



China Auto Electronics Group Limited

CHINA AUTO ELECTRONICS GROUP LIMITED

(Incorporated in Bermuda)

(Company Registration Number: 34300)

UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

PART I INFORMATION REQUIRED FOR QUARTERLY RESULTS, HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i) *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*

	Fourth Quarter Ended on			Full Year Ended on		
	31/12/2014	31/12/2013	Change	31/12/2014	31/12/2013	Change
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	633,628	558,128	13.5%	2,295,848	1,957,621	17.3%
Cost of sales	(524,259)	(474,471)	10.5%	(1,837,744)	(1,569,024)	17.1%
Gross profit	109,369	83,657	30.7%	458,104	388,597	17.9%
Other items of income						
Interest income	3,407	3,934	-13.4%	10,854	12,972	-16.3%
Other income	3,695	1,553	n.m.	13,074	6,881	90.0%
Other items of expense						
Other expenses	(1,282)	15,321	n.m.	(10,153)	(23,438)	-56.7%
Selling and distribution expenses	(13,299)	(13,082)	1.7%	(45,736)	(44,097)	3.7%
Research and development expenses	(23,363)	(19,380)	20.6%	(72,544)	(56,076)	29.4%
General and administrative expenses	(55,526)	(36,599)	51.7%	(146,050)	(111,676)	30.8%
Finance costs	(8,086)	(11,972)	-32.5%	(48,296)	(47,274)	2.2%
Profit before income tax	14,915	23,432	-36.3%	159,253	125,889	26.5%
Income tax	(2,799)	(3,404)	-17.8%	(24,733)	(19,267)	28.4%
Profit for the period/year	12,116	20,028	-39.5%	134,520	106,622	26.2%
Other comprehensive (loss)/income, net of tax						
Currency translation difference	(1,403)	239	n.m.	(1,655)	1,245	n.m.
Total comprehensive income for the period/year	10,713	20,267	-47.1%	132,865	107,867	23.2%
Profit attributable to:						
Owners of the Company	10,468	17,585	-40.5%	125,585	101,696	23.5%
Non-controlling interests	1,648	2,443	-32.5%	8,935	4,926	81.4%
	12,116	20,028	-39.5%	134,520	106,622	26.2%
Total comprehensive income attributable to:						
Owners of the Company	9,065	17,824	-49.1%	123,930	102,941	20.4%
Non-controlling interests	1,648	2,443	-32.5%	8,935	4,926	81.4%
	10,713	20,267	-47.1%	132,865	107,867	23.2%

Note: "n.m." means "not meaningful"

1(a)(ii) Additional information to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:

Profit before income tax is arrived at after charging/(crediting):

	Fourth Quarter Ended on			Full Year Ended on		
	31/12/2014	31/12/2013	Change	31/12/2014	31/12/2013	Change
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Amortisation of intangible assets	520	510	2.0%	2,071	2,131	-2.8%
Depreciation of property, plant and equipment	8,830	6,256	41.1%	32,135	28,590	12.4%
Interest income	(3,407)	(3,934)	-13.4%	(10,854)	(12,972)	-16.3%
Interest expense	8,086	11,972	-32.5%	48,296	47,274	2.2%
Provision/(Reversal) of allowance for slow-moving inventories	18,365	(3,236)	n.m.	18,365	21,183	-13.3%
Provision/(Reversal) for doubtful trade and other receivables	4,906	(2,200)	n.m.	7,214	(4,236)	n.m.

Note:

Please refer to item 8 on page 10 for details.

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

Statements of Financial Position:

	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS				
Non-Current Assets				
Property, plant and equipment	280,869	251,927	-	-
Intangible assets	68,038	69,733	-	-
Interest in subsidiaries	-	-	198,512	198,512
Trade and other receivables-non-current	-	-	-	-
Deferred income tax assets	9,663	8,107	-	-
Total non-current assets	358,570	329,767	198,512	198,512
Current Assets				
Inventories	448,160	404,196	-	-
Trade and other receivables	929,441	879,061	304,523	310,929
Financial assets, available-for-sale	1,800	1,800	-	-
Bank deposits pledged	237,547	253,810	-	-
Cash and cash equivalents	129,245	102,557	798	687
Total current assets	1,746,193	1,641,424	305,321	311,616
Total Assets	2,104,763	1,971,191	503,833	510,128
LIABILITIES				
Non-current liabilities				
Borrowings	20,247	20,724	-	-
Deferred income	20,439	22,652	-	-
Total non-current liability	40,686	43,376	-	-
Current Liabilities				
Trade and other payables	821,871	712,255	44,696	50,689
Short-term borrowings	479,383	583,010	-	-
Provision for income tax	7,339	5,831	-	-
Total current liabilities	1,308,593	1,301,096	44,696	50,689
Total Liabilities	1,349,279	1,344,472	44,696	50,689
NET CURRENT ASSETS	437,600	340,328	260,625	260,927
NET ASSETS	755,484	626,719	459,137	459,439
Equity				
Share capital	490,115	490,115	623,026	623,026
Other reserves	250,746	237,373	71,753	71,753
Accumulated losses	(31,585)	(140,821)	(235,642)	(235,340)
Non-controlling interests	46,208	40,052	-	-
Total Equity	755,484	626,719	459,137	459,439
Total Equity and Liabilities	2,104,763	1,971,191	503,833	510,128

Analysis of Statements of Financial Position

A. The Group

1. The increase in property, plant and equipment of RMB28.9 million was mainly due to new purchase of plant & equipment of RMB61.6 million, but offset by depreciation expense of RMB32.1 million.
2. The decrease in intangible assets was due to amortization charged for land use rights, computer equipments and patent assets during the period.
3. The increase in inventories, trade and other receivables was in line with the increase in sales activities.
4. The decrease in trade and other payables was mainly to due faster payment to suppliers during the financial period under review.
5. The decrease in short-term borrowings was due to repayment during the financial period under review.

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

	GROUP	
	31/12/2014	31/12/2013
	RMB'000	RMB'000
Amount repayable in one year or less, or on demand		
Secured	245,383	414,010
Unsecured	234,000	169,000
	<u>479,383</u>	<u>583,010</u>
Amount repayable after one year		
Secured	20,247	20,724
Unsecured	-	-
	<u>20,247</u>	<u>20,724</u>

Details of any collateral

Short-term borrowings

As at 31 December 2014, the Group's secured borrowings were secured by the following collaterals:

	GROUP	
	31/12/2014	31/12/2013
	RMB'000	RMB'000
<u>Secured</u>		
Fixed deposits collateral	71,470	90,527
Accounts receivable	100,941	247,793
Production and office buildings	50,521	62,000
Finance lease	22,451	13,690
<u>Unsecured</u>		
Corporate guarantees		
Granted by unrelated third parties	185,000	150,000
Granted by Group	19,000	19,000
Others	30,000	-

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

	Fourth Quarter Ended on		Full Year Ended on	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from operating activities :				
Profit before income tax	14,915	23,432	159,253	125,889
Adjustments for :				
Amortisation of intangible assets	520	510	2,071	2,131
Depreciation of property, plant and equipment	8,830	6,256	32,135	28,590
Provision/(Reversal) of allowance for slow-moving inventories	18,365	(3,236)	18,365	21,183
Provision/(Reversal) of allowance for doubtful trade and other receivables	4,906	(2,200)	7,214	(4,236)
Impairment loss on property, plant and equipment	-	3,726	-	3,726
Loss from disposal of property, plant and equipment	-	709	-	709
Waiver of trade payables	(698)	-	(698)	-
Gain on disposal of property, plant and equipment	87	-	(183)	-
Interest income	(3,407)	(3,934)	(10,854)	(12,972)
Interest expense	8,086	11,972	48,296	47,274
Amortised of government grant	(1,211)	(1,336)	(2,213)	(1,336)
Unrealised currency translation loss	685	449	685	449
Operating profit before working capital changes	51,078	36,348	254,071	211,407
<u>Changes in working capital</u>				
Inventories	(54,807)	(36,535)	(62,329)	(39,100)
Trade and other receivables	(92,517)	(82,833)	(58,807)	(176,155)
Trade and other payables	85,771	74,921	51,438	27,781
Cash generated from operations	(10,475)	(8,099)	184,373	23,933
Interest received	3,407	3,934	10,854	12,972
Income tax paid	(8,179)	(2,877)	(24,781)	(12,546)
Net cash (used in)/generated from operating activities	(15,247)	(7,042)	170,446	24,359
Cash flows from investing activities :				
Purchase of property, plant and equipment	(13,589)	(6,947)	(46,713)	(25,127)
Purchase of intangible assets	-	(931)	(376)	(561)
Proceeds from disposal of property, plant and equipment	656	1,870	787	2,897
Cash received for subsidy related to assets	-	1,100	-	6,100
Cash paid to acquire investments	-	-	(1,700)	-
Cash received from disposal of investment in equity funds	-	30	-	30
Net cash used in investing activities	(12,933)	(4,878)	(48,002)	(16,661)

	Fourth Quarter Ended on		Full Year Ended on	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from financing activities :				
Net proceeds from short-term borrowings	4,703	62,025	(104,104)	130,581
Changes in bills payables	(52,774)	(96,965)	43,466	(86,309)
Cash restricted in use	101,899	70,843	16,263	31,004
Dividends paid to non-controlling interest	-	-	(2,400)	(3,600)
Interest paid	(10,138)	(9,799)	(48,296)	(47,274)
Net cash generated from/(used in) financing activities	43,690	26,104	(95,071)	24,402
Net increase in cash and bank balances	15,510	14,184	27,373	32,100
Effects of currency translation difference	(433)	(1,455)	(685)	(449)
Cash and cash equivalents at beginning of financial year	114,168	89,828	102,557	70,906
Cash and cash equivalents at end of financial year (Note A)	129,245	102,557	129,245	102,557
Note A				
Cash and cash equivalents comprise :				
Cash and bank balances	366,792	356,367	366,792	356,367
Less: Pledged deposits	(237,547)	(253,810)	(237,547)	(253,810)
	129,245	102,557	129,245	102,557

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

GROUP	Share capital	Other reserves	Accumulated loss	Attributable to the Equity holders of the Company	Non-controlling interest	Total Equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2014	490,115	237,373	(140,821)	586,667	40,052	626,719
Profit for the year	-	-	125,585	125,585	8,935	134,520
Currency Translation Difference	-	(1,655)	-	(1,655)	-	(1,655)
Total comprehensive income	-	(1,655)	125,585	123,930	8,935	132,865
Dividends paid to non-controlling interest	-	-	-	-	(2,400)	(2,400)
Changes in shareholding in non-controlling interests of subsidiaries	-	(1,321)	-	(1,321)	(379)	(1,700)
Transfer to PRC statutory reserve	-	16,349	(16,349)	-	-	-
Balance at 31 December 2014	490,115	250,746	(31,585)	709,276	46,208	755,484
Balance at 1 January 2013	490,115	228,164	(234,940)	483,339	37,413	520,752
Profit for the year	-	-	101,696	101,696	4,926	106,622
Currency Translation Difference	-	1,245	-	1,245	-	1,245
Total comprehensive income	-	1,245	101,696	102,941	4,926	107,867
Dividends paid to non-controlling interest	-	-	-	-	(3,600)	(3,600)
Changes in shareholding in non-controlling interests of subsidiaries	-	387	-	387	1,313	1,700
Transfer to PRC statutory reserve	-	7,577	(7,577)	-	-	-
Balance at 31 December 2013	490,115	237,373	(140,821)	586,667	40,052	626,719

COMPANY	Share capital	Other reserves	Accumulated loss	Attributable to the Equity holders of the Company	Total Equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2014	623,026	71,753	(235,340)	459,439	459,439
Loss net of tax, representing total comprehensive loss for the year	-	-	(302)	(302)	(302)
Balance at 31 December 2014	623,026	71,753	(235,642)	459,137	459,137
Balance at 1 January 2013	623,026	71,753	(227,511)	467,268	467,268
Loss net of tax, representing total comprehensive loss for the year	-	-	(7,829)	(7,829)	(7,829)
Balance at 31 December 2013	623,026	71,753	(235,340)	459,439	459,439

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

	<u>Number of Ordinary Shares</u>	<u>Share Capital RMB'000</u>
Share capital:		
As at 1 January 2013 and 31 December 2013	<u>681,600,000</u>	<u>623,026</u>
As at 1 January 2014 and 31 December 2014	<u>681,600,000</u>	<u>623,026</u>

The Company does not have any outstanding convertibles or 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 preceding year

	<u>Group</u>		<u>Company</u>	
	<u>31/12/2014</u>	<u>31/12/2013</u>	<u>31/12/2014</u>	<u>31/12/2013</u>
Number of issued shares	<u>681,600,000</u>	<u>681,600,000</u>	<u>681,600,000</u>	<u>681,600,000</u>

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 nor reviewed by the auditors.

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

Except as disclosed in Paragraph 5 below, the accounting policies have been consistently applied by the Group, and are consistent with those used in the preparation of the financial statements for the financial year ended 31 December 2013.

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 and revised Singapore Financial Reporting Standards (“SFRS”) and Interpretations of Financial Reporting Standards (“INT FRS”) which become effective for the accounting periods beginning on or after 1 January 2014. The adoption of these new and revised FRS and INT FRS have no significant impact to the Group.

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:

(a) Based on the weighted average number of ordinary shares on issue; and

(b) On a fully diluted basis (detailing any adjustments made to the earnings)

	Fourth Quarter Ended on		Full Year Ended on	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Profit attributable to shareholders of the Company (RMB'000)	10,468	17,585	125,585	101,696
<u>Number of shares</u>				
Earnings per share (RMB fen)				
- Basic	1.54	2.58	18.43	14.92

Diluted earnings per share is not presented as there was no potential dilutive ordinary share existing during the relevant financial period presented.

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	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Net assets (RMB'000)	755,484	626,719	459,137	459,439
Number of shares	681,600,000	681,600,000	681,600,000	681,600,000
Net assets value per share (RMB fen)	110.84	91.95	67.36	67.41

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**

Revenue

	China Operations			US Operations			TOTAL		
	FY2014	FY2013	Change	FY2014	FY2013	Change	FY2014	FY2013	Change
	RMB'000	RMB'000	%	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	1,757,256	1,586,495	10.8%	538,592	371,126	45.1%	2,295,848	1,957,621	17.3%
Cost of sales	(1,326,129)	(1,217,504)	8.9%	(511,615)	(351,520)	45.5%	(1,837,744)	(1,569,024)	17.1%
Gross profit	<u>431,127</u>	<u>368,991</u>	16.8%	<u>26,977</u>	<u>19,606</u>	37.6%	<u>458,104</u>	<u>388,597</u>	17.9%
Gross profit margin	<u>25%</u>	<u>23%</u>		<u>5%</u>	<u>5%</u>		<u>20%</u>	<u>20%</u>	

The Group recorded a net profit after tax of RMB134.5 million for the financial year ended 31 December 2014 ("FY2014") as compared to RMB106.6 million in FY2013.

Group revenue increased by 17.3% to RMB2.29 billion.

Revenue from China operations increased by 10.8% to RMB1.76 billion, while Overseas operations increased by 45.1% to RMB538.6 million. The increase in sales for overseas operations was mainly due to higher number of new car models being launched to meet customers' demands in the US.

Gross profit and gross profit margin

Gross profit margin for the Group maintained at about 20% (FY2013: 20%), while the gross profit increased by 17.9% to RMB458.1 million. The gross profit of China and US operations had increased by 16.8% and 37.6% respectively, mainly due to higher sales volume.

Net profit before income tax

Interest income decreased by RMB2.1 million (or 16.3%), which was mainly due to differences in maturity of fixed deposits.

Other income increased by RMB6.2 million to RMB13.1 million, which was mainly due to the compensation received from insurance company for the fire damage suffered by one of our subsidiaries (Please refer to related announcement dated 8th July 2012) and subsidy income from the government recognized for the financial year.

Other expenses decreased by RMB13.3 million (or 56.7%) to RMB10.2 million, which was mainly due to lower impairment loss on assets and assets being write-off.

Research and development expenses increased by RMB16.5 million (or 29.4%) to RMB72.5 million, which was incurred for the development of new projects to seek opportunities to secure future sales with new and existing customers.

General and administrative expenses increased by RMB34.4 million (or 30.8%) to RMB146.1 million, which was mainly due to increase in staff related expenses of about RMB18.4 million and increase in provision for asset impairment of RMB11.0 million.

Taxation

Income tax expense increased by RMB5.5 million (or 28.4%), which was in line with higher taxable income from increased profits for the financial year under review.

Cash flows

The Group generated RMB170.4 million (FY2013: RMB24.4 million) from operating activities, which was mainly due to higher amount of profits and improved collections from trade receivables during the financial year under review. After payments for investing activities of RMB48.0 million (FY2013: 16.7 million) and financing activities of RMB95.1 million (FY2013: RMB24.4 million), the cash and cash equivalent as at 31 December 2014 amounted to RMB129.2 million.

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 had been previously issued for the financial period under review. However, the results for the current quarter and the financial year ended 31 December 2014, is in line with the statement made in paragraph 10 of the results announcement dated 14 November 2014.

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 PRC economy in 2015 continues to show stable growth, which in turn has positively impacted the overall car sales growth in PRC. This would bode well for the Group's performance.

The Group will continue to streamline its operations, and its effort to increase sales and expansion to overseas markets. Barring any unforeseen circumstances, the Group remains cautiously optimistic of its performance in 2015.

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 or recommended for the financial year ended 31 December 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 general mandate has been obtained from the shareholders.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

	China Operations			US Operations			Total RMB'000
	Wire harness RMB'000	Connectors RMB'000	Mould and machinery RMB'000	Wire harness RMB'000	Others RMB'000	Elimination RMB'000	
FY2014							
Revenue							
External customers	1,349,486	411,370	79,719	425,750	29,523	-	2,295,848
Inter-segment	604,412	160,064	22,457	112,842	7,224	(906,999)	-
Total revenue	1,953,898	571,434	102,176	538,592	36,747	(906,999)	2,295,848
Segmental gross profit	195,981	196,911	39,205	26,977	8,564	(9,534)	458,104
Unallocated expenses, net							(261,409)
Interest income							10,854
Finance costs							(48,296)
Profit before tax							159,253
Income tax							(24,733)
Profit after tax							134,520
FY2013							
Revenue							
External customers	1,238,615	343,149	63,189	281,425	31,243	-	1,957,621
Inter-segment	469,743	178,798	11,477	89,701	11,863	(761,582)	-
Total revenue	1,708,358	521,947	74,666	371,126	43,106	(761,582)	1,957,621
Segmental gross profit	153,384	181,088	29,947	19,606	6,261	(1,689)	388,597
Unallocated expenses, net							(228,406)
Interest income							12,972
Finance costs							(47,274)
Profit before tax							125,889
Income tax							(19,267)
Profit after tax							106,622

15 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Please refer to item 8 above for details.

16 A breakdown of sales

	Financial Year Ended on		
	31/12/2014	31/12/2013	Change
	RMB mil	RMB mil	%
Revenue reported for first half year:			
Wire harness	869	694	25.2%
Connectors	178	178	0.2%
Others	53	44	20.4%
	1,100	915	20.2%
Operating profit after tax reported for first half year	84	57	47.0%
Revenue reported for second half year:			
Wire harness	906	826	9.7%
Connectors	233	166	41.0%
Others	56	50	11.6%
	1,196	1,042	14.7%
Operating profit after tax reported for second half year	50	107	-52.9%
Revenue reported for full year	2,296	1,958	17.3%
Operating profit after tax reported for full year	135	107	26.2%

17 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Not applicable (please also refer to item 11 above).

18 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement

There is no person who occupies a managerial position in the Company and the Group who is a relative of director, chief executive officer or substantial shareholder pursuant to Rule 704(13) of the Listing Rules.

BY ORDER OF THE BOARD

Zhang Jingtang (张景堂)

Executive Chairman

1 March 2015