

# SUNMART HOLDINGS LIMITED

(Registration Number: 200600432W)

## Financial Statement and Dividend Announcement for the Full Year Ended 31 December 2016

### INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR 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.

| Consolidated Statement of Comprehensive income                                           | 2016<br>RMB'000 | 2015<br>RMB'000 | + / (-)<br>% |
|------------------------------------------------------------------------------------------|-----------------|-----------------|--------------|
| Revenue                                                                                  | 310,600         | 316,354         | (1.8)        |
| Cost of sales                                                                            | (256,555)       | (256,257)       | (1.3)        |
| <b>Gross profit</b>                                                                      | 54,045          | 56,296          | (4.0)        |
| Other operating income                                                                   | 5,404           | 7,870           | (31.3)       |
| Other gains - net                                                                        | 4,368           | 5,607           | (22.1)       |
| Distribution and marketing expenses                                                      | (27,120)        | (25,706)        | 5.5          |
| Administrative expenses                                                                  | (190,022)       | (6,375)         | 2,880.7      |
| Finance expenses                                                                         | (18,639)        | (22,517)        | (17.2)       |
| Share of result of an associated company                                                 | -               | (1,279)         | n/m          |
| <b>(Loss) / Profit before tax</b>                                                        | (171,964)       | 13,896          | (1,337.5)    |
| Income tax expense                                                                       | -               | -               | -            |
| <b>(Loss) / Profit after tax</b>                                                         | (171,964)       | 13,896          | (1,337.5)    |
| <b>Other comprehensive income</b>                                                        | -               | -               | -            |
| <b>Total comprehensive (loss) / income attributable to equity holders of the Company</b> | (171,964)       | 13,896          | (1,337.5)    |

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

|                                                              | 2016<br>RMB'000 | 2015<br>RMB'000 | + / (-)<br>% |
|--------------------------------------------------------------|-----------------|-----------------|--------------|
| Interest income                                              | (2,111)         | (1,838)         | (75.4)       |
| Amortisation of land use rights                              | 596             | 596             | -            |
| Depreciation and impairment of property, plant and equipment | 110,237         | 23,808          | 363.0        |
| Depreciation of investment property                          | 618             | 618             | -            |
| Impairment loss of trade and other receivables               | 62,654          | 1,839           | 3,306.9      |
| Inventories written off                                      | 1,453           | 1,168           | 24.4         |
| Interest expense                                             | 18,639          | 22,517          | (17.2)       |

**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.**

|                                                                           | <b>Group</b>                      |                                   | <b>Company</b>                    |                                   |
|---------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|                                                                           | <b>As at 31<br/>December 2016</b> | <b>As at 31<br/>December 2015</b> | <b>As at 31<br/>December 2016</b> | <b>As at 31<br/>December 2015</b> |
|                                                                           | <b>RMB'000</b>                    | <b>RMB'000</b>                    | <b>RMB'000</b>                    | <b>RMB'000</b>                    |
| <b>NON-CURRENT ASSETS</b>                                                 |                                   |                                   |                                   |                                   |
| Property, plant and equipment                                             | 231,899                           | 342,135                           | -                                 | -                                 |
| Investment property                                                       | 22,008                            | 22,626                            | -                                 | -                                 |
| Land use rights                                                           | 23,504                            | 24,100                            | -                                 | -                                 |
| Investment in subsidiary corporations                                     | -                                 | -                                 | 126,209                           | 126,209                           |
| Investment in associated company                                          | 29,453                            | 29,453                            |                                   |                                   |
|                                                                           | <b>306,864</b>                    | <b>418,314</b>                    | <b>126,209</b>                    | <b>126,209</b>                    |
| <b>CURRENT ASSETS</b>                                                     |                                   |                                   |                                   |                                   |
| Inventories                                                               | 50,435                            | 54,997                            | -                                 | -                                 |
| Trade and other receivables                                               | 140,224                           | 183,519                           | 12,556                            | 9,029                             |
| Cash and cash equivalents                                                 | 98,139                            | 110,549                           | 10                                | 10                                |
|                                                                           | <b>288,798</b>                    | <b>349,065</b>                    | <b>12,566</b>                     | <b>9,039</b>                      |
| <b>CURRENT LIABILITIES</b>                                                |                                   |                                   |                                   |                                   |
| Trade and other payables                                                  | 90,452                            | 79,701                            | 10,746                            | 6,778                             |
| Borrowings                                                                | 387,450                           | 397,954                           | -                                 | -                                 |
|                                                                           | <b>477,902</b>                    | <b>477,655</b>                    | <b>10,746</b>                     | <b>6,778</b>                      |
| <b>NET ASSETS</b>                                                         | <b>117,760</b>                    | <b>289,724</b>                    | <b>128,029</b>                    | <b>128,470</b>                    |
| <b>EQUITY</b>                                                             |                                   |                                   |                                   |                                   |
| <b>Capital and reserves attributable to equity holders of the Company</b> |                                   |                                   |                                   |                                   |
| 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                                                    | 32,467                            | 32,467                            | -                                 | -                                 |
| Retained profits/(Accumulated loss)                                       | (69,111)                          | 102,853                           | (23,225)                          | (22,784)                          |
| <b>TOTAL EQUITY</b>                                                       | <b>117,760</b>                    | <b>289,724</b>                    | <b>128,029</b>                    | <b>128,470</b>                    |

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

**Amount repayable in one year or less, or on demand**

| <b>As at 31 December 2016</b> |                  | <b>As at 31 December 2015</b> |                  |
|-------------------------------|------------------|-------------------------------|------------------|
| <b>Secured</b>                | <b>Unsecured</b> | <b>Secured</b>                | <b>Unsecured</b> |
| <b>RMB'000</b>                | <b>RMB'000</b>   | <b>RMB'000</b>                | <b>RMB'000</b>   |
| 387,450                       | -                | 397,954                       | -                |

**Amount repayable after one year**

| <b>As at 31 December 2016</b> |                  | <b>As at 31 December 2015</b> |                  |
|-------------------------------|------------------|-------------------------------|------------------|
| <b>Secured</b>                | <b>Unsecured</b> | <b>Secured</b>                | <b>Unsecured</b> |
| <b>RMB'000</b>                | <b>RMB'000</b>   | <b>RMB'000</b>                | <b>RMB'000</b>   |
| -                             | -                | -                             | -                |

**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, a director of the Group, a connected person of a director of the Group and a subsidiary corporation.

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.**

|                                                                  | <b>Group</b>    |                 |
|------------------------------------------------------------------|-----------------|-----------------|
|                                                                  | <b>2016</b>     | <b>2015</b>     |
|                                                                  | <b>RMB'000</b>  | <b>RMB'000</b>  |
| <b>Cash flows from operating activities</b>                      |                 |                 |
| (Loss) / Profit before taxation                                  | (171,964)       | 13,896          |
| Adjustments for:                                                 |                 |                 |
| Write down of inventories                                        | 1,453           | 1,168           |
| Interest income                                                  | (2,111)         | (1,837)         |
| Interest expense                                                 | 18,639          | 22,517          |
| Depreciation of investment property                              | 618             | 618             |
| Amortisation of land use rights                                  | 596             | 596             |
| Share of result of an associated company                         | -               | 1,279           |
| Depreciation of property, plant and equipment                    | 110,237         | 23,808          |
| Loss on disposal of property, plant and equipment                | -               | 31              |
| Operating (loss) / profit before working capital changes         | (42,532)        | 62,074          |
| Changes in working capital:                                      |                 |                 |
| Inventories                                                      | 3,109           | 1,877           |
| Trade and other receivables                                      | 43,295          | (36,939)        |
| Trade and other payables                                         | 10,751          | 4,414           |
| Net cash from operations                                         | 14,623          | 31,427          |
| Interest paid                                                    | (18,639)        | (22,517)        |
| Interest received                                                | 2,111           | 1,838           |
| <b>Net cash (used in) / from operating activities</b>            | <b>(1,905)</b>  | <b>10,748</b>   |
| <b>Cash flows from investing activities</b>                      |                 |                 |
| Additions to property, plant and equipment                       | -               | (18,174)        |
| Proceeds received from disposal of property, plant and equipment | -               | 1,583           |
| <b>Net cash used in investing activities</b>                     | <b>-</b>        | <b>(16,590)</b> |
| <b>Cash flows from financing activities</b>                      |                 |                 |
| Proceeds/(Repayment) of bank loans                               | (10,504)        | 67,089          |
| Withdrawal of short term bank deposits pledged                   | (5,200)         | (48,400)        |
| <b>Net cash from/(used in) financing activities</b>              | <b>(15,704)</b> | <b>18,689</b>   |
| <b>Net (decrease)/increase in cash and cash equivalents</b>      | <b>(17,610)</b> | <b>12,847</b>   |
| Cash and cash equivalents at beginning of the year               | 28,219          | 15,372          |
| <b>Cash and cash equivalents at end of financial year</b>        | <b>10,609</b>   | <b>28,219</b>   |

- 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<br>Capital | Merger<br>reserve | Statutory<br>Reserve | Currency<br>translation<br>Reserve | Retained<br>Earnings | Total     |
|-----------------------------------------------|------------------|-------------------|----------------------|------------------------------------|----------------------|-----------|
|                                               | RMB'000          | RMB'000           | RMB'000              | RMB'000                            | RMB'000              | RMB'000   |
| At 31/12/2015                                 | 155,184          | (587)             | 32,467               | (193)                              | 102,853              | 289,724   |
| Total<br>comprehensive loss<br>for the period | -                | -                 | -                    | -                                  | (171,964)            | (171,964) |
| Transfer to statutory<br>reserve fund         | -                | -                 | -                    | -                                  | -                    | -         |
| At 31/12/2016                                 | 155,184          | (587)             | 32,467               | (193)                              | (69,111)             | 117,760   |

#### GROUP- PREVIOUS YEAR

|                                                    | Share<br>Capital | Merger<br>reserve | Statutory<br>Reserve | Currency<br>translation<br>Reserve | Retained<br>Earnings | Total   |
|----------------------------------------------------|------------------|-------------------|----------------------|------------------------------------|----------------------|---------|
|                                                    | RMB'000          | RMB'000           | RMB'000              | RMB'000                            | RMB'000              | RMB'000 |
| At 31/12/2014                                      | 155,184          | (587)             | 29,521               | (193)                              | 91,903               | 275,828 |
| Total<br>comprehensive<br>income for the<br>period | -                | -                 | -                    | -                                  | 13,896               | 13,896  |
| Transfer to statutory<br>reserve fund              | -                | -                 | 2,946                | -                                  | (2,946)              | -       |
| At 31/12/2015                                      | 155,184          | (587)             | 32,467               | (193)                              | 102,853              | 289,724 |

**COMPANY- CURRENT YEAR**

|                                              | Share<br>Capital<br>RMB'000 | Translation<br>reserve<br>RMB'000 | Accumulated<br>losses<br>RMB'000 | Total<br>RMB'000 |
|----------------------------------------------|-----------------------------|-----------------------------------|----------------------------------|------------------|
| At 31/12/2015                                | 155,184                     | (3,930)                           | (22,784)                         | 128,470          |
| Total comprehensive<br>losses for the period | -                           | -                                 | (441)                            | (441)            |
| At 31/12/2016                                | 155,184                     | (3,930)                           | (23,225)                         | 128,029          |

**COMPANY-PREVIOUS PERIOD**

|                                              | Share<br>Capital<br>RMB'000 | Translation<br>reserve<br>RMB'000 | Accumulated<br>losses<br>RMB'000 | Total<br>RMB'000 |
|----------------------------------------------|-----------------------------|-----------------------------------|----------------------------------|------------------|
| At 31/12/2014                                | 155,184                     | (3,930)                           | (21,820)                         | 129,434          |
| Total comprehensive<br>losses for the period | -                           | -                                 | (964)                            | (964)            |
| At 31/12/2015                                | 155,184                     | (3,930)                           | (22,784)                         | 128,470          |

**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 2015. The Company did not hold any treasury shares as at 31 December 2016 and 31 December 2015.

**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 31<br>December 2016 | As at 31<br>December 2015 |
| Number of shares at the end of the year<br>(‘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 2015 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 2016. The adoption of these new and revised accounting standards did not give rise to any significant impact on the financial statements for the financial year ended 31 December 2016.

**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.**

|                                                                                                      | Full Year 2016 | Full Year 2015 |
|------------------------------------------------------------------------------------------------------|----------------|----------------|
| <b>Earnings per share – RMB cents</b>                                                                |                |                |
| - on weighted average number of ordinary shares on issued                                            | <b>(42.78)</b> | <b>3.46</b>    |
| <i>The calculations of earnings per share are based on profit and number of shares shown below:-</i> |                |                |
| Profit attributable to equity holders (RMB'000)                                                      | (171,964)      | 13,896         |
| 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 31 December 2016 and 31 December 2015.

**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.**

|                                                          | <b>Group</b>                          |                                       | <b>Company</b>                        |                                       |
|----------------------------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
|                                                          | <b>As at 31<br/>December<br/>2016</b> | <b>As at 31<br/>December<br/>2015</b> | <b>As at 31<br/>December<br/>2016</b> | <b>As at 31<br/>December<br/>2015</b> |
| Net assets attributable to the<br>shareholders (RMB'000) | 117,760                               | 289,724                               | 128,029                               | 128,470                               |
| Net asset value per ordinary<br>share (RMB cents)        | 29.3                                  | 72.1                                  | 31.8                                  | 32.0                                  |
| Number of shares at the end of the period<br>(‘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 year ended 31/12/2016, the Group's revenue decreased by RMB 5.8 million to RMB 310.6 million, representing a decrease of 1.8% over the corresponding period last year. The decrease is due to overall economic downturn and the company is unable to adjust the sell price to the customers which result in decrease in total sales amount.

The Group's gross profit decreased by RMB 2.3 million to RMB 54.0 million in FY2016 compared to FY2015. This represents a reduction of 4.0% as compared to last year. Gross profit margin decreased to 17.4% compared to 17.8% in FY 2015. This was mainly due to higher labour costs which outpaced productivity gains despite our efforts and investment in automation and equipment.

The Group's year-to-date distribution and marketing increased as compared to the corresponding period last year mainly due to higher commission expenses.

The Group's year-to-date administrative expenses increased by RMB 183,647 million or 2,880.7% to RMB 190,022.0 million as compared to last year. The increase was mainly due to the company revalued the company total tangible assets including building of property, land Use Rights of the properties and plant and equipment, investment property and etc at year end.

### **Balance Sheet**

Our cash and equivalent had decreased sharply compared to FY2015. The decrease was mainly due to placement of short term deposits which were pledge for the Group's borrowings. On the other hand, the Group's borrowings had also decreased by RMB 10.0 million.

Net current liability as at 31/12/16 amounted to RMB 189.1 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 1.9 million in FY2016 was lower compared to FY2015 mainly due to

- (i) significant increase in Depreciation of property, plant and equipment in FY2016;
- (ii) interest income increased by 14.9% from RMB 1.8 million in FY2015 to RMB 2.1 million in FY2016; and
- (iii) More collection of trade and other receivables as of 31 December 2016.
- (iv) Inventories increased by 65.6% from RMB1.9million in FY2015 to RMB3.1 million in FY2016

Net cash used in investing activities amounted to RMB 0 in FY2016 was due to no new additions and disposals to our fixed assets.

Net cash from in financing activities amounted to RMB 15.7 million in FY2016 was mainly due to repayment of bank loans had made.

**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.**

Although current economic conditions remain challenging, we are unable to increase our sales because we price our products competitively.

Due to decrease in sales, we still struggle to achieve higher profitability and absorb the higher costs that could not be passed to customers.

Notwithstanding the above, the slow increase in oil prices had brought some burden to the Group due to potential increase in raw material prices.

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 2015.

**(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

## PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Segmental information is presented in respect of the Group's geographical segments. In presenting information on the basis of geographical segments, segment revenue are based on our customers' billing addresses.

Segment information by business segments is not presented as the Group's business relates solely to the manufacture and sale of spray pumps and its incidental products.

|                                    | Asia Pacific | Europe  | North &<br>South<br>America | Africa  | Australia | China   | Consolidated |
|------------------------------------|--------------|---------|-----------------------------|---------|-----------|---------|--------------|
|                                    | RMB'000      | RMB'000 | RMB'000                     | RMB'000 | RMB'000   | RMB'000 | RMB'000      |
| <b>2016</b>                        |              |         |                             |         |           |         |              |
| Revenue from<br>external customers | 76,549       | 27,833  | 69,406                      | 2,108   | 6,581     | 128,123 | 310,600      |
| <b>2015</b>                        |              |         |                             |         |           |         |              |
| Revenue from<br>external customers | 74,705       | 30,976  | 67,583                      | 2,955   | 8,419     | 131,717 | 316,354      |

**15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

In terms of contributions by geographical markets, the Asia Pacific region is the largest overseas contributor its revenue had increased from RMB 74.7million in FY2015 to RMB 76.5 million in FY2016. Asia Pacific region still account for 24.6% of the Group's revenue of RMB 310.6 million in FY2016.

Europe is also an important overseas segment. Revenue has decreased from RMB 30.9 million in FY2015 to RMB27.8 million in FY2016. The decrease was due to worsening economic conditions in Europe, resulting in lower consumption by EU residents.

Sale to the America region increased in FY2016 mainly due to higher sales in USA. This is in tandem with improving economy in USA, which encouraged USA residents to spend more on consumer products.

The PRC market is also another major contributor to our sales, contributing 41.3% to Group revenue in FY2016. Sales of our products in the PRC market remain the same compared to the previous year.

**16. A breakdown of sales**

|                                                                                                            | 12 months ended<br>31 Dec 2016 | 12 months ended<br>31 Dec 2015 | % increase /<br>(decrease) |
|------------------------------------------------------------------------------------------------------------|--------------------------------|--------------------------------|----------------------------|
|                                                                                                            | RMB'000                        | RMB'000                        |                            |
| (a) Sales reported for first half year                                                                     | 107,998                        | 159,862                        | (32.4)                     |
| (b) Operating profit/(loss) after tax before deducting minority interests reported for the first half year | (50,186)                       | 3,102                          | (1,717.9)                  |
| (c) Sales reported for second half year                                                                    | 202,602                        | 156,492                        | 29.5                       |
| (d) Operating profit after tax before deducting minority interests reported for second half year           | (121,778)                      | 10,794                         | (1,228.2)                  |
| Total sales for the period / year                                                                          | 310,600                        | 316,354                        | (1.8)                      |
| Total operating profit after tax for the period/year                                                       | (171,964)                      | 13,896                         | (1,337.5)                  |

17. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

|            | <b>2016<br/>RMB'000</b> | <b>2015<br/>RMB'000</b> |
|------------|-------------------------|-------------------------|
| Ordinary   | -                       | -                       |
| Preference | -                       | -                       |
| Total      | -                       | -                       |

18. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

| Name         | Age | Family relationship with any director and/or substantial shareholder       | Current position and duties, and the year the position was held  | Details of changes in duties and position held, if any, during the year |
|--------------|-----|----------------------------------------------------------------------------|------------------------------------------------------------------|-------------------------------------------------------------------------|
| Cao Jixing   | 60  | Brother-in-law of Sun Bingzhong, Executive Chairman and CEO of the Company | Deputy General Manager of Wuxi Sunmart Plastics Co Ltd from 2002 | NA                                                                      |
| Chen Wen Tao | 35  | Son-in-law of Sun Bingzhong, Executive Chairman and CEO of the Company     | Deputy General Manager of Wuxi Sunmart Tech Co Ltd from 2015     | NA                                                                      |

19. **Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under 720 (1).**

The Company confirms that it 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.

**BY ORDER OF THE BOARD**

**Sun Bingzhong**  
**Executive Director and Chief Executive Officer**  
**28 February 2017**