

**DAH CHONG HONG HOLDINGS LTD:
THE FIRST HALF WAS GOOD;
THE SECOND HALF SHOULD EVEN BE BETTER**

After a rather poor showing in the 2013 Financial Year, ended December 31, it appears very apparent that publicly listed Dah Chong Hong Holdings Ltd () (Code: 1828, Main Board, The Stock Exchange of Hongkong Ltd) has come good, once again.

At least, that appears to be the case on scanning the Interim Report of the Company for the six months to June 30, 2014.

With regard to the 2013-Year, the highlights of the financial results included:

	Financial Year, Ended December 31		
	All Figures Are Denominated In \$HK'million (except where otherwise specified)		Percentage Increase/(Decrease)
	2013	2012	
Turnover	42,261	48,014	(11.98)
Profit From Operations	1,451	1,775	(18.25)
Profit Attributable To Shareholders	901	1,045	(13.78)
Total Debt	7,424	6,409	15.84
Net Debt	5,251	3,184	64.92
Gearing Ratio	36.90 percent	27.20 percent	9.70 (35.66 Percentile Points)
Earnings Per Share	49.21 cents	57.24 cents	(14.03)

In terms of the Net Profits Attributable to Shareholders, the 2013-Year was the worst 12-month period, going back to the 2010-Year.

In respect of the first half of the Current Financial Year, ended June 30, 2014, Dah Chong Hong reported that, on a Turnover of about \$HK22.09 billion, the Net Profit Attributable to Shareholders was about

\$HK430 million.

The Turnover increased, Year-On-Year, by about 16.68 percent, but the Gross Profit Margin slipped from about 12.37 percent (the 2013 First Half) to about 12.03 percent.

While the Net Profit Attributable to Shareholders with regard to the First Half showed an increase, Year-On-Year, of about 7.23 percent, **TARGET** () noted that the Net Profit Margin skidded back to about 1.95 percent (2013 First Half: 2.12 percent).

That which appeared to have constrained the Bottom Line in the First Half was the increased requirement with regard to finance costs. They rose from the June 30, 2013 First Half of about \$HK110 million to the First Half of the Current Year of about \$HK134 million, an increase of about 21.82 percent.

The Net Gearing Ratio in respect of the First Half came in at about 39.50 percent, which compared with a Net Gearing Ratio of about 36.90 percent in the First Half of the 2013-Year.

At Page 25 of the 2014 Interim Report, it is stated:

‘The Group’s finance costs increased by 21.8% to HK\$134 million (1-6/2013: HK\$110 million) mainly due to increase in bank borrowings during the period to finance the increase in working capital.’

The Consolidated Balance Sheet showed that, as at June 30, 2014, Dah Chong Hong had cash and bank deposits of about \$HK1.41 billion (2013 First Half: \$HK2.17 billion).

Borrowings, however ... [CLICK TO ORDER FULL ARTICLE](#)

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