



DUKANG DISTILLERS HOLDINGS LIMITED

FY2017 (Jul'16 – Jun'17) Results Presentation



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DK
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Brand origin of *Dukang*



- ❖ Famous *baijiu* with a history dating back > 2,000 years
- ❖ Named after Du Kang (杜康) who lived in the Xia Dynasty (21st – 16th century B.C.)
 - Forefather of *baijiu* in China
- ❖ Frequently cited by numerous famous poets & personalities
 - Cao Cao (曹操) (a central figure in the Three Kingdom Period) said in his poem 《短歌行》

“对酒当歌，人生几何， 譬如朝露，去日苦多。
慨当以慷，忧思难忘，何以解忧，唯有杜康。”
- ❖ Premier Zhou Enlai called for the revival of Dukang *baijiu* “复兴杜康，为国争光”
 - Yichuan Dukang Group was set up in 1968
 - Ruyang Dukang Group Co was established on the original site of Du Kang's brewery in 1972





Established brand awareness



- ❖ Dukang's brand synonymous with market leadership in product quality and brand identity
- ❖ National awards won include:



China Intangible Cultural Heritage (2008)



China Well-Known Trademark (2005)



China Time-honored Brand (2005)



Henan Well-Known Trademark (2008)



Top 10 Chinese Wine Brands (2001)



Star Enterprise Of The National Wine Industry (1994)



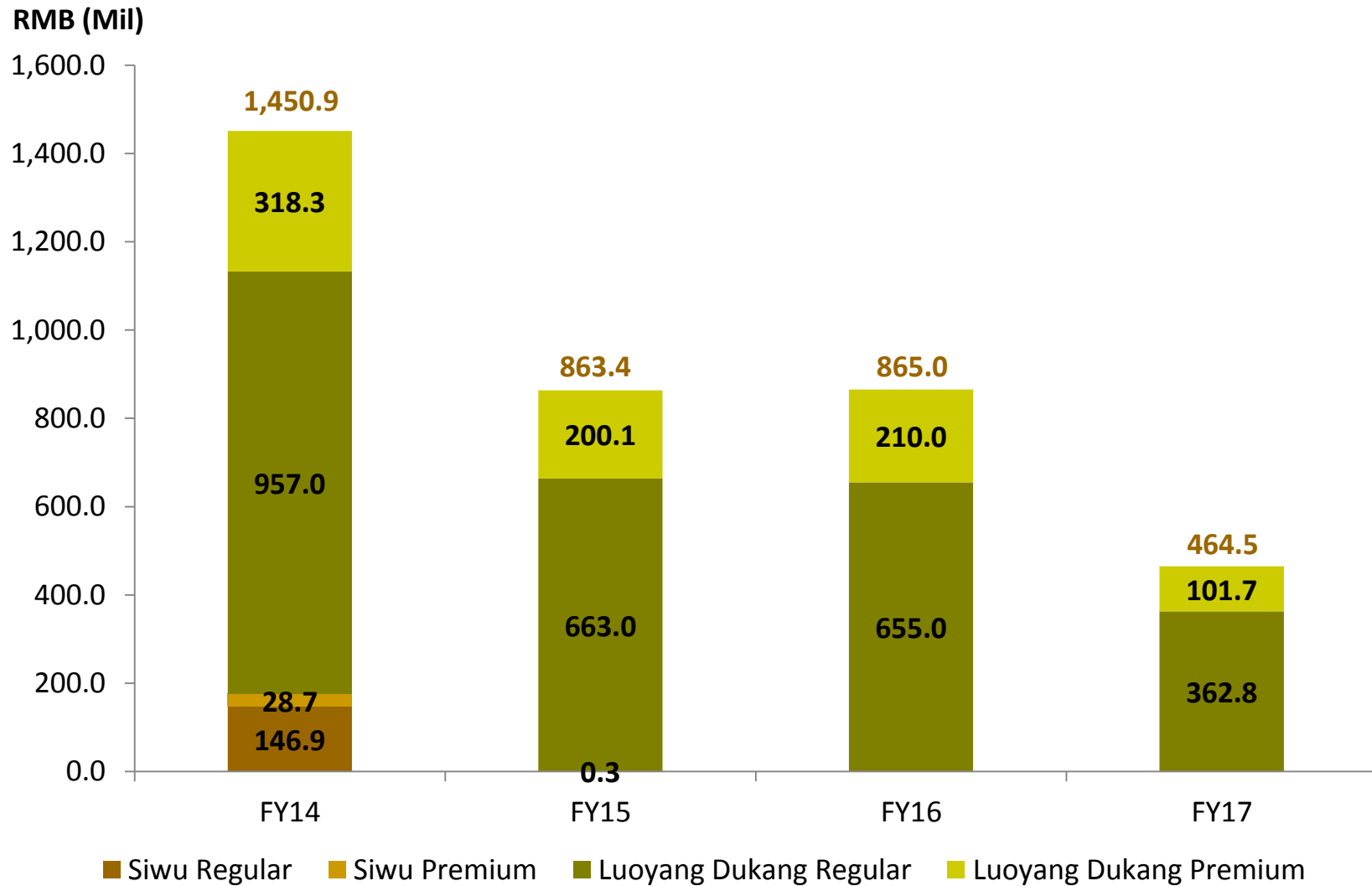
Financial highlights

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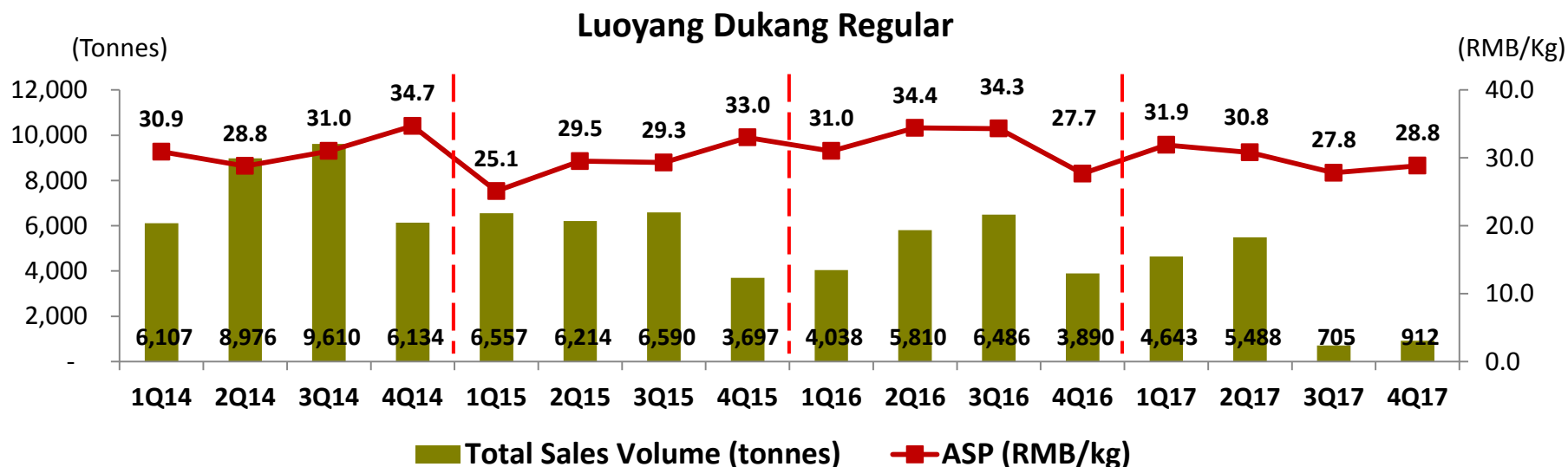
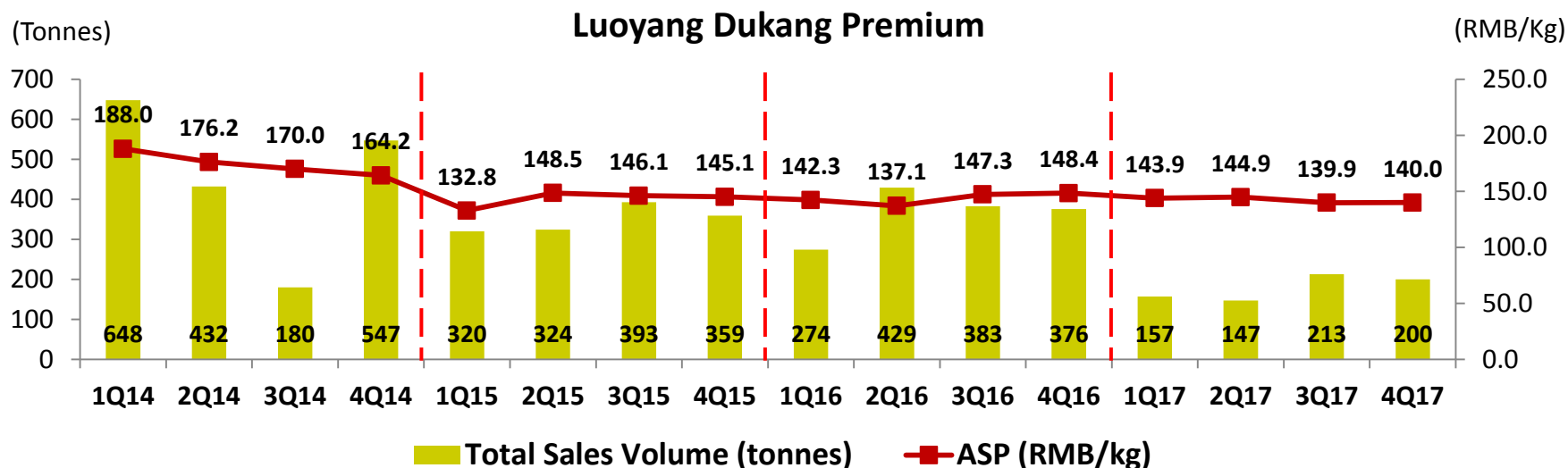




Sales



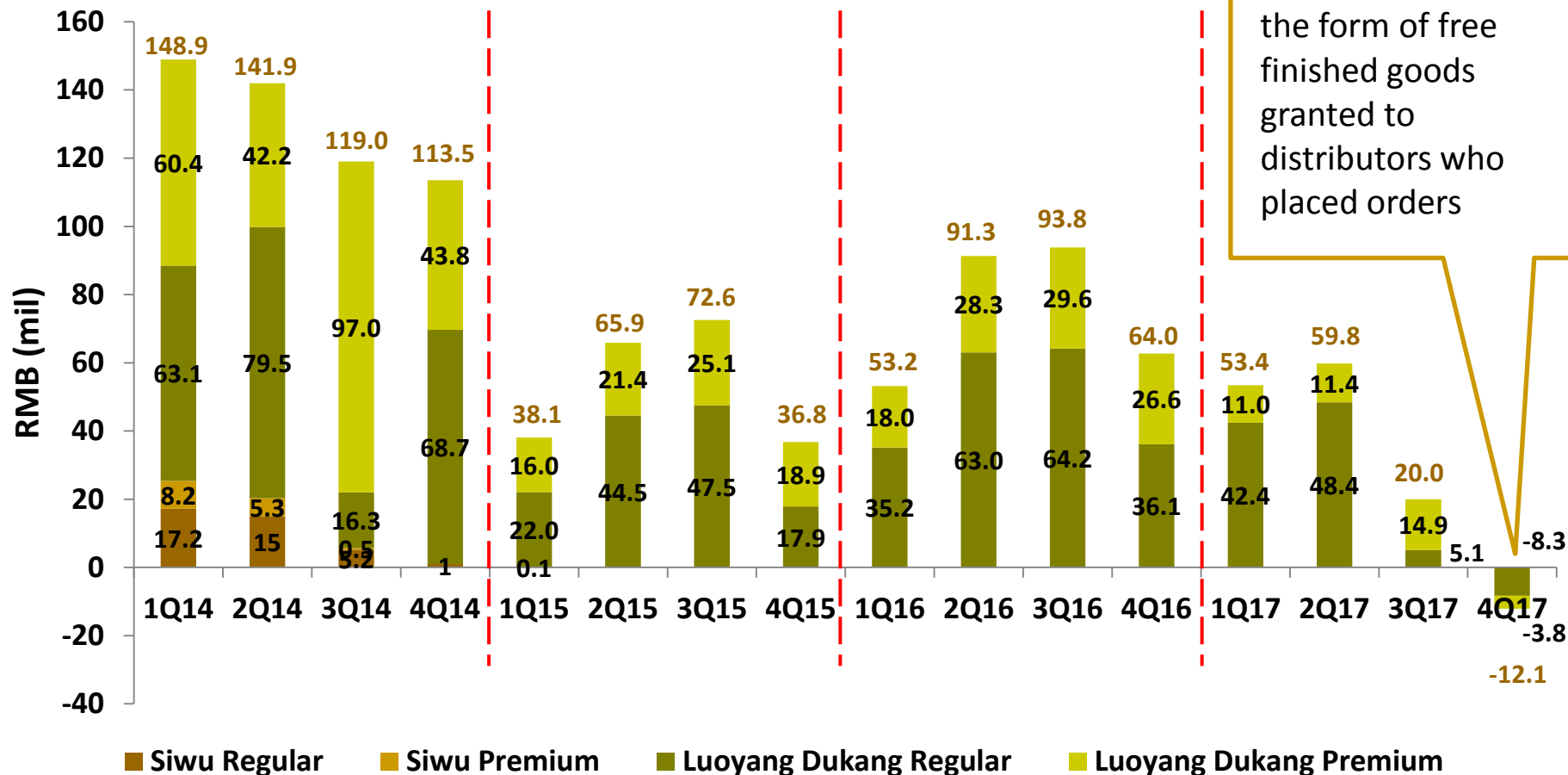
Sales volume & Average selling price





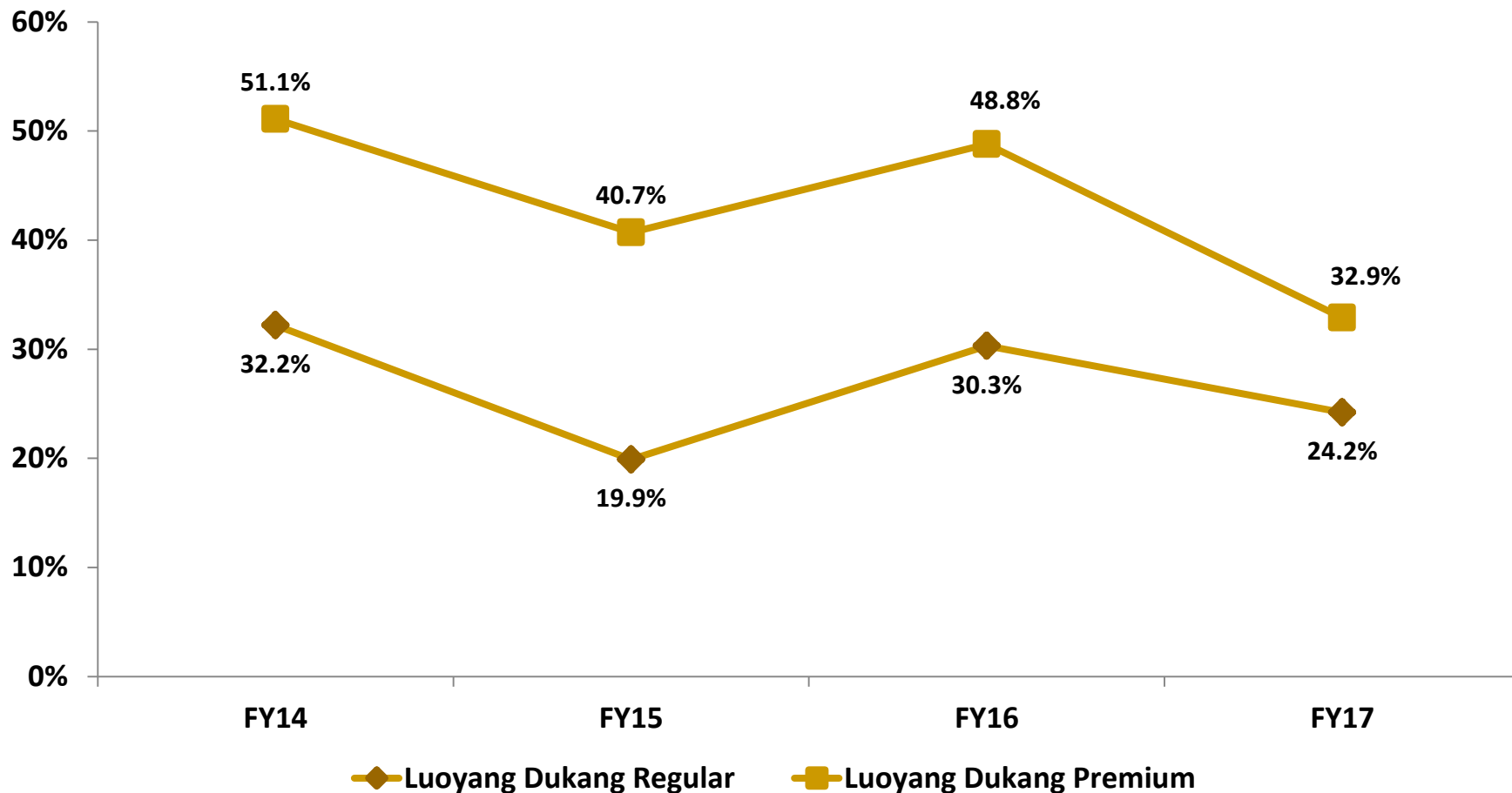
Gross profit

Quarterly Gross Profit



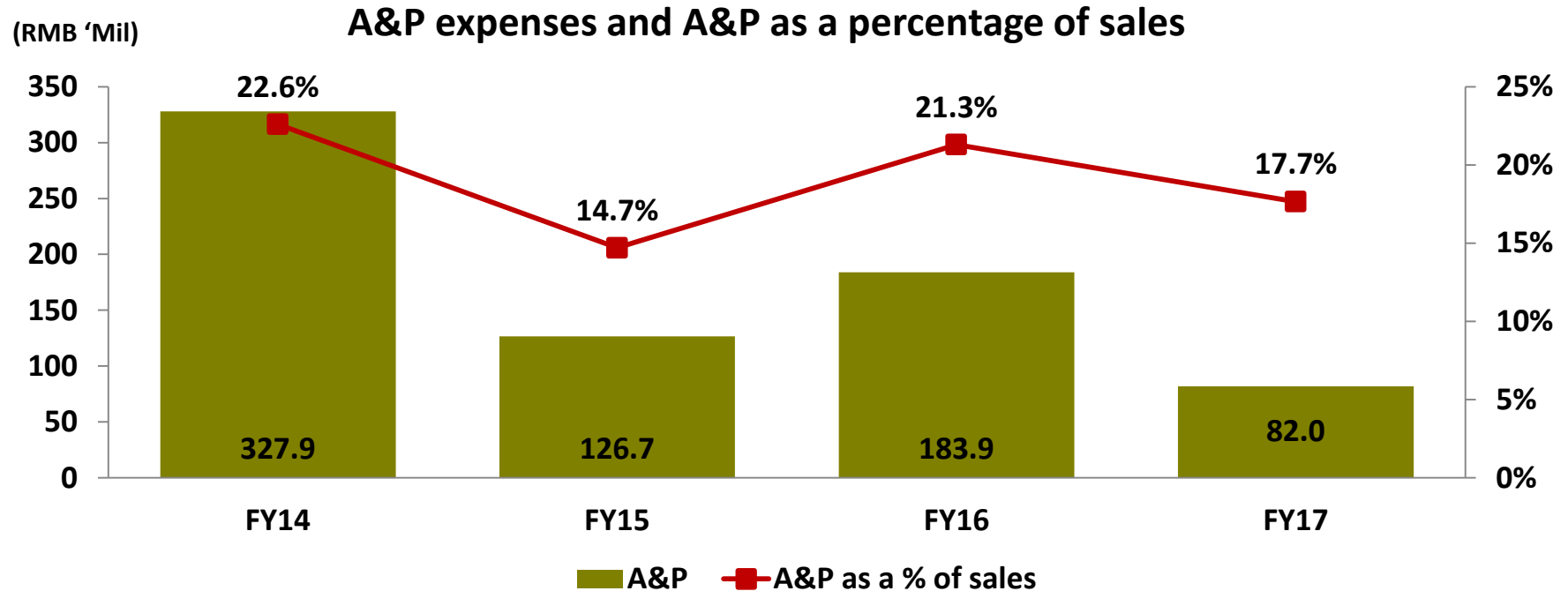
Gross profit margins for Dukang brand

Gross Profit Margins





Advertisement and Promotion



China National Sugar and Alcoholic Commodities Fair

Peony Cultural Festival

TV Ads

Luoyang Dukang National Trade Fair



Financial position

RMB (mil)	As at 30 June 2017	As at 30 June 2016
Total Equity	1,310.5	1,424.3
Total Assets	1,648.2	1,931.3
Inventories	770.2	644.1
Cash & Equivalents	190.2	595.6
Total Liabilities	337.7	507.0
Bank Borrowings	113.0	135.0
Gearing	Net Cash	Net Cash

RMB (mil)	FY2017	FY2016
Net cash generated/(used in) operating activities	(357.5)	196.9
Net cash generated/(used in) investing activities	10.3	(1.9)
Net cash generated/(used in) financing activities	(57.4)	(2.5)
Net Increase/(decrease) in cash and cash equivalents	(404.6)	192.5



Turnover ratios

No. of days	FY2017	FY2016
Accounts Receivable Turnover	0	0
Accounts Payable Turnover	178	103
Inventory Turnover	1,096	565

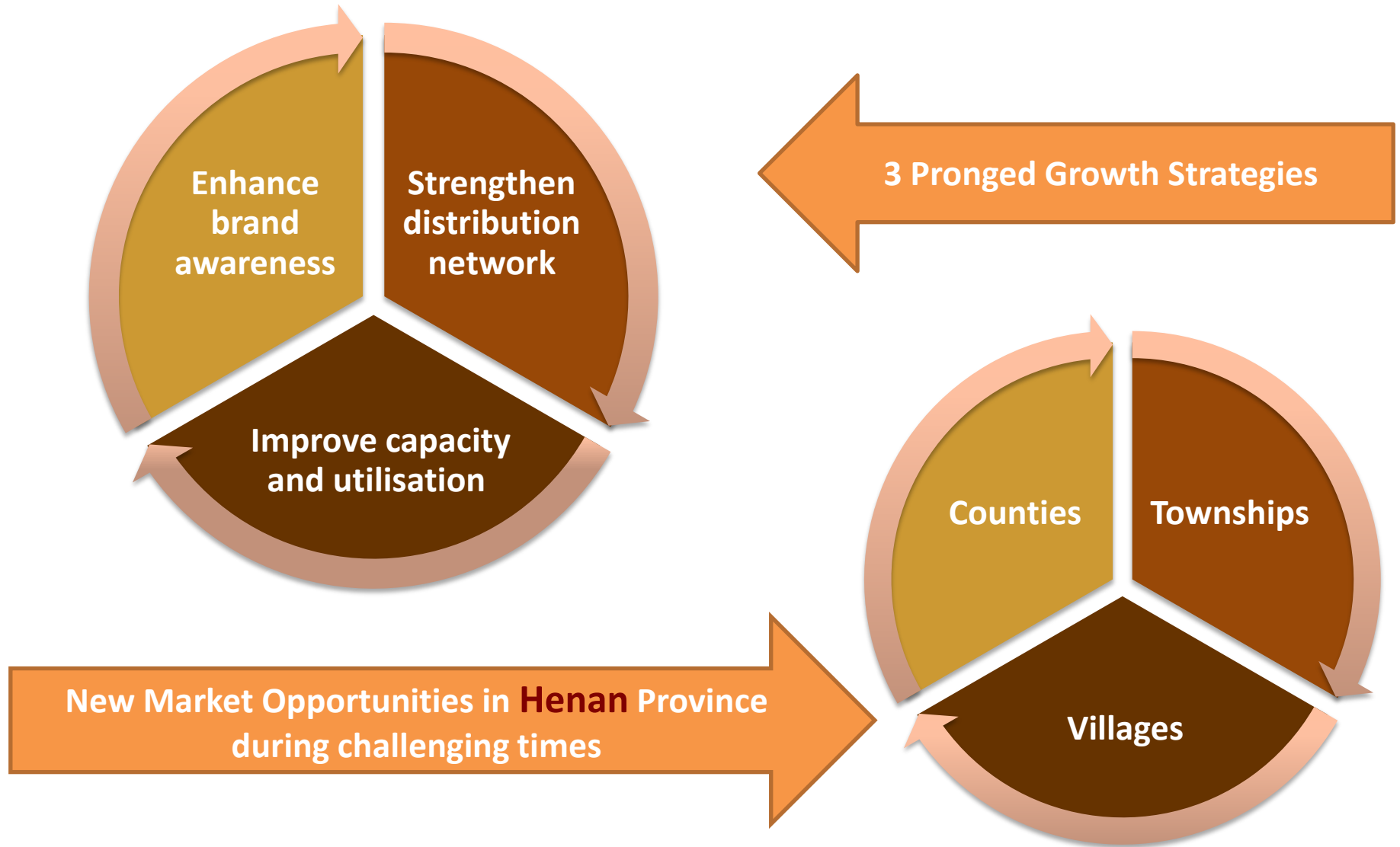


Growth strategies

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Growth strategies and market opportunities





Optimize traditional distribution network

No. of distributors *				
Market	FY2014	FY2015	FY2016	FY2017
Henan Province	87	78	89	118
The rest of China	81	98	111	56



Specialty Store



Flagship Store



Super Market



Dennis Department Stores



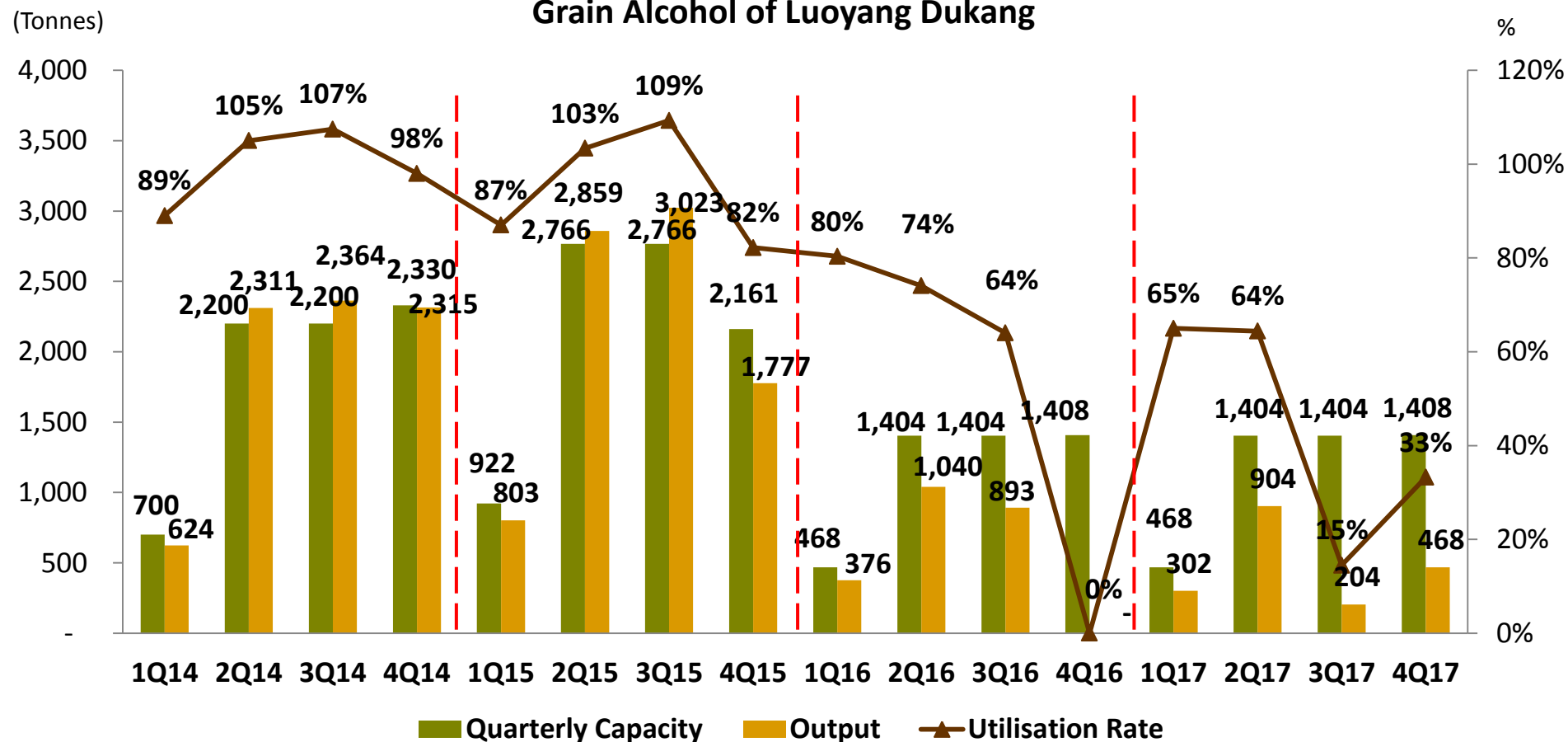
Restaurant

*None of the top 5 distributors accounts for more than 10% of sales



Improve capacity & utilization

Grain Alcohol of Luoyang Dukang



*Annual capacity of 4,684 tonnes from 2,428 fermentation pools

** Fermentation period of 90 days

何以解憂，唯有杜康。

