

[Press Release]



Dragon Crown Group Holdings Limited

龍翔集團控股有限公司

(Stock Code: 00935.HK)

Dragon Crown Group Announces 2017 Interim Results

Improve Business Layout To Strengthen Leading Position

(Hong Kong, 17 August 2017) **Dragon Crown Group Holdings Limited** (“Dragon Crown Group” or the “Company”) (SEHK code: 935), a leading integrated terminal service provider in China, specialising in the handling and storage of liquid petrochemical products, announced the unaudited interim results of the Company and its subsidiaries (collectively referred as the “Group”) for the six months ended 30 June 2017 (the “Reporting Period”).

During the Reporting Period, the Group recorded a revenue of HK\$113.0 million (2016: HK\$129.0 million) (However, if the actual amount is expressed in Renminbi, the revenue of the Group was decreased by 8.0% from RMB108.6 million in the same period of 2016 to RMB99.9 million for the Reporting Period.) The decrease was mainly due to the depreciation of Renminbi against Hong Kong dollar and the decrease in revenue in respect of spot and individual ethylene customers. Gross profit was HK\$60.8 million (2016: HK\$70.8 million). The gross profit ratio was 53.8% (2016: 54.9%). Profit before tax was HK\$42.7 million (2016: HK\$53.8 million). Profit attributable to owners of the Company was decreased to HK\$25.4 million (2016: HK\$40.1 million), which was mainly due to the decrease in the Group’s revenue as mentioned above and the significant increase in tax expense due to the expiry of the preferential tax treatment with 50% deduction in the corporate income tax of the Company’s major subsidiary in Mainland China since 1 January 2017. Earnings per share was HK2.08 cents (2016: HK3.61 cents). The Board has declared an interim dividend of HK1.5 cents per share (2016: HK2.0 cents).

During the Reporting Period, Dragon Crown Group continued to maintain a healthy financial position. As at 30 June 2017, cash and cash equivalents reached HK\$205.9 million (as at 31 December 2016: HK\$208.1 million) and a low gearing ratio of 2.1% (as at 31 December 2016: 1.9%) was achieved.

During the Reporting Period, the throughput volume of liquid chemical products handled by the Nanjing and Ningbo terminals stood at 611,000 metric tonnes and 175,000 metric tonnes, respectively (2016: 669,000 metric tonnes and 176,000 metric tonnes, respectively), with total throughput volume amounting to 786,000 metric tonnes (2016: 845,000 metric tonnes).

During the Reporting Period, the Group has been actively exploring existing and new business relationships and collaboration opportunities. The PRC government has promulgated favourable policies to liberalise crude oil import and usage in the PRC and has therefore boosted the growth of the Shandong teapot refinery and petrochemical industries, resulting in a surge in demand for oil and chemicals terminal and storage services. The acquisition of 50% equity interest in Weifang Sime Darby Liquid Terminal Co., Ltd. (“WSDL”) in January 2016 is expected to bring infinite opportunities to the Group. Weifang Liquid Terminal is the advanced national terminal with the highest safety standards. It is located at a gateway to North-eastern Asian economic powerhouses. As a strategic interchange between the Bohai Economic Basin and the Yangtze Economic Basin, Weifang Liquid Terminal can provide services to oil refineries and chemical production plants located within its 300km radius.

The construction of the first phase of the Weifang Liquid Terminal has been completed during the Reporting Period and would commence operation in the third quarter of 2017. The second phase of the Weifang Liquid Terminal is at the final stage of construction and is expected to be completed by the end of third quarter of 2017. There are already a number of oil and chemical storage partnerships being entered into with customers during the Reporting Period. Up to now, almost 90% of tank capacity for both the first and second phases have been contracted and rent out to the customers.

Mr. Ng Wai Man, Chairman of Dragon Crown Group, concluded: “As our main business objective, we have always been consolidating and enhancing our leading position in the coastal regions of China, particularly along the Yangtze River Delta and Bohai Bay regions. With the strong support of the national policies, we believe to realise the full potential of the exciting opportunities for the future development.

Looking forward, the third phase of the Weifang Liquid Terminal has just commenced its construction during the Reporting Period and is expected to be completed at the end of 2017. Several potential customers are in negotiation for renting the tank capacity in the third phase already. 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 convenience for customers in the future. We believe that the nationwide advanced Weifang Liquid Terminal will definitely create economic benefits to the Group in the following years, and becomes a new drive for

growth of the Group. We will continue to grow, and remain committed to achieving more positive financial results and delivering 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, specialising 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 Group can be found at <http://www.dragoncrown.com>

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