

SUNVIC CHEMICAL HOLDINGS LIMITED
(Registration Number: 200406502E)

Financial Statement and Dividend Announcement for the Third Quarter Ended 30 September 2016

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 2016	Q3 2015	+ / (-)	9-months	9-months	+ / (-)
	RMB'000	RMB'000	%	ended 30	ended 30	%
				September	September	
				2016	2015	
				RMB'000	RMB'000	
Revenue	474,721	489,925	(3.1)	1,412,597	1,757,575	(19.6)
Cost of sales	(483,652)	(545,718)	(11.4)	(1,409,068)	(1,854,122)	(24.0)
Gross (loss)/profit	(8,931)	(55,793)	(84.0)	3,529	(96,547)	103.7
Other operating income	13,073	227,097	(94.2)	140,399	669,885	(79.0)
Distribution expenses	(9,777)	(16,360)	(40.2)	(32,791)	(59,867)	(45.2)
Administrative expenses	(36,947)	(74,127)	(50.2)	(116,864)	(163,796)	(28.7)
Other operating expenses	(9,156)	(59,509)	(84.6)	(30,021)	(355,271)	(91.5)
Results from operating activities	(51,738)	21,308	(342.8)	(35,748)	(5,596)	538.8
Finance expenses	(17,852)	(32,719)	(45.4)	(61,617)	(86,108)	(28.4)
Loss before income tax	(69,590)	(11,411)	509.8	(97,365)	(91,704)	6.2
Income tax expense	(88)	(51,870)	(99.8)	(2,954)	(53,715)	(94.5)
Loss for the period	(69,678)	(63,281)	10.1	(100,319)	(145,419)	(31.0)
Other comprehensive income						
Translation differences relating to financial statements of subsidiaries with functional currencies other than RMB	56	1,145	(95.1)	290	1,120	(74.1)
Total comprehensive loss for the period	(69,622)	(62,136)	12.0	(100,029)	(144,299)	(30.7)
Attributable to:						
Owners of the Company	(69,399)	(60,393)	14.9	(99,495)	(139,383)	(28.6)
Non-controlling interests	(223)	(1,743)	(87.2)	(534)	(4,916)	(89.1)
Total comprehensive loss for the period	(69,622)	(62,136)	12.0	(100,029)	(144,299)	(30.7)

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

	Q3 2016	Q3 2015	+/(-) %	9-months ended 30 September 2016	9-months ended 30 September 2015	+/(-) %
	RMB'000	RMB'000		RMB'000	RMB'000	
Interest income	(1,060)	(18,456)	(94.3)	(2,398)	(43,157)	(94.4)
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	-	-		(15,601)	(35,575)	(56.1)
Exchange loss/(gain), net	503	26,935	(98.1)	6,745	35,353	(80.9)
Depreciation of property, plant and equipment	35,809	63,213	(43.4)	121,140	196,389	(38.3)
Amortisation of lease prepayments	535	1,623	(67.0)	1,061	3,568	(70.3)
Amortisation of intangible assets	56	251	(77.7)	511	1,049	(51.3)
Interest paid and payable	17,852	32,719	(45.4)	61,617	86,108	(28.4)

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 2016 RMB'000	As at 31 December 2015 RMB'000	As at 30 September 2016 RMB'000	As at 31 December 2015 RMB'000
Non-current assets				
Property, plant and equipment	1,393,309	1,483,808	-	-
Intangible assets	9,835	10,346	-	-
Land use rights	49,087	50,148	-	-
Subsidiaries	-	-	342,623	342,623
Deposits paid for property, plant and equipment and land use rights	-	5,522	-	-
Deferred tax asset	24,430	24,430	-	-
	1,476,661	1,574,254	342,623	342,623
Current assets				
Inventories	103,610	133,286	-	-
Non-current assets held for sale	12,064	11,731	-	-
Trade and other receivables	1,114,133	1,664,757	42,707	38,652
Pledged deposits	75,598	183,933	-	-
Cash and bank balances	216,545	173,553	1,908	1,314
	1,521,950	2,167,260	44,615	39,966
Total assets	2,998,611	3,741,514	387,238	382,589
Equity				
Share capital	291,516	291,516	291,516	291,516
Reserves	954,304	1,053,799	65,055	66,573
Total equity attributable to equity holders of the Company	1,245,820	1,345,315	356,571	358,089
Non-controlling interests	(54,336)	(53,802)	-	-
Total equity	1,191,484	1,291,513	356,571	358,089
Non-current liabilities				
Interest bearing liabilities	205,000	140,000	-	-
Deferred tax liabilities	7,500	7,500	-	-
Total non-current liabilities	212,500	147,500	-	-
Current liabilities				
Trade and other payables	610,312	1,024,500	30,667	24,500
Interest-bearing liabilities	983,404	1,271,968	-	-
Current tax payable	911	6,033	-	-
Total current liabilities	1,594,627	2,302,501	30,667	24,500
Total equity and liabilities	2,998,611	3,741,514	387,238	382,589

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 2016		As at 31 December 2015	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
530,404	453,000	651,968	620,000

Amount repayable after one year

As at 30 September 2016		As at 31 December 2015	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
205,000	-	140,000	-

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 2016	Q3 2015	9-months ended 30 September 2016	9-months ended 30 September 2015
	RMB'000	RMB'000	RMB'000	RMB'000
Operating activities				
Loss before income tax	(69,590)	(11,411)	(97,365)	(91,704)
Adjustments for:				
Interest expense	17,852	32,719	61,617	86,108
Interest income	(1,060)	(18,456)	(2,398)	(43,157)
Amortisation of intangible assets	56	251	511	1,049
Amortisation of lease prepayments	535	1,623	1,061	3,568
Depreciation of property, plant and equipment	35,809	63,213	121,140	196,389
Reversal of write down of inventories	-	-	(15,601)	(35,575)
Gain on disposal of non-current assets held for sale	-	(121,509)	-	(121,509)
Exchange difference	56	1,145	290	1,120
Operating (loss)/profit before working capital changes	(16,342)	(52,425)	69,255	(3,711)
Changes in working capital:				
Inventories	27,547	(14,876)	45,277	(49,140)
Trade and other receivables	501,296	1,428,476	550,624	474,190
Trade and other payables	(296,657)	(1,072,886)	(339,829)	(592,164)
Cash generated from operations	215,844	288,289	325,327	(170,825)
Income taxes paid	(2,169)	(33,692)	(8,076)	(50,080)
Cash flows from operating activities	213,675	254,597	317,251	(220,905)
Investing activities				
Interest received	1,060	18,456	2,398	43,157
Purchase of property, plant & equipment and land use rights	(54,308)	(272,997)	(99,811)	(334,681)
Cash flows from investing activities	(53,248)	(254,541)	(97,413)	(291,524)
Financing activities				
Proceeds from bank loans	496,404	583,486	1,717,185	2,446,895
Repayments of bank loans	(650,000)	(715,503)	(1,940,749)	(2,263,427)
Purchase of treasury shares	-	(1,575)	-	(1,575)
Interest paid	(17,852)	(32,719)	(61,617)	(86,108)
Deposits pledged	120,926	146,049	108,335	108,028
Cash flows from financing activities	(50,522)	(20,262)	(176,846)	203,813
Net increase/(decrease) in cash and cash equivalents	109,905	(20,206)	42,992	(308,616)
Cash and cash equivalents at beginning of the period	106,640	198,471	173,553	486,881
Cash and cash equivalents at end of the period	216,545	178,265	216,545	178,265

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 2016	291,516	(1,575)	(499)	305,600	(15,979)	766,252	1,345,315	(53,802)	1,291,513
Total comprehensive loss for the period	-	-	-	-	290	(99,785)	(99,495)	(534)	(100,029)
At 30 September 2016	291,516	(1,575)	(499)	305,600	(15,689)	666,467	1,245,820	(54,336)	1,191,484
At 1 January 2015	291,516	-	(499)	346,941	(17,798)	1,504,405	2,124,565	(39,682)	2,084,883
Total comprehensive loss 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

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 2016	291,516	(1,575)	68,149	358,090
Total comprehensive loss for the period	-	-	(1,519)	(1,519)
At 30 September 2016	291,516	(1,575)	66,630	356,571
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

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.

The Company did not buy back any shares for the period ended 30 September 2016. Total number of ordinary shares bought back as at 30 September 2016 amounted to 1,650,000. These shares are held as treasury shares.

	As at 30 September 2016 (‘000)	As at 31 December 2015 (‘000)
Number of issued shares	533,651	533,651
Number of treasury shares	(1,650)	(1,650)
Number of issued shares excluding treasury shares	<u>532,001</u>	<u>532,001</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 2016 (‘000)	As at 31 December 2015 (‘000)
Number of issued shares excluding treasury shares	<u>532,001</u>	<u>532,001</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 2016.

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 2016	Q3 2015	9-months ended 30 September 2016	9-months ended 30 September 2015
Earnings per share (RMB cents):-				
Basic and diluted	<u>(13.0)</u>	<u>(11.5)</u>	<u>(18.6)</u>	<u>(26.3)</u>
	Q3 2016 RMB'000	Q3 2015 RMB'000	9-months ended 30 September 2016 RMB'000	9-months ended 30 September 2015 RMB'000
Basic earnings per share is based on:				
Net loss attributable to ordinary shareholders	<u>(69,455)</u>	<u>(61,538)</u>	<u>(99,205)</u>	<u>(140,503)</u>
	Q3 2016 ('000)	Q3 2015 ('000)	9-months ended 30 September 2016 ('000)	9-months ended 30 September 2015 ('000)
Weighted average number of ordinary shares outstanding at beginning of the period	533,052	533,651	533,052	533,651
Effect of treasury shares held	-	(733)	-	(242)
Weighted average number of ordinary shares outstanding during of the period	<u>533,052</u>	<u>532,918</u>	<u>533,052</u>	<u>533,409</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 2016	As at 31 December 2015	As at 30 September 2016	As at 31 December 2015
Net assets attributable to the shareholders of the Company (RMB'000)	1,245,820	1,345,315	356,571	358,089
Net asset value per ordinary share (RMB cents)	234.2	252.9	67.0	67.3
Number of shares at the end of the period ('000)	532,001	532,001	532,001	532,001

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

Revenue in Q3 2016 decreased by RMB15.2 million to RMB474.7 million compared to RMB489.9 million in Q3 2015. This was mainly due to decrease in revenue from sale of AA & AE and PMIDA & glyphosate by RMB68.9 million and RMB4.0 million respectively. This was partially offset by an increase in revenue from sale of other chemical products by RMB57.7 million.

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

Sale volume of AA & AE decreased from 62,100 tonnes in Q3 2015 to 58,800 tonnes in Q3 2016 whilst their average selling prices also decreased from RMB6,700 per tonne in Q3 2015 to RMB6,000 per tonne in Q3 2016. All of these are due to over-supply situation of AA in the PRC.

Gross (loss)/profit

The Group incurred a gross loss of RMB8.9 million in Q3 2016 compared to RMB55.8 million in Q3 2015. Sales of AA & AE contributed a gross loss of RMB15.9 million which was partially offset by a gross profit from sales of other chemical products amounted to RMB7.0 million in Q3 2016.

Overall gross loss margin improved from 11.4% in Q3 2015 to 1.9% in Q3 2016. Gross loss margin for AA & AE improved from a 17.2% in Q3 2015 to 4.8% in Q3 2016. This improvement was due to the marginal price-cost gap movements between AA & AE and propylene in the PRC.

Other operating income and other operating expenses

Other operating income and other operating expenses included the following items:-

	Q3 2016 RMB'000	Q3 2015 RMB'000
Gain on disposal of Line 3 AA plant	-	121,509
Tax rebate	-	19,000
Interest income	1,060	18,456 (a)
Sale of propylene and crude residuals	-	33,741 (b)
Sale of steam and waste water treatment fee	9,289	33,148
Others	2,724	1,243
	13,073	227,097

(a) In Q3 2015, the interest income included an amount of RMB10.4 million received from Arkema for extension of the First Call Option pursuant to the Joint Venture Agreement with Arkema. There was no such income in Q3 2016.

(b) We have stopped the sale of propylene and other chemical material to joint venture entity in FY2016.

(c) Sale of steam and waste water treatment fee by the joint venture entity amounted to RMB9.3 million and the corresponding cost amounted to RMB7.1 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 RMB6.6 million to RMB9.8 million in Q3 2016 compared to RMB16.4 million in Q3 2015. Distribution expenses consisted of transportation charges and packaging costs as well as other sales related expenses.

Administrative expenses

Administrative expenses decreased by RMB37.2 million to RMB36.9 million in Q3 2016 compared to RMB74.1 million in Q3 2014. This was mainly due to a decrease in net exchange loss from RMB26.9 million in Q3 2015 to RMB0.5 million in Q3 2016. The huge exchange loss incurred in Q3 2015 was due to depreciation of RMB against USD incurred on USD bank borrowings during that period.

Finance expenses

Finance expenses decreased by RMB14.9 million to RMB17.9 million in Q3 2016 compared to RMB32.7 million in Q3 2015. This was mainly due to lower interest bearing liabilities in Q3 2016 compared to Q3 2015.

Income tax expense

Income tax expense decreased by RMB51.8 million to RMB88,000 in Q3 2016 compared to RMB51.9 million in Q3 2015. The income tax incurred in Q3 2015 was due to profit from disposal of Line 3 AA plant to the joint venture entity.

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 decreased by RMB90.5 million to RMB1,393.3 million as at 30 September 2016 compared to RMB1,483.8 million as at 31 December 2015. This was mainly due to depreciation charge in the 9M 2016.

Inventories decreased by RMB29.7 million to RMB103.6 million as at 30 September 2016 compared to RMB133.3 million as at 31 December 2015. This was mainly due to lower costs for raw material and finished goods.

Breakdown of trade and other receivables is as follows:-

	As at 30 September 2016 RMB'000	As at 31 December 2015 RMB'000
Trade receivables:		
- 3 rd parties	318,748	194,791
- Related parties	198,838	347,128
Receivable from joint venture entity	246,012	588,833
Notes receivables	43,672	163,159
Value added tax recoverable	79,884	161,265
Other taxes receivable	133,435	110,896
Prepayments and deposits	27,492	20,887
Deferred tax assets	15,871	15,871
Other receivables	50,181	61,927
	1,114,133	1,664,757

Trade and other receivables decreased by RMB550.6 million to RMB1,114.1 million as at 30 September 2016 compared to RMB1,664.8 million as at 31 December 2015. This was mainly due to:

- (i) Collections from related parties resulting in a decrease in receivables from related parties by RMB148.3 million;
- (ii) Receipt of the consideration of RMB700.0 million for sale of Line 3 AA plant from the joint venture entity; and
- (iii) Recover of value added tax of RMB81.3 million.

Total non-current and current interest-bearing liabilities decreased by RMB223.6 million to RMB1,188,404 million as at 30 September 2016 compared to RMB1,412.0 million as at 31 December 2015. This was mainly due to repayments made during the 9-month period ended 30 September 2016.

Breakdown of trade and other payables is as follows:-

	As at 30 September 2016 RMB'000	As at 31 December 2015 RMB'000
Trade payables:		
- 3rd parties	463,830	625,642
- Related parties	13,735	20,044
Payable to joint venture entity	77,740	143,847
Notes payables	9,234	134,837
Accrued operating expenses	40,654	49,244
Other payables	5,119	50,886
	610,312	1,024,500

Trade and other payables decreased by RMB414.2 million to RMB610.3 million as at 30 September 2016 compared to RMB1,024.5 million as at 31 December 2015. This was mainly due to lower trade and notes payables for purchase of propylene.

Cash Flow Statement

Our Group generated positive operating cash flow of RMB213.7 million in Q3 2016 mainly due to depreciation charge and interest expense as well as a decrease in inventories and trade & other receivables. These were partially offset by loss before income tax, interest income and a decrease in trade & other payables.

Financing activities resulted in negative cash flow of RMB50.5 million in Q3 2016 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 RMB53.2 million in Q3 2016 from the Group's investing activities mainly due to acquisitions of property, plant & equipment, which was partially offset by interest received.

As a result of the above, cash and cash equivalents increased from RMB106.6 million as at 30 June 2016 to RMB216.5 million as at 30 September 2016.

- 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 2015.

(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 – RMB640,000,000 Sale of crude AA to Yixing Danson - RMB190,962,000 Purchase of residual crude AA from Yixing Danson - RMB23,366,000	-
Taixing Jinyan Chemical Technology Co., Ltd ("Taixing Jinyan")	Corporate guarantees in favour of Taixing Jinyan – RMB450,000,000 Supply of chemical raw materials to Taixing Jinyan – RMB181,620,000	-
Taixing Yumeng Wuzi Co., Ltd. ("Taixing Yumeng")	Sale of AA to Taixing Yumeng – RMB52,848,000 Purchase of inventories from Taixing Yumeng – RMB28,739,000	
Jiaxing Jinyan Chemical Co., Ltd ("Jiaxing Jinyan")	Corporate guarantees in favour of Jiaxing Jinyan - RMB70,000,000	-
Jiangsu Yinyan Specialty Chemical Co., Ltd ("Jiangsu Yinyan")	-	Sales of chemical products to Jiangsu Yinyan - RMB28,672,000
Jiangsu Jurong Petrochemicals Co., Ltd ("Jiangsu Jurong")	-	Sales of chemical products to Jiangsu Jurong - RMB4,979,000

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 2016, the aggregate amount of the corporate guarantees that the Group provided to Yixing Danson, Taixing Jinyan, Jiaying Jinyan and Jiangsu Yinyan was approximately RMB1,160,000,000, whilst the aggregate amount of corporate guarantees that these same entities provided to the Group was approximately RMB1,540,000,000.
- 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 2016 to be false or misleading in any material aspect.**
- 15. The Company confirms that all the required undertakings under Rule 720(1) of the Listing Manual have been obtained from its Directors and Executive Officers in the format set out in Appendix 7.7.**

BY ORDER OF THE BOARD

Sun Xiao
Executive Director and Chief Executive Officer
14 November 2016