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## **CHIA TAI ENTERPRISES INTERNATIONAL LIMITED**

**正大企業國際有限公司**

*(incorporated in Bermuda with limited liability)*

*(stock code: 3839)*

### **UNAUDITED RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015**

#### **Summary**

The board of directors (the “Board”) of Chia Tai Enterprises International Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the nine months ended 30 September 2015. This announcement is made in an effort by the Company to keep shareholders and the market abreast of its latest performance.

The unaudited consolidated profit attributable to shareholders of the Company for the nine months ended 30 September 2015 was approximately US\$6 million.

The Board is making this announcement of the Group’s unaudited consolidated results for the nine months ended 30 September 2015 in an effort by the Company to keep shareholders and the market abreast of its latest performance.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<b>Nine months ended 30 September</b>	
	<b>2015</b>	<b>2014</b>
	<i>US\$'000</i>	<i>US\$'000</i>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>REVENUE</b>	<b>76,780</b>	84,354
Cost of sales	<b>(50,984)</b>	(56,827)
Gross profit	<b>25,796</b>	27,527
Other income, net	<b>467</b>	849
Selling and distribution costs	<b>(4,849)</b>	(5,221)
General and administrative expenses	<b>(12,096)</b>	(17,237)
Finance costs	<b>(650)</b>	(880)
Share of profits and losses of:		
Joint venture	<b>1,538</b>	12,581
Associate	<b>2,264</b>	2,153
<b>PROFIT BEFORE TAX</b>	<b>12,470</b>	19,772
Income tax	<b>(3,573)</b>	(2,918)
<b>PROFIT FOR THE PERIOD</b>	<b>8,897</b>	16,854
<b>OTHER COMPREHENSIVE INCOME</b>		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	<b>(1,573)</b>	(898)
Share of other comprehensive income of:		
Joint venture	<b>(1,735)</b>	(495)
Associate	<b>(448)</b>	(109)
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>(3,756)</b>	(1,502)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>5,141</b>	15,352
<b>Profit attributable to:</b>		
Shareholders of the Company	<b>6,147</b>	13,602
Non-controlling interests	<b>2,750</b>	3,252
	<b>8,897</b>	16,854
<b>Total comprehensive income attributable to:</b>		
Shareholders of the Company	<b>2,882</b>	12,292
Non-controlling interests	<b>2,259</b>	3,060
	<b>5,141</b>	15,352

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 September 2015 <i>US\$'000</i> (Unaudited)	31 December 2014 <i>US\$'000</i> (Audited)
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	49,960	51,834
Land lease prepayments	1,017	1,038
Investments in joint venture	70,247	70,444
Investments in associate	18,887	19,013
Other non-current assets	7,857	7,469
<b>Total non-current assets</b>	<b>147,968</b>	149,798
<b>CURRENT ASSETS</b>		
Inventories	18,366	14,928
Trade and bills receivables	14,324	18,788
Prepayments, deposits and other receivables	8,851	6,337
Cash and cash equivalents	17,039	16,985
<b>Total current assets</b>	<b>58,580</b>	57,038
<b>CURRENT LIABILITIES</b>		
Trade payables	4,460	4,884
Other payables and accruals	7,503	10,195
Bank borrowings	17,382	15,855
Income tax payables	623	273
<b>Total current liabilities</b>	<b>29,968</b>	31,207
<b>NET CURRENT ASSETS</b>	<b>28,612</b>	25,831
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>176,580</b>	175,629

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** *(Continued)*

	<b>30 September</b>	31 December
	<b>2015</b>	2014
	<i>US\$'000</i>	<i>US\$'000</i>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>NON-CURRENT LIABILITIES</b>		
Bank borrowings	<b>1,180</b>	2,417
Other non-current liabilities	<b>2,626</b>	2,819
Deferred tax liabilities	<b>2,718</b>	2,441
<b>Total non-current liabilities</b>	<b>6,524</b>	7,677
<b>NET ASSETS</b>	<b>170,056</b>	167,952
<b>EQUITY</b>		
<b>Equity attributable to shareholders of the Company</b>		
Issued capital	<b>25,333</b>	1,195
Reserves	<b>124,229</b>	146,477
	<b>149,562</b>	147,672
<b>Non-controlling interests</b>	<b>20,494</b>	20,280
<b>TOTAL EQUITY</b>	<b>170,056</b>	167,952

The Group's unaudited consolidated results for the nine months ended 30 September 2015 have been prepared in accordance with the accounting policies adopted by the Group as disclosed in the audited financial statements for the financial year ended 31 December 2014.

## **RESULTS HIGHLIGHT**

Revenue of the Group was approximately US\$76.8 million, representing a 9.0% decrease compared to the same period last year.

Profit attributable to shareholders of the Company was approximately US\$6.1 million for the nine months ended 30 September 2015, representing a 54.8% decrease compared to the same period last year.

Contribution from our Caterpillar dealership business for the nine months ended 30 September 2015 was approximately US\$1.5 million, representing a 87.8% decrease compared to the same period last year. The decrease, whilst largely in line with what had been disclosed by the Company in the past, reflected a worsening operating environment for this business. As disclosed in the listing document of the Company dated 17 June 2015, contribution from this business was approximately US\$0.5 million for the three months ended 31 March 2015. As disclosed in the interim results announcement on 10 August 2015, contribution from this business was approximately US\$1.6 million for the six months ended 30 June 2015, representing a 85.6% decrease compared to the same period last year. The reduction in the contribution was primarily the result of a downturn in the growth of the industrial sector in the western part of the PRC due to the slowing economic growth in that region.

The adverse effect of this downturn on the performance of this business in recent months has continued to depress its contribution to overall Group results and could worsen in the near future. Our overall results would continue to be affected as a result.

By Order of the Board  
**Thanakorn Seriburi**  
*Director*

Hong Kong, 10 November 2015

*As at the date of this announcement, the chairman and non-executive director is Mr. Soopakij Chearavanont; the executive directors are Mr. Thirayut Phityaisarakul, Mr. Thanakorn Seriburi, Mr. Nopadol Chiaravanont and Mr. Yao Minpu; the non-executive director is Mr. Yoichi Ikezoe; and the independent non-executive directors are Mr. Surasak Rounroengrom, Mr. Cheng Yuk Wo and Mr. Ko Ming Tung, Edward.*