

FIRST QUARTER FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

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

1(a) An income statement and statement of comprehensive income or a statement of comprehensive income for the Group together with a comparative statement for the corresponding period of the immediately preceding financial year

	3 months ended		Increase / (Decrease) %
	31.03.2016 RMB'000	31.03.2015 RMB'000	
Continuing operations			
Revenue	33,924	10,549	221.6
Cost of sales and services provided	<u>(15,291)</u>	<u>(11,029)</u>	38.6
Gross profit / (loss)	18,633	(480)	3,981.9
Other (loss) / income - net	(83)	4,552	(101.8)
Expenses			
- Administrative	(3,071)	(3,532)	(13.1)
- Other operating	(6,741)	(8,085)	(16.6)
- Selling and marketing	(990)	(430)	130.2
- Finance	(7,914)	(14,259)	(44.5)
Share of losses of associated companies accounted for using the equity method	<u>-</u>	<u>(1,079)</u>	(100.0)
Loss before income tax	(166)	(23,313)	(99.3)
Income tax (expense) / credit	<u>(5,587)</u>	<u>1,429</u>	491.0
Loss for the financial period from continuing operations	(5,753)	(21,884)	(73.7)
Discontinued operations			
Loss for the financial period from discontinued operations	<u>-</u>	<u>(85)</u>	(100.0)
Loss for the financial period	<u>(5,753)</u>	<u>(21,969)</u>	(73.8)
Other comprehensive loss:			
Item that may be reclassified subsequently to profit or loss:			
Currency translation losses on translating foreign operations	<u>-</u>	<u>(318)</u>	(100.0)
Other comprehensive loss for the financial period, net of tax	<u>-</u>	<u>(318)</u>	(100.0)
Total comprehensive loss for the financial period	<u>(5,753)</u>	<u>(22,287)</u>	(74.2)

	3 months ended		Increase / (Decrease) %
	31.03.2016 RMB'000	31.03.2015 RMB'000	
(Loss) / profit for the financial period attributable to:			
Owners of the parent	(8,236)	(18,830)	(56.3)
Non-controlling interests	<u>2,483</u>	<u>(3,139)</u>	179.1
	<u>(5,753)</u>	<u>(21,969)</u>	(73.8)
Total comprehensive (loss) / income for the financial period attributable to:			
Owners of the parent	(8,236)	(19,148)	(57.0)
Non-controlling interests	<u>2,483</u>	<u>(3,139)</u>	179.1
	<u>(5,753)</u>	<u>(22,287)</u>	(74.2)

Note:

Discontinued operations: CCI Andi Bridges Co., Ltd

CCI Andi Bridges Co., Ltd ("Andi"), a subsidiary of the Group has been granted with a 25 years of concession rights on toll collection on 25 December 1998. The Group has an equity interest of 60% in Andi. However, the Group is only entitled to 55% of the profits due to a profit sharing agreement with the non-controlling shareholder.

On 2 January 2013, the Company announced that Andi has been notified by Hebei Provincial Government to cease its toll charging operations effective from 31 December 2012.

On 11 November 2015, the Company disposed of its 100% equity interest in Hebei Bridges Investments Limited ("HBIL"), the holding corporation of Andi. Following the disposal, HBIL and Andi ceased to be subsidiary of the Company.

The Group's loss for the financial period is arrived at after crediting / (charging) the following:

	3 months ended			3 months ended		
	31.03.2016			31.03.2015		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Interest income	78	-	78	4,562	-	4,562
Rental income, net	335	-	335	307	-	307
Employee share option expense	(335)	-	(335)	(1,096)	-	(1,096)
Depreciation of property, plant and equipment	(2,221)	-	(2,221)	(2,123)	-	(2,123)
Currency translation loss	(24)	-	(24)	(347)	-	(347)
Auditors' remuneration	(208)	-	(208)	(221)	-	(221)
Penalty on breach of contract	-	-	-	(2,464)	-	(2,464)

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

	Group		Company	
	31.03.2016	31.12.2015	31.03.2016	31.12.2015
	RMB'000	RMB'000	RMB'000	RMB'000
Non-Current Assets				
Property, plant and equipment	254,760	258,756	-	-
Intangible assets	122	122	-	-
Investment properties	32,100	32,100	-	-
Goodwill arising on consolidation	20,303	20,303	-	-
Investment in subsidiaries	-	-	196,000	196,000
Deferred income tax assets	1,024	982	-	-
	308,309	312,263	196,000	196,000
Current Assets				
Properties for development	1,131,310	1,098,156	-	-
Inventories	3,986	4,009	-	-
Trade and other receivables	125,979	102,732	501,766	504,603
Cash and cash equivalents	41,184	18,861	1	1
	1,302,459	1,223,758	501,767	504,604
Current Liabilities				
Borrowings	462,609	424,891	-	-
Trade and other payables	532,197	479,672	127,867	129,329
Current income tax liabilities	14,292	14,896	-	-
	1,009,098	919,459	127,867	129,329
NET CURRENT ASSETS	293,361	304,299	373,900	375,275
TOTAL ASSETS LESS CURRENT LIABILITIES	601,670	616,562	569,900	571,275
Non-Current Liabilities				
Borrowings	57,652	68,513	-	-
Deferred income tax liabilities	66,739	65,352	-	-
	124,391	133,865	-	-
NET ASSETS	477,279	482,697	569,900	571,275
EQUITY				
Equity attributable to owners of the parent				
Share capital	257,321	257,321	257,321	257,321
Reserves	657,396	656,433	630,620	630,285
Accumulated losses	(647,118)	(638,254)	(318,041)	(316,331)
	267,599	275,500	569,900	571,275
Non-controlling interests	209,680	207,197	-	-
TOTAL EQUITY	477,279	482,697	569,900	571,275

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

Amount repayable in one year or less, or on demand

As at 31.03.2016 (RMB'000)		As at 31.12.2015 (RMB'000)	
Secured	Unsecured	Secured	Unsecured
390,609	72,000	374,691	50,200

Amount repayable after one year

As at 31.03.2016 (RMB'000)		As at 31.12.2015 (RMB'000)	
Secured	Unsecured	Secured	Unsecured
57,652	-	68,513	-

Details of any collateral

The borrowings of the Group are secured as follows:

- (i) First legal mortgage over the entire pipeline network of the Group;
- (ii) First legal mortgage over certain investment properties, land and buildings of the Group;
- (iii) First legal mortgage over share equity in one of the subsidiaries held by the Group;
- (iv) First legal mortgage over land use right in two of the subsidiaries held by the Group.

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

	3 months ended	
	31.03.2016	31.03.2015
	RMB'000	RMB'000
Cash flows from operating activities		
Loss before income tax including discontinued operations	(166)	(23,397)
Adjustments for:		
Depreciation of property, plant and equipment	2,221	2,123
Interest expenses and other finance costs	7,914	16,407
Interest income	(78)	(4,562)
Employee share option expense	335	1,096
Loss on disposal of property, plant and equipment	6	-
Share of losses of associated companies	-	1,079
Unrealised currency translation gain	-	339
	<u>10,232</u>	<u>(6,915)</u>
Changes in working capital		
Development properties	(3,567)	(3,791)
Inventories	23	(505)
Trade and other receivables	(52,591)	(19,470)
Trade and other payables	31,967	(75,567)
Cash used in operations	<u>(13,936)</u>	<u>(106,248)</u>
Interest paid	(5,298)	(6,422)
PRC income tax paid	(4,845)	(2,068)
Net cash used in operating activities	<u>(24,079)</u>	<u>(114,738)</u>
Cash flows from investing activities		
Interest received	29,422	3,267
Purchases of property, plant and equipment	(2,712)	(1,889)
Increased of restricted bank balances pledged	(4,460)	(358)
Proceed from disposal of property, plant and equipment	4	-
Loans to associated companies	-	(936)
Net cash provided by investing activities	<u>22,254</u>	<u>84</u>
Cash flows from financing activities		
Interest and other finance costs paid	(2,277)	(2,601)
Borrowings from non-related parties	60,000	94,800
Borrowings from a related party	21,800	-
Repayment of borrowings from non- related parties	(59,834)	(12,009)
Net cash provided by financing activities	<u>19,689</u>	<u>80,190</u>
Net increase / (decrease) in cash and cash equivalents	17,864	(34,464)
CASH AND CASH EQUIVALENTS:		
BEGINNING OF FINANCIAL PERIOD	15,878	51,465
END OF FINANCIAL PERIOD	<u>33,742</u>	<u>17,001</u>
Analysis of Cash and Cash Equivalents		
Cash and bank balances	41,184	20,564
Restricted bank balances	(7,442)	(3,596)
Cash held by discontinued operations	-	33
	<u>33,742</u>	<u>17,001</u>

As at 31 March 2016, cash and cash equivalents include restricted bank balances of approximately RMB7,442,000 (31 March 2015: RMB3,596,000).

The restricted cash mainly comprise of:

- (i) Cash deposited in certain banks as guarantee deposits for the mortgage loan facilities granted by the banks to the buyers of the Group's development properties. Such guarantees will only be released after the loan has been settled or issue of the real estate ownership certificate to the buyers, whichever is earlier; and
- (ii) Restricted bank balances of approximately RMB143,000 (31 March 2015: RMB143,000) for securing the performance and fund utilization for a land development project of the Group.

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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

GROUP

	← Attributable to owners of the parent →										Non-controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000	Share premium RMB'000	Contributed surplus RMB'000	Capital reserve RMB'000	Statutory reserves RMB'000	Capital Redemption reserve RMB'000	Exchange reserve RMB'000	Share options reserve RMB'000	Accumulated losses RMB'000	Total RMB'000		
2015												
Beginning of financial period	257,321	46,060	565,589	7,764	22,660	8,324	(3,864)	10,857	(257,838)	656,873	331,527	988,400
Total comprehensive loss for the financial period	-	-	-	-	-	-	(318)	-	(18,830)	(19,148)	(3,139)	(22,287)
Transfer	-	-	-	-	173	-	-	-	(173)	-	-	-
Share option lapsed	-	-	-	-	-	-	-	(2,689)	2,689	-	-	-
Recognition of share-based payments	-	-	-	-	-	-	-	1,096	-	1,096	-	1,096
End of financial period	257,321	46,060	565,589	7,764	22,833	8,324	(4,182)	9,264	(274,152)	638,821	328,388	967,209
2016												
Beginning of financial period	257,321	46,060	565,589	7,268	21,506	8,324	(2,147)	9,833	(638,254)	275,500	207,197	482,697
Total comprehensive (loss) / income for the financial period	-	-	-	-	-	-	-	-	(8,236)	(8,236)	2,483	(5,753)
Transfer	-	-	-	-	628	-	-	-	(628)	-	-	-
Recognition of share-based payments	-	-	-	-	-	-	-	335	-	335	-	335
End of financial period	257,321	46,060	565,589	7,268	22,134	8,324	(2,147)	10,168	(647,118)	267,599	209,680	477,279

COMPANY

	Share capital RMB'000	Share premium RMB'000	Contributed surplus RMB'000	Capital reserve RMB'000	Capital redemption reserve RMB'000	Share options reserve RMB'000	Accumulated losses RMB'000	Total equity RMB'000
2015								
Beginning of financial period	257,321	46,060	565,589	479	8,324	10,857	(294,683)	593,947
Total comprehensive loss for the financial period	-	-	-	-	-	-	(2,482)	(2,482)
Share option lapsed	-	-	-	-	-	(2,689)	2,689	-
Recognition of share-based payments	-	-	-	-	-	1,096	-	1,096
End of financial period	257,321	46,060	565,589	479	8,324	9,264	(294,476)	592,561
2016								
Beginning of financial period	257,321	46,060	565,589	479	8,324	9,833	(316,331)	571,275
Total comprehensive loss for the financial period	-	-	-	-	-	-	(1,710)	(1,710)
Recognition of share-based payments	-	-	-	-	-	335	-	335
End of financial period	257,321	46,060	565,589	479	8,324	10,168	(318,041)	569,900

- 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, against the total number of issued shares excluding treasury shares of the issuer, 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.

The Share Consolidation of every twenty (20) existing issued ordinary shares into one (1) ordinary share was completed and effective as at 9 a.m. on 20 August 2015.

As at 31 March 2016, 3.85 million options granted in accordance with CIHL Share Option Scheme 2010 remain outstanding. If all of these options are exercised, 3.85 million shares in the capital of the Company may be issued on conversion (31 March 2015: 81.5 million[^]). Under the 2010 scheme, 3.85 million options representing 100% (of all options granted under the Scheme) could be exercised as at 31 March 2016 (31 March 2015: 54,500,000[^], 66.87%).

The Company did not hold any of its issued shares as treasury shares as at 31 March 2016 and 31 March 2015.

[^]Before consolidation of every 20 share options into 1 ordinary share option pursuant to the share consolidation exercise on 20 August 2015.

- 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 31 March 2016, the number of issued shares excluding treasury shares was 51,230,187 ordinary shares (31 December 2015: 51,230,187).

- 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.

Not applicable.

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

The figures have not been audited or reviewed by the Company's external auditor.

- 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.

There are a number of new or revised International Financial Reporting Standards ("IFRSs") and related interpretations promulgated by International Financial Reporting Interpretations Committee ("IFRICs") that are effective for accounting periods beginning on or after 1 January 2016. The adoption of these new IFRSs did not have any material impact on the financial information of the Group for the financial period ended 31 March 2016. Save as aforesaid, the accounting policies and methods of computation used in the preparation of the financial information of the Group for the financial period ended 31 March 2016 are the same as those used in the annual financial statements of the Group for the financial year ended 31

December 2015.

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 adopted the new or amended IFRSs and IFRICs that are mandatory for application for financial year beginning on or after 1 January 2016. The adoption of these new or amended IFRSs and IFRICs did not result in substantial changes to the Group's accounting policies nor any significant impact on the consolidated financial statements.

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.

	31.03.2016	31.03.2015
Loss attributable to owners of the parent (RMB'000)		
-Continuing operations	(8,236)	(18,783)
-Discontinued operations	-	(47)
	<u>(8,236)</u>	<u>(18,830)</u>
Weighted average number of ordinary shares in issue ('000)	<u>51,230</u>	<u>51,230*</u>
Basic and diluted loss per share (RMB fen)		
-Continuing operations	(16.08)	(36.66)
-Discontinued operations	-	(0.09)
	<u>(16.08)</u>	<u>(36.75)</u>

**Comparative figures for basic/diluted loss per share have been adjusted for share consolidation of every 20 shares into 1 ordinary share as completed by the Company on 20 August 2015.*

Basic loss per share is calculated by dividing the loss for the financial period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period.

Diluted loss per share is calculated by dividing the loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding and to assume the deemed exercise of the share options outstanding during the financial periods have been issued at no consideration.

The share options of 3,850,000 (2015: 81,500,000[^]) are anti-dilutive as (i) the Group recorded loss for the financial periods ended 31 March 2016 and 31 March 2015 and (ii) the exercise price of the share options was higher than the average market price of the Company's ordinary shares during the financial periods ended 31 March 2016 and 31 March 2015.

[^]Before consolidation of every 20 share options into 1 ordinary share option pursuant to the share consolidation exercise on 20 August 2015.

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		COMPANY	
	31.03.2016	31.12.2015	31.03.2016	31.12.2015
Net asset value (RMB'000)	267,599	275,500	569,900	571,275
Number of shares ('000)	51,230	51,230	51,230	51,230
Net asset per share (RMB)	5.223	5.378	11.124	11.151

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

Profit and Loss Analysis

The revenue during Q1 2016 of the Group was RMB33.92 million, an increase of RMB23.38 million as compared to the revenue of RMB10.55 million in Q1 2015, representing an increase of 221.6%, mainly due to an increase of water-pipe connection income in CIHL (Tianjin) Water Development Company Limited.

The cost of sales and services provided in Q1 2016 increased by 38.6% to RMB15.29 million, an increase of RMB4.26 million as compared to RMB11.03 million in Q1 2015, mainly due to an increase of cost of properties in Yichang Xinshougang Property Development Company Limited.

As a result of the above, the Group recorded a gross profit of RMB18.63 million in Q1 2016, representing an increase of 3,981.9% as compared to a gross loss of RMB0.48 million in Q1 2015.

Other loss in Q1 2016 was RMB0.08 million, which represents an increase of RMB4.64 million as compared to other income of RMB4.55 million for Q1 2015, which represents a decrease of 101.8%, the decrease was mainly due to decrease in interest income in Beijing Shiji Longquan Real Estate Development Co. Limited.

Other operating expenses in Q1 2016 was RMB6.74 million, a decrease of RMB1.35 million as compared with other operating expenses of RMB8.09 million in Q1 2015, which represents a decrease of 16.6%, as there was no penalty incurred by Yichang Xinshougang Property Development Company Limited during the quarter.

Selling and marketing expenses in Q1 2016 was RMB0.99 million, an increase of RMB0.56 million as compared to selling and marketing expenses of RMB0.43 million in Q1 2015, which represents an increase of 130.2%, mainly due to increase in advertising fee and marketing agency fee in Yichang Xinshougang Property Development Company Limited.

Finance costs in Q1 2016 was RMB7.91 million, a decrease of RMB6.35 million as compared to RMB14.26 million in Q1 2015, which represents a decrease of 44.5%, mainly due to decrease in interest expense in Beijing Shiji Longquan Real Estate Development Co. Limited.

Income tax expenses for Q1 2016 was RMB5.59 million, representing an increase of 491.0% as compared to tax credit of RMB1.43 million for Q1 2015, mainly due to increase in tax expenses in CIHL (Tianjin)

Water Development Limited.

Loss from discontinued operations for Q1 2016 was nil, representing a decrease of 100% as compared to RMB0.09 million for Q1 2015, mainly due to the completion of disposal of CCI Andi Bridges Co., Ltd on 11 November 2015.

As a result of the above, the Group recorded after tax loss of RMB5.75 million for Q1 2016 as compared to loss of RMB21.97 million for Q1 2015.

Analysis on Statement of Financial Position

Trade and other receivables increased from RMB102.73 million as at 31 December 2015 to RMB125.98 million as at 31 March 2016 was mainly due to the increase of receivables from customers in Yichang Xinshougang Property Development Company Limited and CIHL (Tianjin) Water Development Company Limited.

Cash and cash equivalents as at 31 March 2016 was RMB41.18 million as compared to RMB18.86 million as at 31 December 2015.

Cash Flows Analysis

As at 31 March 2016, cash and cash equivalents include restricted bank balances of approximately RMB7.44 million. The restricted cash mainly represents cash deposited in certain banks as guarantee deposits for the mortgage loan facilities granted by the banks to the buyers in Yichang Xinshougang Property Development Company Limited.

Net cash used in operating activities is RMB24.08 million for Q1 2016, mainly due to increase of prepayment of construction cost in Yichang Xinshougang Property Development Company Limited.

Net cash provided by investing activities for Q1 2016 was RMB22.25 million, mainly due to interest received in Beijing Shiji Longquan Real Estate Development Co. Limited.

Net cash provided by financing activities for Q1 2016 was RMB19.69 million, which was mainly due to borrowings from a related party.

- 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 was previously provided.

- 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 the Chinese economy to remain challenging in 2016. The property market in the first tier cities, and to some extent, the second tier cities has benefited from decreases in mortgage rates. However we are yet to see any benefits from the reduction in borrowing costs in third tier cities such as Yichang and Ji Xian where we operate. The ease in monetary policy has not made it easier for the developers to raise capital. This will affect the pace of development of many projects in China, including our real estate development projects and water supply service operations. However, the credit market is expected to show signs of relief in the next 12 months. The Group has been focused on cash generation from its property development

projects as well as other businesses, and will continue such efforts on cash generation in 2016.

The Group's Liuhe Gold project has received all licenses required for commercial operation in 2015, but as at to date has not received the production certificate from the relevant government authorities. Currently, the trial production output has not reached the desired capacity in Q1 FY2016. The Group has made full impairment in relation to the Liuhe Gold project in Q4 FY2015, and the Group is considering to dispose this investment when there is an opportunity.

The oil and gas exploration and exploitation is a high risk and high cost business. The Group's project in Papua New Guinea is still at its early stages of exploration. The Group undertook limited scope of work during the past year in order to minimize expenses in the environment of weak oil prices. The Group expects the current poor market for oil and gas exploration to continue and inability to continue to obtain new funds. As the situation continues it would not be commercially viable to raise finance for further exploration. The Group has made a full impairment for the related investment in the Group's project in Papua New Guinea in Q4 FY2015. The Group is considering to dispose this investment when there is an opportunity.

The Group will going forward be more focused on the property development and water treatment business in China.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None.

(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 has been declared nor recommended by the directors on first quarter ended 31 March 2016.

13 If the Group has obtained a general mandate from shareholders for interested persons transactions ('IPT'), the aggregate value of such transaction as required under Rule 902(1)(a)(ii). If non mandate has been obtained, a statement to that effect.

The Group did not obtain a general mandate from shareholders for interested person transactions.

14 Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results of the Group and of the Company for the first quarter and the three months financial period ended 31 March 2016 to be false or misleading in any material aspect.

15 Undertakings confirmation pursuant to Rule 720(1)

The Board of Directors of the Company hereby confirms that the undertakings from all its directors and executive officers as required in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual were procured.

On behalf of the Board of Directors

Zhang Rong Xiang
Managing Director

Zhu Jun
Executive Director

Shen Xia
Executive Director

BY ORDER OF THE BOARD

Zhang Rong Xiang
Managing Director
10 May 2016