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**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 UNAUDITED CONDENSED CONSOLIDATED  
INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2016**

**FINANCIAL HIGHLIGHTS**

- Revenue increased by approximately 12.4% to RMB378 million.
- Gross profit decreased by approximately 24.7% to RMB63 million.
- Profit for the Period attributable to owners of the Company was approximately RMB25.4 million.
- Earnings per share attributable to owners of the Company was approximately RMB0.0339 cents.
- The Board does not recommend the payment of any interim dividend for the Period.

The board (the “**Board**”) of directors (the “**Directors**”) of China Jicheng Holdings Limited (the “**Company**”) is pleased to present the unaudited interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2016 (the “**Period**”) as follows:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the six months ended 30 June 2016*

	<i>Notes</i>	<b>Six months ended 30 June</b>	
		<b>2016</b> <i>RMB'000</i> <b>(Unaudited)</b>	<b>2015</b> <i>RMB'000</i> <b>(Unaudited)</b>
<b>Revenue</b>	3	<b>378,306</b>	336,607
Cost of sales		<u><b>(314,897)</b></u>	<u>(252,368)</u>
<b>Gross profit</b>		<b>63,409</b>	84,239
Other income and other gains		<b>4,295</b>	5,250
Selling and distribution expenses		<b>(7,031)</b>	(9,339)
Administrative expenses		<b>(21,715)</b>	(60,893)
Finance costs	5	<u><b>(3,862)</b></u>	<u>(4,314)</u>
Profit before taxation		<b>35,096</b>	14,943
Income tax expense	6	<u><b>(9,638)</b></u>	<u>(15,051)</u>
<b>Profit (Loss) for the Period</b>	7	<b>25,458</b>	(108)
<b>Other comprehensive income for the Period that may be subsequently reclassified to profit or loss:</b>			
Exchange differences on translation of financial statements of overseas entities		<u><b>(46)</b></u>	<u>2,030</u>
<b>Total comprehensive income for the period</b>		<u><b>25,412</b></u>	<u>1,922</u>
Profit (Loss) for the Period attributable to owners of the Company		<u><b>25,458</b></u>	<u>(108)</u>
Total comprehensive income for the Period attributable to owners of the Company		<u><b>25,412</b></u>	<u>1,922</u>
			(Restated)
<b>Earnings (Loss) per share (RMB cents):</b>	8		
Basic and Diluted		<u><b>0.0339</b></u>	<u>(0.0001)</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2016

	<i>Notes</i>	At <b>30 June 2016</b> <i>RMB'000</i> (Unaudited)	At 31 December 2015 <i>RMB'000</i> (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	<i>10</i>	<b>131,071</b>	109,375
Prepaid lease payment		<b>44,222</b>	44,766
		<b>175,293</b>	154,141
<b>Current assets</b>			
Inventories		<b>126,688</b>	106,951
Trade receivables	<i>11</i>	<b>131,381</b>	51,250
Prepayments and other receivables		<b>102,639</b>	39,834
Prepaid lease payments		<b>1,033</b>	1,033
Pledged deposits		<b>26,281</b>	23,805
Bank balances and cash		<b>137,535</b>	260,382
		<b>525,557</b>	483,255
<b>Current liabilities</b>			
Trade and bills payables	<i>12</i>	<b>88,675</b>	64,475
Accrued expenses and other payables		<b>15,620</b>	8,336
Income tax payable		<b>4,621</b>	3,294
Bank borrowings		<b>141,362</b>	136,131
		<b>250,278</b>	212,236
<b>Net current assets</b>		<b>275,279</b>	271,019
<b>Net assets</b>		<b>450,572</b>	425,160
<b>Capital and reserves</b>			
Share capital	<i>13</i>	<b>4,731</b>	4,731
Reserves		<b>445,841</b>	420,429
<b>Total equity</b>		<b>450,572</b>	425,160

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 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 shares of the Company have been listed on the main board (the “**Main Board**”) of the Stock Exchange with effect from 13 February 2015 (the “**Listing Date**”).

The Company is engaged in investment holding while the principal subsidiaries are principally engaged in manufacturing and sale of umbrella.

The functional currency of the Company and the subsidiaries established in the People’s republic of China (the “**PRC**”) are Renminbi (“**RMB**”). The condensed consolidated financial statements are presented in RMB, which is the same as the functional currency of the company.

### 2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“**HKAS 34**”) “Interim Financial Reporting” issued by Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The condensed consolidated financial statements have been prepared on the historical cost basis. The accounting policies and methods of computation used in the condensed consolidated financial statements for the Period are the same as those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2015.

In the current interim period, the Group has applied, for the first time, certain amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA that are mandatorily effective for the current interim period.

The Directors consider that the application of the new and revised HKFRSs in the current interim period has had no material effect on the amounts reported in the Group’s condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

### 3. REVENUE

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 Period is as follows:

	Six months ended 30 June	
	2016 <i>RMB'000</i> (Unaudited)	2015 <i>RMB'000</i> (Unaudited)
Revenue		
Sale of goods	<u>378,306</u>	<u>336,607</u>

### 4. SEGMENT INFORMATION

The Group is engaged in a single operating segment, the manufacturing and sale of umbrella. 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 Board 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 follows:

	Six months ended 30 June	
	2016 <i>RMB'000</i> (Unaudited)	2015 <i>RMB'000</i> (Unaudited)
POE umbrella	211,623	212,709
Nylon umbrella	134,795	92,510
Umbrella parts	<u>31,888</u>	<u>31,388</u>
	<u>378,306</u>	<u>336,607</u>

## 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*

	Six months ended 30 June	
	2016 <i>RMB'000</i> (Unaudited)	2015 <i>RMB'000</i> (Unaudited)
Japan	170,494	185,920
PRC	154,948	88,323
Other	52,864	62,364
	<u>378,306</u>	<u>336,607</u>

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:

	Six months ended 30 June	
	2016 <i>RMB'000</i> (Unaudited)	2015 <i>RMB'000</i> (Unaudited)
Customer A	133,536	N/A*
Customer B	63,445	46,602

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

## 5. FINANCE COSTS

	Six months ended 30 June	
	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest expenses on:		
– bank borrowings wholly repayable within five years	<u>3,862</u>	<u>4,314</u>

## 6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Current income tax		
– PRC enterprise income tax	<u>9,638</u>	<u>15,051</u>

- 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 six months ended 30 June 2016 and 2015.
- 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 six months ended 30 June 2016 and 2015.

## 7. PROFIT (LOSS) FOR THE PERIOD

	Six months ended 30 June	
	2016 <i>RMB'000</i> (Unaudited)	2015 <i>RMB'000</i> (Unaudited)
Profit (loss) for the Period has been arrived at after charging:		
Salaries and allowances (excluding directors' emoluments)	<b>37,851</b>	37,014
Retirement benefit scheme contributions (excluding directors' emoluments)	<b>7,246</b>	6,764
Total staff costs ( <i>Note</i> )	<b>45,097</b>	43,778
Cost of inventories recognised as an expense	<b>314,896</b>	252,368
Loss on disposal of property, plant and equipment	–	28
Depreciation of property, plant and equipment	<b>3,528</b>	2,811
Amortisation of prepaid lease payments	<b>545</b>	495
Research and development expenses ( <i>Note</i> )	<b>4,938</b>	2,052
Listing expenses	–	8,297
Equity-settled share-based payment expense	–	36,004
Auditor's remuneration	–	7

*Note:* During the Period, included in staff costs were staff costs of the Group's employees who engaged in research and development activities of approximately RMB868,000 (First half of 2015: RMB756,000).



## 8. EARNINGS (LOSS) PER SHARE

The calculations of basic and diluted earnings (loss) per share attributable to owners of the Company are based on the following data:

	Six months ended 30 June	
	2016 <i>RMB'000</i> (Unaudited)	2015 <i>RMB'000</i> (Unaudited)
<b>Earnings (loss)</b>		
Profit (loss) for the period attributable to owners of the Company for the purpose of basic and diluted earnings per share	<u>25,458</u>	<u>(108)</u>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>75,000,000,000</u>	75,000,000,000
Effect of dilutive potential ordinary shares options	<u>—</u>	<u>—</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>75,000,000,000</u>	<u>75,000,000,000</u>

For the six months ended 30 June 2015, the weighted average number of ordinary shares for the purpose of calculating basic loss per share has been adjusted for share capitalisation and share issue that took place in February 2015.

The weighted average number of ordinary shares for the purpose of basic profit (loss) per share for the six months ended 30 June 2016 and 2015 respectively were adjusted for the share subdivision on 10 June 2015 and 26 April 2016 as disclosed in note 13 "Share capital".

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 six months ended 30 June 2016.

The computation of diluted loss per share for the six months ended 30 June 2015 did not assume the exercise of outstanding share options of the Company since the assumed exercise would result in a decrease in loss per share.

## 9. DIVIDEND

No dividends were paid, declared or proposed during the reported period. The directors do not recommend the payment of interim dividend (First half of 2015: Nil).

## 10. PROPERTY, PLANT AND EQUIPMENT

No impairment losses were recognised in respect of property, plant and equipment for both periods. During the first half of 2016, additions to property, plant and equipment amounted to approximately RMB25,076,000 (First half of 2015: RMB13,600,000) and disposal of property, plant and equipment with net book value was nil (First half of 2015: RMB44,000).

## 11. TRADE RECEIVABLES

The Group generally allows a credit period of 30 – 150 days to its trade customers.

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.

	<b>At 30 June 2016 RMB'000 (Unaudited)</b>	At 31 December 2015 RMB'000 (Audited)
0 to 90 days	<b>107,328</b>	51,250
91 to 180 days	<b>23,981</b>	–
181 to 365 days	<b>72</b>	–
	<hr/> <b>131,381</b> <hr/>	<hr/> 51,250 <hr/>

## 12. TRADE AND BILLS PAYABLES

	<b>At 30 June 2016 RMB'000 (Unaudited)</b>	At 31 December 2015 RMB'000 (Audited)
Trade payables	<b>17,590</b>	5,517
Bills payables	<b>71,085</b>	58,958
	<b>88,675</b>	64,475

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

	<b>At 30 June 2016 RMB'000 (Unaudited)</b>	At 31 December 2015 RMB'000 (Audited)
0 to 90 days	<b>82,252</b>	33,167
91 to 180 days	<b>6,323</b>	31,308
181 to 365 days	<b>100</b>	–
	<b>88,675</b>	64,475

The credit period on purchase of goods ranged from 30 days to 120 days.

### 13. SHARE CAPITAL

	Number of shares	Nominal value of ordinary shares	
		HK\$'000	HK\$'000
Authorised:			
At 1 January 2016	25,000,000,000	10,000	
Effect of share subdivision to HK\$0.00008 each ( <i>Note</i> )	100,000,000,000	–	
At 30 June 2016, ordinary shares of HK\$0.00008 each	<u>125,000,000,000</u>	<u>10,000</u>	
Issued and fully paid:			
At 1 January 2016	15,000,000,000	6,000	4,731
Effect of share subdivision ( <i>Note</i> )	<u>60,000,000,000</u>	<u>–</u>	<u>–</u>
At 30 June 2015	<u>75,000,000,000</u>	<u>6,000</u>	<u>4,731</u>

*Note:* Pursuant to the ordinary resolution passed by the shareholders of the Company at the extraordinary general meeting of the Company held on 25 April 2016, a share subdivision was approved with effect from 26 April 2016 in which every one (1) share issued and unissued ordinary share of HK\$0.0004 each in the share capital of the Company was subdivided into five (5) subdivided shares having a par value of HK\$0.00008 per subdivided share (“**Share Subdivision**”). Immediately after the Share Subdivision, the authorised share capital of the Company of HK\$10,000,000 was divided into 125,000,000,000 subdivided shares, of which 75,000,000,000 subdivided shares were issued and fully paid. Details of the Share Subdivision are disclosed in the circular of the Company dated 8 April 2016.

All shares issued during the Period rank pari passu with existing shares in all respects.

### 14. CAPITAL COMMITMENT

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

	<b>At 30 June 2016 RMB'000 (Unaudited)</b>	At 31 December 2015 RMB'000 (Audited)
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of:		
Acquisition of property, plant and equipment	<u>4,622</u>	<u>756</u>

## 15. EQUITY-SETTLED SHARE-BASED TRANSACTION

Details of the share options outstanding and movements during the current period were as follows:

Grantee	Date of grant	Exercise period	Exercise price <i>(Note a)</i>	Outstanding at 1.1.2016	Adjusted during the period <i>(Note b)</i>	Lapsed during the period	Outstanding at 30.6.2016
Consultants	18.6.2015	18.6.2015 to 17.6.2016	0.314	60,000,000	240,000,000	(300,000,000)	-

*Notes:*

- (a) The exercise price per share option was adjusted upon the 2016 share subdivision on 26 April 2016.
- (b) The numbers of share options were adjusted upon the 2016 share subdivision on 26 April 2016.

## MANAGEMENT DISCUSSION AND ANALYSIS

### **Interim Dividend**

The Board does not recommend the payment of any interim dividend for the Period (First half of 2015: Nil).

### **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 to its customers. The Group is one of the largest exporters of umbrellas and parasols in the PRC in terms of export volume. With respect to the market of plastic umbrellas, the Group is one of the largest manufacturers of plastic umbrellas in the PRC in terms of sales volume. The Group is also one of the largest suppliers of plastic umbrellas in Japan. The Group is one of the largest umbrellas and parasols manufacturers in China in terms of sales volume. The Group sells to domestic market and exports POE umbrellas, nylon umbrellas and umbrella parts to markets such as Japan, Hong Kong, South Korea, Taiwan, France and Cambodia etc. The Group manufactures products at Dongshi Town and Yonghe Town of Jinjiang City in Fujian Province and An Qiu City in Shandong province of the PRC. 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**

#### ***Results***

During the Period, the Group's revenue increased to approximately RMB378 million, representing an increase of approximately 12.4% in comparison to that of 2015, and the profit attributable to owners of the Company of approximately RMB25.4 million for the Period, as compared with loss attributable to owners of the Company of approximately RMB0.1 million for the six months ended 30 June 2015. The Company's basic profit per share was RMB0.0339 cents.

#### ***Revenue***

The revenue increased from approximately RMB337 million for the first half of 2015 to RMB378 million for the Period, representing an increase of approximately 12.4%. The increase in revenue was primarily due to increased demand for the nylon umbrellas and umbrella parts from the PRC market compared to the previous period.

#### ***Cost of Sales***

The cost of sales increased from approximately RMB252 million for the first half of 2015 to RMB315 million for the Period, representing an increase of approximately 24.8%. The increase was mainly attributable to the increase in direct materials costs and direct labour costs to correspond with the Group's increase in the revenue for the same period.

### ***Gross Profit and Gross Margin***

As a result of the foregoing, the gross profit decreased by approximately RMB21 million, or 24.7%, from approximately RMB84 million for the first half of 2015 to RMB63 million for the same period in 2016. The Group's gross profit margin decreased from approximately 25.0% for the first half of 2015 to 16.8% for the Period. This is mainly due to more direct materials used to produce products with improved quality in order to satisfy customer increasing expectations and demand.

### ***Other Income and Other Gains***

The other income and other gains decreased by approximately RMB1 million, or 18.2%, from approximately RMB5 million for the first half of 2015 to RMB4 million for the Period. The decrease was mainly due to the decrease of government grant received.

### ***Selling and Distribution Expenses***

The selling and distribution expenses decreased by approximately RMB2 million, or 24.7%, from approximately RMB9 million for the first half of 2015 to RMB7 million for the Period. The decrease was mainly due to tight control over promotion expenses.

### ***Administrative Expenses***

Administrative expenses decreased by approximately RMB39 million, or 64.3%, from approximately RMB61 million for the first half of 2015 to RMB22 million for the Period. The decrease in administrative expenses was mainly due to (i) the Group's one off listing expenses of approximately RMB8 million related to the listing on the Main Board of the Stock Exchange in the first half of 2015, 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 in the first half of 2015. Listing expenses mainly consisted of fees paid to professional parties.

### ***Income Tax Expenses***

Income tax expense decreased by approximately RMB5 million, or 36.0%, from approximately RMB15 million for the first half of 2015 to RMB10 million for the Period, which was primarily due to decrease in the Group's taxable profit. The increase of profit before tax was mainly due to non tax deductible expenses of the Group's one off listing expenses in the first half of 2015 and the equity-settled share-based payment in the first half of 2015.

### ***Liquidity and Financial Resources***

At 30 June 2016, the Group's bank and cash balances (including restricted bank deposits of approximately RMB26 million (31 December 2015: RMB24 million)) amounted to approximately RMB164 million (31 December 2015: RMB284 million), primarily due to the net proceeds received from our global offering in February 2015. The Group's short-term bank borrowings amounted to RMB141 million (31 December 2015: RMB136 million). The annual interest rates of loans ranged from 4.6% to 6.0%.

At 30 June 2016, the Group's current ratio was approximately 2.1 times (31 December 2015: 2.3 times), which was calculated based on the total current assets divided by the total current liabilities.

At 30 June 2016, the Group's gearing ratio was approximately 47% (31 December 2015: 46%), which was calculated based on the interest-bearing liabilities as a percentage of the total equity.

### ***Inventories***

The inventory turnover days were reduced from approximately 77 days for the year ended 31 December 2015 to approximately 68 days for the Period. This was mainly due to the Group's adoption of the measures that the purchasing department reviewed and monitored the inventory level regularly, existing storage of each kind of raw materials and its prevailing purchase price so as to maintain an appropriate level of inventory.

### ***Trade Receivables***

The average trade receivables turnover day was increased from approximately 26 days for the year ended 31 December 2015 to approximately 44 days for the Period. This was mainly due to certain of our customers utilised our credit terms granted. This is in line with the credit terms of 30 days to 150 days granted by the Group to its customers.

### ***Prepayments and Other Receivables***

As at 30 June 2016, the prepayments and other receivables was approximately RMB103 million (31 December 2015: RMB40 million). The increase was mainly due to the increase of prepayment to suppliers to purchase raw materials. As at 30 June 2016, included in prepayments and other receivables, the prepayment to suppliers to purchase raw materials was approximately RMB80 million, representing an increase of approximately RMB49 million as compared to year ended 31 December 2015. The pre-ordered raw materials of approximately RMB62 million have been delivered and refunded due to suppliers unable to deliver on a timely basis to the Group as at 27 August 2016.

### ***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 continuously monitor the related foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

### ***Capital Commitments and Contingent Liabilities***

Details of the capital commitments as at 30 June 2016 are set out in note 14 to the condensed consolidated interim financial statements of this announcement. At 30 June 2016, the Group did not have any significant contingent liabilities (31 December 2015: Nil).



### ***Pledge of Assets***

At 30 June 2016, the Group's leasehold land and buildings with a carrying amounts of approximately RMB103 million (31 December 2015: RMB106 million) and bank deposits with a carrying amounts of approximately RMB26 million (31 December 2015: RMB24 million) were pledged to banks for bank borrowings.

### ***Employees and Remuneration Policy***

At 30 June 2016, the Group employed a total of 2,001 employees (31 December 2015: 1,905 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 on the Listing Date with net proceeds received by the Company from the global offering in the amount of approximately HK\$134.2 million (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.

<b>Purpose</b>	<b>Percentage to total amount</b>	<b>Net proceeds RMB (million)</b>	<b>Utilised amount (at 30 June 2016) RMB (million)</b>	<b>Unutilised amount (at 30 June 2016) RMB (million)</b>
Increasing our production capacity by constructing a new factory	71.5%	75.8	32.4	43.4
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	2.5	10.3
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	–
<b>Total</b>	<b>100.0%</b>	<b>106.0</b>	<b>52.3</b>	<b>53.7</b>

## **FUTURE PROSPECTS**

The Group's principal objectives are to maintain and strengthen its position as a leading umbrella manufacturer focused in the 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.

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.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the Period.

## **CORPORATE GOVERNANCE**

The Company is committed to maintaining high standard of corporate governance and has steered its development and protected the interests of its shareholders in an enlightened and open manner. The Board comprises four executive Directors and three independent non-executive Directors. 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 separated 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.

Code provision A.6.7 stipulates that independent non-executive directors should attend general meeting of the Company. Mr. Yang Xuetai and Ms. Lee Kit Ying, Winnie, being the independent non-executive Directors, did not attend the Company's annual general meeting held on 30 May 2016 due to their other business engagements.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS**

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 the 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 only applicable to the Company starting from the Listing Date. 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.

## **AUDIT COMMITTEE**

The Audit Committee was established on 23 January 2015. The Audit Committee comprises three independent non-executive Directors, namely Mr. Chan Shiu Kwong, Stephen, Ms. Lee Kit Ying, Winnie and Mr. Yang Xuetai. Mr. Chan Shiu Kwong, Stephen was appointed as the chairman of the Audit Committee. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and financial reporting matters including the review of the unaudited consolidated interim financial statements for the Period.

## **REMUNERATION COMMITTEE**

The Remuneration Committee was established on 23 January 2015. The Remuneration Committee comprises three independent non-executive Directors, namely, Mr. Chan Shiu Kwong, Stephen, Ms. Lee Kit Ying, Winnie and Mr. Yang Xuetai. Ms. Lee Kit Ying, Winnie is the chairperson of the Remuneration Committee.

## **NOMINATION COMMITTEE**

The Nomination Committee was established on 23 January 2015. It comprises three independent non-executive Directors, namely, Mr. Chan Shiu Kwong, Stephen, Ms. Lee Kit Ying, Winnie and Mr. Yang Xuetai. Mr. Yang Xuetai is the Chairman of the Nomination Committee.

## **PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.china-jicheng.cn](http://www.china-jicheng.cn)). The interim report of the Company for the Period 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, 29 August 2016

*As at the date of this announcement, the executive Directors are Huang Wenji, Chen Jiyou, 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.*