Jicheng Umbrella Holdings Limited
集成傘業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1027)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR 2014

FINANCIAL HIGHLIGHT

- Turnover increased by approximately 24.6% to RMB603 million (2013: RMB484 million)
- Gross profit increased by approximately 34.9% to RMB161 million (2013: RMB119 million)
- Profit for the year increased by approximately 24.1% to RMB74 million (2013: RMB60 million)
- Basic earnings per share increased by approximately 27.0% to RMB12.20 cents (2013: RMB9.61 cents)
- The Directors do not recommend the payment of a final dividend for the year ended 31 December 2014

The board (the "Board") of directors (the "Directors") of Jicheng Umbrella 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 2014, together with the comparative figures for the year ended 31 December 2013 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2014

	Notes	**2014** *RMB'000*	2013 *RMB'000*
Revenue	*4*	**602,516**	483,615
Cost of sales		**(441,473)**	(364,223)
Gross profit		**161,043**	119,392
Other income and other gains	*4*	**4,973**	8,325
Selling and distribution expenses		**(12,464)**	(12,060)
Administrative expenses		**(38,580)**	(25,642)
Finance costs	*6*	**(12,474)**	(10,003)
Profit before taxation		**102,498**	80,012
Income tax expense	*7*	**(28,339)**	(20,257)
Profit for the year	*8*	**74,159**	59,755
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		**27**	–
Total comprehensive income for the year		**74,186**	59,755
Profit for the year attributable to:			
Owner of the Company		**73,168**	57,631
Non-controlling interests		**991**	2,124
		74,159	59,755
Profit and total comprehensive income for the year attributable to:			
Owner of the Company		**73,195**	57,631
Non-controlling interests		**991**	2,124
		74,186	59,755
Earnings per share:			
Basic and diluted (RMB)	*9*	**12.20 cents**	9.61 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2014

	Notes	2014 RMB'000	2013 RMB'000
Non-current assets			
Property, plant and equipment		**86,758**	78,507
Prepaid lease payment		**38,256**	37,166
		125,014	115,673
Current assets			
Inventories		**108,219**	118,562
Trade receivables	*11*	**43,698**	12,987
Prepayments and other receivables		**48,536**	49,783
Prepaid lease payments		**892**	878
Pledged deposits		**21,374**	17,315
Bank balances and cash		**128,726**	186,403
		351,445	385,928
Current liabilities			
Trade and bills payables	*12*	**68,907**	77,602
Accrued expenses and other payables		**14,075**	25,273
Income tax payable		**6,709**	3,514
Bank borrowings		**146,528**	173,050
		236,219	279,439
Net current assets		**115,226**	106,489
Net assets		**240,240**	222,162
Capital and reserves attributable to owners of the Company			
Share capital		**–**	80,396
Reserves		**240,240**	136,822
Equity attributable to owner of the Company		**240,240**	217,218
Non-controlling interests		**–**	4,944
Total equity		**240,240**	222,162

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 21st Floor, CCB Tower, 3 Connaught Road Central, Hong Kong. The Company is engaged in investment holding while the principal subsidiaries are principally engaged in manufacture and sale of umbrella.

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 incorporates 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 Group is regarded as a continuing entity resulting from Reorganisation of entities under common control. Accordingly, the consolidated financial statement 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. Details of the Reorganisation were set out in section headed "History and Corporate Structure – Reorganisation" of 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 2014. The consolidated statement of financial position of the Group as at 31 December 2013 have been prepared to present the assets and liabilities of the companies comprising the Group as if the current group structure had been in existence as at those dates.

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 all the HKFRSs, Hong Kong Accounting Standards ("HKASs"), amendments and interpretations ("Int(s)") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") which are effective for the Group's financial year beginning on 1 January 2014.

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[4]
HKFRS 14	Regulatory Deferral Accounts[2]
HKFRS 15	Revenue from Contracts with Customers[3]
Amendment to HKFRSs	Annual Improvements to HKFRSs 2010 – 2012 Cycle[1]
Amendment to HKFRSs	Annual Improvements to HKFRSs 2011 – 2013 Cycle[1]
Amendment to HRFRSs	Annual Improvements to HRFRSs 2012 – 2014 Cycle[2]
Amendments to HKAS 1	Disclosure Initiative[2]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[2]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptance Methods of Depreciation and Amortisation[2]
Amendments to HKAS 19	Defined Benefit Plans – Employee Contributions[1]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[2]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[2]

1 Effective for annual periods beginning on or after 1 July 2014 except as disclosed below. Early application is permitted.

2 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

3 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

4 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

Annual Improvements to HKFRSs 2010-2012 Cycle

The Annual Improvements to HKFRSs 2010-2012 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to HKFRS 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to HKFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of HKFRS 9 or HKAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to HKFRS 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to HKFRS 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of HKFRS 13 clarify that the issue of HKFRS 13 and consequential amendments to HKAS 39 and HKFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial. As the amendments do not contain any effective date, they are considered to be immediately effective.

The amendments to HKAS 16 and HKAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to HKAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The directors of the Company do not anticipate that the application of these amendments included in the Annual Improvements to HKFRSs 2010-2012 Cycle will have a material effect on the Group's consolidated financial statements.

Annual Improvements to HKFRSs 2011-2013 Cycle

The Annual Improvements to HKFRSs 2011-2013 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to HKFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, HKAS 39 or HKFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within HKAS 32.

The amendments to HKAS 40 clarify that HKAS 40 and HKFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of HKAS 40; and

(b) the transaction meets the definition of a business combination under HKFRS 3.

The directors of the Company do not anticipate that the application of the amendments included in the Annual Improvements to HKFRSs 2011-2013 Cycle will have a material effect on the Group's consolidated financial statements.

Annual Improvement 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 requirement 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 of the Company 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 of the Company 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 of the Company 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 of the Company 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 of the Company 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 of the Company anticipate that the application of the new and revised HKFRSs and amendments will have no material impact on the consolidated financial statements.

In addition, the annual report requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation as from the company's first financial year commencing on or after 3 March 2014 in accordance with section 358 of that Ordinance. The Group is in the process of making an assessment of expected impact of the changes in the Hong Kong Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9 of the new Hong Kong Companies Ordinance (Cap. 622). So far it has concluded that the impact is unlikely to be significant and will primarily only affect the presentation and disclosure of information in 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 (the "Listing Rules") and by the Hong Kong Companies Ordinance, which for this financial year end the comparative period continue to be those of the predecessor Hong Kong Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622) (the "Ordinance"), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance.

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:

	2014	2013
	RMB'000	*RMB'000*
Revenue		
Sale of goods	**602,516**	483,615
Other income and other gains		
Bank interest income	**1,182**	4,052
Government grants *(note)*	**3,289**	4,086
Sale of scrap products	**–**	187
Exchange gain, net	**502**	–
	4,973	8,325

Note:

During the year, government grants of approximately RMB3,289,000 (2013: RMB4,086,000) 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. 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 of 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 follows:

	2014	2013
	RMB'000	*RMB'000*
POE umbrella	**432,842**	387,028
Nylon umbrella	**113,284**	50,740
Umbrella parts	**56,390**	45,847
	602,516	483,615

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

	2014	2013
	RMB'000	*RMB'000*
Japan	**351,037**	366,825
PRC	**153,044**	56,670
Other	**98,435**	60,120
	602,516	483,615

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:

	2014	2013
	RMB'000	*RMB'000*
Customer A	**115,124**	101,965
Customer B	**N/A***	59,780
Customer C	**103,575**	N/A*

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

6. FINANCE COSTS

	2014	2013
	RMB'000	*RMB'000*
Interest expenses on:		
– bank borrowings wholly repayable within five years	**12,474**	10,003

7. INCOME TAX EXPENSE

	2014	2013
	RMB'000	*RMB'000*
Current income tax		
– PRC enterprise income tax	**28,339**	20,257

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 years ended 31 December 2014 and 2013.

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 years ended 31 December 2014 and 2013.

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:

	2014	2013
	RMB'000	*RMB'000*
Profit before taxation	**102,498**	80,012
Tax at domestic income tax rate of 25%	**25,625**	20,003
Tax effect of expense not deductible for tax purposes	**2,714**	254
Income tax expense for the year	**28,339**	20,257

8. PROFIT FOR THE YEAR

	2014	2013
	RMB'000	*RMB'000*
Profit for the year has been arrived at after charging:		
Salaries and allowances (excluding directors' emoluments)	**73,606**	56,271
Retirement benefit scheme contributions (excluding directors)	**10,915**	7,651
Total staff costs *(Note)*	**84,521**	63,922
Cost of inventories recognised as an expense	**441,473**	364,223
Loss on disposal of property, plant and equipment	**587**	–
Depreciation of property, plant and equipment	**5,898**	6,270
Amortisation of prepaid lease payments	**892**	878
Operating lease payments on premises	**–**	102
Research and development expenses *(Note)*	**3,981**	3,243
Listing expenses	**7,835**	–
Exchange loss, net	**–**	14
Auditor's remuneration	**594**	27

Note: During the year ended 31 December 2014, included in staff costs were staff costs of the Group's employees who engaged in research and development activities of approximately RMB1,445,000 (2013: RMB1,436,000).

9. EARNINGS PER SHARE

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

	2014	2013
	RMB'000	*RMB'000*
Earnings		
Earnings for the purpose of basic earnings per share	**73,195**	57,631

	2014	2013
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**600,000**	600,000

The dilutive earnings per share is equal to the basic earnings per share as there are no dilutive potential ordinary shares outstanding during the years ended 31 December 2014 and 2013.

The weighted average number of ordinary shares in issue during the years ended 31 December 2014 and 2013 represents 600,000,000 ordinary shares in issue before the listing as if such shares were issued during the two years ended 31 December 2014 and 2013 after taking into account the capitalisation issue pursuant to the Reorganisation as stated in note 1.

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 years ended 31 December 2013 and 2014 amounted to RMB50,000,000 and RMB52,408,000 respectively.

The Directors do not recommend the payment of a final dividend for the years ended 31 December 2014.

11. TRADE RECEIVABLES

	2014	2013
	RMB'000	*RMB'000*
Trade receivables	**43,698**	12,987

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.

	2014	2013
	RMB'000	*RMB'000*
0 to 90 days	**43,500**	8,857
91 to 180 days	**198**	1,851
181 to 365 days	**–**	2,279
	43,698	12,987

The Group has individually assessed all receivables. No impairment losses were recognised during the years ended 31 December 2014 and 2013.

At 31 December 2014, 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:

	2014	2013
	RMB'000	*RMB'000*
Over the credit period		
1 to 90 days	**198**	4,304
Over 90 days	**–**	601
	198	4,905
Neither past due nor impaired	**43,500**	8,082
	43,698	12,987

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:

	2014	2013
	'000	*'000*
USD	**3,442**	878
JPY	**24,272**	–
HKD	**–**	1

12. TRADE AND BILLS PAYABLES

	2014	2013
	RMB'000	*RMB'000*
Trade payables	**16,565**	34,700
Bills payables	**52,342**	42,902
	68,907	77,602

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

	2014	2013
	RMB'000	*RMB'000*
0 to 90 days	**49,255**	73,841
91 to 180 days	**18,452**	2,764
181 to 365 days	**1,200**	997
	68,907	77,602

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:

	2014	2013
	'000	*'000*
USD	**705**	909

13. CAPITAL COMMITMENT

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

	2014	2013
	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	**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 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 the largest manufacturers of the plastic umbrellas in the PRC in terms of sales volume. The Group is also the largest supplier 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. The Group manufactures products at Dongshi Town and Yonghe Town of Jinjiang City in Fujian Province of the PRC.

Financial Review

Turnover

The revenue increased from RMB484 million for the year ended 31 December 2013 to RMB603 million for the year ended 31 December 2014, representing an increase of approximately 24.6%. The increase in revenue from the PRC was primarily due to increased demand for the POE umbrellas and nylon umbrellas from the PRC market 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 decrease in revenue from Japan was primarily due to the impact on the Group's Japanese customers by the increase of value-added tax in Japan from 5% to 8% in 2014.

Cost of Sales

The cost of sales increased from approximately RMB364 million for the year ended 31 December 2013 to RMB441 million for the year ended 31 December 2014, representing an increase of approximately 21.2%. The increase was mainly attributable to the increase in direct materials costs and direct labour costs as a result of the increase in the Group's revenue for the corresponding period.

Gross Profit and Gross Margin

As a result of the foregoing, the gross profit increased by approximately RMB42 million, or 34.9%, from approximately RMB119 million for the year ended 31 December 2013 to RMB161 million for the same period in 2014. the gross profit margin increased from approximately 24.7% for the year ended 31 December 2013 to 26.7% for the year ended 31 December 2014. This is mainly attributed to the increase of gross profit margin for umbrella parts and POE umbrellas. The increase of gross profit margin was mainly due to the increase in the average selling prices of POE umbrellas and nylon umbrellas products and higher-priced plastic cloth demanded by customers.

Other Income and Other Gains

The other income and other gains decreased by approximately RMB3 million, or 40.3%, from approximately RMB8 million for the year ended 31 December 2013 to RMB5 million for the year ended 31 December 2014. The decrease was mainly due to the decrease of bank interest income as a result of the change in the Group's pledged deposits and short-term bank deposits balance which carried a higher interest rate for the year ended 31 December 2014.

Selling and Distribution Expenses

Despite increase in revenue, selling and distribution expenses remained relatively stable and maintained at approximately RMB12 million for the year ended 31 December 2013 and 2014, which is mainly due to increase in domestic sale, where the packaging expenses and transportation cost for domestic sale are lower than export sale, while export sale is relatively stable in both financial years.

Administrative Expenses

Administrative expenses increased by approximately RMB13 million, or 50.5%, from approximately RMB26 million for the year ended 31 December 2013 to RMB39 million for the year ended 31 December 2014. The increase in administrative expenses was mainly due to the Group's listing expenses of approximately RMB8 million related to the listing on the Main Board of the Stock Exchange, and increase in bank charges as a result of more new bank borrowings raised for the year ended 31 December 2014 and fees incurred for arranging banking facilities and issuing bills payables, and salary expenses for managerial administrative staff. Listing expenses mainly consisted of fees paid to professional parties.

Finance Costs

Finance costs increased by approximately RMB2 million, or 24.7%, from approximately RMB10 million for the year ended 31 December 2013 to RMB12 million for the year ended 31 December 2014. The increase in finance cost was mainly due to relatively higher average carrying amount of the Group's interest-bearing borrowings during the year ended 31 December 2014 compared to the prior period, and slightly increase in interest rate for bank borrowings.

Income Tax Expenses

Income tax expense increased by RMB8 million, or 39.9%, from approximately RMB20 million for the year ended 31 December 2013 to RMB28 million for the year ended 31 December 2014, which was primarily due to increase in the Group's profit before tax.

The effective tax rate increased from approximately 25.3% for the year ended 31 December 2013 to 27.6% for the year 31 December 2014, primarily because of the Group's listing expenses recognised in administrative expenses which are non-tax deductible.

Profit for the Year

As a result for the foregoing factors, profit for the period increased by approximately RMB14 million, or 24.1%, from approximately RMB60 million for the year ended 31 December 2013 to RMB74 million for the year ended 31 December 2014.

Liquidity and Financial Resources

At 31 December 2014, the Group's bank and cash balances (including restricted bank deposits of RMB21 million (2013: RMB17 million)) amounted to RMB150 million (2013: RMB204 million), and short-term bank borrowings amounted to RMB147 million (2013: RMB173 million). The annual interest rates of loans ranged from 3.9% to 7.8%.

The Group's current ratio remained relatively stable. At 31 December 2014 the current ratio was approximately 1.5 times (2013: 1.4 times), which was calculated based on the total current assets divided by the total current liabilities. At 31 December 2014, the gearing ratio was approximately 61.0% (2013: 77.9%), which was calculated based on the interest-bearing liabilities as a percentage of the total equity. The decrease was primarily because the Group repaid more bank borrowings to reduce finance costs.

Inventories

At 31 December 2014, the inventories was approximately RMB108 million (2013: RMB119 million). The inventory turnover days was reduced from approximately 141 days in 2013 to 94 days in 2014 mainly due to the Group's adoption of the measures that the purchasing department reviews and monitors 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

At 31 December 2014, the trade receivables were approximately RMB44 million (2013: RMB13 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 11 days in 2013 to 17 days in 2014 mainly due to granting a relatively longer credit term to certain customers in order to develop long-term relationship.

Trade and Bills Payables

At 31 December 2014, the trade and bills payables were approximately RMB69 million (2013: RMB78 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 was reduced from approximately 78 days in 2013 to 61 days in 2014. mainly due to the change in the payment method to bills requested by the suppliers which have 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 arise.

Capital Commitments and Contingent Liabilities

At 31 December 2014, the Group had total capital commitments of RMB2 million (2013: Nil), primarily related to construction of new office building. At 31 December 2014, the Group did not have any significant contingent liabilities (2013: Nil).

Pledge of Assets

At 31 December 2014, the Group's leasehold land and buildings with a carrying amounts of approximately RMB86 million (2013: RMB63 million) and bank deposits with a carrying amounts of approximately RMB21 million (2013: RMB17 million) were pledged to banks for bank borrowings.

Employees and Remuneration Policy

At 31 December 2014, the Group employed a total of 2,023 employees (2013: 1,543 employees). The emolument policy of the employees of the Group was set up by the Board on the basis of 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 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.

Since the listing of the Company and up to the date of this announcement, the proceeds from the listing were not applied for any use.

Subsequent Events

(a) *Share Option Scheme*

Pursuant to the written resolution of the shareholders of the Company passed on 23 January 2015, the Company has conditionally adopted a share option scheme, details of which are set out in Note E "Share Option Scheme" of section headed "Statutory and General Information" in Appendix VI of the Prospectus dated 3 February 2015.

(b) *Completion of listing*

On 13 February 2015, the shares of the Company have been listed on the Main Board of the Stock Exchange.

(c) *Increase authorised share capital and issuance of shares*

There were increase in authorised share capital and issuance of shares by way of capitalisation, international offering and public offering in January and February 2015, details of which are set out in Note A "Further Information About the Company" of section headed "Statutory and General Information" in Appendix VI of the Prospectus dated 3 February 2015.

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 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 increasing its market share in the existing markets such as Hong Kong, Cambodia and South Korea. The Group plans to construct a new production plant in the industrial area located in An Qiu City of Shandong Province to increase production capacity, bringing an extra capacity of 18 million units (including POE umbrella and nylon umbrella) to the Company each year and strengthening 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 creating more values as well as bringing better return to shareholders.

AUDIT COMMITTEE

The audit committee currently comprises three independent non-executive Directors, namely Mr. Tse Ka Wing, Mr. Yang Xuetai and Ms. Yau Lai Ying. 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 2014, 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.

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 2014 have been agreed with the Company's auditor, SHINEWING (HK) CPA Limited ("SHINEWING"), to the amounts set out in the Group's consolidated financial statements for the year. The work performed by SHINEWING 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 SHINEWING on the preliminary announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

During the year end 31 December 2014, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

CLOSURE OF REGISTER OF MEMEBRS

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 2014.

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.jcumbrella.com). The annual report of the Company for the year ended 31 December 2014 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
Jicheng Umbrella Holdings Limited
Huang Wenji
Chairman

Hong Kong, 27 March 2015

As at the date of this announcement, the executive Directors are Huang Wenji, Chen Jieyou, Yang Guang and Lin Zhenshuang; and the independent non-executive Directors are Tse Ka Wing, Yang Xuetai and Yau Lai Ying.