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CIL Holdings Limited

華建控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 00479)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that the Group's unaudited consolidated loss for the six month ended 31 December 2013 will increase significantly, as compared with the unaudited consolidated loss for the six months ended 31 December 2012.

The major factors attributable to such increase in loss are (i) the decrease in gross profit margin; (ii) the increase in administration expenses and (iii) the diminution in the fair value of investment in LZYE Group Plc ("LZYE"), a public limited company incorporated and registered in England and Wales which shares are quoted on the Alternative Investment Market (the "AIM") operated by the London Stock Exchange Plc.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by CIL Holdings Limited (the "Company" and together with its subsidiaries, the "Group") pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

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Despite that the revenue of the Group generated in the ordinary course of business had slight increase during the six months ended 31 December 2013, as compared with that of the corresponding period in 2012, the overall gross profit margin was further squeezed due to keen market competition, thus producing a much lower gross profit figure which was not adequate to cover the escalating administrative expenses incurred during the period.

In June 2013, the Group entered into a sales and purchase agreement with an independent third party to acquire approximately 10.13% of the issued share capital of LZYE at the consideration of approximately HK\$17.6 million. The transaction was completed in July 2013 and the consideration was satisfied by the allotment and issue of new ordinary shares of the Company. Nevertheless, the share price of LZYE quoted on the AIM has been plummeted substantially since December 2013 and it is under going substantial restructuring in its business operation. To reflect the current financial position of LZYE, the Board decides to make substantial provision on the diminution in the fair value of investment in LZYE in the Group’s interim results for the six month ended 31 December 2013.

The Company is still in the process of finalising the unaudited consolidated results of the Group for the six months ended 31 December 2013 which is expected be released on or before 28 February 2014.

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By order of the Board
CIL HOLDINGS LIMITED
Ke Jun Xiang
Chairman

Hong Kong, 21 February 2014

As at the date of this announcement, the executive directors of the Company are Mr. Ke Jun Xiang (Chairman), Ms. Lo Yuen Chung, Mr. Fu Daoding and Mr. Rao Guimin; the non-executive directors of the Company are Mr. Chow Yeung Tuen, Richard and Mr. Li Chung Kai Philip and the independent non-executive directors of the Company are Mr. Kwok Yam Sheung, Mr. Chan Siu Kay and Mr. Choi Chin Yu.

* For identification purpose only