CHINA HONGXING SPORTS LIMITED (Company Registration Number 36746)
(Incorporated in Bermuda)

Third Quarter Financial Statement And Related Announcement for Period Ended 30 September 2014

CAUTIONARY NOTE:

The financial results disclosed in this announcement include financial information provided by the Company's subsidiaries in the People's Republic of China ("PRC"), namely Fujian Hongxing Erke Sports Goods Co., Ltd ("Hongxing Erke") and Quanzhou Hongrong Light Industry Co., Ltd. ("Hongrong Light Industry") (collectively Hongxing Erke and Hongrong Light Industry are hereinafter referred as "PRC Key Subsidiaries") as well as Xiamen Hongxing Erke Apparel Co., Ltd. ("Hongxing Apparel").

The Company wishes to highlight that as disclosed in the Company's announcement entitled "Appointment of Special Accountant" and "Request for Suspension of Trading in Shares" released on 25 February 2011, the Company and its external auditors, Ernst & Young LLP ("EY"), encountered certain difficulties in respect of the finalization of the audit of the Company's consolidated financial statements for the financial year ended 31 December 2010 ("FY2010"), particularly with reference to cash and bank balances, accounts receivable, accounts payable and other expenses of the Company's PRC Key Subsidiaries.

The Company also wishes to highlight that the financial results disclosed in this announcement are subject to the background and limitations relating to the preparation of the Company's consolidated statements of financial position as at 30 September 2014 and as at 31 December 2013 and the consolidated statements of comprehensive income for the quarter ended 30 September 2014 ("3Q2014"), the quarter ended 30 September 2013 ("3Q2013"), the 9 months ended 30 September 2014 and the 9 months ended 30 September 2013 as set out below ("Limitations"):

a) **On 1 March 2011, the Company appointed nTan Corporate Advisory Pte Ltd as Special Auditor, to carry out an independent investigation into the matters raised in the Company's announcement entitled "Appointment of Special Accountant" and "Request for Suspension of Trading in Shares" released on 25 February 2011 ("Independent Investigation").**

b) **The Special Auditor completed the Independent Investigation and submitted their report on the Independent Investigation ("Report") to the Audit Committee and the Singapore Exchange Securities Trading Limited ("SGX-ST") on 20 July 2012. The Audit Committee will determine, in consultation with the Company's lawyers, auditors and other professionals, the appropriate actions to be taken.**

c) **On 27 February 2012, the Company announced that it had submitted its trading resumption proposal pursuant to Rule 1304(1) of the Listing Manual. On 12 April 2012, the Company announced that SGX-ST had granted the Company an extension of time until 28 June 2012 to submit a fuller trading resumption proposal. On 20 July 2012, the Company announced that the SGX-ST had granted the Company an extension of time until 25 July 2012 to submit the aforementioned fuller trading resumption proposal.**

d) **On 25 July 2012, the Company announced that the Company had submitted the fuller trading resumption proposal to SGX-ST. On 25 September 2012, the Company announced that SGX-ST had responded to the Company's trading resumption proposal and commented on matters that require further consideration by the Company and also the additional steps that must be undertaken by the Company to formulate a trading resumption proposal.**

e) **The Company has since undertaken and implemented various steps to re-submit its trading resumption proposal, taking into account SGX-ST's comments to the Company. On 28 May 2013, the Company re-submitted its trading resumption proposal to SGX-ST. On 31 July 2013, the Company announced on SGXNet that SGX-ST had responded to the Company's trading resumption proposal and is prepared to allow the trading of the Company's shares to resume subject to the conditions set out in the announcement.**

f) **In connection with the abovementioned trading resumption proposal, the Company has appointed PricewaterhouseCoopers LLP as Independent Reporting Accountant ("Independent Reporting Accountant") to perform an audit of the Company's consolidated statement of financial position and the consolidated statement of comprehensive income for FY2010 and FY2011 and to review the year-to-date financial results for 1H2012. The**

Independent Reporting Accountant have completed their audit of the financial results for FY2010 and FY2011 and their review of the financial results for 1H2012.

g) **On 29 August 2014, 2 October 2014, 31 October 2014 and 1 December 2014, the Company announced that it was not in a position to and will not be proceeding with the trading resumption proposal and was undertaking all strategic options available to the Company.**

h) **The financial results disclosed in this announcement have not been reviewed or audited by the Independent Reporting Accountant or the Company's external auditors. As such, the Company would like to remind Shareholders that the financial results disclosed in this announcement may be subject to further adjustments and revisions after the audit by the Company's external auditors.**

The board of directors of the Company cautions that the financial results disclosed in this announcement are unaudited.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

1 (a)(i) UNAUDITED INCOME STATEMENT FOR 9 MONTHS ENDED 30 SEPTEMBER

	3 months ended		Change	9 months ended		Change
(RMB'000)	30 Sep 2014	30 Sep 2013	%	30 Sep 2014	30 Sep 2013	%
Revenue	796,753	643,053	23.9	1,649,237	2,004,556	(17.7)
Cost of goods sold	(662,387)	(596,990)	11.0	(1,366,188)	(1,686,594)	(19.0)
Gross profit	134,366	46,063	191.7	283,049	317,962	(11.0)
Other income	702	1,822	(61.5)	3,706	2,587	43.3
Selling and distribution expenses	(117,643)	(148,574)	(20.8)	(330,037)	(320,481)	3.0
Administrative expenses	(25,955)	(42,182)	(38.5)	(91,010)	(116,764)	(22.1)
Loss from operations	(8,530)	(142,871)	(94.0)	(134,292)	(116,696)	15.1
Finance costs	(34)	(28)	21.4	(94)	(75)	25.3
Loss before tax	(8,564)	(142,899)	(94.0)	(134,386)	(116,771)	15.1
Income tax (expense)/credit	(11,374)	5,732	(298.4)	(15,662)	(29,328)	(46.6)
Loss attributable to shareholders	(19,938)	(137,167)	(85.5)	(150,048)	(146,099)	2.7

STATEMENT OF COMPREHENSIVE INCOME FOR 9 MONTHS ENDED 30 SEPTEMBER

Group	3 months ended		Change	9 months ended		Change
(RMB'000)	30 Sep 2014	30 Sep 2013	%	30 Sep 2014	30 Sep 2013	%
Loss attributable to shareholders	(19,938)	(137,167)	(85.5)	(150,048)	(146,099)	2.7
Other comprehensive income	-	-		-	-	
Total comprehensive income for the period	(19,938)	(137,167)	(85.5)	(150,048)	(146,099)	2.7

Note:

The financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (the "IFRS").

1(a)(ii) Other information:

Group	3 months ended		Change	9 months ended		Change
(RMB'000)	30 Sep 2014	30 Sep 2013	%	30 Sep 2014	30 Sep 2013	%
Profit before tax is arrived at after charging/(crediting) the following:						
Sundry income	(582)	(1,689)	(65.5)	(3,386)	(2,247)	50.7
Interest income	(120)	(133)	(9.8)	(320)	(340)	(5.9)
	(702)	(1,822)	(61.5)	(3,706)	(2,587)	43.3
Refurbishment expenses	46,244	68,908	(32.9)	121,097	88,274	37.2
Depreciation and amortisation						
- cost of goods sold	9,960	8,136	22.4	38,120	38,080	0.1
- selling and distribution expenses	1,152	1,277	(9.8)	2,954	3,066	(3.7)
- administrative expenses	2,778	2,580	7.7	8,146	7,871	3.5
	13,890	11,993	15.8	49,220	49,017	0.4
Research and development costs	11,142	15,883	(29.8)	25,510	29,467	(13.4)
Foreign exchange loss	-	-	N/A	-	3	(100.0)

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

UNAUDITED STATEMENTS OF FINANCIAL POSITION

(RMB'000)	Group		Company	
	30 Sep 2014	31 Dec 2013	30 Sep 2014	31 Dec 2013
NON-CURRENT ASSETS				
Property, plant and equipment	596,482	640,977	-	-
Land use rights	25,878	26,535	-	-
Deferred tax assets	15,952	15,952	-	-
Investments in subsidiaries	-	-	249,298	249,298
	638,312	683,464	249,298	249,298
CURRENT ASSETS				
Inventories, at cost	508,084	490,940	-	-
Trade receivables	936,765	1,023,470	-	-
Land use rights – current portion	878	878	-	-
Prepayments, deposits and other receivables	13,862	8,213	-	-
Due from a subsidiary	-	-	3,008,672	3,008,672
Bank and cash balances	110,703	166,214	61	61
	1,570,292	1,689,715	3,008,733	3,008,733
Total assets	2,208,604	2,373,179	3,258,031	3,258,031
EQUITY				
Issued capital	56,595	56,595	56,595	56,595
Share premium	2,978,708	2,978,708	2,978,708	2,978,708
Statutory reserve	125,518	125,518	-	-
Foreign currency translation reserve	(27,822)	(27,822)	43,125	43,125
Contributed surplus	31,494	31,494	31,494	31,494
Revaluation reserve	21,554	21,554	-	-
(Accumulated loss)/retained profits	(1,760,296)	(1,610,248)	86,093	86,093
	1,425,751	1,575,799	3,196,015	3,196,015
LIABILITIES				
Current liabilities				
Trade payables	555,143	573,548	-	-
Accruals and other payables	151,589	151,985	32,523	32,523
Amount due to executive director	29,493	29,493	29,493	29,493
Current tax liabilities	45,717	41,443	-	-
	781,942	796,469	62,016	62,016
NON-CURRENT LIABILITIES				
Deferred tax liabilities	911	911	-	-
Total liabilities	782,853	797,380	62,016	62,016
Total equity and liabilities	2,208,604	2,373,179	3,258,031	3,258,031

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

	As at 30 Sep 2014		As at 31 Dec 2013	
	Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
Interest-bearing loans	-	-	-	-

The Group does not have any outstanding borrowings and debt securities as at 30 September 2014 and as at 31 December 2013.

Details of any collateral

Not applicable.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

(RMB'000)	Group 3 months 30/9/14	Group 3 months 30/9/13	Group 9 months 30/9/14	Group 9 months 30/9/13
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax	(8,564)	(142,899)	(134,386)	(116,771)
Adjustments for:				
Depreciation and amortisation	13,890	11,993	49,220	49,017
Other interest expenses	34	22	94	75
Interest income	(120)	(133)	(320)	(340)
Operating profit/(loss) before working capital changes	5,240	(131,017)	(85,392)	(68,019)
Decrease/(increase) in inventories	3,228	(112,396)	(17,144)	(32,927)
(Increase)/decrease in trade receivables	(95,486)	259,740	86,705	(135,033)
(Increase)/decrease in prepayments, deposits and other receivables	(12,811)	6,284	(5,649)	25,352
Increase/(decrease) in trade payables	74,290	101,686	(18,405)	52,752
Increase/(decrease) in accruals and other payables	2,980	(60,415)	(396)	3,618
Increase in amount due to executive director	-	-	-	792
Cash (used in)/generated from operations	(22,559)	63,882	(40,281)	(153,465)
Income tax paid	(7,514)	(7,807)	(11,388)	(22,063)
Other interest paid	(34)	(22)	(94)	(75)
Net cash (used in)/generated from operating activities	(30,107)	56,053	(51,763)	(175,603)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of property, plant and equipment	(1,739)	(7,147)	(4,068)	(7,160)
Interest received	120	133	320	340
Net cash used in investing activities	(1,619)	(7,014)	(3,748)	(6,820)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(31,726)	49,039	(55,511)	(182,423)
Effect of foreign exchange rate changes	-	-	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	142,429	48,694	166,214	280,156
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	110,703	97,733	110,703	97,733
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS				
Bank and cash balances	110,703	97,733	110,703	97,733
Less: Fixed bank deposits over three months	-	-	-	-
Cash and cash equivalents	110,703	97,733	110,703	97,733

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii)changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

UNAUDITED STATEMENTS OF CHANGES IN EQUITY – ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

(RMB'000)	Issued Capital	Share Premium	Statutory Reserve	Foreign currency translation Reserve	Contributed Surplus	Revaluation Reserve	Retained Profits	Total
Group – Current Period								
Balance as at 1/1/2014	56,595	2,978,708	125,518	(27,822)	31,494	21,554	(1,610,248)	1,575,799
Total comprehensive income for the financial period	-	-	-	-	-	-	(150,048)	(150,048)
Balance as at 30/9/2014	56,595	2,978,708	125,518	(27,822)	31,494	21,554	(1,760,296)	1,425,751
Group – Previous Period								
Balance as at 1/1/2013 (restated)	56,595	2,978,708	125,518	(27,822)	31,494	21,554	(1,240,986)	1,945,061
Total comprehensive income for the financial period	-	-	-	-	-	-	(146,099)	(146,099)
Balance as at 30/9/2013	56,595	2,978,708	125,518	(27,822)	31,494	21,554	(1,387,085)	1,798,962
Company – Current Period								
Balance as at 1/1/2014	56,595	2,978,708	-	43,125	31,494	-	86,093	3,196,015
Total comprehensive income for the financial period	-	-	-	-	-	-	-	-
Balance as at 30/9/2014	56,595	2,978,708	-	43,125	31,494	-	86,093	3,196,015
Company – Previous Period								
Balance as at 1/1/2013	56,595	2,978,708	-	43,125	31,494	-	94,308	3,204,230
Total comprehensive income for the financial period	-	-	-	-	-	-	(8,215)	(8,215)
Balance as at 30/9/2013	56,595	2,978,708	-	43,125	31,494	-	86,093	3,196,015

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no options granted and issue of shares pursuant to the Employee's share option scheme.
There were no shares that may be issued on conversion of all the outstanding convertibles.
There were no treasury shares.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 30 September 2014 and 31 December 2013, the share capital of the Company comprised 2,800,000,000 ordinary shares.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

The Company does not have any treasury shares.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

These figures have neither been audited nor reviewed. Please also refer to the Cautionary Note above.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those of the audited financial statements for the financial year ended 31 December 2010 ("FY2010").

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted the applicable new/revised IFRS that are mandatory for annual period beginning on 1 January 2014. For the current reporting period ended 30 September 2014, the adoption of the applicable new/revised IFRS did not result in material changes to the Group's results.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	3 months ended 30/9/14	3 months ended 30/9/13	9 months ended 30/9/14	9 months ended 30/9/13
Profit/(loss) per share – basic (RMB cents)	(0.71) [2]	(4.90) [2]	(5.36) [1]	(5.22) [1]

Notes:

(1) Loss per ordinary share for 9 months ended 30 September 2014 and 30 September 2013 were calculated based on unaudited loss attributable to shareholders divided by weighted average number of 2,800,000,000 ordinary shares.

(2) Loss per ordinary share for 3 months ended 30 September 2014 and 30 September 2013 were calculated based on unaudited loss attributable to shareholders divided by weighted average number of 2,800,000,000 ordinary shares.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

(a) current financial period reported on; and

(b) immediately preceding financial year.

	Group	**Group**	**Company**	**Company**
	30/9/14	**31/12/13**	**30/9/14**	**31/12/13**
Based on the issued capital at the end of the financial period/year (RMB cents)	50.92	56.28	114.14	114.14
Number of ordinary shares of HK$0.02 each in issue as at the end of the financial period/year in calculating net asset value	2,800,000,000	2,800,000,000	2,800,000,000	2,800,000,000

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

Review of the Group's Performance for 3Q2014 as compared to the Group's Performance for 3Q2013

Revenue

Revenue increased by RMB153.7 million or 23.9% from RMB643.1 million in 3Q2013 to RMB796.8 million in 3Q2014.

The size of retail network was 6,137 ERKE Points of Sale ("**ERKE POS**") as at 30 September 2014 (31 December 2013: 6,189).

Revenue by product segments

	3Q2014		3Q2013		Revenue growth
	RMB'000	% of revenue	RMB'000	% of revenue	%
Footwear	440,975	55.3	335,560	52.2	31.4
Apparel	352,572	44.3	304,388	47.3	15.8
Accessories	3,206	0.4	3,105	0.5	3.3
Total	796.753	100.0	643,053	100.0	23.9

Revenue from sports footwear increased by RMB105.4 million or 31.4% from RMB335.6 million in 3Q2013 to RMB441.0 million in 3Q2014 mainly due to increase in order volume by distributors despite a decline in average wholesale prices.

Revenue from sports apparel increased by RMB48.2 million or 15.8% from RMB304.4 million in 3Q2013 to RMB352.6 million in 3Q2014 mainly due to increase in both average wholesale prices and order volumes by distributors.

Revenue from sports accessories increased by RMB0.1 million or 3.2% from RMB3.1 million in 3Q2013 to RMB3.2 million in 3Q2014.

Cost of goods sold and gross profit margin

Cost of goods sold increased by RMB65.4 million or 11.0% from RMB597.0 million in 3Q2013 to RMB662.4 million in 3Q2014.

Gross profit increased by RMB88.3 million or 191.5% from RMB46.1 million in 3Q2013 to RMB134.4 million in 3Q2014. Gross profit margin increased from 7.2% in 3Q2013 to 16.9% in 3Q2014. Gross profit in 3Q2014 increased as compared to 3Q2013 due to higher revenue as a result of higher average wholesale prices for apparel. The gross profit margin for 3Q2013 increased as compared to 3Q2012 mainly due to increase in order volumes by distributors.

Operating expenses (Selling and distribution expenses and administrative expenses)

Operating expenses decreased by RMB47.2 million or 24.7% from RMB190.8 million in 3Q2013 to RMB143.6 million in 3Q2014. As a percentage of revenue, operating expenses has decreased from 29.7% in 3Q2013 to 18.0% in 3Q2014.

Selling and distribution expenses decreased by RMB31.0 million or 20.9% from RMB148.6 million in 3Q2013 to RMB117.6 million in 3Q2014 mainly due to lower refurbishment expenses of some RMB46.2 million in 3Q2014.

Administrative expenses decreased by RMB16.2 million or 38.4% from RMB42.2 million in 3Q2013 to RMB26.0 million in 3Q2014. The Group has continued to exercise tight control over administrative expenses.

Research and development costs decreased by RMB4.8 million or 30.2% from RMB15.9 million in 3Q2013 to RMB11.1 million in 3Q2014 due to the lower staff costs and the costs of the materials used for R&D.

Income tax expense

The tax charge represents applicable PRC enterprise income tax provided for the period.

The applicable corporate income tax rate for the subsidiaries of the Group in the PRC is 25%.

Deferred tax assets represented temporary differences arising from advertising fees.

Profit attributable to shareholders

The Group recorded a loss before tax of some RMB8.6 million in 3Q2014 as compared to a loss before tax of some RMB142.9 million in 3Q2013 and a net loss attributable to shareholders of some RMB19.9 million in 3Q2014 as compared to a net loss attributable to shareholders of some RMB137.2 million in 3Q2013.

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of the Group's Financial Position as at 30 September 2014 as compared to the Group's Financial Position as at 31 December 2013

Bank and cash balances of the Group decreased from RMB166.2 million as at 31 December 2013 to RMB110.7 million as at 30 September 2014.

The Group recorded a net cash outflow from operating activities of some RMB52 million for the period ended 30 September 2014. This was mainly due to the loss before tax of RMB134.4 million and the net increase in inventories of some RMB17.1 million which were offset by the net decrease in trade receivables of some RMB86.7 million.

Carrying amount of PPE decreased by RMB44.5 million from RMB641.0 million as at 31 December 2013 to RMB596.5 million as at 30 September 2014. This was mainly due to depreciation amounting to some RMB48.6 million in the 9 months ended 30 September 2014 as offset by the acquisition of production machinery and office equipment of some RMB4.1 million in the 9 months ended 30 September 2014.

Land use rights, including its current portion classified under current assets which will be amortised over the next 12 months, decreased by RMB0.7 million due mainly to amortisation charge for the period.

Deferred tax assets represented temporary differences arising from advertising fees.

Inventories increased by 3.5% from RMB490.9 million as at 31 December 2013 to RMB508.1 million as at 30 September 2014.

Trade receivables decreased by some RMB86.7 million or 8.5% from RMB1,023.5 million as at 31 December 2013 to RMB936.8 million as at 30 September 2014. This was mainly due to the comparatively lower sales in 2Q2014 (RMB423.1 million).

Trade payables decreased by RMB18.4 million or 3.2% from RMB573.5 million as at 31 December 2013 to RMB555.1 million as at 30 September 2014.

Accruals and other payables decreased by RMB0.4 million or 0.3% from RMB152.0 million as at 31 December 2013 to RMB151.6 million as at 30 September 2014.

The "Amount due to executive director" relates to payments made by an executive director, Mr Wu Rongguang, on behalf of the Company to professionals in connection to the Independent Investigation and the Company's trading resumption. No repayments were made to Mr Wu Rongguang in the 9 months ended 30 September 2014. This was to avoid straining the Group's cash flow and available working capital for operations.

Deferred tax liabilities represented temporary differences arising from revaluation of property, plant and equipment.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group expects that it will continue to face challenges as market conditions remained highly competitive in the next 12 months. Labour and rental costs keep rising but the Group is unable to increase the selling prices significantly as peer competitors are still launching regular discount campaigns. To maintain market share, the Group needs to refurbish the outlets regularly. The Group also has concerns over the slowing China economy and reduced spending on discretionary purchases.

The Group will continue to exercise stringent control on its expenditure items.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend had been declared or recommended for the period ended 30 September 2014.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No IPT mandate has been obtained from shareholders for the period ended 30 September 2014.

BY ORDER OF THE BOARD

Wu Rongguang
Chairman
4 December 2014

Statement Pursuant to SGX Listing Rule 705(5) of the Listing Manual

The Directors confirm that to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the above unaudited 3Q2014 financial results to be materially false or misleading.

On behalf of the Board of Directors

Wu Rongguang
Chairman
4 December 2014

Alfred Cheong
Independent Director