Dedicated to bringing to quality products to consumers across Asia, DCH is the preferred partner of over 1,000 brands from more than 30 countries with operations in 12 Asian economies. DCH is 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

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