

SUNMART HOLDINGS LIMITED
(Registration Number: 200600432W)

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

INFORMATION REQUIRED FOR ANNOUNCEMENT OF 3rd QUARTER 2015 RESULTS

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

Consolidated Statement of Comprehensive income	3Q 2015 RMB'000	3Q 2014 RMB'000	+/(-) %
Revenue	79,614	87,583	(9.1)
Cost of sales	(63,299)	(71,109)	(11.0)
Gross profit	16,315	16,474	(1.0)
Other operating income	(649)	150	(532.7)
Other losses - net	(201)	(93)	116.1
Distribution and marketing	(4,653)	(4,431)	5.0
Administrative expenses	3,864	(8,567)	145.1
Finance expenses	(3,535)	(6,969)	(49.3)
Profit/(Loss) before tax	11,141	(3,436)	424.3
Income tax expense	-	(321)	-
Profit/(Loss) after tax	11,141	(3,757)	396.5
Other comprehensive income/(loss)	0	0	-
Total comprehensive income/(loss) attributable to equity holders of the Company	11,141	(3,757)	396.5

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

	3Q 2015 RMB'000	3Q 2014 RMB'000	+/(-) %
Interest income	344	745	(53.8)
Depreciation of property, plant and equipment	5,730	6,491	(11.7)
Interest expense	6,173	6,152	0.3
Amortisation of land use rights	150	149	0.7

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	As at 31 December 2014	As at 30 September 2015	As at 31 December 2014
	RMB'000	RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	335,669	349,383	-	-
Investment property	22,780	23,244	-	-
Land use rights	24,249	24,696	-	-
Investment in subsidiaries	-	-	126,209	126,209
Investment in associates	30,732	30,732	-	-
Trade and other receivables	-	5,160	-	-
	413,430	433,215	126,209	126,209
CURRENT ASSETS				
Inventories	53,332	58,042	-	-
Trade and other receivables	168,400	141,421	13,206	8,772
Cash and cash equivalents	88,963	49,302	(15)	19
	310,695	248,765	13,191	8,791
CURRENT LIABILITIES				
Trade and other payables	134,134	75,287	10,846	5,566
Borrowings	299,922	329,483	-	-
Current income tax liabilities	-	-	-	-
	434,056	404,770	10,846	5,566
NON CURRENT LIABILITIES				
Borrowings	-	1,382	-	-
NET ASSETS	290,069	275,828	128,554	129,434
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share Capital	155,184	155,184	155,184	155,184
Translation reserve	(193)	(193)	(3,930)	(3,930)
Merger deficit	(587)	(587)	-	-
Statutory reserve fund	29,521	29,521	-	-
Retained earnings/(Accumulated loss)	106,145	91,903	(22,700)	(21,820)
TOTAL EQUITY	290,069	275,828	128,554	129,434

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	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
299,922	-	329,483	-

Amount repayable after one year

As at 30 September 2015		As at 31 December 2014	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
-	-	1,382	-

Details of any collateral

Bank borrowings of the Group are secured over leasehold buildings, land use rights, plant and equipment, certain short term deposits and joint and severable guarantee from third parties, related parties, a director of the Group and a subsidiary.

Note payables of the Group are secured by certain short term bank deposits of the Group.

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

	Group	
	3Q 2015	3Q 2014
	RMB'000	RMB'000
Cashflow from operating activities		
Profit/(Loss) before taxation	11,140	(3,757)
Interest income	(344)	(745)
Interest expense	6,173	6,152
Depreciation of investment property	154	154
Amortisation of land use rights	150	149
Loss in disposal of property, plant and equipment	562	-
Depreciation of property, plant and equipment	5,730	6,491
Operating profit before working capital changes	23,565	8,445
Changes in working capital:		
Inventories	(2,975)	(257)
Trade and other receivables	(12,706)	88,655
Trade and other payables and accruals	7,138	(2,085)
Net cash from operations	15,022	94,758
Interest paid	(6,173)	(6,152)
Interest received	344	745
Net cash from operating activities	9,192	89,351
Cashflow from investing activities		
Additions to property, plant and equipment	(1,700)	(3,742)
Net cash used in investing activities	(1,700)	(3,742)
Cashflow from financing activities		
Repayment of bank loans, net	(12,959)	(118,958)
Net cash from financing activities	(12,959)	(118,958)
Net (decrease)/increase in cash and cash equivalents	(5,466)	(33,349)
Cash and cash equivalents at 30 June	94,428	106,331
Cash and cash equivalents at 30 September	88,962	72,982

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

(Accounts expressed in thousands of Chinese Renminbi (“RMB”) Currency)

These figures have not been audited

GROUP – CURRENT YEAR

	Share Capital	Merger reserve	Statutory Reserve	Currency translation Reserve	Retained Earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1/01/2015	155,184	(587)	29,521	(193)	91,903	275,828
Total comprehensive income for the period	-	-	-	-	14,242	14,242
At 30/09/2015	155,184	(587)	29,521	(193)	106,145	290,070

GROUP- PREVIOUS YEAR

	Share Capital	Merger reserve	Statutory Reserve	Currency translation Reserve	Retained Earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1/01/2014	155,184	(587)	28,825	(193)	90,613	273,842
Total comprehensive loss for the period	-	-	-	-	(8,509)	(8,509)
At 30/09/2014	155,184	(587)	28,825	(193)	82,104	265,333

COMPANY- CURRENT YEAR

	Share Capital	Statutory reserve and Translation reserve	Retained Earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 1/01/2015	155,184	(3,930)	(21,820)	129,434
Total comprehensive losses for the period	-	-	(879)	(879)
At 30/09/2015	155,184	(3,930)	(22,700)	128,554

COMPANY-PREVIOUS PERIOD

	Share Capital	Statutory reserve and Translation reserve	Retained Earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 1/01/2014	155,184	(3,930)	(20,126)	131,128
Total comprehensive loss for the period	-	-	(1,275)	(1,275)
At 30/09/2014	155,184	(3,930)	(21,401)	129,853

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.

There has been no changes in the Company's share capital since the financial year ended 31 December 2014. The Company did not hold any treasury shares as at 30 September 2015 and 31 December 2014.

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.

	Company	
	As at 30 September 2015	As at 31 December 2014
Number of shares at the end of the year (‘000)	402,000	402,000
The Company does not hold any Treasury shares.		

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.

Not applicable.

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 financial statements for the current reporting period compared with those of the audited financial statements for the financial year (“FY”) ended 31 December 2014 except for the adoption of the new and revised Financial Reporting Standards which became effective for the financial period beginning on or after 1 January 2015. The adoption of these new and revised accounting standards did not give rise to any significant impact on the financial statements for the financial period ended 30 September 2015.

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.

	3Q 2015	3Q 2014
Earnings per share – RMB cents		
- on weighted average number of ordinary shares on issued	2.8	(0.9)
<i>The calculations of earnings per share are based on profit and number of shares shown below:-</i>		
Profit/(Loss) attributable to equity holders (RMB'000)	11,410	(3,757)
Weighted average number of shares applicable to basic EPS ('000)	402,000	402,000

There is no difference between the basic and diluted earnings per share as the Company has no potential dilutive ordinary shares, as at 30 September 2015 and 30 September 2014.

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 (RMB'000)	290,069	275,828	128,554	129,434
Net asset value per ordinary share (RMB cents)	72.1	68.6	32.0	32.2
Number of shares at the end of the period ('000)	402,000	402,000	402,000	402,000

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.**

Review of Financial Performance

For the quarter ended 30/09/2015, the Group's revenue decreased by RMB 8.0 million to RMB 79.6 million, representing a decrease of 9.1% over the corresponding period last year. The decrease is due to unhealthy economic conditions which reduces demand for our products.

The Group's gross profit decreased by RMB 160K to RMB 16.3 million in 3rd quarter FY2015 compared to FY2014. This represents a decrease of 1.0% as compared to last year. Gross profit margin increased to 20.5% compared to 18.8% in FY 2014. This was mainly due to lower raw material costs in the current quarter.

Administration expenses in the current quarter was RMB 12.4 million lower because of collection of RM12.0 million long outstanding receivable that was previously fully provided.

The Group's current quarter finance costs reduced to RMB 3.5 million due to forex related exchange gains compared to the previous quarter.

Balance Sheet

Net Current Liability at 30/09/15 amounted to RMB123.4 million because of funding of long term investments and fixed assets were made using mainly short term borrowings.

Cash Flow

Net cash generated from operating activities amounted to RMB 9.2 million in 3rd^d quarter FY2015 mainly due to RMB 5.7 million of depreciation charges and higher trade and other payables of RMB 7.1 million.

Net cash used in investing activities amounted to RMB 1.7 million in 3rd quarter FY2015 was mainly due to new additions to our fixed assets.

Net cash generated used in financing activities amounted to RMB 13.0 million in current quarter of FY2015 was mainly due to net repayment of bank loans and notes payables.

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

No forecast had been issued for the period under review.

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.

The economic conditions have worsened in China and many countries as the Group struggled to contain costs increases that we are not able to pass down to our customers.

However, the current low oil prices had decreased our raw material prices and the recent devaluation of the Chinese RMB will somehow help to allay and soften the impact of rising costs in China. The lower interest rates will also help the company to contain costs in the light of falling sales and revenue.

The Group will utilise the savings to invest in training of our staff and research and develop new and better quality products to win more customers and orders.

To increase the Group's competitive advantage, the Group may consider investing up stream in selected companies to secure our supplies and take advantage of costs and technology synergies.

The Group will also explore new investment opportunities including industries with better profit margins but may be unrelated to manufacturing of spray pumps in order to bring long term value to our shareholders.

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 2014.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended.

13. If the Group has obtained a general mandate from shareholders for Interested Person Transaction ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No IPT mandate has been obtained

BY ORDER OF THE BOARD

Sun Bingzhong
Executive Chairman and Chief Executive Officer
20 November 2015

Confirmation by the Board pursuant to Rule 705(5) of the SGX Listing Manual

On behalf of the Board of Directors of the Company, we confirm, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited third quarter financial results for the period ended 30 September 2015 to be false or misleading in any material respect.

On behalf of the Board of Directors

Sun Bingzhong
Executive Chairman

Wu Guoxing
Executive Director

Dated: 20 November 2015