

CHINA HONGCHENG HOLDINGS LIMITED 中国宏诚控股有限公司
(Incorporated in Bermuda on 25 January 2007)
(Co. Reg. No: 39504)

THIRD QUARTER FINANCIAL STATEMENT ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2014

截至 2014 年 3 月 31 日三个月的第三季度财务报表公告

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

第一部分- 季度 (Q1, Q2 和 Q3) , 半年和全年业绩公告所需资料

1(a) An income statement (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度报表

Group Statement of Comprehensive Income for the three months ended 31 March 2014. These figures have not been audited.

截至 2014 年 3 月 31 日三个月集团综合收入报表。这些数字尚未经审计。

	3 months ended 31 Mar 2014 截至 2014 年 3 月 31 日 三个月 RMB'000 Unaudited 未经审计	Group 集团 3 months ended 31 Mar 2013 截至 2013 年 3 月 31 日 三个月 RMB'000 Unaudited 未经审计	Increase/ (Decrease) 增/(减) %
Revenue 销售收入	67,604	105,541	(35.9)
Cost of sales 销售成本	(67,592)	(100,896)	(33.0)
Gross profit 毛利	12	4,645	(99.7)
Other income 其他收入	1,716	1,129	52.0
Selling and distribution expenses 销售费用	(1,386)	(1,545)	(10.3)
Administrative expenses 管理费用	(6,239)	(6,632)	(5.9)
Finance costs 财务成本	(12,818)	(10,967)	16.9
Loss before income tax 税前亏损	(18,715)	(13,370)	40.0
Income tax expenses 所得税开支	-	-	-
Loss for the period attributable to the owners of the Company 本期公司拥有人的 亏损	(18,715)	(13,370)	40.0
Other comprehensive income 其他综合收入			-
Total comprehensive income for the period attributable to the owners of the Company 本期 公司拥有人总综合收入	(18,715)	(13,370)	40.0

Loss before income tax is arrived at after charging/(crediting):

税前亏损已计入以下项目:

	Group 集团	
	3 months ended	3 months ended
	31 Mar 2014	31 Mar 2013
	截至 2014 年	截至 2013 年
	3 月 31 日	3 月 31 日
	三个月	三个月
	RMB'000	RMB'000
	Unaudited	Unaudited
	未经审计	未经审计
Interest income 利息收入	(1,647)	(1,044)
Interest expenses on 利息支出:		
- Bank loans wholly repayable within five years		
五年内应付清之银行贷款	12,818	10,962
- Other loans wholly repayable within five years		
五年内应付清之其他贷款	-	-
Depreciation 折旧	12,200	12,286
Amortisation of land use rights 土地使用权摊销	35	35
Minimum lease payments under operating leases for property, plant and equipment and land use rights		
厂房设备和土地使用权租赁合同下最低付款额	23	23
Loss on disposal of property, plant and equipment		
物业、厂房和设备变卖亏损	97	-

1. Depreciation expenses of approximately RMB11,768,000 had been charged to cost of sales in the Group Statement of Comprehensive Income for the 3 months ended 31 March 2014 (3 months ended 31 March 2013: approximately RMB11,854,000). Depreciation expenses of approximately RMB432,000 had been charged to administrative expenses in the Group Statement of Comprehensive Income for the 3 months ended 31 March 2014 (3 months ended 31 March 2013: approximately RMB432,000).
约人民币一千一百七十六万八千元的折旧费已被计在截至 2014 年 3 月 31 日三个月的综合收入报表内的销售成本里(截至 2013 年 3 月 31 日三个月: 约人民币一千一百八十五万四千元)。约人民币四十三万二千元的折旧费已被计在截至 2014 年 3 月 31 日三个月的综合收入报表内的管理费用里(截至 2013 年 3 月 31 日三个月: 约人民币四十三万二千元)。
2. Amortisation of land use rights of approximately RMB35,000 had been charged to cost of sales in the Group Statement of Comprehensive Income for the 3 months ended 31 March 2014 (3 months ended 31 March 2013: approximately RMB35,000).
约人民币三万五千元的土地使用权摊销已被计在截至 2014 年 3 月 31 日三个月的综合收入报表内的销售成本里(截至 2013 年 3 月 31 日三个月: 约人民币三万五千元)。
3. 4 fully depreciated air-jet looms with residual value of RMB136,000 were disposed off to independent third parties with sales proceeds of RMB39,000 during the period.
4 台已完全折旧的喷气机残值约人民币十三万六千元在期内变卖了给独立第三方代价人民币三万九千元。

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.
(本公司及集团)的资产负债表连同上一财政年的对比报表。

	<u>Group 集团</u>		<u>Company 本公司</u>	
	31 Mar 2014 2014 年 3 月 31 日 RMB'000 Unaudited 未经审计	30 Jun 2013 2013 年 6 月 30 日 RMB'000 Audited 已经审计	31 Mar 2014 2014 年 3 月 31 日 RMB'000 Unaudited 未经审计	30 Jun 2013 2013 年 6 月 30 日 RMB'000 Audited 已经审计
ASSETS 资产				
Non-current assets 非流动资产				
Property, plant and equipment 物业、厂房和设备	544,614	581,522	-	-
Land use rights 土地使用权	5,475	5,580	-	-
Investments in subsidiaries 集团子公司投资	-	-	208,318	208,318
	550,089	630,393	208,318	208,318
Current assets 流动资产				
Inventories 库存	253,232	251,944	-	-
Trade and bills receivables 应收帐款及票据	64,223	59,368	-	-
Prepayments, other receivables and deposits 预付款、其他应收款及预付订金	22,182	47,054	-	-
Due from subsidiaries 集团子公司往来	-	-	605	4,502
Pledged deposits 抵押存款	202,492	276,550	-	-
Cash and cash equivalents 现金和现金等值物	75,338	34,823	-	-
	617,467	669,739		4,502
TOTAL ASSETS 总资产	1,167,556	1,256,841		212,820
EQUITY AND LIABILITIES 权益和负债				
Equity attributable to owners of the Company 公司权益持有人所属权益				
Share capital 股本	78,438	78,438	78,438	78,438
Reserves 储备	91,418	146,238	118,898	122,566
Total equity 股东权益	169,856	224,676	197,336	201,004
Non-current liabilities 非流动负债				
Government grant 政府补贴	1,404	1,572	-	-
Bank borrowings 银行贷款	50,000	188,000	-	-
	51,404	189,572		
Current liabilities 流动负债				
Trade payables 应付帐款	10,252	39,579	-	-
Accrued liabilities, other payables and deposits received 计提负债、其他应付款及预收订金	67,754	74,393	11,587	11,816
Government grant 政府补贴	225	225	-	-
Bank borrowings 银行贷款 ¹	856,468	716,500	-	-
Tax payable 应付税金	11,597	11,896	-	-
	946,296	842,593	11,587	11,816
Total liabilities 总负债	997,700	1,032,165	11,587	11,816
TOTAL EQUITY AND LIABILITIES 权益及负债总额	1,167,556	1,256,841	208,923	212,820

1. The Group's bank borrowings as at 31 March 2014 included other bank borrowings in the form of bills payables of RMB373,500,000 (30 June 2013: RMB366,000,000), which were guaranteed by independent third parties and secured by the pledge of certain of the Group's property, plant and equipment, land use rights and bank deposits, with credit period of 180 days. They were repayable within 6 months.

集团的银行贷款包括由独立第三方提供担保和以集团的厂房设备、土地和存款作抵押的应付票据人民币三亿七千三百五十万元(2013年6月30日:人民币三亿六千六百万),还款期是180日。它们会于6个月内到期还款。

1(b)(ii) Aggregate amount of group's borrowings and debt securities. 集团贷款及抵押债务总额

Amount repayable in one year or less, or on demand 一年内应偿还或见索即付款额

As at 31 Mar 2014 于 2014 年 3 月 31 日		As at 30 Jun 2013 于 2013 年 6 月 30 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
856,468	-	716,500	-

Amount repayable after one year 一年后应偿还款额

As at 31 Mar 2014 于 2014 年 3 月 31 日		As at 30 Jun 2013 于 2013 年 6 月 30 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
50,000	-	188,000	-

Details of any collateral

抵押品的详情

The Group's bank borrowings as at 31 March 2014 included RMB50,000,000 (30 June 2013: RMB88,000,000) which were secured by a pledge of certain of the Group's property, plant and equipment and land use rights, RMB440,468,000 (30 June 2013: RMB380,500,000) which were guaranteed by independent third parties and a related company, Hongcheng Company and RMB416,000,000 (30 June 2013: RMB436,000,000) which were secured by a pledge of certain of the Group's property, plant and equipment, land use rights and were guaranteed by independent third parties, with interests ranging from 6.00% to 8.4% per annum as at 31 December 2013 (FY2013: ranging from 6.00% to 8.40% per annum).

集团的银行贷款包括以集团的厂房设备和土地作抵押的银行借款人民币五千万元(2013年6月30日:人民币八千八百万元)、由独立第三方和宏诚集团提供担保的银行借款人民币四亿四千零四十六万八千元(2013年6月30日:人民币三亿八千零五十万元)及以集团的厂房设备、土地和存款作抵押和由独立第三方提供担保的银行借款人民币四亿一千六百万(2013年6月30日:人民币四亿三千六百万)。于2013年12月31日这些贷款年利率由每年6.00%至8.40%不等(FY2013:由6.00%至8.40%不等)。

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.

Statement of cash flows for the three months ended 31 March 2014

截至 2014 年 3 月 31 日三个月的现金流量表

	Group 集团	
	3 months ended	3 months ended
	31 Mar 2014	31 Mar 2013
	截至 2014 年	截至 2013 年
	3 月 31 日	3 月 31 日
	三个月	三个月
	RMB'000	RMB'000
	Unaudited	Unaudited
	未经审计	未经审计
Cash flows from operating activities 营运所得现金流量		
Loss before income tax 税前亏损	(18,715)	(13,370)
Adjustments for 调整以下各项:		
Interest income 利息收入	(1,647)	(1,044)
Interest expenses 利息支出	12,818	10,962
Depreciation 折旧	12,200	12,286
Amortisation of land use rights 土地使用权摊销	35	35
Amortisation of government grants 政府补贴摊销	(56)	(56)
Loss on disposal of property, plant and equipment 物业、厂房和设备变卖亏损	97	-
Operating profit before working capital changes 计算流动资金变更前后的营运利润	4,732	8,813
Increase in inventories 存货增加	(17,747)	(14,482)
(Increase)/decrease in trade and bills receivables 应收帐款和应收票据(增加)/减少	(10,893)	14,531
(Increase)/decrease in prepayments, other receivables and deposits 预付款, 其他应收款和预付订金(增加)/减少	(11,577)	22,975
(Decrease)/increase in trade payables 应付帐款(减少)/增加	(8,718)	517
Decrease in accrued liabilities, other payables and deposits received 计提负债, 其他应付款和预收订金减少	(3,811)	(34,835)
Cash generated from operations 营运所得现金	(48,014)	(2,481)
Income taxes paid 已付税款	(102)	(96)
Net cash used in operating activities 营运活动所用净现金	(48,116)	(2,385)
Cash flows from investing activities 投资活动所得现金流量		
Interest received 已收利息	1,647	1,044
Proceed from disposal of property, plant and equipment 物业、厂房和设备变卖收入	39	-
Net cash generated from investing activities 投资活动所得净现金	1,686	1,044
Cash flows from financing activities 融资活动所得现金流量		
Repayment of bank borrowings 偿还银行贷款	(25,250)	(38,750)
New bank borrowings 新增银行贷款	203,096	90,000
Increase in time deposits with original maturity of more than three months when acquired 取得时超过三个月后到期的定期存款增加	(66,505)	(30,817)
Interest paid 已付利息	(12,818)	(10,962)
Net cash generated from financing activities 融资活动所得净现金	98,523	9,471
Net increase in cash and cash equivalents 现金和现金等值物净增加	52,093	7,938
Cash and cash equivalents at 1 Jan 于 1 月 1 日的现金和现金等值物	23,245	39,025
Cash and cash equivalents at 31 Mar 于 3 月 31 日的现金和现金等值物	75,338	46,963

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) 股东权益的所有变更的报表或 (ii) 资本化发行及分配产生的股东权益变更除外的股东权益变更的报表, 连同上一财政年同期的对比报表。

Statements of changes in equity for the three months ended 31 March 2014

截至 2014 年 3 月 31 日三个月的股东权益变更报表

<u>Group</u> <u>集团</u>	Share capital 股本 RMB'000 Unaudited 未经审计	Share premium 股票溢价 RMB'000 Unaudited 未经审计	Merger reserve 合并储备 RMB'000 Unaudited 未经审计	Statutory reserve 法定储备 RMB'000 Unaudited 未经审计	Exchange fluctuation reserve 兑汇浮动储备 RMB'000 Unaudited 未经审计	Retained profits/ (accumulated losses) 保留利润/ (累计亏损) RMB'000 Unaudited 未经审计	Total equity 总股东权益 RMB'000 Unaudited 未经审计
Balance at 1 Jan 2013 2013 年 1 月 1 日余额	78,438	137,794	(18,488)	33,486	(5,431)	42,252	268,051
Loss for the period 本期亏损	-	-	-	-	-	(13,370)	(13,370)
Total comprehensive income for the period 期内总综合收入	-	-	-	-	-	(13,370)	(13,370)
Balance at 31 Mar 2013 2013 年 3 月 31 日余额	78,438	137,794	(18,488)	33,486	(5,431)	28,882	254,681
Balance at 1 Jan 2014 2014 年 1 月 1 日余额	78,438	137,794	(18,488)	33,647	(5,348)	(37,472)	188,571
Loss for the period 本期亏损	-	-	-	-	-	(18,715)	(18,715)
Total comprehensive income for the period 期内总综合收入	-	-	-	-	-	-	-
Balance at 31 Mar 2014 2014 年 3 月 31 日余额	78,438	137,794	(18,488)	33,647	(5,348)	(56,187)	169,856

<u>Company</u> <u>本公司</u>	Share capital 股本 RMB'000 Unaudited 未经审计	Share premium 股票溢价 RMB'000 Unaudited 未经审计	Merger reserve 合并储备 RMB'000 Unaudited 未经审计	Accumulated losses 累计亏损 RMB'000 Unaudited 未经审计	Total equity 总股东权益 RMB'000 Unaudited 未经审计	
Balance at 1 Jan 2013 2013 年 1 月 1 日余额		78,438	137,794	34,364	(10,872)	239,724
Loss for the period 本期亏损		-	-	-	(517)	(517)
Total comprehensive income for the period 本期总综合收入		-	-	-	(517)	(517)
Balance at 31 Mar 2013 2013 年 3 月 31 日余额		78,438	137,794	34,364	(11,389)	239,207
Balance at 1 Jan 2014 2014 年 1 月 1 日余额		78,438	137,794	34,364	(52,692)	197,904
Loss for the period 本期亏损		-	-	-	(568)	(568)
Total comprehensive income for the period 本期总综合收入		-	-	-	-	-
Balance at 31 Mar 2014 2014 年 3 月 31 日余额		78,438	137,794	34,364	53,260	197,336

1. In accordance with the relevant laws and regulations of the PRC, the subsidiaries of the Company established in the PRC are required to transfer 10% of its profit after taxation prepared in accordance with the accounting regulation in the PRC to the statutory reserve until the reserve balance reaches 50% of the respective registered capital. This statutory reserve is non-distributable except upon liquidation of the PRC subsidiaries.

根据中国有关法规和守则，本公司于中国设立的子公司需将税后利润(根据中国会计制度计算)的 10%转入法定储备直到法定储备达到该子公司的注册资本的 50%为止。这法定储备(除在该子公司清盘的情况下以外)是不可作分配的。

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

自上一财政期，本公司因附加股、红股、股份购回、行使认股选择权或认股证、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发生的任何变更的详细情况。亦须注明截至本财政期末及截至上一财政年同期可能因所有有效可换股证券行使时会发行的股票数目，及库存股票股数（如有）占上市公司已发行股票的总数（扣除库存股票）。

There were no changes in the Company's share capital for the three months ended 31 March 2014.

截至 2014 年 3 月 31 日三个月内公司的股本没有任何变动。

- 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.**

显示于本财政期末和上一财政年末已发行股票数量，不包括库股票。

Ordinary shares of HK\$0.30 each

每股面值港币 0.30 元的普通股

As at 31 Mar 2014	As at 30 Jun 2013
截至 2014 年 3 月 31 日	截至 2013 年 6 月 30 日
268,000,000	268,000,000

The Company does not have any treasury shares as at 31 March 2014 and 30 June 2013.

公司于 2014 年 3 月 31 日和 2013 年 6 月 30 日没有任何库存股票。

- 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.**

显示本财政期末的所有销售、转让、弃置、取消和/或使用库存股票的报告声明。

Not applicable.

不适用。

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

有关数字是否已根据审计准则或惯例被审计或审阅。

The figures have not been audited or reviewed by auditors.

有关数字未经审计师审核或审阅。

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

如有关数字被审计或审阅，须附上审计师报告（包括对任何特定事项的澄清或强调）

Not applicable.

不适用。

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

是否已应用与上市公司最近经审核的年度财务报表内应用的相同会计政策和计算方法。

The Group had adopted the same accounting policies and methods of computation as stated in the audited financial statements for the year ended 30 June 2013, except for the adoption of the new and amended International Financial Reporting Standards ("IFRSs") which became effective for financial year beginning on or after 1 July 2013. The adoption of these IFRSs did not have any material impact to the Group's financial statements.

集团已应用与截至 2013 年 6 月 30 日财政年经审核的年度财务报表内应用的相同会计政策和计算方法（除采用了适用于财政年以 2013 年 7 月 1 日或以后的新修订国际财务报告准则 ("IFRSs")）。采用这些 IFRSs 不会对集团的财务报表有重大影响。

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.**

如会计政策和计算方法有任何变更（包括会计准则要求），须列出有关的变更、变更原因和变更的影响。

Not applicable.

不适用。

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.**

扣除优先股股息准备后，集团在本财政期间及上一财政年同期每股普通股的盈利

	<u>Group 集团</u>	
	3 months ended 31 Mar 2014 截至 2014 年 3 月 31 日 三个月 Unaudited 未经审计	3 months ended 31 Mar 2013 截至 2013 年 3 月 31 日 三个月 Unaudited 未经审计
In RMB cents 人民币分		
Loss per ordinary share of the group, after deducting any provision for preference dividends 扣除任何优先股股息准备后，集团每股普通股亏损		
(a) Based on number of ordinary shares on issue; and 基于以发行普通股数目	(6.98)	(4.99)
(b) On a diluted basis 基于摊薄基准	n/a	n/a

Note:

The calculation of basic loss per share for the 3 months ended 31 March 2014 was computed by dividing the Group's loss for the period by the number of 268,000,000 ordinary shares (3 months ended 31 March 2013: 268,000,000 ordinary shares) during the period.

截至 2014 年 3 月 31 日三个月的每股亏损的计算方法是将集团本期亏损除以本期普通股数量 268,000,000 股（截至 2013 年 3 月 31 日三个月：268,000,000 普通股）。

Diluted loss per share for the period has not been presented as there was no potential ordinary share for the 3 months ended 31 March 2014 (3 months ended 31 March 2013: nil).

全面摊薄后的每股(亏损)/盈利未被列出因为截止 2014 年 3 月 31 日三个月没有可引发摊薄的普通股（截至 2013 年 3 月 31 日三个月：无）。

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.

基于期末已发行股本（扣除库存股票）计算，(a) 于本财政期末；和 (b) 于上一财政年末上市公司和集团每股普通股资产净值。

	<u>Group 集团</u>		<u>Company 本公司</u>	
	31 Mar 2014 2014 年 3 月 31 日	30 Jun 2013 2013 年 6 月 30 日	31 Mar 2014 2014 年 3 月 31 日	30 Jun 2013 2013 年 6 月 30 日
In RMB 人民币	Unaudited 未经审计	Unaudited 未经审计	Unaudited 未经审计	Unaudited 未经审计

Net asset value per ordinary share based on issued share capital at the end of:

基于期末已发行股本计算，每股普通股资产净值	0.63	0.84	0.74	0.75
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Note:

The net asset value was calculated by dividing the Group's net asset value by the number of ordinary shares of 268,000,000 (30 Jun 2012: 268,000,000).

资产净值的计算方法是将集团资产净值除以本期普通股数量 268,000,000 股（2012 年 6 月 30 日：268,000,000 股）。

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.

回顾集团表现使能对集团业务得到合理了解。此必包括以下分析：

- (a) 本财政期内影响集团销售收入、销售成本和盈利的季节性或周期性因素（如适用）；和
 (b) 本财政期内影响集团现金流、流动资金、资产或负债的因素。

REVIEW OF FINANCIAL RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2014("3QFY2014") COMPARED TO THE THREE MONTHS ENDED 31 MARCH 2013("3QFY2013")

截至 2014 年 3 月 31 日三个月("3QFY2014")比较截至 2013 年 3 月 31 日三个月("3QFY2013")的财务业绩回顾

Revenue 销售收入

Revenue decreased significantly by 35.9% by approximately RMB37.9 million from RMB105.5 million in 3QFY2013 to RMB67.6 million in 3QFY2014. This was mainly attributable to a decrease in sales volume of the Group's products as a result of the weak market demand. The differences in commodity prices for cotton between local traders and overseas traders continuously affected the competitiveness of the PRC textile products in the overseas market. Furthermore, due to the increasing raw material and finance costs, domestic home textile manufacturers had to minimise their inventory levels to keep their working capital flexible and this led to the decrease in their purchases from their upstream cotton fabrics suppliers.

销售收入由 3QFY2013 的人民币一亿零五百五十万元显著减少 35.9%即约人民币三千七百九十万元至 3QFY2014 的人民币六千七百六十万元，主要原因是市场需求疲弱所致。国内外棉花价

差预期会继续减弱中国纺织品在外地市场的竞争力。此外，由于原料价格上升、国内消费不旺和融资成本上升，下游企业尽量压缩库存来减少资金占用，所以减少向上游布料供应商的采购。

Cost of sales, gross profit and gross profit margin 销售成本、毛利和毛利率

Cost of sales decreased in line with sales by approximately RMB33.3 million from RMB100.9 million in 3QFY2013 to RMB67.6 million in 3QFY2014. Gross profit decreased by RMB4.6 million from RMB4.6 million in 3QFY2013 to RMB12,000 in 3QFY2014 and gross profit margin decreased from 4.4% in 3QFY2013 to 0.0% in 3QFY2014. Due to the quota imposed by the PRC government to protect domestic cotton industry, the Group had to purchase more of the higher-priced domestic cotton to produce the Group's products, thus resulting in the decrease in profit margin.

销售成本由 3QFY2013 的人民币一亿零九十万元减少约人民币三千三百万元至 3QFY2014 的人民币六千七百六十万元。毛利由 3QFY2013 的人民币四百六十万元减少约人民币四百六十万元至 3QFY2014 的人民币一万二千元和毛利率由 3QFY2013 的 4.4%减少至 3QFY2014 的 0.0%。这主要原因是 3QFY2014 集团因国家保护本地棉花产业的配额限制而使用价格较高的本地棉花生产产品令原料成本相对 3QFY2013 增加所致。

Other income 其他收入

Other income, mainly interest income, increased by approximately RMB0.6 million from RMB1.1 million in 3QFY2013 to RMB1.7 million in 3QFY2014 due mainly to the increase in bank deposits.

其他收入，主要是利息收入，由 3QFY2013 的人民币一百一十万元增加约人民币六十万元至 3QFY2014 的人民币一百七十万元，主要原因是银行存款增加所致。

Selling and distribution expenses 销售费用

Selling and distribution expenses decreased in line with sales by approximately RMB0.1 million from RMB1.5 million in 3QFY2013 to RMB1.4 million in 3QFY2014, due mainly to the decrease in transportation costs.

销售费用随销售由 3QFY2013 人民币一百五十万元减少约人民币十万元至 3QFY2014 的人民币一百四十万元，主要原因是集团运费减少所致。

Finance costs 财务成本

Finance costs increased by RMB1.8 million from RMB11.0 million in 3Q2013 to RMB12.8 million in 3Q2014 due to an increase in the Group's bank borrowings for additional working capital during the period. The borrowing costs contributed to about 70% of the Group's loss for the period.

财务成本由 3QFY2013 的人民币一千一百万元增加约人民币一百八十万元至 3QFY2014 的人民币一千二百八十万元，主要原因是期内增加银行贷款来增加流动资金所致。借贷成本约占集团本期亏损的 70%

Loss before income tax 税前亏损

Loss before income tax increased by approximately RMB5.3 million from RMB13.4 million in 3QFY2013 to RMB18.7 million in 3QFY2014.

税前亏损由 3QFY2013 的人民币一千三百四十万元增加约人民币五十万元至 3QFY2013 的人民币一千八百七十万元。

Loss for the period 期内亏损

As a result of the above factors, loss for the period increased by approximately RMB5.3 million from RMB13.4 million in 3QFY2013 to RMB18.7 million in 3QFY2014.

期内亏损由 3QFY2013 的人民币一千三百四十万元增加约人民币五十万元至 3QFY2013 的人民币一千八百七十万元，主要原因已于上文陈述。

REVIEW OF FINANCIAL POSITION AS AT 31 MARCH 2014
2014 年 3 月 31 日财务状况审阅

Prepayments, other receivables and deposits 预付款、其他应收款及预付订金

Prepayments, other receivables and deposits decreased by RMB24.9 million in line with the decrease in sales. This was attributable mainly to the utilisation of deposits paid to suppliers to purchase raw materials.

预付款、其他应收款及预付订金减少人民币二千四百九十万元，主要原因是耗用了向供应商购买原材料的订金来采购原材料所致。

Pledged deposits 抵押存款

Pledged deposits decreased by RMB74.4 million due to the decrease in the Group's bills payables which required more pledged deposits than other bank borrowings.

抵押存款减少人民币七千四百四十万元，主要原因是需较多抵押存款的应付票据减少所致。

Trade payables 应付帐款

Trade payables decreased by RMB29.3 million due mainly to the decrease in purchase of raw materials.

应付帐款减少人民币二千九百三十万元，主要原因是集团减少原料采购所致。

Bank borrowings 银行贷款

Short term interest-bearing bank borrowings increased by RMB140.0 million and long term interest-bearing bank borrowings decreased by RMB139.0 million due mainly to the reclassification of certain long term interest-bearing bank borrowings to short term interest-bearing bank borrowings as they became repayable within one year.

短期银行贷款增加人民币一亿四千万元而长期银行贷款减少人民币一亿三千九百万元。主要原因是主要是因为某些长期计息银行贷款变成应于一年内偿还，因而被重新列入短期计息银行贷款所致。

Other major assets and liabilities such as properties, plant and equipment, inventories, trade and bills receivables, accrued liabilities, other payables and deposits and tax payable remained at approximately the same level as 30 June 2013.

其他主要的资产和负债如物业、厂房和设备、库存、计提负债、其他应付款及预收订金和应付税金都维持与 2013 年 6 月 30 日相约水平。

There were net current liabilities of RMB328.8 million as at 31 March 2014 due mainly to the increase in the Group's current portion of bank borrowings to increase the flexibility in managing the Group's bank borrowings according to the Group's working capital needs, thereby reducing interest costs.

因此，于 2014 年 3 月 31 日有净流动负债人民币三亿二千八百八十万元，因为集团短期贷款比重增加以加强集团管理贷款的灵活性，方便根据集团资金需要减少贷款及其相关利息。

The Group has maintained good business relationship with the banks. As a normal practice, it will arrange with the banks to reschedule the bank borrowings when they fall due. The Group is therefore confident that the existing bank borrowings can be renewed as they fall due so that the operations of the Group will not be affected. Nevertheless, management is monitoring its cashflow closely to ensure that the Group has adequate working capital.

集团与银行一直保持良好业务关系。按惯例，贷款到期时，集团会与银行再安排贷款。所以，集团有信心目前贷款到期时也能安排跟新延续而集团运作不受影响。无论如何，管理层会紧密监察集团的现金流，确保集团有足够的流动资金。

CASH FLOW STATEMENT REVIEW

现金流量表审阅

3QFY2014 vs 对比 3QFY2013

Net cash used in operating activities was RMB48.1 million in 3QFY2014 compared to RMB2.4 million 3QFY2013 due mainly to the increase in inventories, trade and bills receivables and prepayments, other receivables and deposits.

3QFY2014 的营运活动所用净现金是人民币四千八百一十万元，主要原因是存货、应收帐款和应收票据及预付款、其他应收款及预付订金的减少所致。而 3QFY2013 的营运活动所用净现金是人民币二百四十万元。

Net cash used in investing activities was RMB1.7 million in 3QFY2014 compared to RMB1.0 million in 3QFY2013 due mainly to the interest income received from bank deposits.

3QFY2014 的投资活动所用净现金是人民币一百七十万元，主要是银行存款利息收入。而 3QFY2013 的投资活动所用净现金是人民币一百万元。

Net cash generated from financing activities was RMB98.5 million in 3QFY2014 compared to RMB9.5 million in 3QFY2013 due mainly to the increase in bank borrowings.

3QFY2014 的融资活动所得净现金是人民币九千八百五十万元，主要原因是增加银行贷款所致。而 3QFY2013 的融资活动所用净现金是人民币九百五十万元。

As a result, there was a net increase in cash and cash equivalents of RMB53.1 million in 3QFY2014 compared to RMB7.9 million in 3QFY2013.

因此，3QFY2014 现金和现金等值物净增加是人民币五千三百一十万元。而 3QFY2013 的现金和现金等值物净增加是人民币七百九十万元。

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

如以前曾向股东披露预测或前景声明，列明它与实际业绩的差别。

The 3QFY2014 results are in line with the information described in paragraph 10 of the 2QFY2014 results announcement.

3QFY2014 业绩与 2QFY2014 的业绩公告第 10 段描述的内容相符。

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，集团所处行业的显著趋势和竞争情况以及可能影响集团在下个报告和未来 12 个月的任何已知因素或事项的有关评论。

Since 2014, many PRC textile manufacturers affected by the weak market condition have decreased their production activities. Some of these PRC textile manufacturers have closed their factories or intended to move their factories to South East Asia where production costs are lower. The factors leading to the weak market conditions have been discussed in paragraph 8 of this announcement and they are expected to continuously affect domestic home textile manufacturers.

To tackle this difficult environment and help the domestic textile industry, the PRC government had in April 2014, reformed the domestic cotton collection policy by granting government subsidies to the cotton farmers instead of collecting cotton from them. In view of the above, domestic textile manufacturers anticipate to benefit from the changes in the long run.

Whilst management continues to focus on its operational efficiency and expand its local and overseas market, the next twelve months continue to be tough and challenging.

自 2014 年，受疲弱市场影响，很多中国的纺织制造商已经缩小生产规模。当中，有些更关闭其工厂或考虑把工厂搬到生产成本较低的东南亚。引致这疲弱市场的因素已在本公告第 8 段描述，并预期它们会继续影响本地的家纺制造商。

面对这困难的境况，中国政府于 2014 年 4 月对本地棉花收储政策作了改革来扶持本地纺织行业。政府不再实行棉花收储，给棉农实行直补政策。相信本地纺织制造商都会受惠。

管理層会继续完善营运效率和扩大市场。未來的 12 個月会依然是艱難和充满挑戰。

**11. Dividend
股息**

**(a) Current Financial Period Reported On
本财政期**

Any dividend declared for the current financial period reported on?
有否股息于本财政期被宣布派发？

Nil.
无。

**(b) Corresponding Period of the Immediately Preceding Financial Year
上财政年同期**

Any dividend declared for the corresponding period of the immediately preceding financial year?
有否股息于上财政年同期被宣布派发？

Nil.
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.
如没有宣布或建议派发股息，须作此声明。**

No dividend has been recommended for the period under review.
期内没有建议派发股息。

13. Interested person transactions
关联人士交易

The Company does not have a shareholders' mandate for interested person transactions.
本公司没有股东授权的关联人士交易。

14. Negative Assurance Confirmation
负面保证确认

We confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of **China Hongcheng Holdings Limited** which may render these interim financial results for the third quarter ended 31 March 2014 to be false or misleading in any material aspect.

我们确认根据我们所知情的所有资料，没有任何事情导致那些会引起截至2014年3月31日第三季度财务报告出现重大虚假或误导而需要**中国宏诚控股有限公司**董事会需要特别的留意。

Liu Ming 刘明
Executive Chairman & CEO
执行主席及总裁

Zhao Yan 赵岩
Executive Director
执行董事

BY ORDER OF THE BOARD
奉董事会之命

Liu Ming 刘明
Executive Chairman
执行主席
12 May 2014
2014年5月12日