



China Essence Group Ltd.  
嵩天集团有限公司

(the "**Company**")

(Incorporated in the Cayman Islands)

(Registration No. CT-152302)

**NOTIFICATION OF INCLUSION ON THE WATCH-LIST WITH EFFECT FROM  
4 JUNE 2014**

---

The Board of Directors of China Essence Group Ltd (the "Company", or together with its subsidiaries, the "Group") wishes to announce that following the Notice of 3 Consecutive Years' Losses released by the Company on 30 May 2014, the Singapore Exchange Securities Trading Limited (the "SGX-ST") has notified the Company that it will be placed on the watch-list with effect from 4 June 2014 pursuant to Rule 1311 of the SGX-ST Listing Manual.

The Company would have to meet the requirements of Rule 1314 of the SGX-ST Listing Manual for its removal from the watch-list within 24 months from 4 June 2014, failing which the SGX-ST may either delist the Company or suspend trading in the Company's shares with a view to delisting the Company.

Rule 1314 of the SGX-ST Listing Manual states that an issuer on the watch-list may apply to the SGX-ST for its removal from the watch-list if it satisfies any one of the following requirements:

- (i) the issuer records consolidated pre-tax profit for the most recently completed financial year (based on the latest full year consolidated audited accounts, excluding exceptional or non-recurrent income and extraordinary items) and has an average daily market capitalisation of \$40 million or more over the last 120 market days on which trading was not suspended or halted for a full market day; or
- (ii) the issuer satisfies Listing Rule 210(3) and either one of the following requirements:
  - (a) cumulative consolidated pre-tax profit of at least S\$7.5 million for the last three years, and a minimum pre-tax profit of S\$1 million for each of those three years; or
  - (b) cumulative consolidated pre-tax profit of at least S\$10 million for the last one or two years. Rule 210(3)(a) applies to the last one year or last two years as the case may be.

The SGX-ST may approve the application, or reject the application if the SGX-ST is of the opinion that there are other factors that justify the continued inclusion of the issuer in the watch-list.

The Company would like to notify all its shareholders and business partners that the Group's business shall continue as usual.



China Essence Group Ltd.  
嵩天集团有限公司

**By Order of the Board**

Zhao Libin

Executive Chairman and Chief Executive Officer

3 June 2014