China Jicheng Holdings Limited
中國集成控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1027)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

FINANCIAL HIGHLIGHT

– Revenue increased by approximately 9.2% to approximately RMB658 million (2014: approximately RMB603 million)

– Gross profit decreased by approximately 8.6% to approximately RMB147 million (2014: approximately RMB161 million)

– Profit for the year decreased by approximately 66.0% to approximately RMB25 million (2014: approximately RMB74 million)

– Basic earnings per share decreased by approximately 65.3% to approximately RMB0.17 cents (2014 Restated: approximately RMB0.49 cents)

– The Directors do not recommend the payment of a final dividend for the year ended 31 December 2015

The board (the "Board") of directors (the "Directors") of China Jicheng Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2015, together with the comparative figures for the year ended 31 December 2014 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2015

	Notes	**2015** *RMB'000*	2014 *RMB'000*
Revenue	*4*	**657,667**	602,516
Cost of sales		**(510,464)**	(441,473)
Gross profit		**147,203**	161,043
Other income and other gains	*4*	**10,665**	4,973
Selling and distribution expenses		**(18,126)**	(12,464)
Administrative expenses		**(81,349)**	(38,580)
Finance costs	*6*	**(8,360)**	(12,474)
Profit before taxation		**50,033**	102,498
Income tax expense	*7*	**(24,804)**	(28,339)
Profit for the year	*8*	**25,229**	74,159
Other comprehensive income for the year that may be subsequently reclassified to profit or loss:			
Exchange differences on translation of financial statements of overseas entities		**2,216**	27
Total comprehensive income for the year		**27,445**	74,186
Profit for the year attributable to:			
Owner of the Company		**25,229**	73,168
Non-controlling interests		**–**	991
		25,229	74,159
Total comprehensive income for the year attributable to:			
Owner of the Company		**27,445**	73,195
Non-controlling interests		**–**	991
		27,445	74,186
Earnings per share:			(Restated)
Basic and diluted *(RMB)*	*9*	**0.17 cents**	0.49 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2015

	Notes	**2015** **RMB'000**	2014 *RMB'000*
Non-current assets			
Property, plant and equipment		**109,375**	86,758
Prepaid lease payments		**44,766**	38,256
		154,141	125,014
Current assets			
Inventories		**106,951**	108,219
Trade receivables	*11*	**51,250**	43,698
Prepayments and other receivables		**39,834**	48,536
Prepaid lease payments		**1,033**	892
Pledged deposits		**23,805**	21,374
Bank balances and cash		**260,382**	128,726
		483,255	351,445
Current liabilities			
Trade and bills payables	*12*	**64,475**	68,907
Accrued expenses and other payables		**8,336**	14,075
Income tax payable		**3,294**	6,709
Bank borrowings		**136,131**	146,528
		212,236	236,219
Net current assets		**271,019**	115,226
Net assets		**425,160**	240,240
Capital and reserves attributable to owner of the Company			
Share capital		**4,731**	–
Reserves		**420,429**	240,240
Total equity		**425,160**	240,240

NOTES:

1. GENERAL INFORMATION OF THE GROUP AND REORGANISATION

The Company was incorporated in the Cayman Islands on 12 June 2014 as an exempted company with limited liability under the Companies Law of the Cayman Islands.

The address of the registered office is Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. The address of the principal place of business of the Company in Hong Kong is Room 904, Loon Kee Building, 275 Des Voeux Road Central, Hong Kong. The Company is engaged in investment holding while the principal subsidiaries are principally engaged in manufacture and sale of umbrella and umbrella parts.

Pursuant to a special resolution for change of company name which was passed at the extraordinary general meeting of the Company held on 25 June 2015, the English name of the Company has been changed from Jicheng Umbrella Holdings Limited to China Jicheng Holdings Limited and the Chinese name of the Company from 集成傘業控股有限公司 to 中國集成控股有限公司. The Certificate of Incorporation on Change of Name of the Company was issued by the Registrar of Companies in the Cayman Islands on 29 June 2015 and the Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 31 July 2015.

Pursuant to a group reorganisation (the "Reorganisation") of the Company and its subsidiaries, the Company became the holding company of the companies now comprising the Group on 11 October 2014. The directors of the Company consider that the parent and ultimate holding company of the Company to be Jicheng Investment Limited, a company incorporated in the British Virgin Islands ("BVI") with limited liability. Its ultimate controlling party is Mr. Huang Wenji, who is also the executive director of the Company. Since all entities which took part in the Reorganisation were under common control of Mr. Huang Wenji (the "Controlling Shareholder"), the Group is regarded as a continuing entity resulting from Reorganisation of entities under common control. Accordingly, the consolidated financial statements of the Group has been prepared on the basis as if the Company had always been the holding company of the companies now comprising the Group, using the principles of merger accounting as prescribed in Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). Details of the Reorganisation were set out in section headed "History and Corporate Structure – Reorganisation" in the prospectus dated 3 February 2015 (the "Prospectus").

The shares of the Company have been listed on the main board (the "Main Board") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with effect from 13 February 2015 (the "Listing Date").

The consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows include the results and cash flows of the companies now comprising the Group have been prepared as if the current group structure had been in existence since their respective date of incorporation up to 31 December 2015.

The functional currency of the Company and the subsidiaries established in the PRC are RMB. The consolidated financial statements are presented in RMB, which is the same as the functional currency of the Company.

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant for the preparation of the Group's consolidated financial statements for the first time in the current year:

Amendments to HKAS 19	Defined benefit plans: employee contributions
Amendments to HKFRSs	Annual improvements to HKFRSs 2010-2012 cycle
Amendments to HKFRSs	Annual improvements to HKFRSs 2011-2013 cycle

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

The Group has not early applied the following new and revised HKFRSs and amendments that have been issued but are not yet effective.

HKFRS 9 (2014)	Financial Instruments[2]
HKFRS 15	Revenue from Contracts with Customers[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle[1]
Amendments to HKAS 1	Disclosure Initiative[1]
Amendments to HKFRS 11	Accounting for Acquisition of Interests in Joint Operations[1]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	Investment Entities: Applying the Consolidation Exception[1]
Amendments to HKFRS 10 and HKAS 28 (2011)	Sale or Contribution of Assets between an Investor and its and Associate or Joint Venture[3]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[1]

1 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
2 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
3 Effective for annual beginning on or after a date to be determined.

Annual Improvements to HKFRSs 2012-2014 Cycle

The *Annual Improvements to HKFRSs 2012-2014 Cycle* include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 5 clarify that changing from one of the disposal methods (i.e. disposal through sale or disposal through distribution to owners) to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in HKFRS 5. Besides, the amendments also clarify that changing the disposal method does not change the date of classification.

The amendments to HKFRS 7 clarify that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in HKFRS 7 in order to assess whether the additional disclosures for any continuing involvement in a transferred asset that is derecognised in its entirety are required. Besides, the amendments to HKFRS 7 also clarify that disclosures in relation to offsetting financial assets and financial liabilities are not required in the condensed interim financial report, unless the disclosures provide a significant update to the information reported in the most recent annual report.

The amendments to HKAS 19 clarify that the market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

HKAS 34 requires entities to disclose information in the notes to the interim financial statements 'if not disclosed elsewhere in the interim financial report'. The amendments to HKAS 34 clarify that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report. The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete.

The Directors do not anticipate that the application of the amendments included in the *Annual Improvements to HKFRSs 2012-2014 Cycle* will have a material effect on the Group's consolidated financial statements.

HKFRS 9 (2014) Financial Instruments

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets; and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 (2014) are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principle and interest on the principle outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principle amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to changes in the financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

- In relation to the impairment of financial assets, HKFRS 9 requires and expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in HKAS 39. Under HKFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The Directors anticipate that the application of HKFRS 9 in the future may have a material impact on amounts reported in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 9 until the Group undertakes a detailed review.

HKFRS 15 Revenue from contracts with customers

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.

- Step 2: Identify the performance obligations in the contract.

- Step 3: Determine the transaction price.

- Step 4: Allocate the transaction price to the performance obligations in the contract.

- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The Directors anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

Amendments to HKAS 16 and HKAS 38 Clarification of Acceptance Methods of Depreciation and Amortisation

The amendments establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendments also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

The amendments are effective for annual periods beginning on or after 1 January 2016 with early application permitted. The amendments should be applied prospectively. As the Group use straight-line method for the depreciation for its property, plant and equipment, the Directors believe that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly. The Directors anticipate that the application of the amendments will have no material impact on the consolidated financial statements.

Amendments to HKAS 1 Disclosure Initiative

The amendments clarify that companies should use professional judgement in determining what information as well as where and in what order information is presented in the financial statements. Specifically, an entity should decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the financial statements, which include the notes. An entity does not require to provide a specific disclosure required by a HKFRS if the information resulting from that disclosure is not material. This is the case even if the HKFRS contain a list of specific requirements or describe them as minimum requirements.

Besides, the amendments provide some additional requirements for presenting additional line items, headings and subtotals when their presentation is relevant to an understanding of the entity's financial position and financial performance respectively. Entities, in which they have investments in associates or joint ventures, are required to present the share of other comprehensive income of associates and joint ventures accounted for using the equity method, separated into the share of items that (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

Furthermore, the amendments clarify that:

(i) an entity should consider the effect on the understandability and comparability of its financial statements when determining the order of the notes; and

(ii) significant accounting policies are not required to be disclosed in one note, but instead can be included with related information in other notes.

The amendments will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted.

The Directors anticipate that the application of Amendments to HKAS 1 in the future may have no material impact on the disclosures made in the Group's consolidated financial statements.

Other than the above mentioned new and revised HKFRSs and amendments the Directors anticipate that the application of the new and revised HKFRSs and amendments will have no material impact on the consolidated financial statements.

3. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements also include applicable disclosure required by the Rules Governing the Listing of Securities of the Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance ("CO").

The provisions of the new Hong Kong Companies Ordinance (Cap. 622) regarding preparation of accounts and directors' reports and audits became effective for the Company for the financial year ended 31 December 2015. Further, the disclosure requirements set out in the Listing Rules regarding annual accounts have been amended with reference to the new CO and to streamline with HKFRSs. Accordingly the presentation and disclosure of information in the consolidated financial statements for the financial year ended 31 December 2015 have been changed to comply with these new requirements. Comparative information in respect of the financial year ended 31 December 2014 are presented or disclosed in the consolidated financial statements based on the new requirements. Information previously required to be disclosed under the predecessor CO or Listing Rules but not under the new CO or amended Listing Rules are not disclosed in these consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

4. REVENUE AND OTHER INCOME AND OTHER GAINS

Revenue represents the amounts received and receivable for goods sold and service provided in the normal course of business, net of discounts, sales returns and sales related taxes. Analysis of the Group's revenue for the year is as follows:

	2015	2014
	RMB'000	*RMB'000*
Revenue		
Sale of goods	**657,667**	602,516
Other income and other gains		
Bank interest income	**1,221**	1,182
Government grants *(Note)*	**2,541**	3,289
Exchange gain, net	**6,903**	502
	10,665	4,973

Note: During the year, government grants of approximately RMB2,541,000 (2014: RMB3,289,000) were received, where the Group had fulfilled the relevant granting criteria, in respect of certain research projects and export encourage scheme. The amounts were therefore immediately recognised as other income.

5. SEGMENT INFORMATION

The Group is engaged in a single operating segment, the manufacture and sale of umbrella and umbrella parts. Operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision maker (the "CODM"). The CODM is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Directors as they collectively make strategic decision in allocating the Group's resources and assessing performance. No segment assets, liabilities and other segment information in the measure of Group's segment result and segment assets are presented as the information is not reported to the CODM for the purposes of resource allocation and performance assessment.

Product information

The Group's main products are POE umbrella, nylon umbrella and umbrella parts. An analysis of the Group's revenue by product category is as follow:

	2015	2014
	RMB'000	*RMB'000*
POE umbrella	**399,712**	432,842
Nylon umbrella	**188,465**	113,284
Umbrella parts	**69,490**	56,390
	657,667	602,516

Geographical information

The Group's operations are located in the PRC. The Group's customers are mainly located in Japan and the PRC.

An analysis of the Group's revenue from external customers presented by geographical location is detailed below:

Revenue from external customers	**2015**	2014
	RMB'000	*RMB'000*
Japan	**331,150**	351,037
PRC	**204,247**	153,044
Other	**122,270**	98,435
	657,667	602,516

The country of domicile of the Group's operation is PRC. Consequently, the Group's major non-current assets are all located in the PRC.

Information about major customers

Details of the customers individually representing 10% or more of the Group's revenue are as follows:

	2015	2014
	RMB'000	*RMB'000*
Customer A	**120,102**	N/A*
Customer B	**89,675**	115,124
Customer C	**N/A***	103,575

* *The corresponding revenue does not contribute over 10% of the total revenue of the Group in the respective year.*

6. FINANCE COSTS

	2015	2014
	RMB'000	*RMB'000*
Interest expenses on:		
– bank borrowings wholly repayable within five years	**8,360**	12,474

7. INCOME TAX EXPENSE

	2015	2014
	RMB'000	*RMB'000*
Current income tax		
– PRC Enterprise Income Tax	**24,804**	28,339

i) Pursuant to the rules and regulations of the Cayman Islands and BVI, the Group is not subject to any income tax in the Cayman Islands and BVI.

ii) No provision for Hong Kong profits tax has been made for subsidiary established in Hong Kong as this subsidiary did not have any assessable profits subject to Hong Kong profits tax during the year ended 31 December 2015 and 2014.

iii) Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC companies is 25% for the year ended 31 December 2015 and 2014.

The income tax expense for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2015	2014
	RMB'000	*RMB'000*
Profit before taxation	**50,033**	102,498
Tax at domestic income tax rate of 25%	**12,508**	25,625
Tax effect of expense not deductible for tax purposes	**12,296**	2,714
Income tax expense for the year	**24,804**	28,339

8. PROFIT FOR THE YEAR

	2015 *RMB'000*	2014 *RMB'000*
Profit for the year has been arrived at after charging:		
Salaries and allowances (excluding directors' emoluments)	**71,048**	73,606
Retirement benefit scheme contributions (excluding directors)	**14,549**	10,915
Total staff costs *(Note)*	**85,597**	84,521
Cost of inventories recognised as an expense	**510,464**	441,473
Loss on disposal of property, plant and equipment	**28**	587
Depreciation of property, plant and equipment	**5,737**	5,898
Amortisation of prepaid lease payments	**1,033**	892
Research and development expenses *(Note)*	**7,381**	3,981
Listing expenses	**8,549**	7,835
Equity-settled share-based payment expense	**36,004**	–
Auditor's remuneration	**488**	594

Note: During the year ended 31 December 2015, the staff costs involved in the research and development activities were approximately RMB1,717,000 (2014: RMB1,445,000).

9. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	2015 *RMB'000*	2014 *RMB'000*
Earnings		
Earnings for the purpose of basic and diluted earnings per share	**25,229**	73,168

	2015 *'000*	2014 *'000* (Restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**15,000,000**	15,000,000
Effect of dilutive potential ordinary shares options	**–**	–
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**15,000,000**	15,000,000

The weighted average number of ordinary shares for the purpose of calculating basic earnings per share took into account the capitalisation issue pursuant to the Reorganisation as stated in note 1.

The weighted average number of ordinary shares for the purpose of basic earnings per share for the year ended 31 December 2015 and 2014 respectively were adjusted for the share subdivision on 10 June 2015.

The computation of diluted earnings per share for the year did not assume the exercise of outstanding share options of the Company since the exercise price of the share options was higher than the average market price during the year.

The diluted earnings per share was the same as the basic earnings per share as there were no other potential dilutive ordinary shares outstanding during the year ended 31 December 2014.

10. DIVIDEND

The dividend paid by the subsidiaries, Fujian Jicheng Umbrella Company Limited (福建集成傘業有限公司) and Jinjiang Jicheng Light Industry Company Limited (晉江集成輕工有限公司), to their then shareholders during the year ended 31 December 2014 amounted to RMB52,408,000.

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2015.

11. TRADE RECEIVABLES

	2015	2014
	RMB'000	*RMB'000*
Trade receivables	**51,250**	43,698

The Group generally allows a credit period of 30 - 150 days to its trade customers. The Group does not hold any collateral over these balances.

The following is an aged analysis of trade receivables presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates.

	2015	2014
	RMB'000	*RMB'000*
0 to 90 days	**51,250**	43,500
91 to 180 days	**–**	198
	51,250	43,698

The Group has individually assessed all receivables. No impairment losses were recognised during the year ended 31 December 2015 and 2014.

As at 31 December 2014 and 2015, the aged analysis of trade receivables that was neither past due nor impaired and past due (i.e. over the credit period) but not impaired are as follows:

	2015	2014
	RMB'000	*RMB'000*
Over the credit period		
1 to 90 days	**–**	198
Neither past due nor impaired	**51,250**	43,500
	51,250	43,698

In determining the recoverability of trade receivables, the Group considers any change in credit quality of the trade receivables from the date credit was initially granted up to the reporting date. In view of the good settlement history from those receivables of the Group which are past due but not impaired, the directors of the Company consider that no provision for impairment is necessary in respect of these balances.

The Group's trade receivables that are denominated in currency other than the functional currency of the relevant Group entities are as follows:

	2015	2014
	'000	*'000*
USD	**6,190**	3,442
JPY	**123,884**	24,272

12. TRADE AND BILLS PAYABLES

	2015	2014
	RMB'000	*RMB'000*
Trade payables	**5,517**	16,565
Bills payables	**58,958**	52,342
	64,475	68,907

An aged analysis of trade and bills payables presented based on the invoice date at the end of the reporting period are as follow:

	2015	2014
	RMB'000	*RMB'000*
0 to 90 days	**33,167**	49,255
91 to 180 days	**31,308**	18,452
181 to 365 days	**–**	1,200
	64,475	68,907

The credit period on purchase of goods ranged from 30 days to 120 days. The Group has financial risk management policies or plans for its payables with respect to the credit timeframe.

The Group's trade and bills payables that are denominated in currency other than the functional currency of the relevant Group entities are as follows:

	2015	2014
	'000	*'000*
USD	**176**	705

13. CAPITAL COMMITMENT

The Group had the following capital commitments at the end of each reporting period:

	2015	2014
	RMB'000	*RMB'000*
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:		
Acquisition of property, plant and equipment	**756**	1,809

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in the manufacturing and sale of POE umbrellas, nylon umbrellas and umbrella parts such as plastic cloth and shaft. The Group manufactures products at the production site located in Dongshi Town and Yonghe Town of Jinjiang City in Fujian Province of the PRC.

The Group principally sell POE umbrellas, nylon umbrellas and umbrella parts on export basis to the Group's overseas customers which accounted for approximately 68.9% of the Group's total revenue for the year ended 31 December 2015. The Group exported its POE umbrellas, nylon umbrellas and umbrella parts to markets such as Japan, Hong Kong, South Korea, Taiwan, France and Cambodia. The Group's overseas customers would usually provide the Group with their design and specification. The Group's sales personnel would closely communicate with the Group's customers. Depending on the specific needs of these overseas customers, the Group's sales personnel would put forward the Group's suggestions for modifications to design and specification from its research and development staff to the Group's customers for their consideration. When customers decide on the final design and specification, the Group would make samples and provide to the Group's customers for approval.

For domestic market, the Group sold its POE umbrellas and nylon umbrellas and umbrella parts to the Group's customers in the PRC which accounted for approximately 31.1% of the Group's total revenue for the year ended 31 December 2015. The Group's domestic customers would usually place orders with the Group from selection of its existing POE umbrellas and nylon umbrellas products which are all designed by its research and development team. The Group also sell some of its POE umbrellas and nylon umbrellas under the Group's Jicheng (集成) brand through sales to our non-trading customers such as supermarkets.

The Group also manufactured umbrella parts as an ancillary products mainly for the Group's existing customers, both overseas and domestic customers, some of which also purchased POE umbrellas and nylon umbrellas from the Group.

To diversify its business and explore potential business opportunities, the Group is exploring and developing business opportunities and projects, particularly in internet finance and payment platform.

FINANCIAL REVIEW

Revenue

The revenue increased from approximately RMB603 million for the year ended 31 December 2014 to RMB658 million for the year ended 31 December 2015, representing an increase of approximately 9.2%. The increase in revenue from the PRC was primarily due to increased demand for the nylon umbrellas from the PRC market as compared to the previous year. The increase in revenue from export markets other than Japan was primarily due to the Group's expansion into new markets such as Hong Kong and Cambodia which led to increased demand for the POE umbrellas, nylon umbrellas and umbrella parts products. The increase in revenue was primarily due to increased demand for the nylon umbrellas from the PRC market as compared to the previous year.

Cost of Sales

The cost of sales increased from approximately RMB441 million for the year ended 31 December 2014 to RMB510 million for the year ended 31 December 2015, representing an increase of approximately 15.6%. The increase was mainly attributable to the corresponding increase in direct materials costs and direct labour costs to cope with the Group's increase in revenue for the same period.

Gross Profit and Gross Margin

As a result of the foregoing, the gross profit decreased by approximately RMB14 million, or 8.6%, from approximately RMB161 million for the year ended 31 December 2014 to RMB147 million for the year ended 31 December 2015. The gross profit margin decreased from approximately 26.7% for the year ended 31 December 2014 to approximately 22.4% for the year ended 31 December 2015. This was mainly due to more direct materials used to satisfy customer demand.

Other Income and Other Gains

The other income and other gains increased by approximately RMB6 million, or 114.4%, from approximately RMB5 million for the year ended 31 December 2014 to approximately RMB11 million for the year ended 31 December 2015. The increase was mainly due to the increase of net exchange gain arising from the depreciation of Renminbi against United State dollars during the year ended 31 December 2015.

Selling and Distribution Expenses

Selling and distribution expenses increased by approximately RMB6 million, or 45.4%, from approximately RMB12 million for the year ended 31 December 2014 to approximately RMB18 million for the year ended 31 December 2015. The increase was mainly due to the increase in promotion expenses for our group image.

Administrative Expenses

Administrative expenses increased by approximately RMB43 million, or 110.8%, from approximately RMB39 million for the year ended 31 December 2014 to approximately RMB81 million for the year ended 31 December 2015. The increase in administrative expenses was mainly due to (i) the Group's listing expenses of approximately RMB9 million related to the listing on the Main Board of the Stock Exchange, and (ii) the equity-settled share-based payment of approximately RMB36 million for the share options granted by the Company to consultants of the Group. Listing expenses mainly consisted of fees paid to professional parties.

Finance Costs

Finance costs decreased by approximately RMB4 million, or 33.0%, from approximately RMB12 million for the year ended 31 December 2014 to approximately RMB8 million for the year ended 31 December 2015. The decrease in finance cost was mainly due to relatively lower average carrying amount of the Group's interest-bearing borrowings during the year ended 31 December 2015 compared to the prior year.

Income Tax Expenses

Income tax expense decreased by approximately RMB3 million, or 12.5%, from approximately RMB28 million for the year ended 31 December 2014 to approximately RMB25 million for the year ended 31 December 2015, which was primarily due to decrease in the Group's profit before tax.

The effective tax rate increased from approximately 27.6% for the year ended 31 December 2014 to approximately 49.6% for the year ended 31 December 2015, primarily because of the Group's listing expenses and the equity-settled share-based payment recognised in administrative expenses which are non-tax deductible.

Profit for the Year

As a result for the foregoing factors, profit for the year decreased by approximately RMB49 million, or 66.0%, from approximately RMB74 million for the year ended 31 December 2014 to approximately RMB25 million for the year ended 31 December 2015.

Liquidity and Financial Resources

As at 31 December 2015, the Group's bank and cash balances (including restricted bank deposits of approximately RMB24 million (2014: approximately RMB21 million)) amounted to approximately RMB284 million (2014: approximately RMB150 million), and short-term bank borrowings amounted to approximately RMB136 million (2014: approximately RMB147 million). The annual interest rates of loans ranged from 5.6% to 7.2%.

The Group's current ratio increased from approximately 1.5 times as at 31 December 2014 to approximately 2.3 times as at 31 December 2015, which was calculated based on the total current assets divided by the total current liabilities. As at 31 December 2015, the gearing ratio was approximately 46% (2014: approximately 83%), which was calculated based on the interest-bearing liabilities as a percentage of the total equity.

Inventories

As at 31 December 2015, the inventories was approximately RMB107 million (2014: RMB108 million). The inventory turnover days were reduced from approximately 94 days in 2014 to approximately 77 days in 2015, which was calculated based on the average of the beginning and ending balance of inventories for the year divided by cost of sales for the year, and multiplied by 365 days. This was mainly due to the Group's adoption of the measures that the purchasing department reviewed and monitored the inventory level regularly so as to maintain an appropriate level of inventory, existing storage of each kind of raw materials and its prevailing purchase price.

Trade Receivables

As at 31 December 2015, the trade receivables were approximately RMB51 million (2014: RMB44 million). The Group generally allows an average credit period of 30 to 150 days to its trade customers. The average trade receivables turnover day was increased from approximately 17 days in 2014 to 26 days in 2015, which was calculated based on the average of the beginning and ending trade receivable balances for the year divided by revenue for the year and multiplied by 365 days. This was mainly due to granting a relatively longer credit term to certain customers in order to develop long-term relationship with them.

Trade and Bills Payables

As at 31 December 2015, the trade and bills payables were approximately RMB64 million (2014: RMB69 million). The Group's suppliers typically grant us a credit terms ranging from 30 days to 120 days. The average trade and bills payables turnover days were reduced from approximately 61 days in 2014 to 48 days in 2015, which was calculated based on the average of the beginning and ending of trade and bills payable balance of the year divided by cost of sales of the year and multiplied by 365 days. This is mainly due to the change in the payment method to bills requested by the suppliers which had to be settled within a shorter period.

Foreign Exchange Risk

The Group has foreign currency sales and purchases denominated in United States Dollars ("USD"), Japanese Yen ("Japanese Yen") and Hong Kong Dollars ("HKD"), which are different from the functional currency of the group entities carrying out the transactions. Also, certain trade receivables, pledged deposits, bank balances and cash, trade payables and bank borrowings are denominated in USD, Japanese Yen and HKD which are currencies other than the functional currency of the relevant group entities. The Group currently does not have a foreign currency hedging policy. However, the Directors of the Company continuously monitor the related foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

Capital Commitments and Contingent Liabilities

As at 31 December 2015, the Group had total capital commitments of RMB1 million (2014: RMB2 million), primarily related to construction of new production plant. As at 31 December 2015, the Group did not have any significant contingent liabilities (2014: Nil).

Pledge of Assets

As at 31 December 2015, the Group's leasehold land and buildings with a carrying amounts of approximately RMB106 million (2014: RMB86 million) and bank deposits with a carrying amounts of approximately RMB24 million (2014: RMB21 million) were pledged to banks for bank borrowings.

Employees and Remuneration Policy

As at 31 December 2015, the Group employed a total of 1,905 employees (2014: 2,023 employees). The emolument policy of the employees of the Group was set up by the Board based on their experience, qualifications and competence. Other employees' benefits include contributions to statutory mandatory provident funds, and social insurance together with housing provident funds to its employees in Hong Kong and the PRC respectively.

Use of Proceeds from the Global Offering

The shares of the Company were listed on the Main Board of the Stock Exchange on the Listing Date with net proceeds received by the Company from the global offering in the amount of approximately HK$134.2 million (equivalent to approximately RMB106.0 million) after deducting underwriting commissions and all related expenses. The net proceeds received from the global offering will be used in the manner consistent with that mentioned in the section headed "Future Plans and Use of Proceeds" of the Prospectus.

Purpose	Percentage to total amount	Net proceeds *RMB (million)*	Utilised amount up to 31 December 2015) *RMB (million)*	Unutilised amount up to 31 December 2015) *RMB (million)*
		(Approximately)		
Increasing our production capacity by constructing a new factory	**71.5%**	**75.8**	**24.5**	**51.3**
Paying the outstanding balance of the consideration in relation to the construction and completion of the new 10-storey office building	**2.9%**	**3.1**	**3.1**	**–**
Further expansion of our branded umbrellas by intensifying our marketing activities to promote our brand awareness both in the domestic and overseas markets	**12.1%**	**12.8**	**2.2**	**10.6**
Strengthen our technical expertise and know-how to ensure continuous improvement of our products	**3.5%**	**3.7**	**3.7**	**–**
Additional working capital and other general corporate purposes	**10.0%**	**10.6**	**10.6**	**–**
Total	**100%**	**106.0**	**44.1**	**61.9**

FUTURE PROSPECTS

The successful listing of the Group on the Main Board of the Stock Exchange marks a major milestone as well as a new chapter of the Company. The Group's principal objectives are to maintain and strengthen its position as a leading umbrella manufacturer focused in Japan market and its own branded umbrella products in the PRC market, and increase its market share in the existing markets such as Hong Kong, Cambodia and South Korea. The Group is constructing a new production plant in the industrial area located in An Qiu City of Shandong Province of the PRC to increase production capacity, bringing an extra capacity of approximately 18 million units of umbrellas to the Company each year and broadening the Company's business scope.

Looking ahead, the Group will further strengthen its leading market position and consolidate its competitive advantages in the industry, expanding production capacity, promoting business development, and enhancing its research and development capabilities in order to match the increasing demand of the umbrella market and create higher values as well as bringing better return to shareholders. To diversify its business and explore potential business opportunities, the Group is exploring and developing business opportunities and projects, particularly in internet finance and payment platform.

AUDIT COMMITTEE

The audit committee currently comprises three independent non-executive Directors, namely Mr. Chan Shiu Kwong, Stephen (Chairman of the Audit Committee), Ms. Lee Kit Ying, Winnie and Mr. Yang Xuetai. The audit committee is primarily responsible for the review and supervision of the financial reporting process and internal control system. It has reviewed the annual results for the year ended 31 December 2015, including the accounting principles and practices adopted by the Company and the Group.

MODEL CODE FOR SECURITIES TRANSACTION

The Directors have adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct for Directors in dealing in the Company's securities. As the shares of the Company were not listed on the Main Board of the Stock Exchange until the Listing Date, the Model Code was not applicable to the Company in the period under review. Specific enquiries have been made to all Directors and all Directors have confirmed that they have fully complied with the required standard of dealings as set out in the Model Code since the Listing Date.

CORPORATE GOVERNANCE

The Company has adopted and complied with the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules since the Listing Date with the following deviations:

Under paragraph A.2.1 of Appendix 14 to the Listing Rules, the roles of chairman and chief executive officer of an issuer should be separate and should not be performed by the same person. Mr. Huang is currently the Chairman of the Board and the chief executive officer who is primarily responsible for the day-to-day management of the Group's business. The Directors consider that vesting the roles of the Chairman of the Board and chief executive officer in the same person facilitates the execution of the Group's business strategies and decision making, and maximizes the effectiveness of the Group's operation. The Directors also believe that the presence of three independent non-executive Directors provides added independence to our Board. The Directors will review the structure from time to time and consider an adjustment should it become appropriate.

During the year and upon the retirement of Mr. Tse Ka Wing and Ms. Yau Lai Ying as independent non-executive Directors on 28 May 2015, the Board comprised 6 members with 5 executive Directors and 1 independent non-executive Director. As a result, the number of independent non-executive Directors had fallen below the minimum number of 3 and did not consist of one-third of the Board as required under Rules 3.10 and 3.10A of the Listing Rules, the number of members of the audit committee of the Board was reduced to 1 which was below the minimum number prescribed under Rule 3.21 of the Listing Rules and the requirements for the remuneration committee and nomination committee to comprise a majority of independent non-executive Directors prescribed under Rule 3.25 of the Listing Rules and code provision A.5.1 of the CG Code could not be met. Upon the appointments of Mr. Chan Shiu Kwong, Stephen and Ms. Lee Kit Ying, Winnie as independent non-executive Directors of the Company on 6 August 2015 and 21 August 2015 respectively, the Company has since then re-complied with the requirements pursuant to Rules 3.10, 3.10A, 3.21 and 3.25 of the Listing Rules and code provision A.5.1 of the CG Code. Save as disclosed herein, the Company had at all times complied with Rule 3.10 and Rule 3.10A of the Listing Rules during the Year.

SCOPE OF WORK OF THE COMPANY'S AUDITOR

The figures above in the preliminary announcement of the Group's result for the year ended 31 December 2015 have been agreed with the Company's auditor, Elite Partners CPA Limited ("Elite Partners"), to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Elite Partners did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Elite Partners on the preliminary announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

During the year end 31 December 2015, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

NON-COMPETITION UNDERTAKING BY CONTROLLING SHAREHOLDERS

The independent non-executive Directors have also reviewed the confirmation given by Mr. Huang Wenji and Jicheng Investment Limited, being controlling shareholders of the Company, to ensure their compliance with the non-competition undertakings as disclosed in the prospectus of the Company dated 3 February 2015.

CLOSURE OF REGISTER OF MEMBERS

The Company will make a separate announcement to confirm the date for the closure of register of members of the Company in respect of shareholders' entitlement to attend the forthcoming annual general meeting of the Company.

FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2015.

ANNUAL GENERAL MEETING

It is proposed that the annual general meeting of the shareholders of the Company will be held on a date to be fixed by the Board. Notice of annual general meeting will be published and dispatched to the shareholders of the Company in due course.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.china-jicheng.cn). The annual report of the Company for the year ended 31 December 2015 containing all the information required by the Listing Rules will be dispatched to the Company's shareholders and published on the above websites in due course.

APPRECIATION

On behalf of the Board, I would like to thank all the colleagues for their diligence, dedication, loyalty and integrity. I would also like to thank all the shareholders, customers, bankers and other business associates for their trust and support.

By order of the Board of
China Jicheng Holdings Limited
Huang Wenji
Chairman

Hong Kong, 30 March 2016

As at the date of this announcement, the executive Directors are Huang Wenji, Chen Jieyou, Yang Guang, Lin Zhenshuang and Chung Kin Hung, Kenneth; and the independent non-executive Directors are Chan Shiu Kwong, Stephen, Lee Kit Ying, Winnie and Yang Xuetai.