

THIRD QUARTER FINANCIAL STATEMENT ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2016

截至 2016 年 3 月 31 日三个月的第三季度财务报表公告

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

第一部分- 季度 (Q1, Q2 和 Q3), 半年和全年业绩公告所需资料

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

(集团) 的收入报表连同上一财政年同期的对比度报表

Group Statement of Comprehensive Income for the three months ended 31 March 2016. These figures have not been audited.

截至 2016 年 3 月 31 日三个月集团综合收入报表。这些数字尚未经审计。

	3 months ended 31 Mar 2016 截至 2016 年 3 月 31 日 三个月 RMB'000 Unaudited 未经审计	Group 集团 3 months ended 31 Mar 2015 截至 2015 年 3 月 31 日 三个月 RMB'000 Unaudited 未经审计	Increase/ (Decrease) 增/(减) %
Revenue 销售收入	64,501	50,921	26.7
Cost of sales 销售成本	(63,105)	(79,548)	(20.7)
Gross profit 毛利	1,396	(28,627)	(104.9)
Other income 其他收入	1,525	1,060	43.9
Selling and distribution expenses 销售费用	(1,402)	(1,282)	9.4
Administrative expenses 管理费用	(4,496)	(4,395)	2.3
Finance costs 财务成本	(7,955)	(10,051)	(20.9)
Loss before income tax 税前亏损	(10,932)	(43,295)	(74.7)
Income tax expenses 所得税开支	-	-	-
Loss for the period attributable to the owners of the Company 本期公司拥有人的亏损	(10,932)	(43,295)	(74.7)
Other comprehensive income 其他综合收入			
Total comprehensive income for the period attributable to the owners of the Company 本期 公司拥有人总综合收入	(10,932)	(43,295)	(74.7)

Loss before income tax is arrived at after charging/(crediting):

税前亏损已计入以下项目:

	Group 集团	
	3 months ended	3 months ended
	31 Mar 2016	31 Mar 2015
	截至 2016 年	截至 2015 年
	3 月 31 日	3 月 31 日
	三个月	三个月
	RMB'000	RMB'000
	Unaudited	Unaudited
	未经审计	未经审计
Interest income 利息收入	(1,448)	(984)
Interest expenses on 利息支出:		
- Bank loans wholly repayable within five years		
五年内应付清之银行贷款	7,955	10,051
- Other loans wholly repayable within five years		
五年内应付清之其他贷款	-	-
Depreciation 折旧	11,019	11,386
Amortisation of land use rights 土地使用权摊销	35	35
Minimum lease payments under operating leases for property, plant and equipment and land use rights		
厂房设备和土地使用权租赁合同下最低付款额	23	23

1. Depreciation expenses of approximately RMB10,579,000 had been charged to cost of sales in the Group Statement of Comprehensive Income for the 3 months ended 31 March 2016 (3 months ended 31 March 2015: approximately RMB10,943,000). Depreciation expenses of approximately RMB440,000 had been charged to administrative expenses in the Group Statement of Comprehensive Income for the 3 months ended 31 March 2016 (3 months ended 31 March 2015: approximately RMB443,000).

约人民币一千零五十七万九千元的折旧费已被计在截至 2016 年 3 月 31 日三个月的综合收入报表内的销售成本里(截至 2015 年 3 月 31 日三个月: 约人民币一千零九十四万三千元)。约人民币四十四万元的折旧费已被计在截至 2016 年 3 月 31 日三个月的综合收入报表内的管理费用里(截至 2015 年 3 月 31 日三个月: 约人民币四十四万三千元)。

2. Amortisation of land use rights of approximately RMB35,000 had been charged to cost of sales in the Group Statement of Comprehensive Income for the 3 months ended 31 March 2016 (3 months ended 31 March 2015: approximately RMB35,000).

约人民币三万五千元的土地使用权摊销已被计在截至 2016 年 3 月 31 日三个月的综合收入报表内的销售成本里(截至 2015 年 3 月 31 日三个月: 约人民币三万五千元)。

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

(本公司及集团)的资产负债表连同上一财政年的对比报表。

	<u>Group 集团</u>		<u>Company 本公司</u>	
	31 Mar 2016 2016 年 3 月 31 日 RMB'000 Unaudited 未经审计	30 Jun 2015 2015 年 6 月 30 日 RMB'000 Audited 已经审计	31 Mar 2016 2016 年 3 月 31 日 RMB'000 Unaudited 未经审计	30 Jun 2015 2015 年 6 月 30 日 RMB'000 Audited 已经审计
ASSETS 资产				
Non-current assets 非流动资产				
Property, plant and equipment 物业、厂房和设备	447,478	480,797	-	-
Land use rights 土地使用权	5,197	5,302	-	-
	<u>452,675</u>	<u>486,099</u>	<u>-</u>	<u>-</u>
Current assets 流动资产				
Inventories 库存	61,399	59,446	-	-
Trade and bills receivables 应收帐款及票据	40,698	35,487	-	-
Prepayments, other receivables and deposits 预付款、 其他应收款及预付订金	3,688	37,637	-	-
Pledged deposits 抵押存款	311,828	305,902	-	-
Cash and cash equivalents 现金和现金等值物	57,300	25,522	-	-
	<u>475,003</u>	<u>463,994</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS 总资产	<u>927,678</u>	<u>950,093</u>	<u>-</u>	<u>-</u>
EQUITY AND LIABILITIES 权益和负债				
Equity attributable to owners of the Company 公司 权益持有人所属权益				
Share capital 股本	78,438	78,438	78,438	78,438
Reserves 储备	(203,226)	(169,136)	(97,096)	(94,422)
Total equity 股东权益	<u>(124,788)</u>	<u>(90,698)</u>	<u>(18,658)</u>	<u>(15,984)</u>
Non-current liabilities 非流动负债				
Government grant 政府补贴	954	1,122	-	-
	<u>954</u>	<u>1,347</u>	<u>-</u>	<u>-</u>
Current liabilities 流动负债				
Trade payables 应付帐款	13,643	7,286	-	-
Accrued liabilities, other payables and deposits received 计提负债、其他应付款及预收订金	114,805	107,060	18,658	15,984
Government grant 政府补贴	225	225	-	-
Bank borrowings 银行贷款	911,950	914,000	-	-
Tax payable 应付税金	10,889	11,098	-	-
	<u>1,051,512</u>	<u>1,039,669</u>	<u>18,658</u>	<u>15,984</u>
Total liabilities 总负债	<u>1,052,446</u>	<u>1,040,791</u>	<u>18,658</u>	<u>15,984</u>
TOTAL EQUITY AND LIABILITIES 权益及负债总额	<u>927,678</u>	<u>950,093</u>	<u>-</u>	<u>-</u>

1. The Group's bank borrowings as at 31 March 2016 included other bank borrowings in the form of bills payables of RMB515,000,000 (30 June 2015: RMB481,000,000), which were interest-free and secured by the pledge of certain of the Group's bank deposits and guaranteed by certain independent third parties. These bills payables have maturity period of up to 6 to 12 months(FY2015: 6 to 12 months). 集团的银行贷款包括由独立第三方提供担保和以集团的存款作抵押的应付票据人民币五亿一千五百万元 (2015 年 6 月 30 日: 人民币四亿八千一百万元), 还款期是 6 至 12 个月, 不计利息。

1(b)(ii) Aggregate amount of group's borrowings and debt securities. 集团贷款及抵押债务总额**Amount repayable in one year or less, or on demand 一年内应偿还或见索即付款额**

As at 31 Mar 2016 于 2016 年 3 月 31 日		As at 30 Jun 2015 于 2015 年 6 月 30 日	
Secured 有抵押	Unsecured 无抵押	Secured 有抵押	Unsecured 无抵押
RMB'000	RMB'000	RMB'000	RMB'000
911,950	-	914,000	-

Amount repayable after one year 一年后应偿还款额

As at 31 Mar 2016 于 2016 年 3 月 31 日		As at 30 Jun 2015 于 2015 年 6 月 30 日	
Secured 有抵押	Unsecured 无抵押	Secured 有抵押	Unsecured 无抵押
RMB'000	RMB'000	RMB'000	RMB'000
-	-	-	-

Details of any collateral**抵押品的详情**

The Group's bank borrowings as at 31 March 2016 included RMB30,000,000 (30 June 2015: RMB30,000,000) which were secured by a pledge of certain of the Group's property, plant and equipment and land use rights, RMB180,450,000 (30 June 2015: RMB203,000,000) which were guaranteed by independent third parties and a related company, Hongcheng Company and RMB186,500,000 (30 June 2015: RMB200,000,000) which were secured by a pledge of certain of the Group's property, plant and equipment and bank deposits which were guaranteed by independent third parties, with interests ranging from 4.35% to 8.2% per annum as at 31 March 2016 (FY2015: ranging from 5.1% to 10.2% per annum).

集团的银行贷款包括以集团的厂房设备和土地作抵押的银行借款人民币三千万元(2015 年 6 月 30 日: 人民币三千万元)、由独立第三方和宏诚集团提供担保的银行借款人民币一亿八千零四十万元 (2015 年 6 月 30 日: 人民币二亿零三百万元)及以集团的厂房设备、土地和存款作抵押和由独立第三方提供担保的银行借款人民币一亿八千六百五十万元(2015 年 6 月 30 日: 人民币二亿元)。于 2016 年 3 月 30 日这些贷款年利率由每年 4.35% 至 8.2%不等 (FY2015: 由 5.1% 至 10.2%不等)。

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

(集团)的现金流量表连同上一财政年同期的对比报表。

Statement of cash flows for the three months ended 31 March 2016

截至 2016 年 3 月 31 日三个月的现金流量表

	Group 集团	
	3 months ended 31 Mar 2016	3 months ended 31 Mar 2015
	截至 2016 年 3 月 31 日	截至 2015 年 3 月 31 日
	三个月	三个月
	RMB'000	RMB'000
	Unaudited	Unaudited
	未经审计	未经审计
Cash flows from operating activities 营运所得现金流量		
Loss before income tax 税前亏损	(10,932)	(43,295)
Adjustments for 调整以下各项:		
Interest income 利息收入	(1,448)	(984)
Interest expenses 利息支出	7,955	10,051
Depreciation 折旧	11,386	11,386
Amortisation of land use rights 土地使用权摊销	35	35
Amortisation of government grants 政府补贴摊销	(56)	(56)
Operating profit/(loss) before working capital changes 计算流动资金变更前的营运利润/(亏损)	6,573	(22,863)
Decrease in inventories 存货减少	7,854	27,164
Increase in trade and bills receivables 应收帐款和应收票据增加	(16,648)	(8,308)
Decrease in prepayments, other receivables and deposits 预付款, 其他应收款和预付订金减少	30,821	9,873
Increase in trade payables 应付帐款增加	6,875	777
(Decrease)/increase in accrued liabilities, other payables and deposits received 计提负债, 其他应付款和预收订金(减少)/增加	(976)	1,090
Cash generated from operations 营运所得现金	34,499	7,733
Income taxes paid 已付税款	(92)	-
Net cash generated from operating activities 营运活动所得净现金	34,407	7,733
Cash flows from investing activities 投资活动所得现金流量		
Interest received 已收利息	1,448	984
Purchases of property, plant and equipment 购置物业、厂房和设备	-	(56)
Net cash generated from investing activities 投资活动所得净现金	1,448	928
Cash flows from financing activities 融资活动所得现金流量		
Repayment of bank borrowings 偿还银行贷款	(362,000)	(295,704)
New bank borrowings 新增银行贷款	400,950	473,792
Increase in time deposits with original maturity of more than three months when acquired 取得时超过三个月后到期的定期存款增加	(59,061)	(180,398)
Interest paid 已付利息	(7,955)	(10,051)
Net cash used in financing activities 融资活动所用净现金	(28,060)	(12,361)
Net increase/(decrease) in cash and cash equivalents 现金和现金等值物净增加/(减少)	7,789	(3,700)
Cash and cash equivalents at 1 Jan 于 1 月 1 日的现金和现金等值物	49,601	43,182
Cash and cash equivalents at 31 Mar 于 3 月 31 日的现金和现金等值物	57,390	39,482

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

显示(上市公司及集团) (i) 股东权益的所有变更的报表或 (ii) 资本化发行及分配产生的股东权益变更除外的股东权益变更的报表, 连同上一财政年同期的对比报表。

Statements of changes in equity for the three months ended 31 March 2016

截至 2016 年 3 月 31 日三个月的股东权益变更报表

<u>Group</u> 集团	Share capital 股本 RMB'000 Unaudited 未经审计	Share premium 股票溢价 RMB'000 Unaudited 未经审计	Merger reserve 合并储备 RMB'000 Unaudited 未经审计	Statutory reserve 法定储备 RMB'000 Unaudited 未经审计	Exchange fluctuation reserve 兑汇浮动储备 RMB'000 Unaudited 未经审计	Accumulated losses 累计亏损 RMB'000 Unaudited 未经审计	Total equity 总股东权益 RMB'000 Unaudited 未经审计
Balance at 1 Jan 2015 2015 年 1 月 1 日余额	78,438	137,794	(18,488)	33,647	(5,348)	(159,144)	66,899
Loss for the period 本期亏损	-	-	-	-	-	(43,295)	(43,295)
Total comprehensive income for the period 期内总综合收入	-	-	-	-	-	(43,295)	(43,295)
Balance at 31 Mar 2015 2015 年 3 月 31 日余额	78,438	137,794	(18,488)	33,647	(5,348)	(202,439)	23,604
Balance at 1 Jan 2016 2016 年 1 月 1 日余额	78,438	137,794	(18,488)	33,647	(5,348)	(339,899)	(113,856)
Loss for the period 本期亏损	-	-	-	-	-	(10,932)	(10,932)
Total comprehensive income for the period 期内总综合收入	-	-	-	-	-	(10,932)	(10,932)
Balance at 31 Mar 2016 2016 年 3 月 31 日余额	78,438	137,794	(18,488)	33,647	(5,348)	(350,831)	(124,788)

<u>Company</u> 本公司	Share capital 股本 RMB'000 Unaudited 未经审计	Share premium 股票溢价 RMB'000 Unaudited 未经审计	Merger reserve 合并储备 RMB'000 Unaudited 未经审计	Accumulated losses 累计亏损 RMB'000 Unaudited 未经审计	Total equity 总股东权益 RMB'000 Unaudited 未经审计	
Balance at 1 Jan 2015 2015 年 1 月 1 日余额		78,438	137,794	34,364	(131,105)	119,491
Loss for the period 本期亏损		-	-	-	(536)	(536)
Total comprehensive income for the period 本期总综合收入		-	-	-	(536)	(536)
Balance at 31 Mar 2015 2015 年 3 月 31 日余额		78,438	137,794	34,364	(131,641)	118,955
Balance at 1 Jan 2016 2016 年 1 月 1 日余额		78,438	137,794	34,364	(268,810)	(18,214)
Loss for the period 本期亏损		-	-	-	(444)	(444)
Total comprehensive income for the period 本期总综合收入		-	-	-	(444)	(444)
Balance at 31 Mar 2016 2016 年 3 月 31 日余额		78,438	137,794	34,364	(269,254)	(18,658)

1. In accordance with the relevant laws and regulations of the PRC, the subsidiaries of the Company established in the PRC are required to transfer 10% of its profit after taxation prepared in accordance with the accounting regulation in the PRC to the statutory reserve until the reserve balance reaches 50% of the respective registered capital. This statutory reserve is non-distributable except upon liquidation of the PRC subsidiaries.

根据中国有关法规和守则，本公司于中国设立的子公司需将税后利润(根据中国会计制度计算)的 10%转入法定储备直到法定储备达到该子公司的注册资本的 50%为止。这法定储备(除在该子公司清算的情况下以外)是不可作分配的。

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

自上一财政期，本公司因附加股、红股、股份购回、行使认股选择权或认股证、其他权益发行兑换、发行股票以取得现金或收购对价或为任何其他目的而发行股票而发生的任何变更的详细情况。亦须注明截至本财政期末及截至上一财政年同期可能因所有有效可换股证券行使时会发行的股票数目，及库存股票股数（如有）占上市公司已发行股票的总数（扣除库存股票）。

There were no changes in the Company's share capital for the three months ended 31 March 2016.

截至 2016 年 3 月 31 日三个月内公司的股本没有任何变动。

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

显示于本财政期末和上一财政年末已发行股票数量，不包括库股票。

Ordinary shares of HK\$0.30 each

每股面值港币 0.30 元的普通股

As at 31 Mar 2016	As at 30 Jun 2015
截至 2016 年 3 月 31 日	截至 2015 年 6 月 30 日
268,000,000	268,000,000

The Company does not have any treasury shares as at 31 March 2016 and 30 June 2015.

公司于 2016 年 3 月 31 日和 2015 年 6 月 30 日没有任何库存股票。

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

显示本财政期末的所有销售、转让、弃置、取消和/或使用库存股票的报告声明。

Not applicable.

不适用。

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

有关数字是否已根据审计准则或惯例被审计或审阅。

The figures have not been audited or reviewed by auditors.

有关数字未经审计师审核或审阅。

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

如有关数字被审计或审阅，须附上审计师报告（包括对任何特定事项的澄清或强调）

Not applicable.

不适用。

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

是否已应用与上市公司最近经审核的年度财务报表内应用的相同会计政策和计算方法。

The Group had adopted the same accounting policies and methods of computation as stated in the audited financial statements for the year ended 30 June 2015, except for the adoption of the new and amended International Financial Reporting Standards ("IFRSs") which became effective for financial year beginning on or after 1 July 2015. The adoption of these IFRSs did not have any material impact on the Group's financial statements.

集团已应用与截至 2015 年 6 月 30 日财政年经审核的年度财务报表内应用的相同会计政策和计算方法（除采用了适用于财政年以 2015 年 7 月 1 日或以后的新修订国际财务报告准则 ("IFRSs")）。采用这些 IFRSs 不会对集团的财务报表有重大影响。

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

如会计政策和计算方法有任何变更（包括会计准则要求），须列出有关的变更、变更原因和变更的影响。

Not applicable.

不适用。

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

扣除优先股股息准备后，集团在本财政期间及上一财政年同期每股普通股的盈利

	<u>Group 集团</u>	
	3 months ended 31 Mar 2016 截至 2016 年 3 月 31 日 三个月 Unaudited 未经审计	3 months ended 31 Mar 2015 截至 2015 年 3 月 31 日 三个月 Unaudited 未经审计
In RMB cents 人民币分		
Loss per ordinary share of the group, after deducting any provision for preference dividends		
扣除任何优先股股息准备后，集团每股普通股亏损		
(a) Based on number of ordinary shares on issue; and		
基于以发行普通股数目	(4.08)	(16.15)
(b) On a diluted basis 基于摊薄基准		
	n/a	n/a

Note:

The calculation of basic loss per share for the 3 months ended 31 March 2016 was computed by dividing the Group's loss for the period by the number of 268,000,000 ordinary shares (3 months ended 31 March 2015: 268,000,000 ordinary shares) during the period.

截至 2016 年 3 月 31 日三个月的每股亏损的计算方法是将集团本期亏损除以本期普通股数量 268,000,000 股（截至 2015 年 3 月 31 日三个月：268,000,000 普通股）。

Diluted loss per share for the period has not been presented as there was no potential ordinary share for the 3 months ended 31 March 2016 (3 months ended 31 March 2015: nil).

全面摊薄后的每股(亏损)/盈利未被列出因为截止 2016 年 3 月 31 日三个月没有可引发摊薄的普通股（截至 2015 年 3 月 31 日三个月：无）。

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**
(a) current financial period reported on; and
(b) immediately preceding financial year.

基于期末已发行股本（扣除库存股票）计算，(a) 于本财政期末；和 (b) 于上一财政年末上市公司和集团每股普通股资产净值。

	<u>Group 集团</u>		<u>Company 本公司</u>	
	31 Mar 2016 2016 年 3 月 31 日 Unaudited 未经审计	30 Jun 2015 2015 年 6 月 30 日 Unaudited 未经审计	31 Mar 2016 2016 年 3 月 31 日 Unaudited 未经审计	30 Jun 2015 2015 年 6 月 30 日 Unaudited 未经审计
In RMB 人民币				

Net asset value per ordinary share based on issued share capital at the end of:

基于期末已发行股本计算，每股普通股资产净值 (0.47) (0.34) (0.07) (0.06)

Note:

The net asset value was calculated by dividing the Group's net asset value by 268,000,000 ordinary shares (30 June 2015: 268,000,000).

资产净值的计算方法是将集团资产净值除以本期普通股数量 268,000,000 股（2015 年 6 月 30 日：268,000,000 股）。

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

回顾集团表现使能对集团业务得到合理解。此必包括以下分析：

- (a) 本财政期内影响集团销售收入、销售成本和盈利的季节性或周期性因素（如适用）；和**
(b) 本财政期内影响集团现金流、流动资金、资产或负债的因素。

REVIEW OF FINANCIAL RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2016("3QFY2016") COMPARED TO THE THREE MONTHS ENDED 31 MARCH 2015("3QFY2015")

截至 2016 年 3 月 31 日三个月("3QFY2016")比较截至 2015 年 3 月 31 日三个月("3QFY2015")的财务业绩回顾

Revenue 销售收入

Revenue increased by approximately RMB13.6 million from RMB50.9 million in 3QFY2015 to RMB64.5 million in 3QFY2016. This was mainly attributable to an increase in sales volume of the Group's products due to a temporary recovery in market demand.

销售收入由 3QFY2015 的人民币五千零九十万元增加约人民币一千三百六十万元至 3QFY2016 的人民币六千四百五十万元，主要原因是市场需求短暂回升使销售量上升所致。

Cost of sales, gross profit and gross profit margin 销售成本、毛利和毛利率

Cost of sales decreased by approximately RMB16.5 million from RMB79.6 million in 3QFY2015 to RMB63.1 million in 3QFY2016 mainly attributable to a decrease in cotton costs due to the utilisation of newly purchased lower-priced cotton to manufacture the Group's products for sales.

The Group recorded a gross profit of RMB1.4 million in 3QFY2016 compared to a gross loss of RMB28.6 million in 3QFY2015. There was a gross profit margin of 2.2% in 3QFY2016 compared to a gross loss margin of 56.2% in 3QFY2015. The increase in profit margin was mainly attributable to a decrease in cotton costs.

销售成本由 3QFY2015 的人民币七千九百六十万元减少约人民币一千六百五十万元至 3QFY2016 的人民币六千三百一十万元，主要是因为因为期内集团使用新采购较低价格棉花来制造销售产品所致。3QFY2016 的毛利是人民币一百四十万元，而 3QFY2015 是亏损人民币二千八百六十万元。3QFY2016 的毛利率是 2.2%，而 3QFY2015 的亏损率是 56.2%。毛利率增加主要原因是棉花成本下降所致。

Other income 其他收入

Other income, mainly interest income, increased by approximately RMB0.4 million from RMB1.1 million in 3QFY2015 to RMB1.5 million in 3QFY2016 mainly due to an increase in bank deposits.

其他收入，主要是利息收入，由 3QFY2015 的人民币一百一十万元增加约人民币四十万元至 3QFY2016 的人民币一百五十万元，主要原因是银行存款利率增加所致。

Finance costs 财务成本

Finance costs decreased by approximately RMB2.1 million from RMB10.1 million in 3QFY2015 to RMB8.0 million in 3QFY2016 due to a decrease in bank borrowings during the period. However, the high cost of debt servicing continued to weigh down the Company's performance.

财务成本由 3QFY2015 的人民币一千零二十万元减少约人民币二百一十万元至 3QFY2016 的人民币七百一十万元，主要原因是减少银行贷款所致。但是，高财务成本依然影响公司的表现

Loss before income tax 税前亏损

Loss before income tax decreased by approximately RMB32.4 million from RMB43.3 million in 3QFY2015 to RMB10.9 million in 3QFY2016.

税前亏损由 3QFY2015 的人民币四千三百三十万元减少约人民币三千二百四十万元至 3QFY2016 的人民币一千零九十万元。

Loss for the period 期内亏损

As a result of the above factors, loss for the period decreased by approximately RMB32.4 million from RMB43.3 million in 3QFY2015 to RMB10.9 million in 3QFY2016.

期内亏损由 3QFY2015 的人民币四千三百三十万元减少约人民币三千二百四十万元至 3QFY2016 的人民币一千零九十万元，主要原因已于上文陈述。

REVIEW OF FINANCIAL POSITION AS AT 31 MARCH 2016

2016 年 3 月 31 日财务状况审阅

Trade and bills receivables 应收帐款及票据

Trade and bills receivables increased in line with sales by RMB5.1 million during the period under review.

应收帐款及票据随销售增加人民币五百一十万元。

Prepayments, other receivables and deposits 预付款、其他应收款及预付订金

Prepayments, other receivables and deposits decreased by RMB28.9 million. This was mainly attributable to the utilisation of deposits paid to suppliers to purchase raw materials.

预付款、其他应收款及预付订金减少人民币二千八百九十万元，主要原因是耗用了向供应商购买原材料的订金来采购原材料所致。

Trade payables 应付帐款

Trade payables increased by RMB6.4 million mainly due to purchase of cotton for production during the period under review.

应付帐款因期内采购棉花用于生产，增加人民币六百四十万元。

Other major assets and liabilities such as inventories, pledged deposits, other payables and deposits, accrued liabilities, other payables and deposits received, bank borrowings and tax payable remained at approximately the same level as the financial year ended 30 June 2015.

其他主要的资产和负债如库存、抵押存款、计提负债、应付帐款、其他应付款及预收订金、银行贷款和应付税金都维持与 2015 年 6 月 30 日相约水平。

The net current liabilities of RMB576.6 million as at 31 March 2016 were mainly due to the Group's utilisation of short term bank borrowings to increase the flexibility in managing the Group's bank borrowings in accordance with the Group's working capital needs, which resulted in the reduction of interest costs.

因此，于 2016 年 3 月 31 日有净流动负债人民币五亿七千六百六十万元，因为集团利用短期贷款以加强集团管理贷款的灵活性，方便根据集团资金需要减少贷款及其相关利息。

The Group has maintained good relationships with the banks. As a usual practice, the Group will arrange with the banks to reschedule the bank borrowings when they fall due. The Group is therefore confident that the existing bank borrowings can be renewed as and when they fall due so that the operations of the Group will not be affected. Nevertheless, Management is monitoring the Group's cashflows closely to ensure that the Group has adequate working capital.

集团与银行一直保持良好业务关系。按惯例，贷款到期时，集团会与银行再安排贷款。所以，集团有信心目前贷款到期时也能安排跟新延续而集团运作不受影响。无论如何，管理层会紧密监察集团的现金流，确保集团有足够的流动资金。

CASH FLOW STATEMENT REVIEW**现金流量表审阅****3QFY2016 vs 对比 3QFY2015**

Net cash generated from operating activities was RMB34.4 million in 3QFY2016 compared with RMB7.7 million in 3QFY2015, mainly due to the decrease in prepayments, other receivables and deposits.

3QFY2016 的营运活动所得净现金是人民币三千四百四十万元，主要原因是预付款、其他应收款及预付订金减少所致。而 3QFY2015 的营运活动所用净现金是人民币七百七十万元。

Net cash generated from investing activities was RMB1.4 million in 3QFY2016 compared to RMB0.9 million in 3QFY2015, mainly due to the interest income received from bank deposits.

3QFY2016 的投资活动所得净现金是人民币一百四十万元，主要是银行存款利息收入。而 3QFY2015 的投资活动所得净现金是人民币九十万元。

Net cash used in financing activities was RMB28.1 million in 3QFY2016 compared to RMB12.4 million in 3QFY2015, mainly due to the increase in pledged deposits.

3QFY2016 的融资活动所用净现金是人民币二千八百一十元，主要原因是抵押存款增加所致。而 3QFY2015 的融资活动所用净现金是人民币一千二百四十万元。

As a result, there was a net increase in cash and cash equivalents of RMB7.8 million in 3QFY2016. This was contrasted against the net decrease in cash and cash equivalents of RMB3.7 million in 3QFY2015.

因此，3QFY2016 的现金和现金等值物净增加是人民币七百八十万元。而 3QFY2015 的现金和现金等值物净减少是人民币三百七十万元。

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

如以前曾向股东披露预测或前景声明，列明它与实际业绩的差别。

The 3QFY2016 results are in line with the information described in paragraph 10 of the 2QFY2016 results announcement.

3QFY2016 业绩与 2QFY2016 的业绩公告第 10 段描述的内容相符。

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

截至公告日，集团所处行业的显著趋势和竞争情况以及可能影响集团在下个报告和未来 12 个月的任何已知因素或事项的有关评论。

The weak overseas and domestic market demand and the excess production capacity in the domestic textile industry has resulted in intense market competition and continuously affected the performance of the domestic textile manufacturers in the past few months. The export to overseas markets, principally America and Europe, has been affected due to the slowdown in these markets.

Whilst Management continues to focus on its operational efficiencies and strengthen its inventories management, the next twelve months are expected to continue to be challenging.

过去数月，疲弱的海外和本地市场需求和本地纺织行业产能过剩引致市场竞争激烈及持续影响本地纺织厂家的表现。产品出口外国主要美国和欧洲已经因当地市场放缓而受到影响。

虽然管理层会继续完善营运效率和加强库存管理，未来的 12 个月会依然是艰难和充满挑战。

11. **Dividend**
股息

(a) Current Financial Period Reported On
本财政期

Any dividend declared for the current financial period reported on?

有否股息于本财政期被宣布派发？

Nil.

无。

(b) Corresponding Period of the Immediately Preceding Financial Year
上财政年同期

Any dividend declared for the corresponding period of the immediately preceding financial year?

有否股息于上财政年同期被宣布派发？

Nil.

无。

(c) Date payable
支付日期

Not applicable.

不适用。

(d) Books closure date

截止过户日期

Not applicable.

不适用。

12. If no dividend has been declared/recommended, a statement to that effect.

如没有宣布或建议派发股息，须作此声明。

No dividend has been recommended for the period under review.

期内没有建议派发股息。

13. Interested person transactions

关联人士交易

The Company does not have a shareholders' mandate for interested person transactions.

本公司没有股东授权的关联人士交易。

14. Negative Assurance Confirmation

负面保证确认

We confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of **China Hongcheng Holdings Limited** which may render these interim financial results for the third quarter ended 31 March 2016 to be false or misleading in any material aspect.

我们确认根据我们所知情的所有资料，没有任何事情导致那些会引起截至2016年3月31日第三季度财务报告出现重大虚假或误导而需要中国宏诚控股有限公司董事会需要特别的留意。

Liu Ming 刘明
Executive Chairman & CEO
执行主席及总裁

Zhao Yan 赵岩
Executive Director
执行董事

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)

确认所有董事和执行人员已就上市条例第 720 条(1)作出有关承诺

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

本公司所有董事和执行人员已就新加坡股票交易所上市条例第 720 条(1)作出有关承诺(依照附录 7.7 之格式)。

BY ORDER OF THE BOARD

奉董事会之命

Liu Ming 刘明
Executive Chairman
执行主席
11 May 2016
2016 年 5 月 11 日