

SUNVIC CHEMICAL HOLDINGS LIMITED
(Registration Number: 200406502E)

Financial Statement and Dividend Announcement for the Third Quarter Ended 30 September 2015

INFORMATION REQUIRED FOR ANNOUNCEMENT OF THIRD QUARTER RESULTS

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

Statement of Comprehensive Income

	Q3 2015	Q3 2014	+ / (-)	9-months	9-months	+ / (-)
	RMB'000	RMB'000	%	ended 30	ended 30	%
				September	September	
				2015	2014	
				RMB'000	RMB'000	
Revenue	489,925	1,094,113	(55.2)	1,757,575	4,086,448	(57.0)
Cost of sales	(545,718)	(1,046,953)	(47.9)	(1,854,122)	(3,745,940)	(50.5)
Gross (loss)/profit	(55,793)	47,160	(218.3)	(96,547)	340,508	(128.4)
Other operating income	227,097	5,064	NA	669,885	15,970	NA
Distribution expenses	(16,360)	(29,502)	(44.5)	(59,867)	(94,431)	(36.6)
Administrative expenses	(74,127)	(26,092)	184.1	(163,796)	(110,682)	48.0
Other operating expenses	(59,509)	(1,131)	NA	(355,271)	(4,165)	NA
Results from operating activities	21,308	(4,501)	573.4	(5,596)	147,200	(103.8)
Finance expenses	(32,719)	(45,688)	(28.4)	(86,108)	(137,272)	(37.3)
(Loss)/profit before income tax	(11,411)	(50,189)	(77.3)	(91,704)	9,928	NA
Income tax expense	(51,870)	(3,433)	NA	(53,715)	(29,694)	80.9
Loss for the period	(63,281)	(53,622)	18.0	(145,419)	(19,766)	635.7
Other comprehensive income						
Translation differences relating to financial statements of subsidiaries with functional currencies other than RMB	1,145	-	100.0	1,120	2,046	(45.3)
Total comprehensive loss for the period	(62,136)	(53,622)	15.9	(144,299)	(17,720)	714.3
Attributable to:						
Owners of the Company	(60,393)	(53,216)	13.5	(139,383)	(15,752)	784.9
Non-controlling interests	(1,743)	(406)	329.3	(4,916)	(1,968)	149.8
Total comprehensive loss for the period	(62,136)	(53,622)	15.9	(144,299)	(17,720)	714.3

The following items have been included in arriving at profit/(loss) before income tax:-

	Q3 2015	Q3 2014	+ / (-)	9-months	9-months	+ / (-)
	RMB'000	RMB'000	%	ended 30	ended 30	%
				September	September	
				2015	2014	
				RMB'000	RMB'000	
Interest income	(18,456)	(2,620)	604.4	(43,157)	(8,148)	429.7
Tax rebate	(19,000)	-	100.0	(109,000)	-	100.0
Gain on disposal of non-current assets held for sale	(121,509)	-	100.0	(121,509)	-	100.0
Reversal of write down of inventories	-	-	-	(35,575)	-	100.0
Exchange loss/(gain), net	26,935	(1,384)	NA	35,353	16,958	108.5
Depreciation of property, plant and equipment	63,213	66,828	(5.4)	196,389	214,701	(8.5)
Amortisation of lease prepayments	1,623	309	425.2	3,568	1,014	251.9
Amortisation of intangible assets	251	215	16.7	1,049	418	151.0
Interest paid and payable	32,719	45,688	(28.4)	86,108	137,272	(37.3)

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

	Group		Company	
	As at 30 September 2015 RMB'000	As at 31 December 2014 RMB'000	As at 30 September 2015 RMB'000	As at 31 December 2014 RMB'000
Non-current assets				
Property, plant and equipment	1,901,306	1,658,244	-	-
Intangible assets	10,324	11,373	-	-
Land use rights	48,656	51,800	-	-
Subsidiaries	-	-	342,623	342,623
Deposits paid for property, plant and equipment and land use rights	50,132	56,754	-	-
Deferred tax asset	24,430	24,430	-	-
	2,034,848	1,802,601	342,623	342,623
Current assets				
Inventories	280,046	195,331	-	-
Non-current assets held for sale	11,492	705,061	-	-
Trade and other receivables	1,880,889	1,655,079	37,019	32,664
Pledged deposits	225,654	333,682	-	-
Cash and bank balances	178,265	486,881	549	230
	2,576,346	3,376,034	37,568	32,894
Total assets	4,611,194	5,178,635	380,191	375,517
Equity				
Share capital	291,516	291,516	291,516	291,516
Reserves	1,692,091	1,833,049	48,775	45,989
Total equity attributable to equity holders of the Company	1,983,607	2,124,565	340,291	337,505
Non-controlling interests	(44,598)	(39,682)	-	-
Total equity	1,939,009	2,084,883	340,291	337,505
Non-current liabilities				
Interest bearing liabilities	250,076	287,099	-	-
Deferred tax liabilities	7,500	7,500	-	-
Total non-current liabilities	257,576	294,599	-	-
Current liabilities				
Trade and other payables	949,634	1,558,304	39,900	38,012
Interest-bearing liabilities	1,441,627	1,221,136	-	-
Current tax payable	23,348	19,713	-	-
Total current liabilities	2,414,609	2,799,153	39,900	38,012
Total equity and liabilities	4,611,194	5,178,635	380,191	375,517

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30 September 2015		As at 31 December 2014	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
380,663	1,060,964	460,441	760,695

Amount repayable after one year

As at 30 September 2015		As at 31 December 2014	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
40,076	210,000	77,099	210,000

Details of any collateral

The secured bank borrowings are secured by certain of the Group's leasehold buildings, plant and machinery, land use rights and trade receivables.

Unsecured bank loans are guaranteed by Mdm Hu Yan Ping, Mr and Mrs Sun Xiao, Jiangsu Yinyan Specialty Chemicals Co., Ltd group of companies, in which Mdm Hu Yan Ping and Mr Sun Xiao are deemed to have significant interest.

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

	Q3 2015	Q3 2014	9-months ended 30 September 2015	9-months ended 30 September 2014
	RMB'000	RMB'000	RMB'000	RMB'000
Operating activities				
(Loss)/Profit before income tax	(11,411)	(50,189)	(91,704)	9,928
Adjustments for:				
Interest expense	32,719	45,688	86,108	137,272
Interest income	(18,456)	(2,620)	(43,157)	(8,148)
Amortisation of intangible assets	251	215	1,049	418
Amortisation of lease prepayments	1,623	309	3,568	1,014
Depreciation of property, plant and equipment	63,213	66,828	196,389	214,701
Reversal of write down of inventories	-	-	(35,575)	-
Gain on disposal of non-current assets held for sale	(121,509)	-	(121,509)	-
Exchange difference	1,145	-	1,120	2,046
Operating (loss)/profit before working capital changes	(52,425)	60,231	(3,711)	357,231
Changes in working capital:				
Inventories	(14,876)	(20,799)	(49,140)	(139,868)
Trade and other receivables	1,428,476	148,623	474,190	165,898
Trade and other payables	(1,072,886)	335,554	(592,164)	754,575
Cash generated from operations	288,289	523,609	(170,825)	1,137,836
Income taxes paid	(33,692)	(7,481)	(50,080)	(52,505)
Cash flows from operating activities	254,597	516,128	(220,905)	1,085,331
Investing activities				
Interest received	18,456	2,620	43,157	8,148
Purchase of property, plant & equipment and land use rights	(272,997)	(337,825)	(334,681)	(683,658)
Cash flows from investing activities	(254,541)	(335,205)	(291,524)	(675,510)
Financing activities				
Proceeds from bank loans	583,486	1,577,849	2,446,895	4,060,085
Repayments of bank loans	(715,503)	(1,676,269)	(2,263,427)	(4,569,429)
Net repayment to factoring facilities	-	-	-	(15,608)
Purchase of treasury shares	(1,575)	-	(1,575)	-
Interest paid	(32,719)	(45,688)	(86,108)	(137,272)
Deposits pledged	146,049	(73,236)	108,028	107,109
Cash flows from financing activities	(20,262)	(217,344)	203,813	(555,115)
Net decrease in cash and cash equivalents	(20,206)	(36,421)	(308,616)	(145,294)
Cash and cash equivalents at beginning of the period	198,471	232,373	486,881	341,246
Cash and cash equivalents at end of the period	178,265	195,952	178,265	195,952

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.

Statement of Changes in Equity – The Group

	Share capital	Treasury shares	Merger reserve	Other reserves	Foreign currency translation reserve	Accumulated profits	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2015	291,516	-	(499)	346,941	(17,798)	1,504,405	2,124,565	(39,682)	2,084,883
Total comprehensive income for the period	-	-	-	-	1,120	(140,503)	(139,383)	(4,916)	(144,299)
Purchase of treasury shares	-	(1,575)	-	-	-	-	(1,575)	-	(1,575)
At 30 September 2015	291,516	(1,575)	(499)	346,941	(16,678)	1,363,902	1,983,607	(44,598)	1,939,009
At 1 January 2014	291,516	-	(499)	282,822	(17,886)	1,698,368	2,254,321	54,707	2,309,028
Total comprehensive income for the period	-	-	-	-	2,046	(17,798)	(15,752)	(1,968)	(17,720)
At 30 September 2014	291,516	-	(499)	282,822	(15,840)	1,680,570	2,238,569	52,739	2,291,308

Statement of Changes in Equity – The Company

	Share capital	Treasury shares	Accumulated profits	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2015	291,516	-	45,989	337,505
Total comprehensive income for the period	-	-	4,361	4,361
Purchase of treasury shares	-	(1,575)	-	(1,575)
At 30 September 2015	291,516	(1,575)	50,350	340,291
At 1 January 2014	291,516	-	110,934	402,450
Total comprehensive income for the period	-	-	(1,929)	(1,929)
At 30 September 2014	291,516	-	109,005	400,521

- 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 numbers of shares held as treasury shares, if any, against the 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.**

In Q3 2015, the Company exercised its share-buy-back mandate and bought back 1,650,000 ordinary shares from the market. Total number of ordinary shares bought back as at 30 September 2015 amounted to 1,650,000. These shares are held as treasury shares.

	As at 30 September 2015 (‘000)	As at 31 December 2014 (‘000)
Number of issued shares	533,651	533,651
Number of treasury shares	(1,650)	-
Number of issued shares excluding treasury shares	<u>532,001</u>	<u>533,651</u>

- 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.**

	As at 30 September 2015 (‘000)	As at 31 December 2014 (‘000)
Number of issued shares excluding treasury shares	<u>532,001</u>	<u>533,651</u>

- 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.**

There are no sales, transfers, disposal, cancellation and/or use of treasury shares as at end of 30 September 2015.

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

The figures have not been audited or reviewed by our auditors.

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period and the previous financial year.

- 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.**

Please refer to Point 4 above.

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.

	Q3 2015	Q3 2014	9-months ended 30 September 2015	9-months ended 30 September 2014
Earnings per share (RMB cents):-				
Basic and diluted	<u>(11.5)</u>	<u>(10.0)</u>	<u>(26.3)</u>	<u>(3.3)</u>
			9-months ended 30 September 2015	9-months ended 30 September 2014
	Q3 2015	Q3 2014	RMB'000	RMB'000
	RMB'000	RMB'000		
Basic earnings per share is based on:				
Net loss attributable to ordinary shareholders	<u>(61,538)</u>	<u>(53,216)</u>	<u>(140,503)</u>	<u>(17,798)</u>
			Number of shares	
			9-months ended 30 September 2015	9-months ended 30 September 2014
	Q3 2015	Q3 2014	('000)	('000)
	('000)	('000)		
Weighted average number of ordinary shares outstanding at beginning of the period	533,651	533,651	533,651	533,651
Effect of treasury shares held	<u>(733)</u>	<u>-</u>	<u>(242)</u>	<u>-</u>
Weighted average number of ordinary shares outstanding during of the period	<u>532,918</u>	<u>533,651</u>	<u>533,409</u>	<u>533,651</u>

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.**

	Group		Company	
	As at 30 September 2015	As at 31 December 2014	As at 30 September 2015	As at 31 December 2014
Net assets attributable to the shareholders of the Company (RMB'000)	1,983,607	2,124,565	340,291	337,505
Net asset value per ordinary share (RMB cents)	372.9	398.1	64.0	63.2
Number of shares at the end of the period ('000)	532,001	533,651	532,001	533,651

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**

Revenue

Our revenue in Q3 2015 decreased by RMB604.2 million to RMB489.9 million compared to RMB1,094.1 million in Q3 2014. This was mainly due to decrease in revenue from sale of AA & AE, PMIDA & glyphosate as well as other chemical products by RMB475.3 million, RMB58.7 million and RMB70.2 million respectively.

The decrease in revenue from AA and AE as well as PMIDA & glyphosate in Q3 2015 was mainly attributable to lower sale volume and average selling prices when compared to Q3 2014.

Sale volume of AA & AE decreased from 93,400 tonnes in Q3 2014 to 62,100 tonnes in Q3 2015 whilst their average selling prices also decreased from RMB10,000 per tonne in Q3 2014 to RMB6,700 per tonne in Q3 2015. All of these are due to over-supply situation of AA in the PRC.

Gross (loss)/profit

The Group incurred a gross loss of RMB55.8 million in Q3 2015 compared to a gross profit of RMB47.2 million in Q3 2014. Sales of AA & AE contributed a gross loss of RMB68.8 million whilst sales of PMIDA & glyphosate contributed a gross loss of RMB2.4 million in Q3 2015. These are partially offset by gross profit contributed from sale of other chemical products of RMB15.4 million in the same period.

Overall gross profit margin decreased from 4.3% in Q3 2014 to a negative margin of 11.4% in Q3 2015. Gross profit margins for AA & AE reduced from a positive 3.8% in Q3 2014 to a negative 17.2% in Q3 2014. This was due to over-supply situation of AA in the PRC.

Other operating income and other operating expenses

In Q3 2015, other operating income and other operating expenses included the following items:-

	Q3 2015 RMB'000
Gain on disposal of Line 3 AA plant	121,509
Tax rebate	19,000
Interest income	18,456 (a)
Sale of propylene and crude residuals	33,741 (b)
Sale of steam and waste water treatment fee	33,148 (c)
Others	1,243
	227,097

- (a) Included in interest income was an amount of RMB10.4 million from Arkema for extension of the First Call Option pursuant to the Joint Venture Agreement with Arkema.
- (b) Sale of propylene and other chemical material to joint venture entity amounted to RMB33.7 million and the corresponding cost amounted to RMB30.1 million (which was classified under other operating expenses). These two amounts were stated after elimination according to joint operations accounting treatment;
- (c) Sale of steam and waste water treatment fee by the joint venture entity amounted to RMB33.1 million and the corresponding cost amounted to RMB28.4 million (which was classified under other operating expenses). These two amounts were stated after elimination according to joint operations accounting treatment;

Distribution expenses

Distribution expenses decreased by RMB13.1 million to RMB16.4 million in Q3 2015 compared to RMB29.5 million in Q3 2014. Distribution expenses consisted of transportation charges and packaging costs as well as other sales related expenses.

Administrative expenses

Administrative expenses increased by RMB48.0 million to RMB74.1 million in Q3 2015 compared to RMB26.1 million in Q3 2014. This was mainly due to an increase in net exchange differences from a gain of RMB1.4 million in Q3 2014 to a loss of RMB26.9 million in Q3 2015 as a result of depreciation of RMB against USD incurred on USD bank borrowings.

Finance expenses

Finance expenses decreased by RMB13.0 million to RMB32.7 million in Q3 2015 compared to RMB45.7 million in Q3 2014. This was mainly due to lower interest bearing liabilities in Q3 2015 compared to Q3 2014.

Income tax expense

Income tax expense increased by RMB48.4 million to RMB51.9 million in Q3 2015 compared to RMB3.4 million in Q3 2014 mainly due to income tax incurred on profit from disposal of Line 3 AA plant to the joint venture entity in Q3 2015.

8. (b) Any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Property, plant and equipment increased by RMB243.1 million to RMB1,901.3 million as at 30 September 2015 compared to RMB1,658.2 million as at 31 December 2014. This was mainly due to sale of Line 3 AA plant (previously classified under current assets in non-current assets held for sale) to the joint venture entity in July 2015 of which the Line 3 AA plant was not classified under non-current assets in property, plant and equipment. This increase was partially offset by depreciation charge in the 9M 2015.

Inventories increased by RMB84.7 million to RMB280.0 million as at 30 September 2015 compared to RMB195.3 million as at 31 December 2014. This was mainly due to an increase in raw material, propylene, due to lower operating utilisation as a result of difficult market sentiment.

Breakdown of trade and other receivables is as follows:-

	As at 30 September 2015 RMB'000	As at 31 December 2014 RMB'000
Trade receivables:		
- 3 rd parties	314,617	286,741
- Related parties	401,131	328,881
Receivable from joint venture entity	629,070	136,533
Notes receivables	149,558	231,413
Value added tax recoverable	204,825	189,141
Other receivables	54,905	72,971
Advances to suppliers	125,839	408,455
Derivative assets	944	944
	1,880,889	1,655,079

Trade and other receivables increased by RMB225.8 million to RMB1,880.9 million as at 30 September 2015 compared to RMB1,655.1 million as at 31 December 2014. This was mainly due to increase in receivable from joint venture entity for sale of Line 3 AA plant which is due in early 2016 in accordance with the joint venture agreement. This increase was partially offset by decrease in advance to suppliers for purchase of propylene due to lower operating utilisation as a result of difficult market sentiment.

Breakdown of trade and other payables is as follows:-

	As at 30 September 2015 RMB'000	As at 31 December 2014 RMB'000
Trade payables:		
- 3rd parties	572,840	788,215
- Related parties	3,284	9,693
Payable to joint venture entity	122,588	-
Notes payables	167,131	672,011
Accrued operating expenses	38,833	29,059
Other payables	44,958	59,326
	949,634	1,558,304

Trade and other payables decreased by RMB608.7 million to RMB949.6 million as at 30 September 2015 compared to RMB1,558.3 million as at 31 December 2014. This was mainly due to lower trade and notes payables for purchase of propylene for our own production needs as well as sale to joint venture entity.

Total non-current and current interest-bearing liabilities increased by RMB183.5 million to RMB1,691.7 million as at 30 September 2015 compared to RMB1,508.2 million as at 31 December 2014. This was mainly due to drawn down of banking facilities in 9M 2015.

Cash Flow Statement

Our Group generated positive operating cash flow of RMB254.6 million in Q3 2015 mainly due to depreciation charge and interest expense as well as a decrease in trade & other receivables. These were partially offset by loss before income tax, interest income and gain on disposal of non-current assets held for sale as well as an increase in inventories and a decrease in trade & other payables.

Financing activities resulted in negative cash flow of RMB20.3 million in Q3 2015 mainly due to repayment of bank borrowings and interest paid. These were partially offset by proceeds from bank borrowings and a decrease in pledged fixed deposits.

There was a net cash outflow of RMB254.5 million in Q3 2015 from the Group's investing activities mainly due to acquisitions of property, plant & equipment and land use rights, which was partially offset by interest received.

As a result of the above, cash and cash equivalents decreased from RMB198.5 million as at 30 June 2015 to RMB178.3 million as at 30 September 2015.

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

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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.**

We anticipate conditions will remain challenging in the near future due to the current situation of oversupply and excess production capacity of AA in the PRC.

11. **Dividend**

(a) Current Financial Period Reported On

No dividend has been declared or recommended.

(b) Corresponding Period of the Immediately Preceding Financial Year

No dividend has been declared or recommended in Q3 2014.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended.

13. Interested Person Transactions

Pursuant to Rule 920(1)(a)(ii) of the Listing Manual, the Group discloses the aggregate value of interested person transactions as follows:

Name of Interested Person	Aggregate value of all interested person transactions during financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) ⁽¹⁾	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Yixing Danson Technology Co., Ltd ("Yixing Danson")	Corporate guarantees in favour of Yixing Danson – RMB497,000,000 Sale of crude AA to Yixing Danson – RMB274,632,000 Purchase of residual crude AA from Yixing Danson – RMB23,875,000	-
Taixing Jinyan Chemical Technology Co., Ltd ("Taixing Jinyan")	Corporate guarantees in favour of Taixing Jinyan – RMB600,000,000 Supply of chemical raw materials to Taixing Jinyan – RMB240,961,000 Supply of equipment to Taixing Jinyan – RMB3,244,000	-
Jiaxing Jinyan Chemical Co., Ltd ("Jiaxing Jinyan")	Corporate guarantees in favour of Jiaxing Jinyan – RMB140,000,000 Purchase of chemical raw materials from Jiaxing Jinyan – RMB9,328,000	-
Jiangsu Yinyan Specialty Chemical Co., Ltd ("Jiangsu Yinyan")	-	Sales of chemical products to Jiangsu Yinyan – RMB33,025,000
Jiangsu Jurong Petrochemicals Co., Ltd ("Jiangsu Jurong")	-	Sales of chemical products to Jiangsu Jurong – RMB7,095,000

Note:

- (1) The Company is in the process of preparing a circular to seek shareholders' ratification for past interested person transactions, and a shareholders' mandate for any on-going interested person transactions.
- (2) As at 30 September 2015, the aggregate amount of the corporate guarantees that the Group provided to Yixing Danson, Taixing Jinyan, Jiaying Jinyan and Jiangsu Yinyan was approximately RMB1,237,000,000, whilst the aggregate amount of corporate guarantees that these same entities provided to the Group was approximately RMB1,261,000,000.

- 14. The Directors of the Company do hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the third quarter financial statements ended 30 September 2015 to be false or misleading in any material aspect.**

BY ORDER OF THE BOARD

Sun Xiao
Executive Director and Chief Executive Officer
13 November 2015