



Press Release

Aug 27, 2018

[For immediate release]

Dah Chong Hong Announces 2018 Interim Results

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18.5% increase in profit attributable to shareholders with prudent outlook due to market uncertainty

(Hong Kong, 27 August 2018) Dah Chong Hong Holdings Limited (“DCH”; stock code: 1828.HK) announced today its results for the half year ended 30 June 2018.

DCH recorded an increase of 18.5% in profit attributable to shareholders totaling HK\$275 million and revenue of HK\$24,474 million (first half 2017: HK\$23,352 million). Revenue increased by 9.8% on a like-for-like basis as operational enhancement measures delivered growth and profitability improvement in core segments and increased by 4.8% after the impact of Hong Kong Financial Reporting Standard 15 adopted on 1 January, 2018. Earnings per share were 14.89 HK cents and the declared interim dividend was 5.05 HK cents per share.

Motor Business

In mainland China, DCH vehicle unit sales increased by 10.5% and revenue increased by 24.3% to HK\$14,628 million (first half 2017: HK\$11,770 million) reflecting increased exposure to the luxury and premium segments and the effectiveness of sales activities. Operating profit surged by 73.4% to HK\$482 million (first half 2017: HK\$278 million) as a result of increased sales and business enhancement measures which included the centralisation of management, rationalisation of the dealership portfolio and operational improvements. In Hong Kong and Macao, revenue grew by 9.2% to HK\$2,892 million (first half 2017: HK\$2,649 million) as DCH vehicle unit sales increased by 12.1% due to market share recovery following the revision of policies which bolstered the sales of electric and diesel vehicles in 2017. Operating profit improved significantly by 39.9% to HK\$235 million (first half 2017: HK\$168 million) from higher vehicle sales volume, efficiency enhancements and increased profitability in the motor related business.



Consumer Products Business

The consumer products business delivered an operating loss of HK\$3 million (first half 2017: HK\$138 million profit) as improved performance in Hong Kong and Macao, driven by synergy and portfolio development, was offset by restructuring in mainland China and Southeast Asia. After portfolio and market optimisation, revenue was HK\$6,280 million (first half 2017: HK\$7,994 million), a decrease of 7.4% on a like-for-like basis and 21.4% after the impact of the new accounting standard.

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Outlook

Sino-US trade tensions and changing import tariffs in mainland China have generated market uncertainty, and although the direct impact to DCH businesses is expected to be minimal, future and indirect impacts are challenging to predict. Accordingly, DCH will prudently monitor the situation while continuing plans to strengthen internal operations, expand the motor business in mainland China and position the consumer products business to benefit from growth in the Greater Bay Area and “One Belt, One Road” countries.

This press release should be read in conjunction with the full text of DCH’s HKEx Announcement dated 27 August 2018, which is available on <https://www.hkex.com.hk>.



About DCH

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 electrical products as well as food processing, trading and retail.

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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: 00267) and employs over 17,000 staff across the Asia Pacific region. For more details, please visit www.dch.com.hk.

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