

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL

Introduction

Pursuant to Listing Rule 1313(2), the Company wishes to provide the following quarterly update on the Company and its subsidiaries (collectively the “Group”).

Update on Financial Performance and Position

The Group registered an unaudited net profit of approximately RMB9.3 million for the financial year ended 31 December 2014 (“FY 14”). Group’s cash and bank balances as of 31 December 2014 stood at RMB36.9 million. The Group still has unutilized banking facilities of approximately RMB127.6 million with its principal bankers.

Details of the Group’s FY 14 unaudited financial results are contained in the Company’s announcement on 17 February 2015 to the Singapore Exchange Securities Trading Limited.

Future Direction

The Group remains focused on the core business and is cautiously optimistic that the current performance in FY 14 will continue and contribute to the financial performance in the coming quarters, barring any unforeseen circumstance.

The Group remains resolute in its commitments to report a profit for the upcoming financial periods in FY 2015 and will continue to step up sales performance, and its efforts in streamlining operating efficiencies.

Save as previously disclosed, no material development that may have a significant impact on the financial position of the Group has occurred since the last update.

By Order of the Board

Chen Xizhong

Executive Chairman

17 February 2015