



DUKANG DISTILLERS HOLDINGS LIMITED

新加坡股票代碼：GJ8 臺灣TDR代碼：911616

FY2015 (Jul 14 – Jun 15) Results Presentation



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Corporate profile





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)



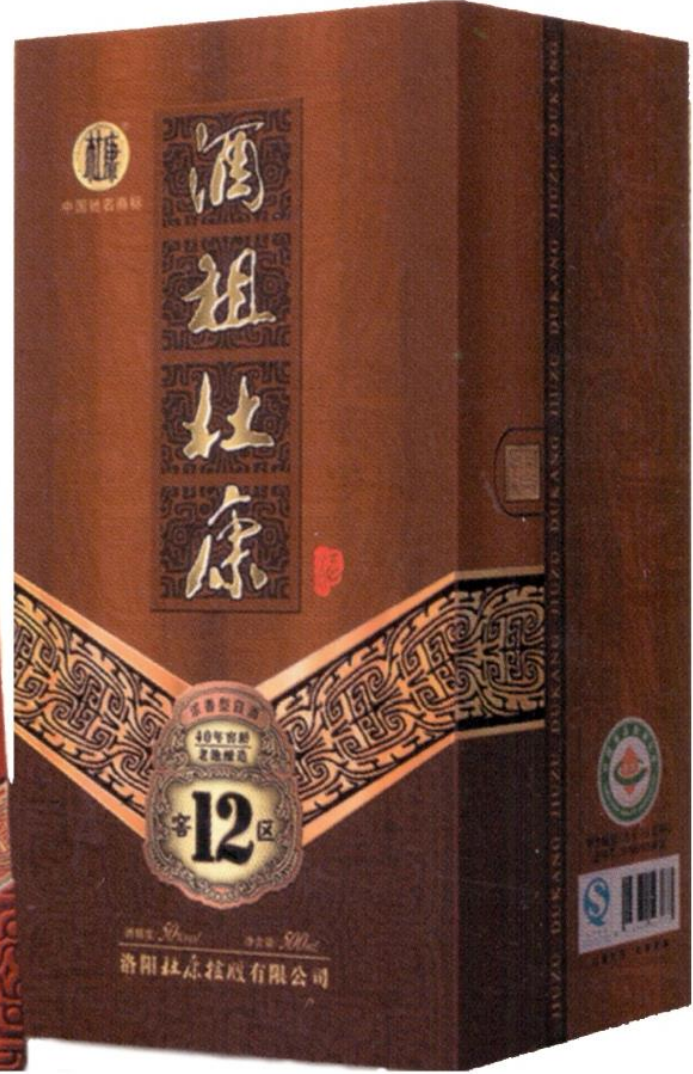
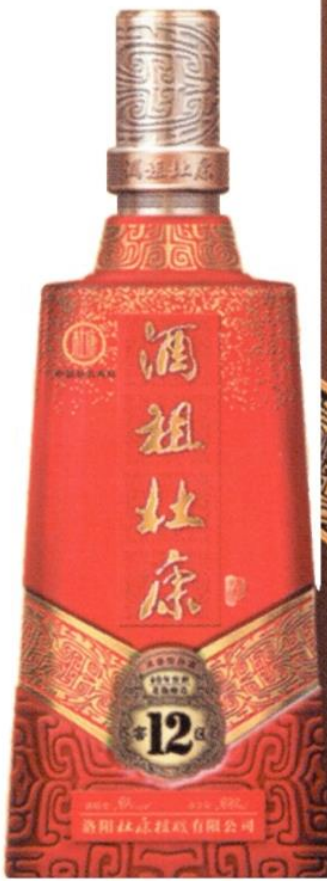
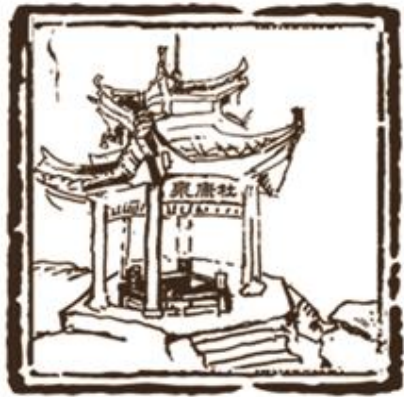
Star Enterprise Of The National Wine Industry (1994)



Financial highlights

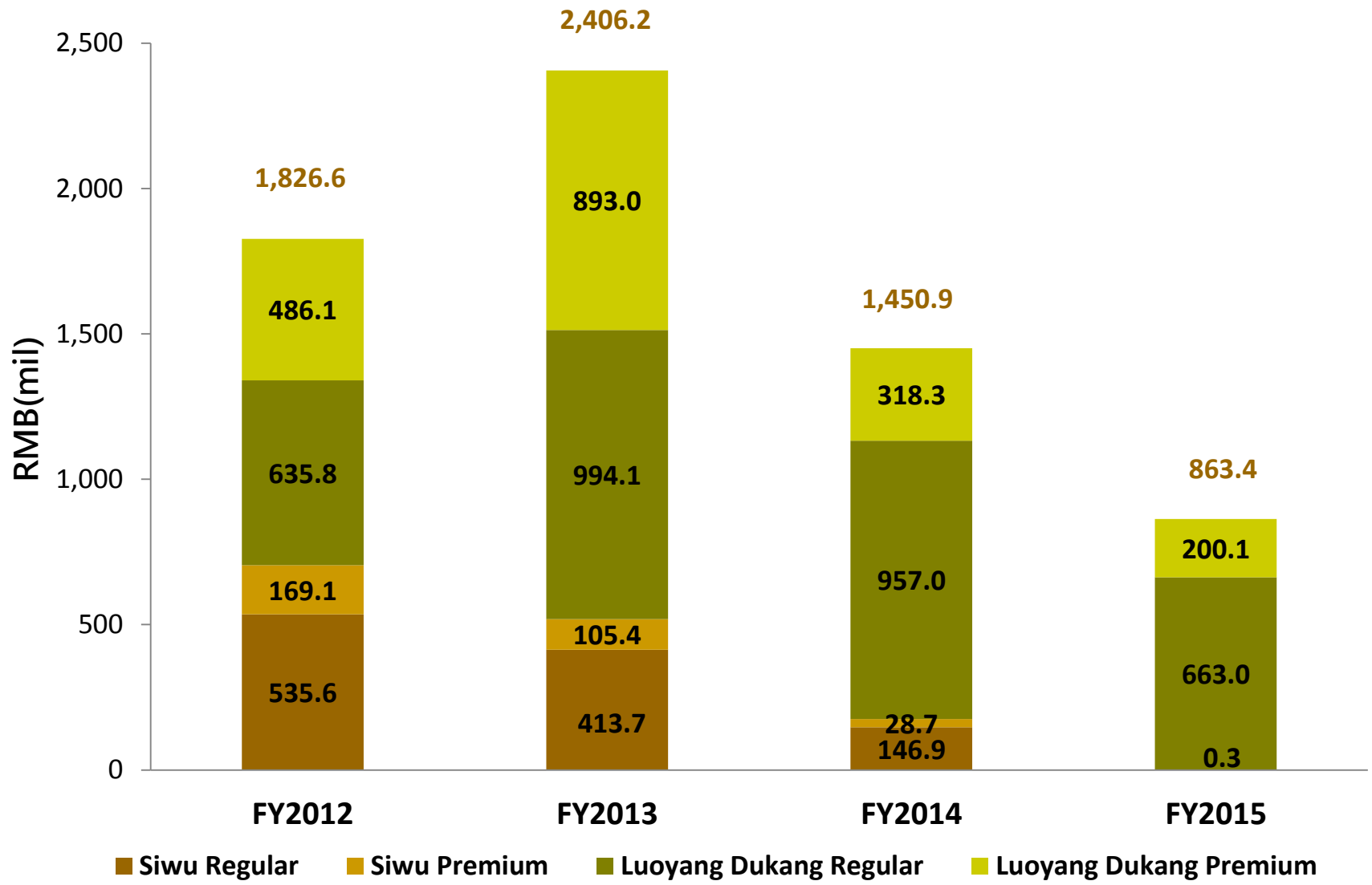


杜康控股

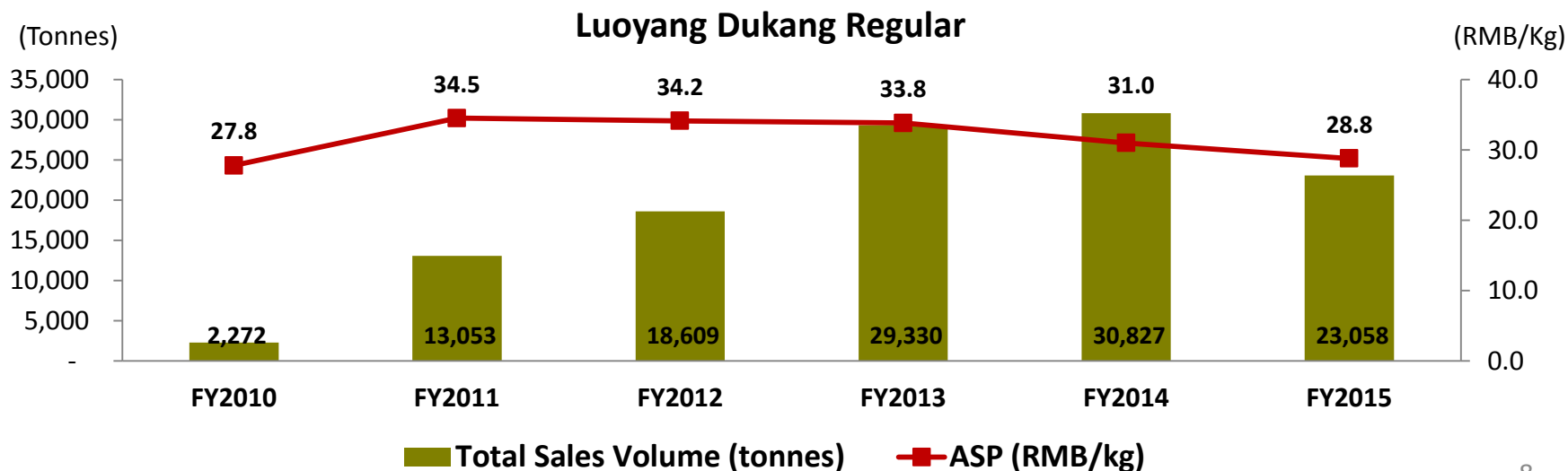
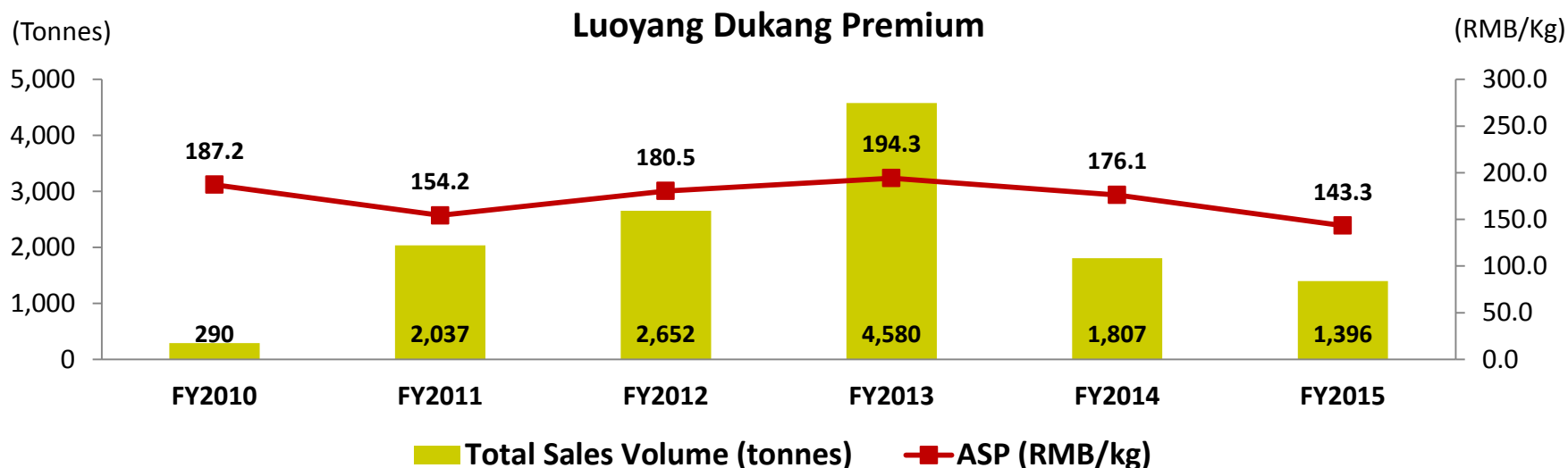




Sales



Sales volume & Average selling price

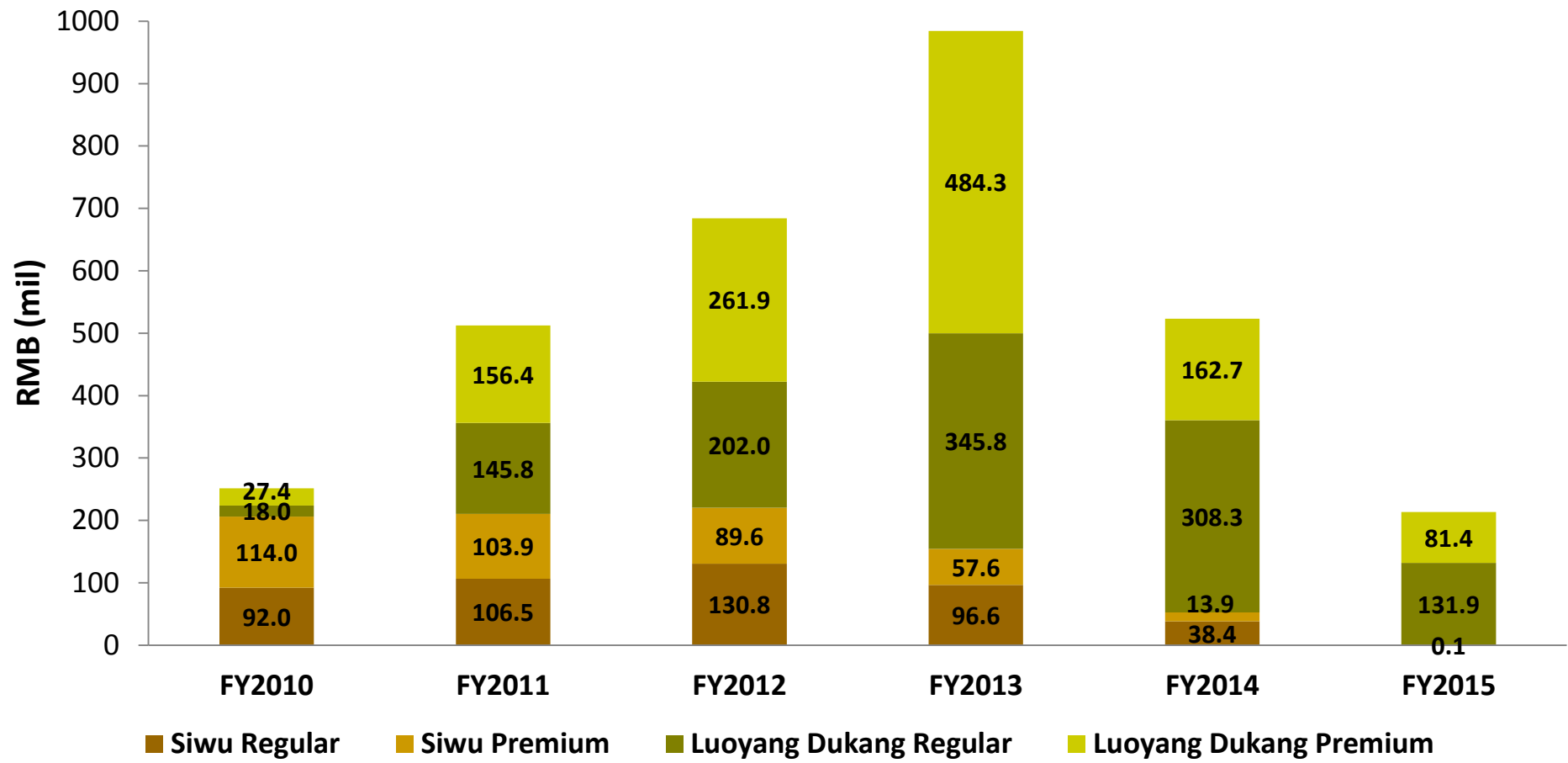




Gross profit



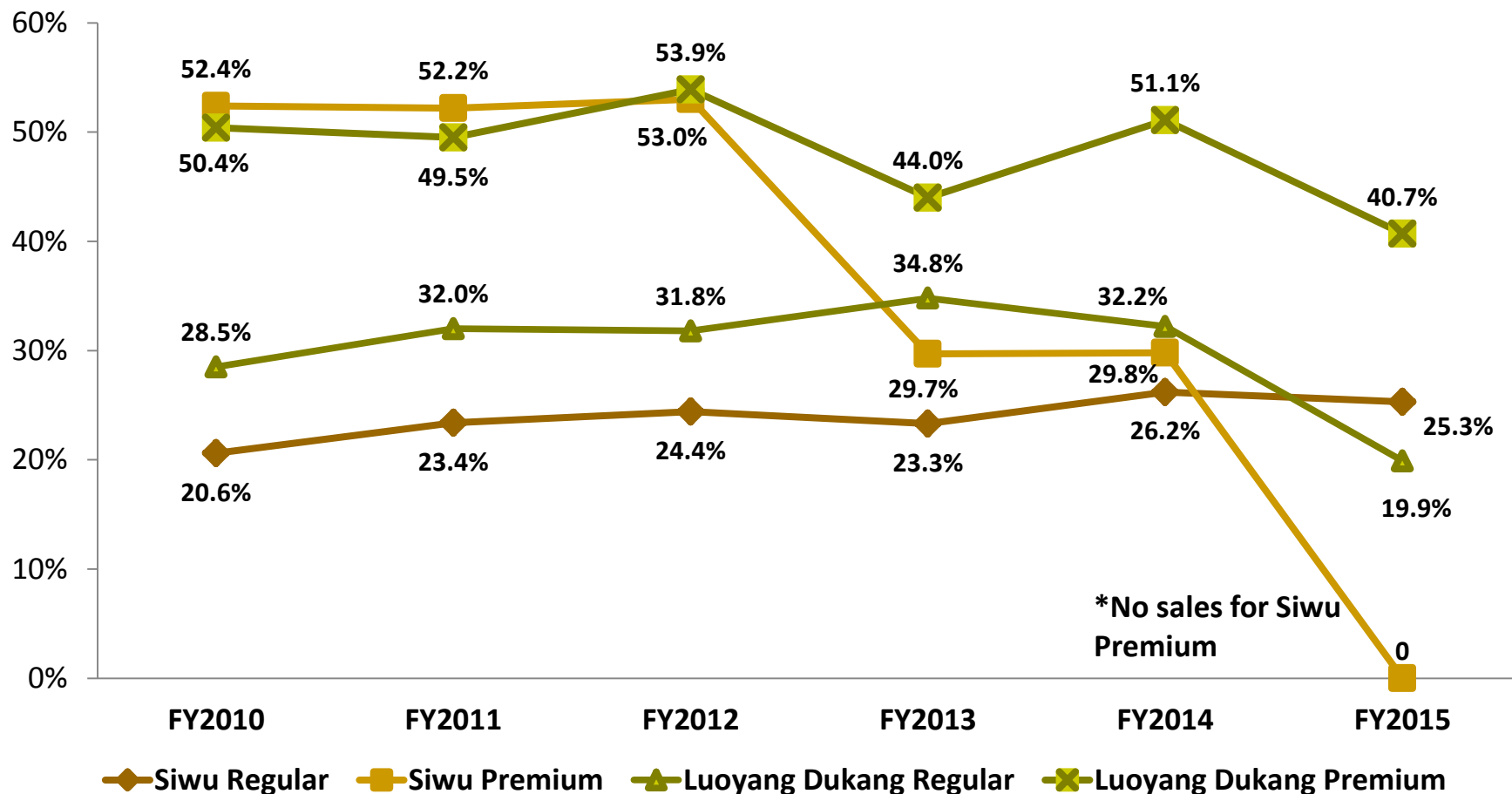
Yearly Gross Profit



Gross profit margins for Dukang brand



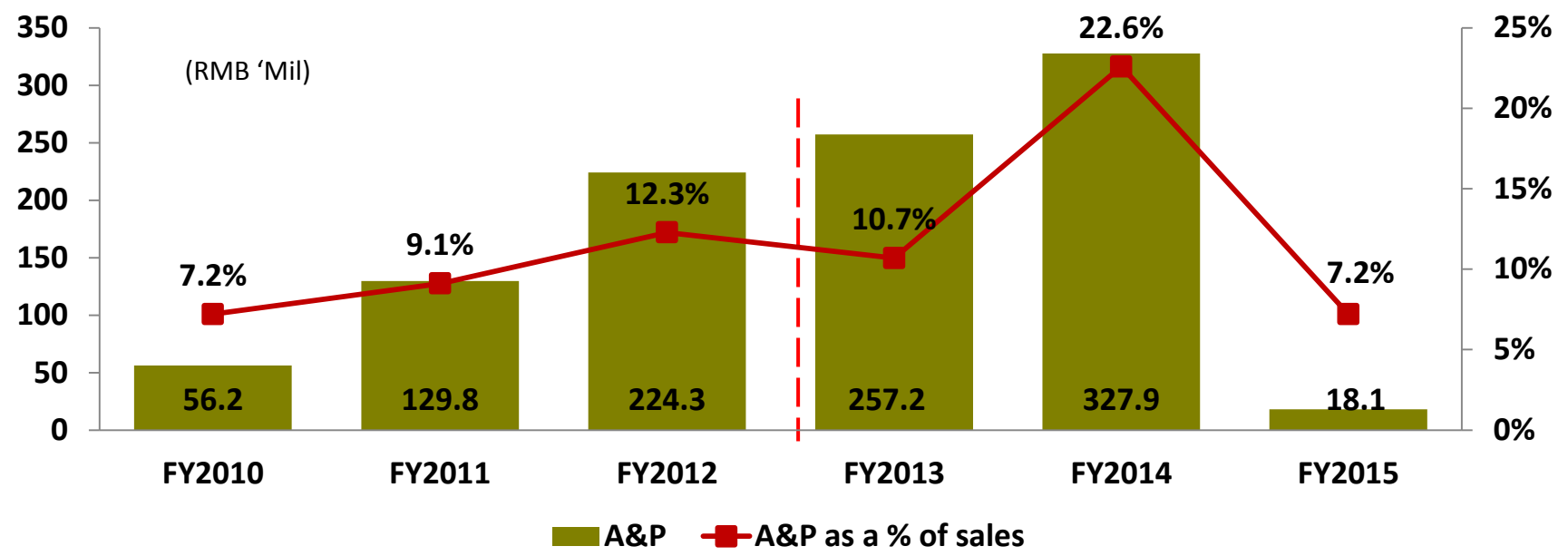
Gross Profit Margins





Advertisement and Promotion

A&P expenses and A&P as a percentage of sales



China National Sugar and Alcoholic Commodities Fair



Peony Cultural Festival



TV Ads

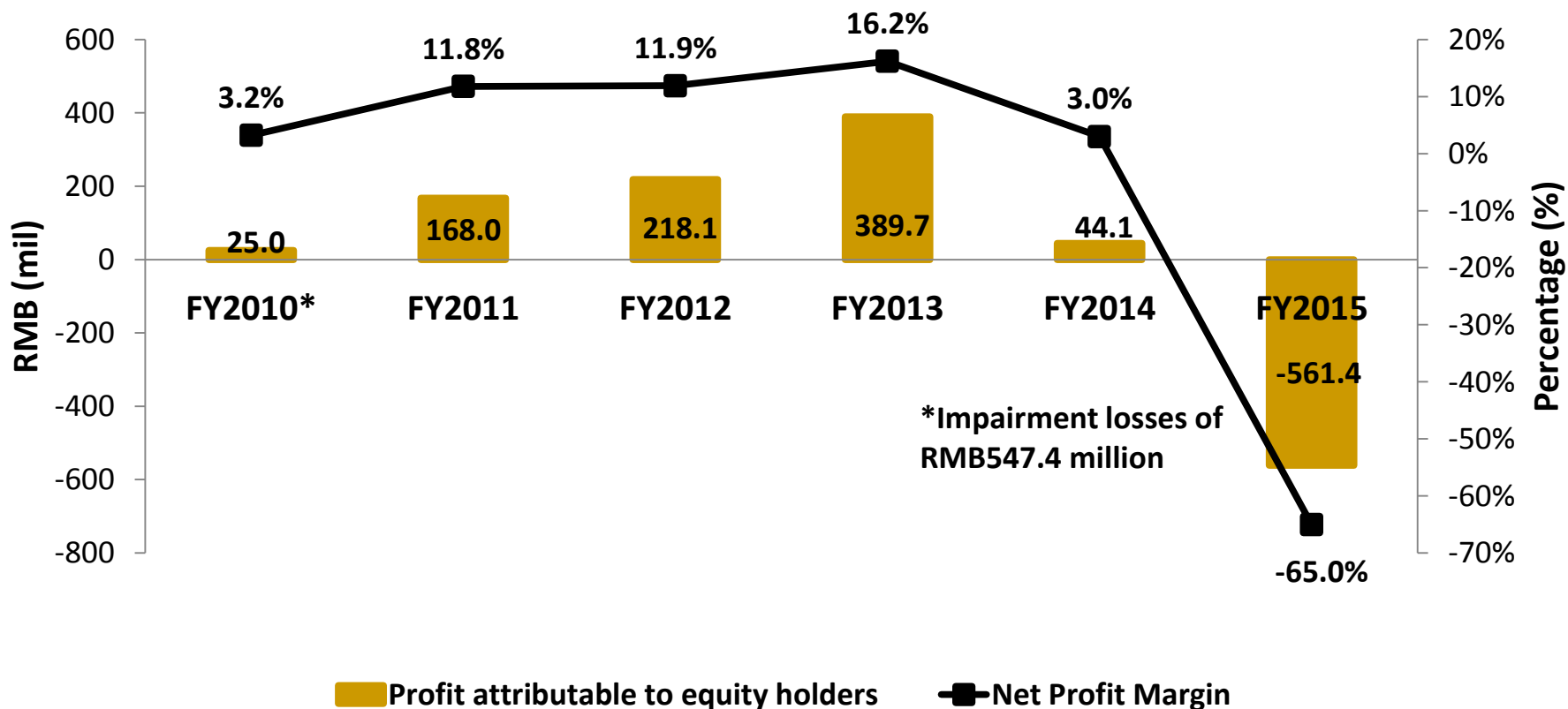


Luoyang Dukang National Trade Fair



Net Profit & Margin

Net Profit & Margin





Financial position



RMB (mil)	As at 30 June 2015	As at 30 June 2014
Total Equity	1,437.3	1,998.7
Total Assets	1,838.4	2,534.0
Inventories	663.7	689.6
Cash & Equivalents	403.0	391.8
Total Liabilities	401.2	535.4
Bank Borrowings	134.8	201.0
Gearing	Net Cash	Net Cash

RMB (mil)	FY2015	FY2014
Net cash generated/(used in) operating activities	149.7	(320.0)
Net cash generated/(used in) investing activities	(60.9)	(152.1)
Net cash generated/(used in) financing activities	(77.6)	106.5
Net Increase/(decrease) in cash and cash equivalents	11.3	(365.5)



Turnover ratios



No. of days	FY2015	FY2014
Accounts Receivable Turnover	0	1
Accounts Payable Turnover	60	72
Inventory Turnover	492	371

Notes:

Accounts Receivable Turnover = $\frac{\text{Trade receivables as at end of quarter}}{4 \times \text{Revenue for the quarter}} \times 365 \text{ days}$

Accounts Payable Turnover = $\frac{\text{Trade and bills payables as at end of quarter}}{4 \times \text{Cost of sales excl. consumption tax for the quarter}} \times 365 \text{ days}$

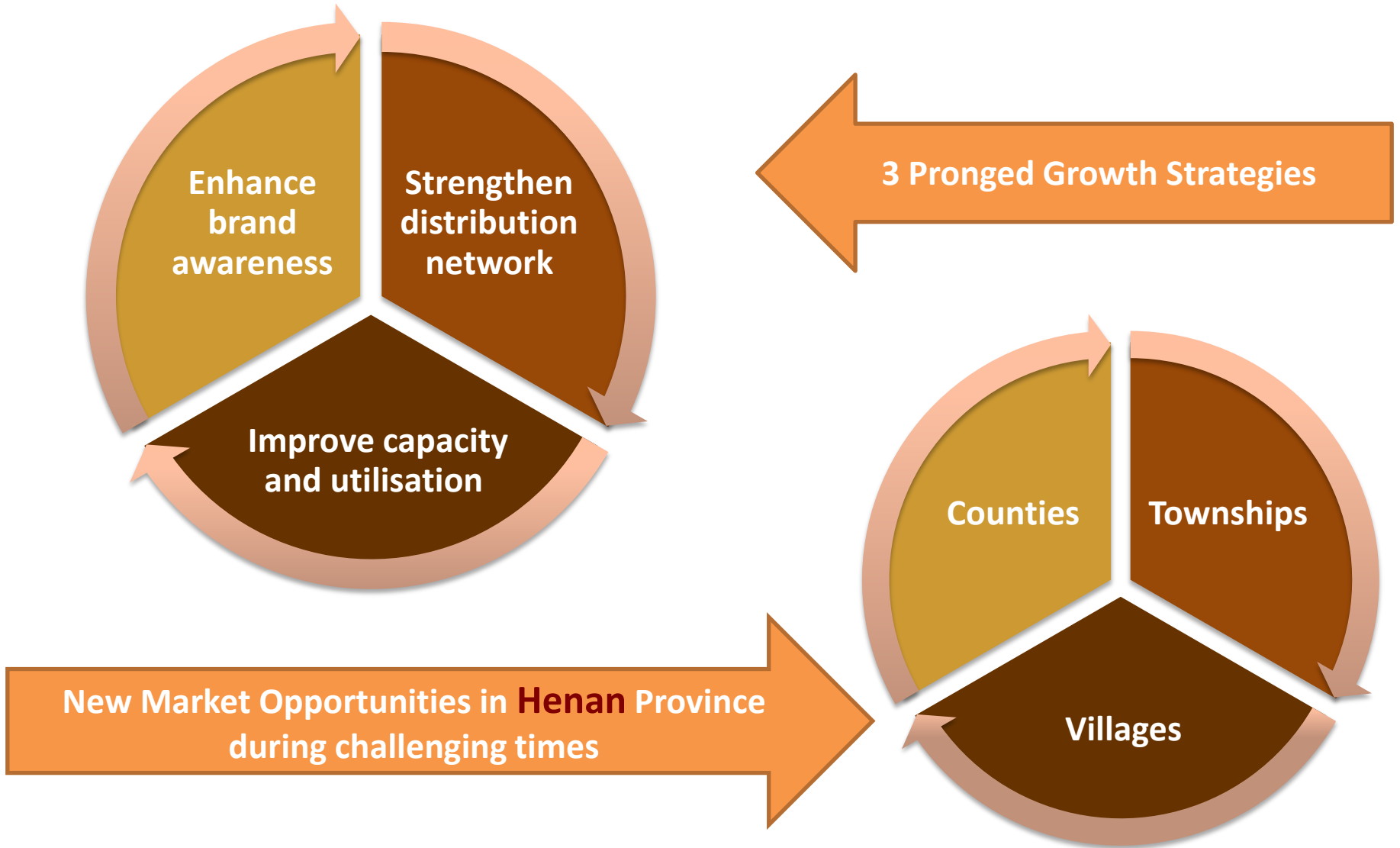
Inventory Turnover = $\frac{\text{Inventories as at end of quarter}}{4 \times \text{Cost of sales excl. consumption tax for the quarter}} \times 365 \text{ days}$



Growth strategies



Growth strategies and market opportunities





Enhance brand awareness



❖ Award winning microfilm

- ❖ International Jindanruo Award for “Father’s Love”
- ❖ Jinhaitang Award for “Father’s Love”
- ❖ Silver Award in Pingyao Art Festival for “ Come back home with love”



❖ Customized products for young customers

- ❖ Incorporates cartoon characters and comical comments into its design of product packaging for wedding



❖ Pioneered various marketing methods

- ❖ WeChat: social as well as sales platform
- ❖ Weibo: over 7,600 posts, almost 50,000 followers

❖ Joined Chengdu Spring of Rum 2015

- ❖ Allowed visitors to enjoy a taste of pure baijiu on the spot from fermentation pools





Optimize traditional distribution network



	No. of distributors *				
	Luoyang Dukang				
	2011	2012	2013	2014	2015
Henan Province	114	144	88	87	78
The rest of China	56	83	82	81	98



Specialty Store



Flagship Store



Super Market



Dennis Department Stores



Restaurant

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

Expand online distribution channels

- ❖ Exclusive partnership with Sichuan 1919 Wines & Spirit -- Online-to-Offline (“O2O”)

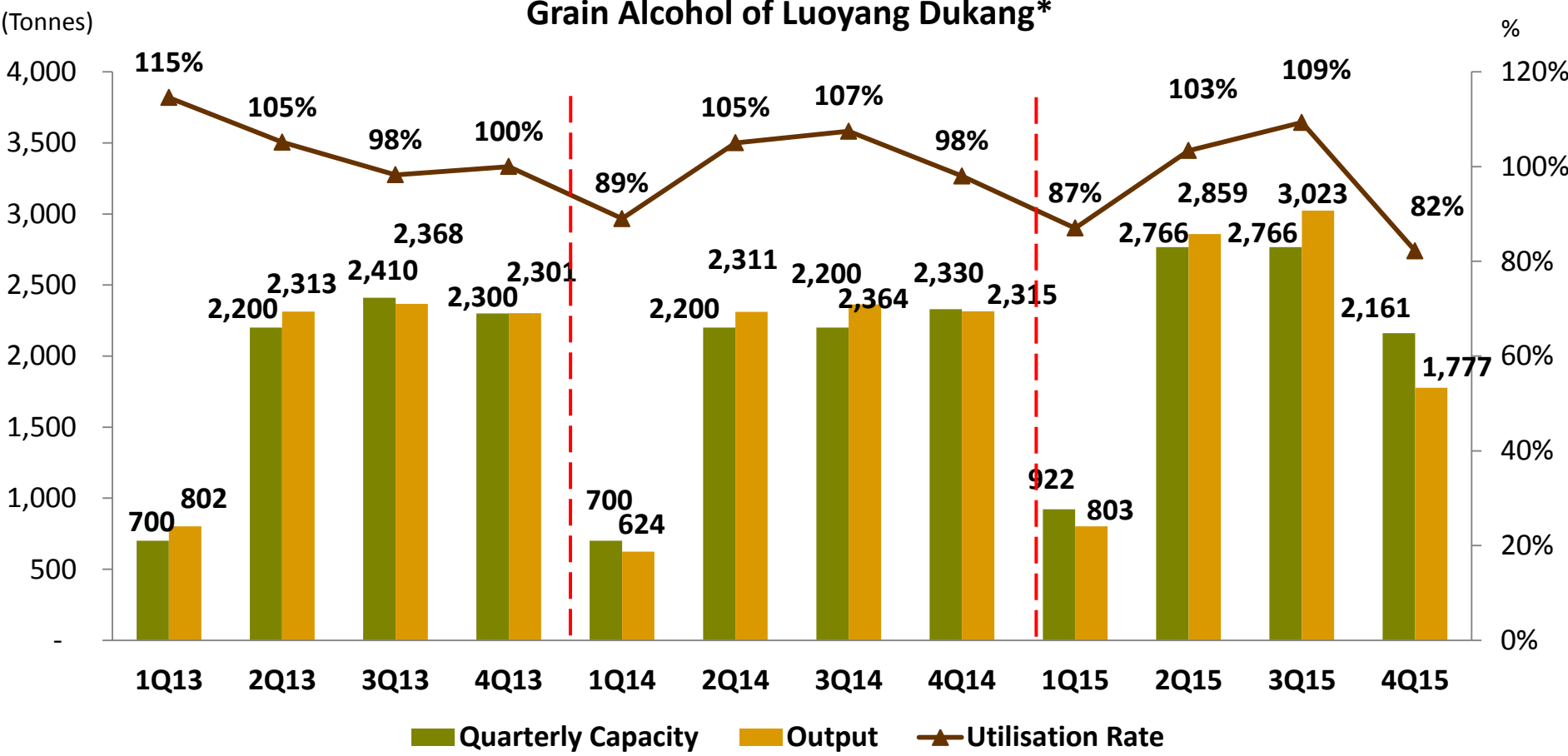




Improve capacity & utilization



Grain Alcohol of Luoyang Dukang*



*Annual capacity of 7,203 tonnes from 2,428 fermentation pools

** Fermentation period of 60 days for Luoyang Dukang

Thank You

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何以解憂，唯有杜康。



人生容易老，白雪紛紛又到老。... 何以解憂，唯有杜康。... 杜康神... 醉亦陶陶。... 人生容易老，白雪紛紛又到老。... 何以解憂，唯有杜康。... 杜康神... 醉亦陶陶。... 人生容易老，白雪紛紛又到老。... 何以解憂，唯有杜康。... 杜康神... 醉亦陶陶。...