



陝西西北新技術實業股份有限公司

SHAANXI NORTHWEST NEW TECHNOLOGY INDUSTRY COMPANY LIMITED\*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)  
(Stock Code: 8258)

*First Quarterly Report*  
**2015**

## **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

The Growth Enterprise Market (“GEM”) of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid reports in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM listed issuers.

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*This report, for which the directors (the “Directors”) of Shaanxi Northwest New Technology Industry Company Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to Shaanxi Northwest New Technology Industry Company Limited. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this report is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this report misleading; and (iii) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

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## **SUMMARY**

- For the three months ended 31 March 2015, a turnover of RMB10,052,300 was recorded, representing an decrease of 5.87% over that of RMB10,679,400 the corresponding period in the previous year.
- For the three months ended 31 March 2015, a profit of approximately RMB2,233,100 was recorded.
- The Directors do not recommend the payment of any dividend for the three months ended 31 March 2015.

# FINANCIAL INFORMATION

## UNAUDITED RESULTS

The board of Directors (the “Board”) of Shaanxi Northwest New Technology Industry Company Limited (the “Company”) hereby announces the unaudited results of the Company for the three months ended 31 March 2015 and the unaudited comparative figures for the corresponding period in 2014 as follows:

## UNAUDITED INCOME STATEMENT

*For the three months ended 31 March 2015*

		For the three months ended 31 March	
		2015	2014
	Note	RMB'000	RMB'000
Turnover	2	10,052	10,679
Cost of Sales	2	(6,330)	(7,756)
(Gross loss)/gross profit		3,722	2,924
Distribution costs		(288)	(246)
Administrative expenses		(761)	(1,559)
Operating (loss)/profit		2,673	1,119
Finance costs		16	8
Other incomes			
(Loss)/Profit before taxation		2,689	1,127
Taxation	3	(456)	(54)
Net (loss)/profit		2,233	1,073
(Loss)/earnings per share	4	RMB0.0025	RMB0.0012

## NOTES TO THE CONDENSED ACCOUNTS

### 1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this quarterly accounts are consistent with those used in the annual accounts for the year ended 31 December 2014, with the exception of adoption of the Statements of Standard Accounting Practice (SSAP) No.12 Income Tax (revised) ("SSAP 12 (revised)") issued by the Hong Kong Institute of Certified Public Accountants.

The principal effect of the implementation of SSAP 12 (revised) is on deferred tax. In previous years, no material un-provided deferred tax existed in the relevant periods or on respective balance sheet dates. SSAP 12 (revised) requires the adoption of the balance sheet liability method, whereby deferred tax, with a few exceptions, is recognized in respect of all temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The adoption of SSAP 12 (revised) has no material effect on the results of the current or prior accounting periods.

Certain comparative figures have been reclassified to conform with the presentation of the current period.

### 2. SEGMENTAL INFORMATION

The turnover and results of the Company during the periods are analyzed in terms of business segments as follows:

#### For the three months ended 31 March 2015

	<b>Mercaptoacetic</b>		<b>Total</b>
	<b>FA-90</b>	<b>Acid Isooctyl</b>	
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Turnover	<b>6,465</b>	<b>3,587</b>	<b>10,052</b>
Cost of sales	<b>(4,321)</b>	<b>(2,009)</b>	<b>(6,330)</b>
Gross profit	<b>2,144</b>	<b>1,578</b>	<b>3,722</b>
Distribution costs			<b>(288)</b>
Administrative expenses			<b>(761)</b>
Finance costs			<b>16</b>
Other operating income			<b>-</b>
Profit before taxation			<b>2,689</b>
Taxation			<b>(456)</b>
Net profit			<b>2,233</b>

For the three months ended 31 March 2014

	FA-90 <i>RMB'000</i>	Mercaptoacetic Acid Isooctyl <i>RMB'000</i>	Total <i>RMB'000</i>
Turnover	6,633	4,046	10,679
Cost of sales	(4,963)	(2,792)	(7,755)
Gross profit	1,670	1,254	2,924
Distribution costs			(246)
Administrative expenses			(1,559)
Finance costs			8
Other operating income			—
Profit before taxation			1,127
Taxation			(54)
Net profit			1,073

### 3. TAXATION

Taxes charged from the profit and loss account are as follows:

	<b>For the three months ended 31 March</b>	
	<b>2015</b>	2014
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
PRC ( <i>note</i> )	<b>456</b>	54

*Note:* Taxes in respect of profit derived in the PRC are provided on the estimated assessable profit for the period at the applicable tax rate in the PRC.

#### 4. (LOSS)/EARNINGS PER SHARE

	For the three months ended 31 March	
	2015 RMB'000	2014 RMB'000
Net (loss)/profit for the period	<u>2,233</u>	<u>1,073</u>
Weighted average number of ordinary shares used to calculate basic earnings per share	<u>910,000,000</u>	<u>910,000,000</u>
Earnings per share	<u>0.0025</u>	<u>0.0012</u>

Diluted earnings per share is not presented as there were no potential dilutive shares during 2015 and 2014.

#### 5. SHARE CAPITAL

	Number of shares		Registered, issued and fully paid RMB'000
	Domestic share	H share	
Ordinary shares of nominal value of RMB0.1 each			
As at 1 January 2015	680,000,000	230,000,000	91,000
As at 31 March 2015	<u>680,000,000</u>	<u>230,000,000</u>	<u>91,000</u>

#### 6. PLEDGE OF ASSETS

	Bank	Loan amount RMB'000	Status of pledges
Nil	-	-	-



## 7. COMMITMENTS

### Capital commitments

	For the three months ended 31 March	
	2015	2014
	RMB'000	RMB'000
		(Audited)
Capital expenditure of property, plant and equipment contracted for but not yet provided for in the statements	-	-
	<u>                    </u>	<u>                    </u>

## 8. DIVIDEND

The Directors do not recommend the payment of dividend for the three months ended 31 March 2015 (For the three months ended 31 March 2014: Nil).

# **MANAGEMENT DISCUSSION AND ANALYSIS**

## **FINANCIAL REVIEW**

For the three months ended 31 March 2015, an unaudited turnover of RMB10,052,300 was recorded, representing a decrease of 5.87% over that of RMB10,679,400 the corresponding period in the previous year. For the three months ended 31 March 2015, an unaudited profit of RMB2,233,100 was recorded.

## **ACQUISITION AND DISPOSAL OF SUBSTANTIAL INVESTMENTS AND SUBSIDIARIES**

As at 31 March 2015, the Company was in the process of acquiring a company which operates natural gas distribution business within the region of Shaanxi Province (the "Project"). During the period ended 31 March 2015, the Company did not have any plan to dispose of any subsidiaries or affiliated companies.

## **OTHER INFORMATION**

### **DIRECTORS', CHIEF EXECUTIVES' AND SUPERVISORS' INTERESTS AND SHARES**

As at 31 March 2015, the interests or short positions of the Directors, chief executives and supervisors of the Company in shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuer as referred to in Rule 5.46 of the GEM Listing Rules were as follows:

## INTERESTS IN DOMESTIC SHARES OF THE COMPANY (LONG POSITION)

Name	Capacity	Number of the domestic shares (shares)	Approximate shareholding percentage in securities during the same period	Approximate shareholding percentage in the entire issued share capital of the Company
Wang Cong (Note 1)	Interest of controlled corporation	609,500,000	89.63%	66.98%
Wang Feng	Beneficial Owner	2,000,000	0.29%	0.22%
Zeng Yinglin	Beneficial Owner	2,000,000	0.29%	0.22%
Zheng Rongfang	Beneficial Owner	2,000,000	0.29%	0.22%
Guo Qiubao	Beneficial Owner	2,000,000	0.29%	0.22%
Wang Zheng	Beneficial Owner	2,000,000	0.29%	0.22%
Yan Buqiang	Beneficial Owner	2,000,000	0.29%	0.22%

Note:

- The 609,500,000 domestic shares are held by Xi'an Northwest Industry (Group) Company Limited (西安西北實業(集團)有限公司) ("Northwest Group"), which is beneficially owned as to 98% by Wang Cong. Wang Cong is deemed to be interested in 609,500,000 domestic shares.

## DIRECTORS' AND SUPERVISORS' INTERESTS IN UNDERLYING SHARES OF EQUITY DERIVATIVES

Save as disclosed above, none of the Directors or supervisors was granted any options to subscribe for shares in the Company during the three months ended 31 March 2015.

## INTERESTS DISCLOSABLE UNDER THE SFO AND SUBSTANTIAL SHAREHOLDERS

As at 31 March 2015, the persons (other than Directors, supervisors or chief executives of the Company) who had an interest or short position in any share or underlying share of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows:

### INTERESTS IN DOMESTIC SHARES OF THE COMPANY (LONG POSITIONS)

#### Substantial Shareholders

Name	Capacity	Number of domestic shares (shares)	Approximate shareholding percentage in securities during the same period	Approximate shareholdings percentage in the entire share capital of the Company
Northwest Group	Beneficial Owner	609,500,000	89.63%	66.98%
Xi'an Jing Dian Investment Company Limited ("Jing Dian Investment")	Beneficial Owner	58,500,000	8.60%	6.43%
Ding Xianguang (Note)	Interest of controlled corporation	58,500,000	8.60%	6.43%
Zhang Jianming (Note)	Interest of controlled corporation	58,500,000	8.60%	6.43%

Note: Each of Ding Xianguang and Zhang Jianming was beneficially interested in 40% of the equity interest in Jing Dian Investment, and was deemed to be interested in 58,500,000 domestic shares under the provisions of Divisions 2 and 3 of Part XV of the SFO.

## INTERESTS IN H SHARES OF THE COMPANY (LONG POSITIONS)

Name	Capacity	Number of H shares	Approximate shareholding percentage in total issued H shares	Approximate shareholdings percentage in the entire share capital of the Company
唐偉超	Beneficial Owner	12,960,000	5.63%	1.42%

## COMPETING INTERESTS

During the three months ended 31 March 2015, none of the Directors, supervisors of the Company and their respective connected persons (as defined under the GEM Listing Rules) had any interest in businesses which compete or may compete with the business of the Company.

## AUDIT COMMITTEE

The Company has established an audit committee and formulated its written terms of reference on 6 July 2002 in compliance with Rules 5.28 of the GEM Listing Rules. The chairman of the audit committee is Mr. Li Gangjian, who is also an independent non-executive Director. Mr. Zhao Boxiang and Ms. Zhao Xiaoning are members of the audit committee, both of them are independent non-executive Directors.

The unaudited results for the three months ended 31 March 2015 have been reviewed by the audit committee.

## COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board, the Company has complied with the code provisions in the Corporate Governance Code (the "Code") as set out in Appendix 15 of the GEM Listing Rules during the three months ended 31 March 2015, except the deviation disclosed hereof.

Under the code provision A.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Following the removal of Mr. Wang Zheng from the post of president of the Company in June 2006, Mr. Wang Cong held the offices of Chairman and president of the Company since then. The Board is in the process of identifying a suitable candidate to fill the role of president.

## **SECURITIES TRANSACTIONS CONDUCTED BY DIRECTORS**

Since the listing of the Company on GEM on 3 July 2003, the Company has adopted a code of conduct regarding the securities transactions by Directors on terms no less exacting than the required standard of dealings. The Company also has made specific enquiry of all Directors, and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by Directors during the three months ended 31 March 2015.

## **REPURCHASE, SALE OR REDEMPTION OF SECURITIES**

The Company and its subsidiaries did not purchase, sell or redeem any of the listed securities of the Company during the three months ended 31 March 2015.

By order of the Board  
**Shaanxi Northwest New Technology Industry Company Limited**  
**Wang Cong**  
*Chairman*

Xi'an, the People's Republic of China, 12 May 2015

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. Wang Cong, Mr. Wang Feng,  
Mr. Yang Xiaohuai, Ms. Tian Lingling

Independent non-executive Directors:

Mr. Li Gangjian, Mr. Zhao Boxiang and  
Prof. Zhao Xiaoning