
FIRST QUARTER FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014

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 /
	31.03.2014	31.03.2013	(Decrease)
	RMB'000	RMB'000	%
Continuing operations			
Revenue	24,545	8,669	183.1
Cost of services provided	<u>(13,938)</u>	<u>(2,009)</u>	593.8
Gross profit	10,607	6,660	59.3
Other income-net	6,460	5,686	13.6
Administrative expenses	(5,806)	(3,217)	80.5
Other operating expenses	(5,768)	(4,753)	21.4
Selling and marketing expenses	<u>(1,478)</u>	<u>-</u>	NM
Operating profit	4,015	4,376	(8.2)
Finance costs	(6,893)	(833)	727.5
Share of losses of associated companies	<u>(577)</u>	<u>(265)</u>	117.7
(Loss) / profit before income tax	(3,455)	3,278	(205.4)
Income tax expense	<u>(889)</u>	<u>(1,983)</u>	(55.2)
(Loss) / profit for the financial period from continuing operations	(4,344)	1,295	(435.4)
Discontinued operations			
Loss for the financial period from discontinued operations	<u>(249)</u>	<u>(1,033)</u>	(75.9)
(Loss) / profit for the financial period	<u>(4,593)</u>	<u>262</u>	(1,853.1)
Other comprehensive income / (loss):			
Item that may be subsequently reclassified to profit or loss:			
Exchange differences on translating foreign operations	<u>121</u>	<u>(391)</u>	130.9
Other comprehensive income / (loss) for the financial period, net of tax	<u>121</u>	<u>(391)</u>	130.9
Total comprehensive loss for the financial period	<u>(4,472)</u>	<u>(129)</u>	(3,366.7)

NM: Not Meaningful

	3 months ended		Increase / (Decrease) %
	31.03.2014 RMB'000	31.03.2013 RMB'000	
(Loss) / profit for the financial period attributable to:			
Owners of the parent	(5,302)	(686)	(672.9)
Non-controlling interests	<u>709</u>	<u>948</u>	(25.2)
	<u>(4,593)</u>	<u>262</u>	(1,853.1)
Total comprehensive (loss) / income for the financial period attributable to:			
Owners of the parent	(5,181)	(1,077)	(381.1)
Non-controlling interests	<u>709</u>	<u>948</u>	(25.2)
	<u>(4,472)</u>	<u>(129)</u>	(3,366.7)

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.

Under IFRS 5, Non-Current Assets Held for Sale and Discontinued Operations, discontinued operation is a component of an entity that either has been disposed of or is classified as held for sale and represents a separate major line of business or geographical area. Management has assessed and satisfied that the cessation of toll bridge business has met the criteria under IFRS 5.

Under IFRS 5 Para 9, classification as non-current assets held for sale can generally only happen when the sale is expected to be completed within one year of the date of classification. However, it may extend beyond one year from the date of classification as held for sale when a delay is caused by events outside the entity’s control and there is evidence that the entity is still committed to the plan to sell the non-current asset or disposal group.

Hence, the Company’s financial statements for the financial period ended 31 March 2013 and 31 March 2014 are prepared in accordance with presentation and disclosure prescribed under IFRS 5.

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

	3 months ended					
	31.03.2014			31.03.2013		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Interest income	5,786	-	5,786	4,788	2	4,790
Depreciation of property, plant and equipment	(2,155)	-	(2,155)	(1,429)	(85)	(1,514)
Currency translation gain, net	353	-	353	223	-	223
Share of losses of associated companies	(577)	-	(577)	(265)	-	(265)
Auditors' remuneration	(443)	-	(443)	(213)	-	(213)
Gain on disposal of property, plant and equipment	-	-	-	13	-	13
Rental income, net	307	-	307	621	-	621

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	
	31.03.2014 RMB'000	31.12.2013 RMB'000	31.03.2014 RMB'000	31.12.2013 RMB'000
Non-Current Assets				
Property, plant and equipment	212,233	210,637	-	-
Intangible assets	122	122	-	-
Investment properties	33,100	33,100	-	-
Goodwill arising on consolidation	20,303	20,303	-	-
Investment in associated companies	96,583	97,040	-	-
Investment in subsidiaries	-	-	220,049	220,049
Long-term loan receivable	150,000	150,000	-	-
Deferred income tax assets	739	705	-	-
	513,080	511,907	220,049	220,049
Current Assets				
Properties for development	1,291,695	1,298,474	-	-
Prepayments, deposits and other receivables	158,330	136,697	298	298
Inventories	1,480	1,671	-	-
Trade receivables	18,057	50,945	-	-
Gross amounts due from customers for contract work	15,417	15,634	-	-
Due from associated companies	61,737	59,115	-	-
Due from related party	87	-	-	-
Due from subsidiaries	-	-	511,626	517,693
Due from non-controlling shareholders of subsidiaries	10,093	10,093	-	-
Restricted bank balances	3,124	2,270	-	-
Cash and cash equivalents	25,772	45,464	*	*
	1,585,792	1,620,363	511,924	517,991
Assets of discontinued operations	8,447	8,411	-	-
	1,594,239	1,628,774	511,924	517,991
Current Liabilities				
Trade payables	23,569	41,329	-	-
Other payables and accruals	142,283	151,515	2,237	2,588
Receipts in advance	24,706	20,770	-	-
Gross amounts due to customers for contract work	2,662	2,912	-	-
Due to subsidiaries	-	-	153,220	157,317
Due to non-controlling shareholders of subsidiaries	213,288	334,788	-	-
Current income tax liabilities	25,570	27,355	-	-
Borrowings	161,003	35,297	-	-
	593,081	613,966	155,457	159,905
Liabilities of discontinued operations	431	446	-	-
	593,512	614,412	155,457	159,905
NET CURRENT ASSETS	1,000,727	1,014,362	356,467	358,086
TOTAL ASSETS LESS CURRENT LIABILITIES	1,513,807	1,526,269	576,516	578,135

* Less than RMB1,000

	Group		Company	
	31.03.2014	31.12.2013	31.03.2014	31.12.2013
	RMB'000	RMB'000	RMB'000	RMB'000
Non-Current Liabilities				
Deferred income tax liabilities	174,492	175,760	-	-
Long term loan payables	147,642	145,445	-	-
Borrowings	138,806	148,076	-	-
	460,940	469,281	-	-
NET ASSETS	1,052,867	1,056,988	576,516	578,135
EQUITY				
Equity attributable to owners of the parent				
Share capital	219,943	219,943	219,943	219,943
Reserves	651,350	650,878	626,662	626,312
Accumulated losses	(170,628)	(165,326)	(270,089)	(268,120)
	700,665	705,495	576,516	578,135
Non-controlling interests	352,202	351,493	-	-
TOTAL EQUITY	1,052,867	1,056,988	576,516	578,135

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

Amount repayable in one year or less, or on demand

As at 31.03.2014 (RMB'000)		As at 31.12.2013 (RMB'000)	
Secured	Unsecured	Secured	Unsecured
156,003	5,000	35,297	-

Amount repayable after one year

As at 31.03.2014 (RMB'000)		As at 31.12.2013 (RMB'000)	
Secured	Unsecured	Secured	Unsecured
138,806	147,642	148,076	145,445

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; and
- (ii) First legal mortgage over certain land and buildings of the Group in Beijing and Tianjin; and
- (iii) First legal mortgage over investment properties of the Group in Beijing; and
- (iv) First legal mortgage over share equity in one 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	
	31.03.2014	31.03.2013
	RMB'000	RMB'000
Cash flows from operating activities		
(Loss) / profit before income tax	(3,704)	2,245
Adjustments for:		
Depreciation of property, plant and equipment	2,155	1,514
Interest expenses	4,693	822
Interest income	(5,786)	(4,790)
Employee share option expense	351	174
Gain on disposal of property, plant and equipment	-	(13)
Share of losses of associated companies	577	265
Unrealised currency translation gain	2,197	-
	<u>483</u>	<u>217</u>
Changes in working capital		
Properties for development	7,001	(1,218)
Prepayments, deposits and other receivables	(19,028)	(2,372)
Inventories	191	(934)
Trade receivables	32,888	(319)
Gross amounts due from customers for contract work	217	368
Due from related party	(87)	(89)
Due from non-controlling shareholders	-	563
Trade payables	(17,760)	(6,834)
Other payables and accruals	(9,379)	(4,164)
Receipts in advance	3,936	7,743
Gross amounts due to customers for contract work	(250)	-
Due to non-controlling shareholders	(1,500)	-
Cash used in operations	<u>(3,288)</u>	<u>(7,039)</u>
PRC income tax paid	(3,963)	(2,701)
Net cash used in operating activities	<u>(7,251)</u>	<u>(9,740)</u>
Cash flows from investing activities		
Payments for remaining consideration of acquisition of subsidiaries	(120,000)	-
Interest received	3,153	3,380
Purchases of property, plant and equipment	(3,973)	(5,364)
Increase of restricted bank balances pledged	(854)	-
Proceeds from disposal of property, plant and equipment	-	13
Payments for acquisition of non-controlling interests	-	(500)
Loans to associated companies	(2,622)	(992)
Net cash used in investing activities	<u>(124,296)</u>	<u>(3,463)</u>
Cash flows from financing activities		
Interest paid	(4,557)	(823)
Loan from non-related parties	125,000	(388)
Repayment of borrowings	(8,564)	-
Net cash generated from / (used in) financing activities	<u>111,879</u>	<u>(1,211)</u>

	3 months ended	
	31.03.2014	31.03.2013
	RMB'000	RMB'000
Net decrease in cash and cash equivalents	(19,668)	(14,414)
CASH AND CASH EQUIVALENTS:		
BEGINNING OF FINANCIAL PERIOD	45,500	78,486
END OF FINANCIAL PERIOD	<u>25,832</u>	<u>64,072</u>
Analysis of Cash and Cash Equivalents		
Cash and bank balances	28,896	63,649
Restricted bank balances	(3,124)	(143)
Cash held by discontinued operations	60	566
	<u>25,832</u>	<u>64,072</u>

As at 31 March 2014, cash and cash equivalents include restricted bank balances of approximately RMB3,124,000 (31 December 2013: RMB2,270,000) mainly for securing fund for buyers in Yichang Xinshougang Property Development Company Limited.

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	Currency Translation Reserve RMB'000	Share Reserve RMB'000	Accumulated Losses RMB'000	Subtotal RMB'000		
At 1 Jan 2013	219,943	45,312	565,589	7,764	18,710	8,324	(2,294)	7,455	(178,170)	692,633	80,211	772,844
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	266,120	266,120
Total comprehensive (loss) / income for the financial year	-	-	-	-	-	-	(1,875)	-	14,439	12,564	5,662	18,226
Share option lapsed / forfeited during the financial year	-	-	-	-	-	-	-	(1,145)	1,145	-	-	-
Transfer	-	-	-	-	2,740	-	-	-	(2,740)	-	-	-
Acquisition of additional interests from non-controlling interests	-	-	-	-	-	-	-	-	-	-	(500)	(500)
Recognition of share-based payments	-	-	-	-	-	-	-	298	-	298	-	298
At 31 Dec 2013	219,943	45,312	565,589	7,764	21,450	8,324	(4,169)	6,608	(165,326)	705,495	351,493	1,056,988
At 1 Jan 2014	219,943	45,312	565,589	7,764	21,450	8,324	(4,169)	6,608	(165,326)	705,495	351,493	1,056,988
Total comprehensive income / (loss) for the financial period	-	-	-	-	-	-	121	-	(5,302)	(5,181)	709	(4,472)
Recognition of share-based payments	-	-	-	-	-	-	-	351	-	351	-	351
At 31 March 2014	219,943	45,312	565,589	7,764	21,450	8,324	(4,048)	6,959	(170,628)	700,665	352,202	1,052,867

COMPANY

	Share Capital RMB'000	Share Premium RMB'000	Contributed Surplus RMB'000	Capital Reserve RMB'000	Capital Redemption Reserve RMB'000	Share Reserve RMB'000	Accumulated Losses RMB'000	Total Equity RMB'000
	At 1 Jan 2013	219,943	45,312	565,589	479	8,324	7,455	(259,805)
Share option lapsed / forfeited during the financial year	-	-	-	-	-	(1,145)	1,145	-
Total comprehensive loss for the financial year	-	-	-	-	-	-	(9,460)	(9,460)
Recognition of share-based payments	-	-	-	-	-	298	-	298
At 31 Dec 2013	219,943	45,312	565,589	479	8,324	6,608	(268,120)	578,135
At 1 Jan 2014	219,943	45,312	565,589	479	8,324	6,608	(268,120)	578,135
Total comprehensive loss for the financial period	-	-	-	-	-	-	(1,970)	(1,970)
Recognition of share-based payments	-	-	-	-	-	351	-	351
At 31 March 2014	219,943	45,312	565,589	479	8,324	6,959	(270,090)	576,516

- 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 Company has on 10 March 2014 made an offer to grant the options pursuant to the rules of CIHL Share Option Scheme (the "2010 Scheme"). As at 31 March 2014, 98.5 million options granted in accordance with CIHL Share Option Scheme 2010 are outstanding for conversion into 98.5 million shares in the capital of the Company (44.5 million as at 31 December 2013). According to the scheme, 44,500,000 options representing 45.18% (2013: 100%) options granted could be exercised as at 31 March 2014 (44,500,000 options as at 31 December 2013).

The Company did not hold any of its issued shares as treasury shares as at 31 March 2014 and 31 December 2013.

- 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 2014, the number of issued shares excluding treasury shares was 874,603,750 ordinary shares (2013: 874,603,750).

- 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 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.

The same accounting policies and methods of computation have been applied since the last audited annual financial statements as well as all applicable International Financial Reporting Standards ("IFRS") that become effective for financial year beginning on or after 1 January 2014. The adoption of these standards did not result in substantial changes to the Group's accounting policies, and there is no material impact to the financial statements.

- 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.

Not applicable.

- 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.

	31.03.2014	31.03.2013
Loss attributable to owners of the parent (RMB'000)		
continuing operations	(5,165)	(118)
discontinued operations	(137)	(568)
	<u>(5,302)</u>	<u>(686)</u>
Weighted average number of ordinary shares in issue ('000)	<u>874,604</u>	<u>874,604</u>
Basic and diluted loss per share (RMB fen)		
continuing operations	(0.59)	(0.01)
discontinued operations	(0.02)	(0.06)
	<u>(0.61)</u>	<u>(0.07)</u>

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

Diluted earnings / (loss) per share is calculated by adjusting the weighted average number of ordinary shares assumed the deemed exercise of the share options outstanding during the reporting financial period have been issued at no consideration.

The share options of 98,500,000 (2013: 44,500,000) are not potential dilutive ordinary shares since the Company recorded loss during the financial periods ended 31 March 2014 and 31 March 2013.

- 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.

	<u>GROUP</u>		<u>COMPANY</u>	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Net asset value (RMB'000)	700,665	705,495	576,516	578,135
Number of shares ('000)	874,604	874,604	874,604	874,604
Net asset per share (RMB)	0.801	0.807	0.659	0.661

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 2014 of the Group was RMB24.55 million, an increase of RMB15.88 million compared with the revenue of RMB8.67 million in Q1 2013, representing an increase of 183.1%, mainly due to revenue generated from properties development contributed by a newly acquired subsidiary, Yichang Xinshougang Property Development Company Limited.

The cost of services provided in Q1 2014 increased by 593.8% to RMB13.94 million, an increase of RMB11.93 million versus the cost of services provided of RMB2.01 million in Q1 2013 mainly due to increased cost at Yichang Xinshougang Property Development Company Limited.

The Group recorded a gross profit of RMB10.61 million in Q1 2014, representing an increase of 59.3% as compared to RMB6.66 million in Q1 2013 was mainly due to the sales revenue of the properties at Yichang Xinshougang Property Development Company Limited.

Administrative expenses increased to RMB5.81 million in Q1 2014 compared with administrative expenses of RMB3.22 million in Q1 2013 mainly due to increase of legal and professional fee.

Other operating expenses increased to RMB5.77 million in Q1 2014 compared with other operating expenses of RMB4.75 million in Q1 2013 mainly due to increase of expenses at Yichang Xinshougang Property Development Company Limited.

Selling and marketing expenses in Q1 2014 was RMB1.48 million due to the marketing cost incurred at Yichang Xinshougang Property Development Company Limited.

Finance costs in Q1 2014 was RMB 6.89 million, an increase of RMB6.06 million as compared to Q1 2013 representing an increase of 727.5% mainly due to interest expenses on borrowings to finance the acquisition of Yichang Xinshougang Property Development Company Limited.

As a result of the above, the Group recorded after tax loss of RMB4.59 million for Q1 2014 as compared to profit RMB0.26 million for Q1 2013.

Analysis on Statement of Financial Position

Prepayments, deposits and other receivables increased from RMB136.70 million as at 31 December 2013 to RMB158.33 million as at 31 March 2014 was mainly due to the increase in prepayments of construction cost at Yichang Xinshougang Property Development Company Limited.

Trade receivables decreased from RMB50.95 million as at 31 December 2013 to RMB18.06 million as at 31 March 2014 was mainly due to the decrease of receivables from customers at Yichang Xinshougang Property Development Company Limited.

Trade payables decreased from RMB41.33 million as at 31 December 2013 to RMB23.57 million at 31 March 2014 was mainly due to the decrease of payable construction costs at Yichang Xinshougang Property Development Company Limited and CIHL (Tianjin) Water Development Company Limited.

Amount due to non-controlling shareholders decreased from RMB334.79 million as at 31 December 2013 to RMB213.29 million as at 31 March 2014 mainly due to the payment made by the Group to the previous vendor of Yichang Xinshougang Property Development Company Limited.

Borrowings increased to RMB299.81 million at 31 March 2014 from RMB183.37 million as at 31 December 2013 was mainly due to a borrowing RMB120 million at CIHL (Tianjin) City Development Limited, which was mainly used in investing activities for Q1 2014.

Cash and cash equivalents as at 31 March 2014 was RMB25.77 million as compared to RMB45.46 million as at 31 December 2013.

Cash Flows Analysis

As at 31 March 2014, cash and cash equivalents include restricted bank balances of approximately RMB3.12 million mainly for securing fund for buyers in Yichang Xinshougang Property Development Company Limited.

Net cash used in operating activities is RMB7.25 million for Q1 2014 mainly due to increase in prepayments of construction costs at Yichang Xinshougang Property Development Company Limited.

Net cash used in investing activities for Q1 2014 was RMB124.30 million mainly due to the partial payments (RMB120 million) for remaining consideration of acquisition of subsidiaries and purchases of property, plant and equipment.

Net cash generated from financing activities for Q1 2014 was RMB111.88 million mainly due to a newly borrowing RMB120 million at CIHL (Tianjin) City Development Limited.

- 9 [Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.](#)

Not applicable.

- 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 overall global macro economy to remain challenging and uncertain and the current significant slowdown in the PRC property market and the credit market tightening in China will remain in the next 6-12 months, which will affect the pace of development of many projects in China, including our real estate development projects and, to some extent, our water supply service operations.

The Group's Liuhe Gold project is at the commissioning stage and is expected to commence commercial operation in the latter half of this year.

The oil and gas exploration and exploitation is high risk and cost business. The Group's project in PNG is still at an early stage of exploration. The Group undertook further geological survey work in the past year in order to identify further prospects in the license area. The analysis of the information gathered from this field work is under way. The Group will seek the extension of the license to allow for the drilling of one or two wells for evaluation, expected to be carried out in the next couple of years.

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

To be announced.

(d) Books Closure Date

To be announced.

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

Not Applicable.

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 2014 to be false or misleading in any material aspect.

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
09 May 2014