

[Press Release]



## **Dragon Crown Group Holdings Limited**

**龍翔集團控股有限公司**

*(Stock Code: 00935.HK)*

### **Dragon Crown Announces 2016 Annual Results**

#### **Proactively Improving Business Layout To Enhance The Leading Position**

(Hong Kong, 22 March 2017) **Dragon Crown Group Holdings Limited** (“Dragon Crown” or the “Company”) (Stock Code: 935), a leading integrated terminal service provider in China, specializing in the handling and storage of liquid petrochemical products, announces the annual results of the Company and its subsidiaries (collectively referred as the “Group”) for the year ended 31 December 2016 (the “Reporting Year”).

During the Reporting Year, the Group recorded a revenue of HK\$249.9 million (2015: HK\$269.1 million). (However, if expressed the actual amount in Renminbi, the revenue of the Group decreased slightly by 2.0% only, from RMB218.1 million in 2015 to RMB213.8 million.) The decrease was mainly due to the depreciation of Renminbi and the decrease in energy fee revenue in respect of ethylene; Gross profit was HK\$134.5 million (2015: HK\$145.1 million), the decrease was mainly due to the decrease in revenue; The gross profit ratio was 53.8% (2015: 53.9%); Profit before tax was HK\$98.6 million (2015: HK\$111.1 million); Profit attributable to owners of the Company was HK\$70.6 million (2015: HK\$77.1 million) and earnings per share was HK6.26 cents (2015: HK6.95 cents).

An interim dividend of HK2.0 cents (2015: HK2.0 cents) per share was declared and paid during the year. In addition, the Board has proposed a final dividend of HK2.3 cents per share (2015: HK2.3 cents per share).

During the Reporting Year, Dragon Crown continued to maintain a stable financial position. Cash and cash equivalents reached HK\$208.1 million (2015: HK\$211.2 million) and a low gearing ratio of 1.9% (2015: N/A) was achieved. To cope with the Group's projects and future development, the Group entered into the Placing Agreement and attained a net proceeds of approximately HK\$133.5 million during the Reporting Year to substantially strengthen the Group's financial position.

During the Reporting Year, the throughput volume of liquid chemical products handled by the Nanjing, Ningbo and Tianjin terminals stood at 1,493,200 metric tonnes, 337,000 metric tonnes and nil metric tonnes, respectively (2015: 1,410,500 metric tonnes, 288,000 metric tonnes and 49,400 metric tonnes, respectively), with a combined throughput volume of 1,830,200 metric tonnes (2015: 1,747,900 metric tonnes).

During the Reporting Year, the Group has been actively exploring existing and new business relationships and collaboration opportunities. The latest moderate policies of the central government in regards to allowing private refineries to import and refine crude oil elevated and strengthened the Group's confidence in an expansion of capacity, so as to maintain the leading position in the industry. In view of this, the Group has entered into the equity purchase agreement in relation to the acquisition of 50% equity interest in Weifang Sime Darby Liquid Terminal Co., Ltd. in January 2016. Weifang Liquid Terminal is the advanced national terminal with the highest safety standards. It is a state-of-the art terminal project located at a gateway to North-eastern Asian economic powerhouses. The Group believes Weifang Liquid Terminal will definitely bring infinite business opportunities to the Group in the coming years.

The construction of the first phase of the Weifang Liquid Terminal will be completed and come into operation in the second quarter of 2017. The second phase of the terminal has already commenced its construction, and is expected to be completed at the end of 2017. Up to now, there are already a number of oil and chemical storage partnerships being launched with customers during the Reporting Year, almost 90% of tank capacity for the first phase has been contracted with customers and more than 50% of tank capacity for the second phase has already been signed for either agreements or memoranda.

**Mr. Ng Wai Man, Chairman of Dragon Crown,** concluded, “As the largest trading nation and the second largest economy in the world, Chinese economy expects to maintain a stable performance during the 13<sup>th</sup> Five-Year Plan. With the strong support of a series of policies, including the “One Belt, One Road” policy and the market reformation of crude oil importation and refined oil exportation, the stable condition and sustainable development of the port industry will be further enhanced. The Group's business will continue to maintain a stable development with the beneficial policy. Meanwhile, we will seize the investment opportunities brought by the national policies to improve the business layout, enhance the operation capability and influence of our ports, in order to consolidate our leading position in the coastal regions of China, particularly along the Yangtze River Delta and Bohai Bay regions.

Looking forward, the completion and operation of the first and second phase of the Weifang Liquid Terminal will significantly increase our total throughput, which becomes a new drive for the growth of the Group. With the obvious strategic geographical advantage, Weifang Liquid Terminal allows the entrance of vessels with higher Dead Weight Tonnage so as to provide services to the oil refineries and chemical production plants located within its radius. In addition, the completion and operation of the surrounding railway of Weifang Liquid Terminal in 2019 will definitely enhance the flexibility and reliability of the terminal, as well as achieve the transportation network of pipeline and railway, and become a new strategic point for development in the district. In 2017, we will seize the business development opportunities brought by the “One Belt, One Road” and other national policies, so as to enhance the growth momentum of business, and deliver greater value to our shareholders.”

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#### **About Dragon Crown Group Holdings Limited (Stock Code: 935)**

Founded in 1990, Dragon Crown Group Holdings Limited is one of the leading integrated terminal service providers in China, specializing in the handling and storage of liquid petrochemical products. Currently operating the terminals in Nanjing, Ningbo and Weifang, respectively. The Group offers a comprehensive range of high quality liquid petrochemical services ranging from the loading and discharging of liquid petrochemical products at its jetties to the storage of liquid petrochemical products at its tank farm, as well as the delivery of such products by utilizing its dedicated pipelines and other terminal infrastructure.

More information about Dragon Crown can be found at [www.dragoncrown.com](http://www.dragoncrown.com)

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