中国软包装控股有限公司
CHINA FLEXIBLE PACKAGING HOLDINGS LIMITED

THIRD QUARTER FINANCIAL STATEMENT ANNOUNCEMENT FOR THE PERIOD ENDED 31 JULY 2015
截止 2015 年 7 月 31 日的半年财务报表及股息公告

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS
第一部分: 各季度（第一、第二及第三季度）、半年及全年业绩公告所需的资料

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.
（集团）的收入报表连同上一财政年同期的对比报表。

Group's Consolidated Statement of Comprehensive Income for the three months and nine months period ended 31 July 2015. These figures have not been audited.
截至 2015 年 7 月 31 日三个月及九个月期间之集团合并收入报表。这些数目字尚未审计。

	Group 集团 3rd quarter 3 months ended			Group 集团 Year-to-date 9 months ended		
	31 July 2015 RMB'000	**31 July 2014 RMB'000**	+/(-) %	**31 July 2015 RMB'000**	**31 July 2014 RMB'000**	+/(-) %
REVENUE 销售收益	**75,510**	168,543	(55.2%)	**273,612**	458,169	(40.3%)
Cost of sales 销售成本	**(109,556)**	(147,577)	(25.8%)	**(358,951)**	(456,973)	(21.5%)
GROSS (LOSS)/PROFIT 毛(损)/利	**(34,046)**	20,966	N/M	**(85,339)**	1,196	N/M
Other operating income 其他收益	**51**	68	(25.0%)	**139**	192	(27.6%)
Selling and distribution expenses 销售及分销成本	**(142)**	(707)	(79.9%)	**(648)**	(1,960)	(66.9%)
Administrative expenses 行政费用	**(3,222)**	(4,118)	(21.8%)	**(11,061)**	(13,635)	(18.9%)
Other expenses 其他费用	**(25)**	(34)	(26.5%)	**(47,336)**	(89)	N/M
(LOSS)/PROFIT BEFORE TAXATION 税前(亏损)/盈利 (Note 1)	**(37,384)**	16,175	N/M	**(144,245)**	(14,296)	909.0%
Income tax expense 税金	**-**	-	-	**-**	-	-
NET (LOSS)/PROFIT FOR THE PERIOD 本期净(亏损)/盈利	**(37,384)**	16,175	N/M	**(144,245)**	(14,296)	909.0%
Other comprehensive (loss)/income for the period (after tax and reclassification adjustments): 本期间其他全面(亏损)/收益 :						
Exchange differences on translation of financial statements of foreign operations 换算海外业务之汇兑差异	**-**	-	-	**13**	(1)	N/M
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY 本期间全面(亏损)/收益	**(37,384)**	16,175	N/M	**(144,232)**	(14,297)	908.8%

N/M: Not meaningful 无意义

1(a)(ii) The accompanying notes to the financial statements form an integral part of the financial statements
（集团）的收入报表连同上一财政年同期的对比报表。

Note 1:

(Loss)/profit before taxation

(Loss)/profit before taxation is arrived at after charging/(crediting) the followings:
税前(亏损)/盈利乃经扣除/(记账)下列各项列账：

		Group 集团 3rd quarter 3 months ended			Group 集团 Year-to-date 9 months ended		
		31 July 2015 RMB'000	31 July 2014 RMB'000	+/(-) %	31 July 2015 RMB'000	31 July 2014 RMB'000	+/(-) %
a.	Interest income 利息收入	**(32)**	(38)	(15.8%)	**(120)**	(93)	29.0%
b.	Sales of Scraps 廢料收入	**(17)**	(29)	(41.4%)	**(17)**	(98)	(82.7%)
c.	Exchange loss 汇兑损失	**16**	6	166.7%	**55**	5	1,000.0%
d.	Impairment loss on non-current assets 固定资产减值	**-**	-	-	**47,245**	-	N/M
e.	Depreciation and amortisation 折旧和摊销	**6,855**	10,750	(36.2%)	**25,035**	33,827	(26.0%)

N/M: Not meaningful 无意义

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.
（上市公司及集团）的资产负债表连同截至上一财政年的对比报表。

	Group 集团		Company 公司	
	As at		As at	
	31 July 2015 RMB'000	31 October 2014 RMB'000	31 July 2015 RMB'000	31 October 2014 RMB'000
NON-CURRENT ASSETS 非流动资产				
Property, plant and equipment 固定资产	**175,990**	260,807	**-**	-
Land use rights 土地使用权	**49,373**	36,836	**-**	-
Investment in subsidiaries 投资于子公司	**-**	-	**296,883**	298,655
	225,363	297,643	**296,883**	298,655
CURRENT ASSETS 流动资产				
Inventories 库存	**34,255**	28,525	**-**	-
Accounts receivable 应收帐款	**28,282**	101,232	**-**	-
Prepayments, deposits and other receivables 预付款, 定金及其他应收款	**4,775**	190	**-**	-
Cash and cash equivalents 现金及银行结存	**23,013**	28,716	**113**	35
	90,325	158,663	**113**	35
CURRENT LIABLILITIES 流动负债				
Accounts payable 应付帐款	**1,475**	-	**-**	-
Accruals, other payables and receipts in advance 应计债务,其他应付款及已收定金	**10,722**	8,583	**126**	217
	12,197	8,583	**126**	217
NET CURRENT ASSETS/(LIABILITIES) 净流动资产/(负债)	**78,128**	150,080	**(13)**	(182)
NET ASSETS 净资产	**303,491**	447,723	**296,870**	298,473
EQUITY 权益				
Equity attributable to owners of the Company 权益归于公司拥有人				
Share capital 已发行股本	**598,238**	598,238	**598,238**	598,238
Reserves 储备金	**(294,747)**	(150,515)	**(301,368)**	(299,765)
TOTAL EQUITY 权益总额	**303,491**	447,723	**296,870**	298,473

1(b)(ii) Aggregate amount of group's borrowings and debt securities.
集团借贷及抵押债务的总额

Amount repayable in one year or less, or on demand
一年或以内应该偿还或见索即付的款额

As at 31 July 2015 截至 2015 年 7 月 31 日		As at 31 October 2014 截至 2014 年 10 月 31 日	
Secured 有抵押	Unsecured 无抵押	Secured 有抵押	Unsecured 无抵押
RMB'000	RMB'000	RMB'000	RMB'000
-	-	-	-

Amount repayable after one year
一年后应偿还的款额

As at 31 July 2015 截至 2015 年 7 月 31 日		As at 31 October 2014 截至 2014 年 10 月 31 日	
Secured 有抵押	Unsecured 无抵押	Secured 有抵押	Unsecured 无抵押
RMB'000	RMB'000	RMB'000	RMB'000
-	-	-	-

Details of any collateral
抵押品（若有）的详情

Not applicable.
不适用。

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.
（集团）的现金流量表连同上一财政年同期的对比报表。

	Group 集团			
	3 months ended 31 July 2015 RMB'000	3 months ended 31 July 2014 RMB'000	9 months ended 31 July 2015 RMB'000	9 months ended 31 July 2014 RMB'000
Cash flows from operating activities 营业活动所得现金流量				
(Loss)/profit before taxation 税前(亏损)/盈利	**(37,384)**	16,175	**(144,245)**	(14,296)
Adjustments for: 调整下列各项:				
Depreciation of property, plant and equipment 固定资产折旧	**6,517**	10,493	**24,183**	33,055
Amortisation of land use rights 土地使用权摊销	**338**	257	**852**	772
Impairment loss on non-current assets 固定资产减值	**-**	-	**47,245**	-
Interest income 利息收入	**(32)**	(38)	**(120)**	(93)
Operating (loss)/profit before working capital changes 营运资金变更前营运(亏损)/盈利	**(30,561)**	26,887	**(72,085)**	19,438
Changes in 营运资金变动:				
Inventories 库存	**14,358**	(4,947)	**(5,730)**	(10,891)
Accounts receivable 应收帐款	**(2,331)**	(4,346)	**72,950**	23,039
Prepayments, deposits and other receivables 预付款, 预付订金及其他应收款	**(3,609)**	131	**(4,585)**	(115)
Accounts payable 应付帐款	**1,475**	-	**1,475**	-
Accruals, other payables and receipts in advance 应计债务,其他应付款及已收定金	**5,607**	837	**2,139**	518
Cash (used in)/generated from operating activities 营业活动所(用)/得现金	**(15,061)**	18,562	**(5,836)**	31,989
Interest received 已收利息	**32**	38	**120**	93
Net cash flows (used in)/generated from operating activities 营业活动所(用)/得净现金流量	**(15,029)**	18,600	**(5,716)**	32,082
Net (decrease)/increase in cash and cash equivalents 现金及现金等值净(减少)/增加	**(15,029)**	18,600	**(5,716)**	32,082
Cash and cash equivalents at beginning of period 期初现金及现金等值	**38,042**	19,924	**28,716**	6,443
Effect of foreign exchange rate changes 汇率变动的影响	**-**	-	**13**	(1)
Cash and cash equivalents at end of period 期末现金及现金等值	**23,013**	38,524	**23,013**	38,524

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.
显示（上市公司及集团）（i）股权的所有变更的报表或（ii）资本化发行及股东分配产生的股权变更除外的股权变更的报表，连同上一财政年同期的对比报表

The Group 集团	Issued share capital 已发行股本 RMB'000	Share premium account 股票溢价 RMB'000	Capital reserve 资本储备 RMB'000	Foreign currency translation reserve 汇兑储备 RMB'000	Statutory reserve 法定储备 RMB'000	Other reserve 其他储备 RMB'000	Accumulated losses 损益账户 RMB'000	Total equity 总计 RMB'000
Balance as at 1 November 2014 于 2014 年 11 月 1 日结存	598,238	304,382	-	3,461	86,527	36,630	(581,515)	**447,723**
Loss and total comprehensive loss for the period 本期间亏损及綜合亏损	-	-	-	13	-	-	(144,245)	**(144,232)**
Transfer to the statutory reserve 转入法定储备	-	-	-	-	-	-	-	**-**
Balance as at 31 July 2015 于 2015 年 7 月 31 日结存	598,238	304,382	-	3,474	86,527	36,630	(725,760)	**303,491**

The Group 集团	Issued share capital 已发行股本 RMB'000	Share premium account 股票溢价 RMB'000	Capital reserve 资本储备 RMB'000	Foreign currency translation reserve 汇兑储备 RMB'000	Statutory reserve 法定储备 RMB'000	Other reserve 其他储备 RMB'000	Accumulated losses 损益账户 RMB'000	Total equity 总计 RMB'000
Balance as at 1 November 2013 于 2013 年 11 月 1 日结存	598,238	304,382	-	3,461	86,527	36,630	(584,562)	**444,676**
Loss and total comprehensive loss for the period 本期间亏损及綜合亏损	-	-	-	(1)	-	-	(14,296)	**(14,297)**
Transfer to the statutory reserve 转入法定储备	-	-	-	-	-	-	-	**-**
Balance as at 31 July 2014 于 2014 年 7 月 31 日结存	598,238	304,382	-	3,460	86,527	36,630	(598,858)	**430,379**

The Company 公司	Issued share capital 已发行股本 RMB'000	Share premium account 股票溢价 RMB'000	Capital reserve 资本储备 RMB'000	Foreign currency translation reserve 汇兑储备 RMB'000	Statutory reserve 法定储备 RMB'000	Other reserve 其他储备 RMB'000	Accumulated losses 损益账户 RMB'000	Total equity 总计 RMB'000
Balance as at 1 November 2014 于 2014 年 11 月 1 日结存	598,238	304,382	99,175	-	-	36,630	(739,952)	**298,473**
Loss and total comprehensive loss for the period 本期间亏损及綜合亏损	-	-	-	-	-	-	(1,603)	**(1,603)**
Balance as at 31 July 2015 于 2015 年 7 月 31 日结存	598,238	304,382	99,175	-	-	36,630	(741,555)	**296,870**

The Company 公司	Issued share capital 已发行股本 RMB'000	Share premium account 股票溢价 RMB'000	Capital reserve 资本储备 RMB'000	Foreign currency translation reserve 汇兑储备 RMB'000	Statutory reserve 法定储备 RMB'000	Other reserve 其他储备 RMB'000	Accumulated losses 损益账户 RMB'000	Total equity 总计 RMB'000
Balance as at 1 November 2013 于 2013 年 11 月 1 日结存	598,238	304,382	99,175	-	-	36,630	(697,855)	**340,570**
Loss and total comprehensive loss for the period 本期间亏损及綜合亏损	-	-	-	-	-	-	(1,648)	**(1,648)**
Balance as at 31 July 2014 于 2014 年 7 月 31 日结存	598,238	304,382	99,175	-	-	36,630	(699,503)	**338,922**

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 at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.
自上一个财政期，公司股本因附加股、红股、股份购回、行使认股选择权或认股权证、其他权益发行兑换、发行股票以取得现金或收购对价或为任何其他目的而发行股票而产生的任何变更的详情。亦须注明截至本财政期末及截至上一财政年同期可能就兑换所有结存的可换证券而发行的股票数目。

There was no change in the Company's issued share capital during the period ended 31 July 2015.

Subsequently, on 14 August 2015 the Company completed a share consolidation of every one hundred (100) ordinary shares of par value US$0.15 each in the capital of the Company into one (1) ordinary share of par value US$15.00 ("**Consolidated Share**") ("**Share Consolidation**").

Changes in Company's share capital arising from Share Consolidation
从股份合并所产生的公司股本变化

	Company 公司	
	As at	
	14 August 2015	31 July 2015
Number of issued and fully paid ordinary share 已发行普通股股数	4,860,956	486,129,104
Number of Authorised share capital 法定股本数	20,000,000	2,000,000,000

After disregarding any fractions of Consolidated Shares arising from the Share Consolidation, the issued share capital of the Company comprises 4,860,956 Consolidated Shares of par value US$15.00 each following the Share Consolidation.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.
显示截至本财务期结束及于前一财政年末已发行股份的总数量，不包括库存股份。

The company does not have any treasury shares. Total number of issued shares as at 31 July 2015 was 486,129,104 (as at 31 October 2014: 486,129,104)

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.
声明截至本财务期结束所有的销售，转让，处置，取消和/或使用库存股。

Not applicable. 不适用。

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.
有关数目字是否经审计或审阅，且按何种审计标准或惯例审计或审阅。

The figures have not been audited or reviewed by the Company's auditors.
公司的审计师尚未审计或审阅有关数字。

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).
若有关数目字经审计或审阅，须附上审计师报告（包括对任何特定事项的澄清或强调）。

The figures have not been audited or reviewed by the Company's auditors.
公司的审计师尚未审计或审阅有关数字。

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.
是否应用上市公司最新经审计的年度财务报表的相同会计政策及计算方法。

Except as disclosed in item 5 below, 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 ended 31 October 2014.

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.
若会计政策及计算方法出现任何变更，包括会计标准所规定的任何变更，须列出有关的变更、变更的原因及变更所产生的影响。

The Group has adopted the applicable new and revised International Financial Reporting Standards ("IFRSs") which became effective for the financial period beginning on or after 1 November 2014. For the current reporting period ended 31 July 2015, the adoption of these new and revised IFRSs did not give rise to significant impact on the Group's' financial statements.

6. Earnings/(loss) 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.
集团在本财政期间及上一财政年同期每股普通股的盈利/(亏损)（扣除优先股息的准备金）。

Before Share Consolidation

	3rd quarter 3 months ended		Year-to-date 9 months ended	
	31 July 2015	31 July 2014	31 July 2015	31 July 2014
(Loss)/earnings per ordinary share for the period based on net (loss)/profit attributable to owners of the Company:- 集团的每股普通股的(亏损)/盈利按照可归于股东的净(亏损)/盈利:				
(i) Based on the weighted average number of ordinary shares on issue (RMB); and 根据已发行普通股本的加权平均数 (人民币); 及	(0.08)	0.03	(0.30)	(0.03)
(ii) On a fully diluted basis (RMB) 根据完全摊薄基准 (人民币)	N/A	N/A	N/A	N/A
Weighted average number of ordinary shares 加权平均普通股股份数目	486,129,104	486,129,104	486,129,104	486,129,104

Basic loss per share for the three months ended 31 July 2015 ("3Q 2015") are calculated based on the total comprehensive loss for the period attributable to owners of the Company of approximately RMB37,384,000 (total comprehensive income attributable to owners of the Company in 3Q 2014: RMB16,175,000) divided by 486,129,104 ordinary shares of US$0.15 each (3Q 2014: 486,129,104 ordinary shares of US$0.15 each) in issue during the period.

Basic loss per share for the nine months ended 31 July 2015 ("9M 2015") are calculated based on the total comprehensive loss for the period attributable to owners of the Company of approximately RMB144,232,000 (9M 2014: RMB14,297,000) divided by 486,129,104 ordinary shares of US$0.15 each (9M 2014: 486,129,104 ordinary shares of US$0.15 each) in issue during the period.

There were no potential dilutive ordinary shares in existence during the two quarters ended 31 July 2015 and 2014 and accordingly, no diluted loss or earnings per share has been presented.

After Share Consolidation

On 14 August 2015, the Company completed the Share Consolidation as stated in Note 1(d)(ii) on Page 7. For illustrative purpose, adjusted basic loss/earnings per share for the current period and comparative figures of the three months and nine months ended 31 July 2015 and 31 July 2014 are presented to account for the effect of the Share Consolidation. In this presentation, the weighted average number of ordinary shares is reduced by the number of shares that were absorbed into the Consolidated Shares as if the transaction took place at the start of the current and comparative periods.

	3rd quarter 3 months ended		Year-to-date 9 months ended	
	31 July 2015 (Adjusted)	31 July 2014 (Adjusted)	31 July 2015 (Adjusted)	31 July 2014 (Adjusted)
(Loss)/earnings per ordinary share for the period based on net (loss)/profit attributable to owners of the Company:- 集团的每股普通股的(亏损)/ 盈利按照可归于股东的净(亏损)/盈利:				
(i) Based on the weighted average number of ordinary shares on issue (RMB); and 根据已发行普通股本的加权平均数 (人民币); 及	(7.69)	3.33	(29.67)	(2.94)
(ii) On a fully diluted basis (RMB) 根据完全摊薄基准 (人民币)	N/A	N/A	N/A	N/A
Weighted average number of Consolidated Shares 加权平均已合股的普通股股份数目	4,860,956	4,860,956	4,860,956	4,860,956

The adjusted basic loss per share for the 3Q 2015 are calculated based on the total comprehensive loss for the period attributable to owners of the Company of approximately RMB37,384,000 (total comprehensive income attributable to owners of the Company in 3Q 2014: RMB16,175,000) divided by the number of Consolidated Shares as a result of Share Consolidation of 4,860,956 ordinary shares of US$15.0 each.

The adjusted basic loss per share for the 9M 2015 are calculated based on the total comprehensive loss for the period attributable to owners of the Company of approximately RMB144,232,000 (9M 2014: RMB14,297,000) divided by the number of Consolidated Shares as a result of Share Consolidation of 4,860,956 ordinary shares of US$15.0 each.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:
(a) current financial period reported on; and
(b) immediately preceding financial year.
（上市公司及集团）的每股普通股净资产值，按上市公司在下列财政期末已发行股本计算：-
(a) 本财政期；及
(b) 上一财政年。

Before Share Consolidation

	Group 集团		Company 公司	
	As at		As at	
	31 July 2015	31 October 2014	31 July 2015	31 October 2014
Net assets value per ordinary share (RMB) 每股普通股的净资产值(人民币)	0.62	0.92	0.61	0.61

The net assets value for the Group and the Company per ordinary share was calculated based on the equity attributable to the owners of the Group and the Company as at 31 July 2015 and 31 October 2014; and 486,129,104 ordinary shares of the Company in issue as at 31 July 2015 and 31 October 2014.

After Share Consolidation

On 14 August 2015, the Company completed the Share Consolidation as stated in Note 1(d)(ii) on Page 7. For illustrative purpose, adjusted net assets value for the Group and the Company per ordinary share for the current period ended 31 July 2015 and last financial year ended 31 October 2014 are presented to account for the effect of the Share Consolidation. In this presentation, the number of ordinary shares is reduced by the number of shares that were absorbed into the Consolidated Shares as if the transaction took place at the current and comparative period end dates.

	Group 集团		Company 公司	
	As at		As at	
	31 July 2015 (Adjusted)	31 October 2014 (Adjusted)	31 July 2015 (Adjusted)	31 October 2014 (Adjusted)
Net assets value per ordinary share (RMB) 每股普通股的净资产值(人民币)	62.43	92.11	61.07	61.40

The adjusted net assets value for the Group and the Company per ordinary share was calculated based on the equity attributable to the owners of the Group and the Company as at 31 July 2015 and 31 October 2014; and the number of Consolidated Shares as a result of Share Consolidation of 4,860,956 of the Company as at 31 July 2015 and 31 October 2014.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

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

回顾集团业绩以取得对集团的业务合理的理解。有关回顾须包括下列各项的讨论：-

(a) 本财政期间影响集团的营业额、成本及收益的任何显著因素，包括季节性或周期性因素（若适用）；及

(b) 本财政期间影响集团的现金流量、营运资金、资产或债务的任何重大因素。

Review Group performance

The Group's Consolidated Statement of Comprehensive Income

The Group's revenue

The Group's revenue decreased by 55.2% or RMB93.0 million from RMB168.5 million for the three months ended 31 July 2014 ("3Q 2014") to RMB75.5 million for the three months ended 31 July 2015 ("3Q 2015").

The decrease was primarily attributed to the (i) lower average selling price of the Group's major product low shrinkage films because of keener competition, lower market demand and the presence of sub-standard products which were sold at a lower price; and (ii) significant fall in orders in high profit margin products due to the continuing fluctuation of the demand in high shrinkage film products from the weakening domestic consumer market. These caused an adverse change in product mix and yielded a lower average selling price and sales volume compared with the last corresponding period.

The Group's gross loss and operating loss before tax

The cost of sales decreased from RMB147.6 million in 3Q 2014 to RMB109.6 million in 3Q 2015, representing a decrease of 25.8% or RMB38.0 million, due mainly to the decrease in the sales volume and production overheads including depreciation and amortisation charges of non-current assets in 3Q 2015.

The decrease in cost of sales was lower than the decrease in revenue, resulting in a gross loss recorded. The Group recorded a gross loss of RMB34.0 million in 3Q 2015 compared with the gross profit of RMB21.0 million in 3Q 2014. It was mainly attributable to (i) the adverse change in product mix with the significant decrease in the sales of high margin high shrinkage film products. As a result low-cost products dominated our total sales yielding an unattractive margin; (ii) presence of sub-standard products issue mainly in low-cost segment which had put a burden on the margins, and (iii) inflationary pressure in the PRC. The direct material cost, direct labour costs and overheads dropped at a much slower pace than the fall in selling price.

The Group targets to earn a positive gross margin from its customers at the point of sale. However, due to production issues affecting the quality of the products sold coupled with increases in raw material costs which could not be passed to customers, some of these customer sales resulted a negative gross margin. Furthermore, the Group may also be required to adjust its pricing due to past quality issues in order to maintain continued current relationships with its customers in the face of keen competition.

Other revenue of RMB0.05 million in 3Q 2015 (3Q 2014: RMB0.07 million) mainly comprised of interest income arising from bank deposits.

Selling and distribution costs decreased by 79.9% over the last year to RMB0.1 million in 3Q 2015 (3Q 2014: RMB0.7 million), mainly due to the decrease in local business taxes and other business related expenses.

Administrative expenses in 3Q 2015 decreased by 21.8% over the last reporting period to RMB3.2 million (3Q 2014: RMB4.1 million), due mainly to the decrease in office utilities expenses and depreciation charges of non-current assets in the administration department.

Other expenses amounted to RMB0.03 million in 3Q 2015 (RMB0.03 million in 3Q 2014) comprised mainly of exchange losses and bank charges.

The Group's net loss from ordinary activities attributable to owners of the Company

The Group recorded a net loss of RMB37.4 million for the 3Q 2015, compared with the net profit of RMB16.2 million in 3Q 2014.

Review on consolidated statement of financial position and statement of cash flows

The Group's Consolidated Statement of Financial Position

Non-current assets comprised of land use rights, property, plant and equipment. It decreased by 24.3% or RMB72.2 million from RMB297.6 million as at 31 October 2014 to RMB225.4 million as at 31 July 2015. The decrease was attributable to an impairment loss of RMB47.2 million and the amortisation and depreciation charges of RMB25.0 million incurred in 9M 2015.

The impairment loss on the Group's non-current assets of RMB47.2 million was recognized based on the result of an independent valuer's report dated 10 June 2015, which showed a shortfall of approximately RMB47.2 million to the carrying value of the Group's non-current assets using the financial data as at the period ended 30 April 2015. The shortfall was mainly due to the following factors; (i) unexpected deterioration of operating and economic performance of the non-current assets; (ii) changing technology in the machineries and facilities in the industry; (iii) changing market demand in all segments. The value of the impairment loss ascribes to fair value less costs of disposal valuation basis in accordance with the International Accounting Standards No.36.

Current assets of the Group decreased by 43.1% or RMB68.4 million from RMB158.7 million as at 31 October 2014 to RMB90.3 million as at 31 July 2015. It was mainly due to the decrease in accounts receivable from RMB101.2 million as at 31 October 2014 to RMB28.3 million as at 31 July 2015, representing a decline of 72.1% or RMB72.9 million. It was attributed to the shortened average collection period and credit terms granted to customers in response to the tightened cash flow situation as at the last financial year ended 31 October 2014.

The decrease in current assets was partly offset by the increase in inventories by RMB5.8 million, from RMB28.5 million as at 31 October 2014 to RMB34.3 million as at 31 July 2015. In late July 2015, higher inventory level was maintained to meet higher sale order's demand compared with the last corresponding period. Apart from this, deposits, prepayments and other receivables increased by RMB4.6 million to RMB4.8 million as at 31 July 2015. The increase was largely attributable to advance payments to suppliers for purchasing inventories according to few suppliers' payment instructions. The corresponding inventories were subsequently collected and settled in early August.

Current liabilities of the Group increased by 42.1% or RMB3.6 million over the last financial period to RMB12.2 million as at 31 July 2015. It was attributable to the increase in accounts payable and receipts in advance from customers at the current period end compared with the period ended 31 October 2014.

The Group's Consolidated Statement of Cash Flows

In 3Q 2015, the net cash outflow from operating activities of the Group amounted to RMB15.0 million as compared with net cash inflow of RMB18.6 million in the last corresponding period of 2014. The net cash outflow was mainly attributable to the operating loss before working capital changes of RMB30.6 million. The cash outflow was partially offset by the cash generated from the receipts in advance and realisation in inventories during the 3Q 2015.

There were no cash used in investing activities and financing activities during 3Q 2015 and 3Q 2014. The Group has no borrowings.

Therefore, the cash and cash equivalent balance has decreased from RMB38.0 million as at 30 April 2015 to RMB23.0 million as at 31 July 2015.

Liquidity and going concern assumptions

The financial statements have been prepared on the going concern basis assuming that the Group will continue to operate as a going concern notwithstanding that:

(i) there was a decrease in cash and cash equivalents of the Group during the year by RMB5.7 million from RMB28.7 million as at 31 October 2014 to RMB23.0 million as at 31 July 2015;
(ii) the Group generated a RMB15.0 million negative cash flow from operating activities during the 9M 2015;
(iii) there was a net loss for the 9M 2015 of RMB144.2 million as compared a net loss of RMB14.3 million in the last corresponding period.

These events and conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and hence, its ability to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, the Group prepared the financial statements based on the assumption that the Group can be operated as a going concern and is of the view that the Group will have sufficient working capital

to finance its operations in the next twelve months from the year end date, after taking into consideration of the following:

(i) the Group has net current asset of approximately RMB78.1 million as of 31 July 2015 which is able to support working capital requirement;
(ii) the Group is exploring the availability of external financing. In particular the Group currently has no borrowings and believes that short-term bank loan secured by the Group's non-current assets is available;
(iii) the Group continues to implement measures to improve its liquidity condition, including but not limited to, shortening receivable collection period, lowering inventory level and tightening cost controls over various selling and administrative expenses; and
(iv) the Group will reduce production volume from the less effective production line as an immediate measure to monitor cash outflow;

Barring any unforeseen circumstance, the Company believe that given the above financing/business plans and operational measures, the Group will have sufficient cash resources to satisfy its future working capital and other financing requirements in next twelve months.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.
就先前向股东披露的预测或前景声明而言，前述与实际业绩的任何出入。

As disclosed in the 2nd quarter Financial Results Announcement dated 11 June 2015, the Group's performance for the current financial period ended 31 July 2015 was expected to report a loss and the Group's actual performance for the 3Q 2015 was in line with the statement (Paragraph 10) of the Company's announcement dated 11 June 2015.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.
截至公告日期，集团所处行业的显著趋势及竞争情况以及可能影响集团在下个报告期及未来 12 个月的任何已知因素或事项的有关评论。

The Group's business environment remains challenging and performance is expected to be continually affected. This is due to (i) increasing price pressures due to continuing intense market competition, (ii) weakening local demand and losing sales orders in high margin product segment, and (ii) sub-standard product issue in the existing production lines caused by unexpected deterioration of their operating performance.

China's manufacturing sector contracted at a markedly faster pace in recent months which clouds the short-term outlook of the already slowing down China economy. Despite the drop in the international crude oil price, the Group's raw material prices may not drop in tandem with the oil price.

The Group expects to report a loss for the next reporting period and the financial year of 2015.

11. Dividend
股息

(a) Current Financial Period Reported On
本财政期

Any dividend declared for the current financial period reported on?
本财政期是否宣布派发任何股息？

None
无

(b) Corresponding Period of the Immediately Preceding Financial Year
上一财政年同期

Any dividend declared for the corresponding period of the immediately preceding financial year?
上一财政年同期是否宣布派发任何股息?

No
无

(c) Date payable
支付日期

Not applicable
不适用

(d) Books closure date
截止过户日期

Not applicable
不适用

12. If no dividend has been declared/recommended, a statement to that effect.
若不宣布 / 建议派发股息，须作出有关声明。

Not Applicable. 不适用

13. Interested person transactions
关连人仕交易

The Company does not have any general mandate from shareholders for interested person transaction. No interested person transactions were entered into during the year under review.
本上市公司没有任何关联人仕交易的股东授权. 在此财政期间，没有关连人仕交易.

14. Confirmation by Directors pursuant to Rule 705(5) of the Listing Manual of the SGX-ST.
根据新加坡证券交易所有限公司上市参考手册第 705 条附例(5)要求董事确认事项

The Board of Directors of the Company hereby confirm that, to the best of its knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited third quarter financial results of the Group as at 31 July 2015 to be false or misleading.
董事局在此确认我们已根据其所知情的所有资料, 没有任何事情导致上市公司董事局需要特别的留意那些会引起第三季度财务报告截止 2015 年 7 月 31 日出现虚假或误导.

BY ORDER OF THE BOARD
奉董事会之命

Zeng Hanming
Chairman of the Board
14 September 2015